

Building Team, Product & IP

Practical Entrepreneurship Training – Part 3

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Building the team, product and Intellectual Property (IP)



Composition of founders

Group



Larry Page, Sergey Brin - Google

Individual



Ciara Crossan, Weddingdates

Dynamics of founding group

- Usually
 - Friends, Class mates
 - Work colleagues
 - Business acquaintances
- Important to get along 😊
- Key to define roles and leader early on
- Several shoulders can help spread the pressure of a start-up environment

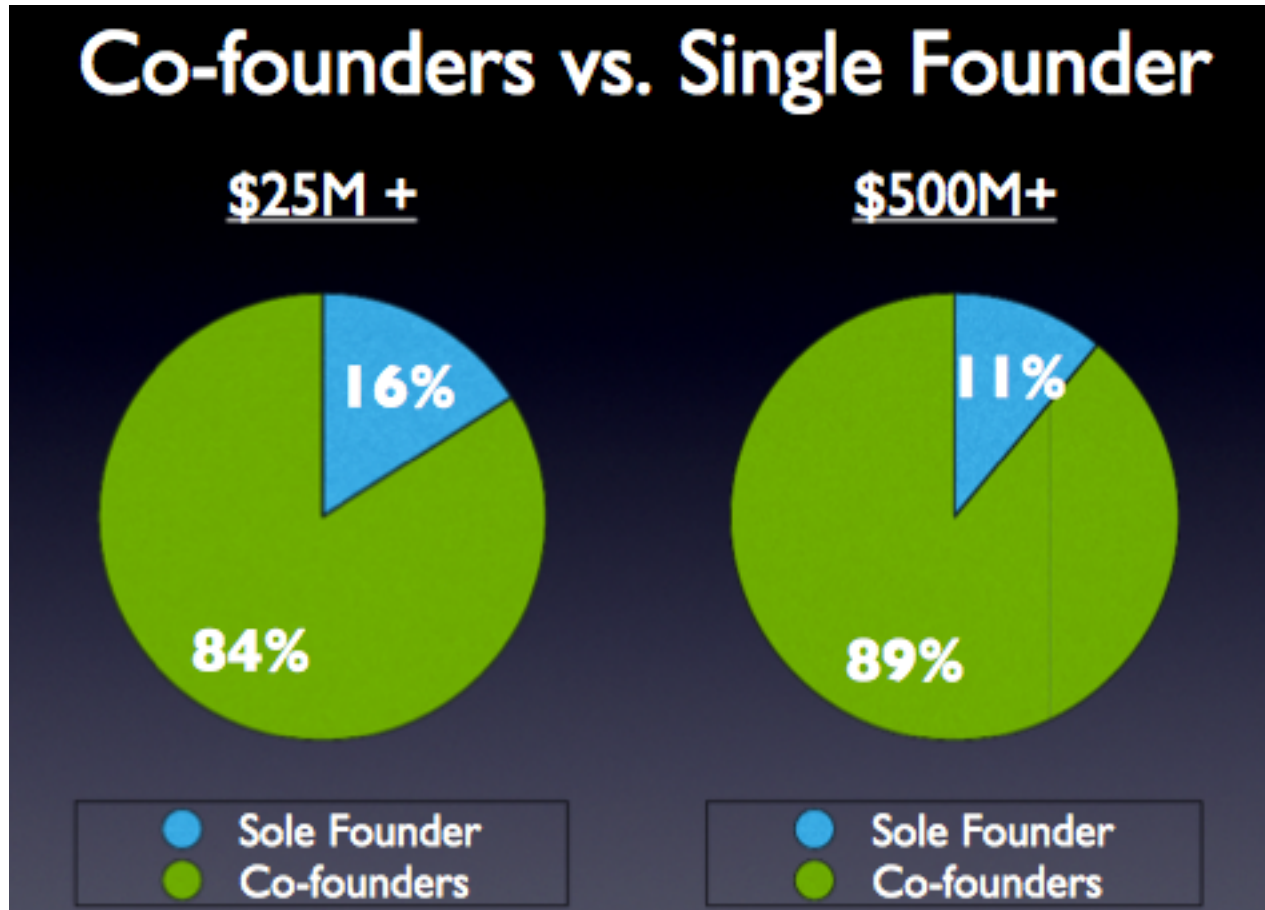


Dynamics of single founder

- Can be lonely but works for some people
- Stress levels can be greater than founding team
- Important to build a team around you early on
 - Particularly important in start-ups building out a team for the founder to find trusted lieutenant



Which works better in practice ?



Source : Ron Conway, US Angel Investor, May 2011

My own belief is that in most cases, co-founders have a greater chance of success

Be prepared for a tough journey

- 99% of entrepreneurs have a tough journey to eventual success or failure
- Important not to get “too up or too down”
- Celebrate successes
- Expect set-backs



Building out a team

- Need to cover as best you can different roles (commercial, technical, finance ...)
- Require clear definition of who is responsible for what
- **Hire and attract people smarter than you**
- Use equity to attract strong people



Key characteristics of successful start-up team

- Absolute trust & teamwork
- Integrity
- Work-ethic
- Passion to deliver for your customer
- Adaptable & flexible
- Gets the job done – whatever it takes



Absolute trust & teamwork

- Would you trust your team member to pack your parachute ?
- The start-up companies that do make it do so on the back of incredible trust in each other and going the extra mile to help each other
- Dis-harmony in a start-up team needs to be dealt with quickly or it corrodes



Integrity

- Integrity in a founding team is critical to attracting

- New team members
- Customers
- Partners
- Investors



- This defines the value-system in a company
- Doing the right thing is critical to building your reputation in business

Work ethic

- Starting a business takes an incredible effort **and to make your business successful takes even more effort !**
- There is no such thing as 9 am – 5:30 pm in a business start-up
- Any valuable reward in life demands a lot of effort – building a valuable business is a wonderful example of this
- Every team member needs to embrace this to the best of their capabilities



Passion to deliver for your customer

- The first customers usually make or break a young business
- By going the extra mile for your customer, you are laying the foundation for your next sales on the back of a happy customer reference
- Delivering for your first customers usually takes a lot longer and is a lot harder than what you plan for
- Don't forget ...
 - You took their money
 - Teams in a customer have taken a chance on going with a start-up !



Adaptable and flexible

- The start-up journey is full of twists and turns, good and bad
- You need a clear head to understand the significance of developments
 - Particularly setbacks
 - This is precisely where a team's strength shines through to take it on the chin and respond effectively to the crisis
- **My experience has been that how a team handles setbacks ultimately defines whether they will be a success or not**



Getting it done – whatever it takes



At critical moments, successful teams simply do whatever it takes to win

Key role of the leader

- Sets the tone for the business
- Huge influence on attracting investment, support and people to the business
- Works harder than anyone else
- Has to make the hard decisions
- **Huge influence on success of company**
- **The buck stops with you 😊**



True leadership inspires !!



LEADERSHIP

The leader always sets the trail for others to follow.

Key role of a team mentor

- A mentor who has a lot of experience in business and in start-ups brings huge value to a start-up team
- Provide a sounding board to test strategy and get advice on major decisions
- Help the team avoid some of the mistakes all entrepreneurs make !
- A strong mentor can bring the tough love needed to a team to help them be successful
 - Kick them up the ass if needed
 - But always constructively helping by telling it as it is and getting stuck in to help



Building your product/service

Quality &
Delighting
customer

Driving
customer
feedback back
into product

Intellectual
Property
(IP)

Developing &
Implementing a
plan

Getting partners
to help build
your product

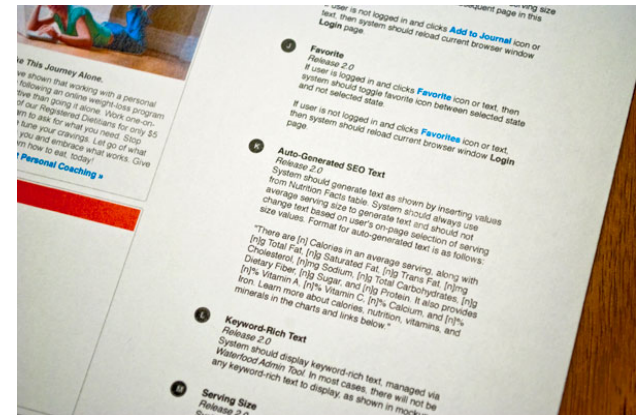
Defining the
product/service

Involving the
customer

Shaping
product to
customer
priorities

Defining the product/service

- Write down the specification !
 - If it isn't written down, how do you know what you will end up with ?
- Specification will change but you need a reference point of a properly managed specification to drive everything around this



Involving the customer

- Modern approach to building products is to
 - Identify key trial customers at the outset and involve them from day 1
 - Build early versions and test them as best as possible with the trial customers
 - Challenge to get right balance between stability of early product versions and waiting too long to get customer validation
- Early adopter customers like getting involved in helping start-ups provided
 - The product addresses a compelling need for them
 - They get a great deal on the commercial product !



Shaping the product to key priorities for customer

- Every start-up is faced with the challenge of wanting to put far more into the product than you have resources for
- Many start-ups do not focus enough at the outset in understanding the customer priorities and aligning the product features and development schedule to those priorities
- Start-ups often over-engineer a product with “bells and whistles” instead of ensuring the product does a few of the important things very well !
- Matching your early product versions to the sweet-spot of the customer’s problems is the best way to support early sales momentum
 - Help the early customers first time => drives follow-on reference sales

Developing and implementing a plan

- Developing and implementing a proper plan to build/ provide a product/service is critical to the success of a start-up
 - Many start-ups do not have project management experience and varying levels of chaos ensues resulting in
 - Failure to meet the planned schedules
 - Poor utilisation of resources
 - Business runs out of money before product is ready
- Key approaches to avoiding this
 - Allow for sensible levels of contingency
 - Monitor progress of plan on a weekly basis



Getting partners to help build your product

- In today's start-up environment, many companies look to external partners to
 - Help design and prototype their product
 - Manufacture their product
 - Develop components of the product
 - E.g. hiring software teams in India and low-cost countries
- These partnerships are critical and need a lot of management
 - Identify a range of partners and carry out a disciplined assessment of their capabilities and track record
 - Talk to other start-ups who have dealt with them
 - Seek advice from mentors, Enterprise Ireland etc.

Quality & Delighting the customer

- Poor quality product is the kiss of death for a start-up
- **It is far better to have just two things working well and stable than 8 features half-working**
- Put in the effort it takes to test the product properly
- Respond to customer problems quickly !
- Do whatever it takes to get it working



Driving customer feedback back into product

- There is nothing like having your product used in a real customer environment for the first time !
- Most customers are similar so it's important to capture the key feedback early on and feed this back into the product team



Intellectual property

- When you have developed a new invention, it is important to assess should you protect the invention with a patent
- As patenting is expensive it is important to assess the value in progressing a patent process
 - Patents are very common in medical and various technology areas
 - Very difficult to patent in software and e-commerce areas



Thank



You