Building Team, Product & IP

Practical Entrepreneurship Training – Part 3

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Building the team, product and Intellectual Property (IP)

Building team, products, Services, IP

Financing your business

Spotting the opportunity

Sales & marketing
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?

![Chart comparing co-founders vs. single founder success rates](chart)

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
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 !!
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
- Defining the product/service
- Involving the customer
- Developing & Implementing a plan
- Shaping product to customer priorities
- Driving customer feedback back into product
- Getting partners to help build your product
- Intellectual Property (IP)
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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