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Entrepreneurship: Its not a Job, it's a Way of Life

Entrepreneurs start businesses for lots of reasons. If you have a great business idea today, Stuart Jamieson, a start-up expert and CEO at three different companies says, "Before diving into entrepreneurship it pays to be brutally honest about why you want to start a business and what you expect to get out of it."

As CEO of Slipstream Design a product development firm and venture incubator, Jamieson works with scientists, inventors and people with great ideas that are looking to realize their start-up dreams. His work has shown that in some cases an entrepreneur has more interest and aptitude generating insightful product ideas versus running the business. In those cases a CEO is recruited. Being honest about preferences early on enables strategic decision making that can help an entrepreneur dramatically increase the odds of success and happiness. At a recent Northwest Entrepreneur Breakfast meeting Jamieson discussed the smart decisions required to increase the odds of realizing your entrepreneurial dreams.

Getting Real

A recession can be a great motivator for starting a business, especially if you've been laid off and job prospects are weak. But is it really a good time? Jamieson says it depends. Forecasters expect the overall economy to drop 2-8% annually. However, most start-ups grow 100% annually in the first few years. These two facts have to be reconciled when analyzing business opportunities. For example, what are your time to market and cash requirements? Although funding channels are currently tight, ideas with rapid return on investment could spur interest.

Knowing what you want to get out the business is also critical. This helps align personal goals and skills with opportunities and funding sources. For example, are you creating: A business to support a lifestyle choice? A high-growth start-up? A single product? Or is your business a moonlighting venture that you'll work on after your real job?

If you're moonlighting on your own you'll likely be self-funded and grow much slower. This low risk approach enables testing of the waters while creating the potential to evolve.

Executive Insights



Cheryl Isen

They have the potential to offer intrinsic benefits like control, flexibility and monetary rewards if you're cut out to wear many hats and excel at multitasking.

If your business idea is a larger concept or product, you'll likely need investors. Working with investors requires a deep understanding of what your business means to external stakeholders. For example, if your business is a single, innovative product, Angel resources might be a great investment source, but not VC's who seek high growth start-up opportunities. Jamieson cautions against trying to mold your business idea to fit available cash sources and explains, "Angel and VC investors will see right through an inconsistent value proposition so know what you want to be so that you

can engage the right stakeholders." Brutal honesty early on will filter decision making, helping to exponentially increase happiness later.

Be aware to that if outside money is taken it will define your business direction. For example, you'll need to be committed to growing at a rate that works with your investor's exit plan. The typical VC exit plan is seven years. Being honest with yourself about the type of business you want to run, and what you can achieve within your stakeholders financial model helps create positive investor alignment.

Entrepreneurs should also remember that they are always giving something to get something. Balancing how much and what control to give up is a continual process. Expect to lose some level of control every time you need more resources such as key management, more cash, and channel access. Managing resources efficiently and consistently is not only smart; it provides more control over your destiny.

Selling is Everything

Start-ups compete for everything: resources, people, free advice, money, channel access, office space... As a start-up CEO it's important to find your selling style early, and to leverage every unfair competitive advantage you have.

One of the first sales will be to recruit staff. Veterans will leverage their 'start-up club'. These teams of repeat performers are an investors dream because they're proven, efficient and low risk. If you don't have a start-up club, leverage your professional network for trusted referrals. Stay on the look out for ways to get more than you pay for. Only hire staff when a job is required full time.

Use consultants for other work. Find people that have time, desire and are results-driven. Leverage the romance of a start-up to get people excited and involved. Set up an advisory board for free advice.

Selling should be a constant focus during product development. Get comfortable selling a product long before its ready. Early recruits only require the product concept on the back of an envelop. Likewise, most seed investors are smart and can extrapolate a smoke and mirrors pitch as long as the concepts presented create clarity. When it comes to the sales channel, beta customers need an “as good

as real” prototype, but don’t stall waiting for perfection. Finally, when selling the full production (version 1) sell it with the utmost integrity and lots of support. When problems happen the added support will help.

Once the start-up rollercoaster begins its hard to stop the momentum. That’s why knowing the type of company you want to build at the onset will be one of most important aspects to creating the company of your dreams. Pick the lifestyle you want, and then execute to achieve it.

These “Executive Insights” are based on monthly presentations provided by leading entrepreneurs at the Northwest Entrepreneur Network (NWEN.org), a non-profit organization dedicated to helping entrepreneurs succeed. The column is written by Cheryl Isen, founder of Isen & Company, a strategic marketing and public relations firm that helps emerging companies increase corporate visibility and brand awareness. Contact Cheryl at (425) 222-0779, Cheryl@IsenandCo.com or on the web at www.IsenandCo.com.