

Suggestions for being a successful entrepreneur

(Secrets from a Silicon Valley venture capitalist)

Making Time Work for You

As an entrepreneur, what assets do you have? TIME – the most valuable asset of all

Being an entrepreneur, especially if you plan on being successful, is an all-consuming passion, one that takes as much energy and dedication as you can invest. Such an ambition literally commandeers your life. You will want to monitor and understand your feelings and use your intellectual capability to create a balanced life for yourselves. The biggest challenge, the real battlefield where success or failure is often determined, lies in the 6 inches between your ears. This is an intimately personal matter of prioritization (value judgments) and time management.

Time as a major asset – set aside blocks of time

Entrepreneurs typically have more of this asset than anything else, apart from any specialized knowledge, whether technical or some other kind. Most entrepreneurs start from modest beginnings, so creativity, flexibility, and most of all, persistence, are key traits that distinguish the successful. Time is always a limited resource – there are only 24 hours in a day. How many hours do you want to dedicate to being an entrepreneur? Fourteen, sixteen, maybe eighteen hours per day, seven days a week? Pick a number, make a commitment.

Choose, with plenty of forethought, a time commitment that you can honor.

Whatever your time commitment, track your progress to see if that is working for you, to note if the dynamic tension it creates for you is positive for your health or not. Most of us need and want some kind of stress. Positive terms for stress are: excitement, challenge, stimulation, anticipation, or eagerness. Negative terms for stress are: fatigue,

depression, anxiety, boredom, frustration, or impatience. When you monitor your feelings, it is very important simply to note how you feel, without passing judgment on yourself. Without moving into a self-critical or analytical mode, simply note some dissatisfaction and ask yourself how well focussed you are on the positive creative process, on the goals you are striving to achieve. Don't get into "problem-solving", to try to figure out why you are not happy with yourself. You don't need to forgive yourself, unless you have done something really bad to yourself already. Be thankful for the experience and appreciate your own efforts as well as those of others.

Be flexible

This is the number one rule of entrepreneurship. When things are not going well, make a change. Change what you do, anything small or large. Don't be afraid to change your time commitment, if you've given your schedule a good try. You need to find a way that works for you and for the project you've undertaken. Pushing yourself beyond acceptable limits will create tension within yourself and with others, often resulting in poorer results and uneven execution. When you change your time commitment, you need to communicate your values to the rest of the team. They may need to adjust their commitments to either compensate for your changes, or to scale expectations and goals accordingly. Balance is important to establish and maintain, so that everyone can be aligned.

What do you need? PEOPLE, ENERGY, MONEY – as much as you can get

The next most important resource is always the quality of the people, the team around you. They are the ones whose energy you depend on for their creativity and to execute the plans the team develops. No single member of the team is more important than any other. The roles are different. People are different. Different people in the same role will perform their work differently. The appropriate way to monitor progress and guide people is to focus on the specific goals and on the results of specific activities. People naturally tend to do what they are interested in, what they like doing, what they feel

comfortable doing, usually what they do best. Each member of the team has to understand his or her own priorities and communicate these clearly to the others, to facilitate effective teamwork.

If the corporate vision can be articulated clearly and strongly with a common voice, then individual team members can align themselves and pour their energy into the project. When the team's energy is aligned, and the corporate goals are well-defined, then a business plan, a true schedule of activities can easily be generated. This first step is actually the most challenging, the most important, and the one that often gets the least attention. Why? Because people get impatient to actually do something. The time and effort it takes to reflect on values (your own, the company's, the customer's) is significant and the exercise requires real effort on the part of the team. Honest, comprehensive communication is also necessary.

The lack of money is not as big a problem as commonly perceived.

Entrepreneurs constantly feel they need money. The truth is they do. Another truth is that, whatever they do, nothing they do directly contributes to bringing in money, other than selling goods or services to customers. The reason is that, in regard to an investment in the company, they have no direct control over the decision or the decision-maker. There is a difference between a tangible and an intangible asset, between a "thing" and a "vision".

Certainly, they will, can, and must present themselves and their business plans as effectively as possible. Solid plans and excellent presentations are certainly necessary but not sufficient conditions to trigger investment. What they offer must match the expectations of a specific potential investor. A presentation of a start-up company to a "late-stage investor" is a waste of everyone's time because of a mis-match in values and expectations. The most promising plans have an air of inevitability. Aligned, passionate teams, that have communicated an "inevitable" opportunity will capture the hearts of potential investors, precisely because the path to success seems so clear.

This sense of inevitability is what distinguishes art from mechanics. An inspired business plan is a work of art, that combines innovation, cleverness, practical knowledge and passionate people who will execute against their vision. It is that synergistic outpouring of energy that is so compelling to others, even hard-hearted venture capitalists.

Long-range planning (strategy) versus short-term planning (tactics)

Find a balance

The key to managing time is always a matter of finding a balance of priorities that works for you and for the team. You will constantly need to make decisions about what weighting to assign to the many factors that comprise entrepreneurship. Personally, I like to work downward from the vision. Once the company's mission statement is clearly articulated, the next step is to define the major milestones which need to be achieved and likely time frames for these objectives. Each functional area, i.e., technology, marketing and sales, finance, manufacturing/operations, administration/legal, will have milestones that contribute to larger, corporate goals. Finally, individual team members need to identify for themselves the activities necessary to achieve those milestones. Some activities contribute more to strategic issues than to tactical concerns; for others, the opposite is true. For example, designing a logo for the company can be fun and beneficial in creating a brand name. However, until the product or service is well-defined, and the marketing strategies are clarified, it may be premature to spend a lot of time on image-building.

Organize your time by priority of importance (not just urgency)

There are two principal ways to organize your time. One is from consideration of the tasks, and the other is from the point of view of the people doing the tasks. In practice, what happens is a blend of these two approaches. In the best companies, the blend is often flexible, but always deliberate. People need to know what they are doing and why

they are doing those things at that particular time. Priority by importance is usually clear, once the mission statement and values of the company are clear. Once a list of tasks leading to achievement of a milestone is generated, it is fairly straightforward to assign priorities to the items on the list. The key question is always: “What value is created by this step?”

Value chain

A very important concept in many phases of business planning or analysis involves the idea of a “value chain”. Simply, this means that, for any goal, activities can be listed as a succession of elements or contributions of value. These value elements are not always the same as the definitions of the milestones. Sometimes, they refer to “features and benefits”, especially in lists of technical accomplishments. In Marketing, they might refer to the steps required to open new markets or new distribution channels. Customers buy products and services for the “features and benefits”. They want to obtain the value that is presented as an opportunity for an improved existence. Some elements within a value chain need to be developed sequentially. It is very important to recognize such patterns, so that resources can be applied appropriately.

Organize your activities by resource availability (delegation)

Since you are forming an aligned team, invite your colleagues to help in the organization of the work to be done. Create structures, processes and ways of communicating that promote sharing of the load. No one is expected to generate a complete business plan on his or her own. Common sense tells you that you can’t do everything yourself and you wouldn’t want to. In addition to thoroughness, effective planning is about appropriate delegation – getting people to align themselves with the company’s goals, and communicating, communicating, communicating. Everyone is going to have different scheduling requirements that need to be respected. People need to be clear with each other as to what they can do and when. The solution that works is the one that honors everyone, stretches everyone, and stays focused on the desired outcome.

Summary

Focus on creating the solution, not “problem-solving”. The desired solution is creation of value and wealth, to be shared “fairly”, not only by the principals, but by the public at large, including customers, partners and investors. All your energy and attention must be directed toward this win-win-win goal, which is definitely achievable. True entrepreneurs are driven by this creative urge. They don’t have the time and the luxury of entertaining and cultivating negative orientations and beliefs. Anyone who feels a strong “fear of failure” is burdening himself with a tremendous handicap, one that drains his energy and creativity. You will need as much positive energy as you can maintain, for yourself, your own health, as well as that of the company.