

On the web there are so many resources, there is so much advice and wisdom that it's almost impossible to know where to start. Defining the right questions and contexts will help you find and effectively use the best resources. Here, we've broken out the phases of starting up:

You and the Idea	Creation and Launch	Growth and Endpoints
Focusing and Refining Your Idea Ideas and Goals Market Validation Protection Risk	Business Planning and Launching People: The Founding Team People: Building Boards People: Employees Competition Financing The Law Nonprofits & Social Entrepreneurship	Managing Your Company Negotiating Sales and Selling Pitching: Communication Making Decisions: Leaders Decide Getting Serious Toolkits When Things Aren't Working: Correcting When Things Are Working: Growing Liquidity Events

We've suggested some questions to help focus on what resources might be useful, and some things to look for in working with resources in each of these areas. Spend some time writing down questions for yourself that you think are important to answer, and then scan for resources that can help you.

## 1: YOU AND THE IDEA

- **Focusing and Refining Your Idea**

Define your goals, pinpoint your market, protect your idea, manage the risks in your undertaking.

This is about you: Who is the entrepreneur? What does it mean to be entrepreneurial? Do you think you are? Do you want to be?

- Do you have an idea? Do you think you might want to pursue it and learn what's involved in that? What does it take? What's in it for you?
- Do you think you are entrepreneurial? If not, or if you are not sure, do you want to be? Why? What might you do to make that happen?
- When you look around, do you see opportunities? Why do you think they are opportunities? Do you see a path to capture the value in them? How realistic are the paths? How will you judge "realistic?"
- Even if you don't want to start a company or work in a small company, do you want to become more entrepreneurial where you are? You can do that. Where would you start?
- Are you thinking about doing something entrepreneurial in a structured setting, such as an established company or a government organization? Do you think it's possible to succeed? How are you defining success?

## Websites :

What does it mean to be entrepreneurial?

<http://hooversworld.com/archives/3171>

Being entrepreneurial means seeing opportunities

<http://sbinfocanada.about.com/b/2009/05/26/being-entrepreneurial-means-seeing-opportunities.htm>

What is an entrepreneur and what are his/her traits?

[http://wiki.answers.com/Q/What\\_is\\_an\\_entrepreneur\\_and\\_what\\_are\\_his\\_traits](http://wiki.answers.com/Q/What_is_an_entrepreneur_and_what_are_his_traits)

How important is passion?

[http://www.wickedstart.com/common\\_questions#](http://www.wickedstart.com/common_questions#).

## Print Resources :

Allen, Kathleen. *Entrepreneurship for Scientists and Engineers*. (Upper Saddle River, NJ: Prentice-Hall, 2010).

Baron, Robert A. *Cognitive Mechanisms in Entrepreneurship: Why and When Entrepreneurs Think Differently Than Other People*. *Journal of Business Venturing* 13, no. 4 (July 1998): 275–294.

Barringer, Bruce R., and R. Duane Ireland. *Entrepreneurship: Successfully Launching New Ventures*. (Upper Saddle River, NJ: Pearson Prentice-Hall, 2008).

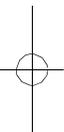
Bessant, John and Joe Tidd. *Innovation and Entrepreneurship*. (Chichester, West Sussex, UK: John Wiley & Sons, 2011).

Busenitz, Lowell W., and Jay B. Barney. *Differences Between Entrepreneurs and Managers in Large Organizations: Biases and Heuristics in Strategic Decision-Making*. *Journal of Business Venturing* 12, Issue 1 (January 1997): 9–30.

Drucker, Peter. *Innovation and Entrepreneurship*. (New York: Collins Business, 1993).

Hisrich, Robert D., Michael P. Peters, and Dean A. Shepherd. *Entrepreneurship*. (Boston: McGraw-Hill Irwin, 2008): 1–83.

Kawasaki, Guy. *The Art of the Start*. (New York: Portfolio, 2004).



Kawasaki, Guy. *Reality Check*. (New York: Portfolio, 2008).

Klein, Maury. *The Change Makers*. (New York: Times Books, 2003.).

Krass, Peter, ed. *The Book of Entrepreneurs Wisdom—Classic Writings by Legendary Entrepreneurs*. (New York: John Wiley & Sons, 1999).

Landes, David S., et al., eds. *The Invention of Enterprise*. (Princeton, NJ: Princeton, University Press, 2010).

Livingston, Jessica. *Founders at Work—Stories of Startups Early Days*. (New York: Apress, 2008).

Sarasvathy, Saras D., *What Makes Entrepreneurs Entrepreneurial? Darden Case Collection ENT-0065* (2004): 4–5.

Shane, Scott A. *Finding Fertile Ground: Identifying Extraordinary Opportunities for New Ventures*. (Upper Saddle River, NJ: Pearson Education, publishing as Wharton School Publishing, 2005).

Shane, Scott A. *The Illusions of Entrepreneurship*. (New Haven: Yale University Press, 2008)

Shane, Scott. *Born Entrepreneurs: How Your Genes Affect Your Work Life*. (New York: Oxford University Press, 2010).

Stevenson, Howard. *Perspective on Entrepreneurship*, Harvard Business School, Case 9-384-131, Rev. April 13, 2006.

Stevenson, Howard and David E. Gumpert, "The Heart of Entrepreneurship," *Harvard Business Review* 63, no. 2 (March–April 1985): 85–94.

Zenios, Stefanos, Josh Makower, and Paul Yock. *Biodesign: The Process of Innovating Medical Technologies*. (Cambridge, UK: Cambridge University Press, 2010).

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- **Ideas and Goals: What's the Idea**  
Having an idea is just the beginning. Ideas are not worth much; if no one does anything

with them, they're worth nothing at all. The value is in how ideas are executed. Think about why an idea should have value (what are the opportunities?) and what might make it fail (what are the risks?). Most of all, think about why you want to do this.

- All ideas aren't equal, but none of them are worth much without execution. How do you think about ideas to decide if they're worth investing the effort in developing them?
- If you have an idea, can you write down your idea in a few sentences?
- Can you now write down some reasons why someone should think your idea is valuable?
- How valuable do you think that needs to be for you to want to pursue it?
- What should you do next with what you have written down?

#### Websites:

Entrepreneur Business Idea Center

<http://www.entrepreneur.com/businessideas/index.html>

Starting a Business

<http://www.sba.gov/category/navigation-structure/starting-managing-business/starting-business>

Scanning the globe for smart new business ideas

<http://www.springwise.com/>

#### Print Resources:

Barringer, Bruce R., and R. Duane Ireland. *Entrepreneurship: Successfully Launching New Ventures*. (Upper Saddle River, NJ: Pearson Prentice-Hall, 2008): 36–67.

Bygrave, William D. (ed.) and Andrew Zacharias (ed.). *The Portable MBA in Entrepreneurship*. (Hoboken, NJ: John Wiley and Sons, 2010): 53–82.

Hisrich, Robert D., Michael P. Peters and Dean A. Shepherd. *Entrepreneurship*. (Boston: McGraw-Hill Irwin, 2008): 135–167.

Mariotti, Steve and Caroline Glacki. *Entrepreneurship and Small Business Management* (Boston: Prentice Hall, 2012).

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- **Market Validation: Think About the Market**  
There is no point in building a company or even a product if customers won't buy it. Market validation is critical and should always be done early and often.

- Can you take your idea and describe it only in terms of a need, a customer, and why the customer should pay to fill that need... and never talk about your product or service?
- Can you write down another paragraph or two telling all the important things you know about your customer?
- How can you spend as little money as possible to assemble a persuasive body of solid evidence that the customers will really buy your product or service at a good enough price, in enough volume to make your idea worth executing?
- How will you know when you have enough information to proceed with confidence?

### Websites:

Thinking about the market

<http://www.library.hbs.edu/guides/demographicsconsumerbehavior.html>

Market validation overview

<http://www.infrasystems.com/market-validation.html>

Starting a market validation

[http://www.venturechoice.com/articles/market\\_validation.htm](http://www.venturechoice.com/articles/market_validation.htm)

Free database of technology companies, people, and investors

<http://www.crunchbase.com/>

Why ready aim, fire beats ready, fire, fire fire (Inc. Magazine)

<http://www.inc.com/rob-adams/market-validation-new-book.html>

Research Commercialization: A structured program for faculty members creating startups around their science & technology

<http://center.ncet2.org/>

### Print Resources:

Barringer, Bruce R., and R. Duane Ireland. *Entrepreneurship: Successfully Launching New Ventures*. (Upper Saddle River, NJ: Pearson Prentice-Hall, 2008): 68–97.

Moore, Geoffrey. *Crossing the Chasm: Marketing and Selling High-Tech Products to Mainstream Customers* (New York: Harper-Collins, 2002).

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- **Protecting Ideas: Intellectual Property and Licensing**  
Ideas can have value, but only if you protect them. Patents, copyrights, and trademarks

are good barriers to competition and give you the opportunity to secure good margins, but only to the extent you are willing to pursue and enforce them.

- Do you think you have any of the forms of intellectual property in your business? Which ones? (Remember to be creative –it's not just about patents.)
- Do you think you need to take steps to protect your ideas? Why? What might that protection be worth? Who might want you to have IP?
- Have you kept an inventors' notebook of inventions and good documentation of the circumstances of invention?
- If you think your idea is patentable, test it against the patentability criteria. And do a thorough search of prior art that would preclude meeting the novelty test.
- Can you write down a sketch of a plan to protect your property?
- Can you estimate the cost in money, time and opportunity cost of that plan?
- Are you comfortable that the investments in IP are worth the cost?
- What strategic values might you create with IP other than just excluding others from using it without paying you?
- Are you prepared to allocate the additional costs to protect your rights once you have them?

#### **Websites:**

Why trademarks matter

<http://www.itsyourbiz.com/its-your-biz-blog/3-Reasons-Why-Trademarks-Matter-125024449.html>

General Patent Information, United States Patent and Trademark Office

[http://www.uspto.gov/patents/resources/general\\_info\\_concerning\\_patents.jsp](http://www.uspto.gov/patents/resources/general_info_concerning_patents.jsp)

Types of Patent Applications, United States Patent and Trademark Office

<http://www.uspto.gov/patents/resources/types/index.jsp>

Investor Basics

<http://www.inventorbasics.com/index.htm>

What is intellectual property?

<http://www.wipo.int/about-ip/en/>

Patent search

<http://patents.com/>

Free patent search online

<http://www.gigalaw.com/articles/2000/pto-2000-06.html>

Online patent and trademark source

<http://www.micropat.com/static/index.htm>

Patent fetcher

<http://free.patentfetcher.com/Patent-Fetcher-Form.php>

Top ten legal mistakes by entrepreneurs

<http://hbswk.hbs.edu/item/3348.html>

Startup law 101

[http://www.grellas.com/faq\\_business\\_startup.html](http://www.grellas.com/faq_business_startup.html)

Founder's Workbench

<http://www.goodwinfoundersworkbench.com/>

Basic IP information

<http://law.unh.edu/thomasfield/assets/pdf/pract-leg-fund-ip.pdf>

Startup Company Lawyer

<http://www.startupcompanylawyer.com/>

Ten most common IP mistakes

<http://www.iploft.com/Top10.pdf>

## Print Resources:

Bagley, Constance and Craig Dauchy. *The Entrepreneur's Guide to Business Law*. (Mason, OH: West, 2008): 492–560.

Barringer, Bruce R., and R. Duane Ireland. *Entrepreneurship: Successfully Launching New Ventures*. (Upper Saddle River, NJ: Pearson Prentice-Hall, 2008): 346–379.

Bouchoux, Deborah E. *Protecting Your Company's Intellectual Property: A Practical Guide to Trademarks, Copyrights, Patents and Trade Secrets*. (New York: AMACOM, 2001).

Bygrave, William D. (ed.), and Andrew Zacharias (ed.). *The Portable MBA in Entrepreneurship*. (Hoboken, NJ: John Wiley and Sons, 2010): 297–328

Cantrell Robert L. *Outpacing the Competition: Patent-Based Business Strategy*. (Hoboken, NJ: John Wiley and Sons, 2009).

Dorf, Richard C., and Thomas H. Byers. *Technology Ventures: From idea to Enterprise*. (Boston: McGraw-Hill Higher Education, 2005): 218-230.

Hisrich, Robert D., Michael P. Peters, and Dean A. Shepherd. *Entrepreneurship*. (Boston: McGraw-Hill Irwin, 2008): 168-195.

Miller, Roger Leroy and Gaylord A. Jentz. *Business Law Today: The Essentials* (Mason, OH: SouthWestern-CENGAGE Learning, 2011): 126-151.

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- **Nothing is Certain: Risk**  
The experience of building a business from nothing is always a race between fear and greed. Risk is part of life. Good entrepreneurs don't blindly take risks that immobilize saner people: they quantify risks, manage them, and take them prudently. How will you think about risk?
  - What does risk mean to you?
  - How well do you handle uncertainty? Can you make decisions under uncertainty? How do you do that? Do you do it timely? How do you define timely?
  - Do you feel you have to know how things will work out before you make decisions?
  - How can you balance your passion and commitment for your idea with the detachment it takes to validate it objectively and make a hard decision to abandon it if you need to?
  - Can you imagine what information might make you want to stop, to kill your idea and move on? Can you write that down in unambiguous terms that you won't be tempted to fudge later?
  - What can you do to find out if the things you think would kill your idea are really true?

#### Websites:

Entrepreneurial risk and strategic decision making, a matter of perspective  
<http://jab.sagepub.com/content/35/3/325.abstract>

Are you comfortable with risk?

<http://oregonbusinessbrokers.org/2009/07/21/are-you-comfortable-with-general-entrepreneurial-risk/>

Risk, reward, and entrepreneurship

<http://entrepreneurs.about.com/od/becominganentrepreneur/a/swinging4fences.htm>

How to manage the unknown

<http://entrepreneurs.about.com/od/becominganentrepreneur/a/swinging4fences.htm>

## Print Resources:

Apgar, David. *Risk Intelligence*. (Boston: Harvard Business School Press, 2006).

Dorf, Richard C., and Thomas H. Byers. *Technology Ventures: From Idea to Enterprise*. (Boston: McGraw-Hill Higher Education, 2005): 123–150.

Knight, Frank H. *Risk, Uncertainty, and Profit*. (Boston: Houghton Mifflin Company, 1921).

Sarasvathy, Saras D. "What Makes Entrepreneurs Entrepreneurial?" *Darden Case Collection ENT-0065* (2004).

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## 2. CREATION AND LAUNCH

- **Business Planning and Launching**

Create a business plan, build your team, learn about the competition, raise finances, get the important legal issues right the first time.

Planning and Strategy: Building a business plan

There are lots of uses for a business plan—for investors, for recruiting a team, for customers and vendors—but the most important user should be you. Plans often fail to survive first contact with the enemy, but planning is essential.

- Do you think you need a business plan for your idea? (Hint: the answer isn't automatically "yes.") Why? If yes, does it need to be now?
- Who are the main audiences for whom you are writing the plan?
- Do you think you are ready to write one? Look at the list of headings and questions that go into a plan. How far along are you in answering these? You don't have to wait to have all the answers – no one ever does, no matter how evolved the plan. But there's no point in writing a plan that is a collection of guesses and ignorance.
- Can you make an inventory of what you know and what you don't? And for what

you don't, can you make a list of which ones you can fill in with additional work?  
Can you define what that work is?

- Do you know who will do the work of drafting a plan? How will you ensure the highest quality of the thinking and the presentation?
- How will you ensure everyone on the team proactively participates and buys in?

### Websites:

Business plan writing  
<http://www.bplans.com/>

Writing a business plan  
<http://www.sequoiacap.com/ideas>

How to write a great business plan  
<http://www.inc.com/guides/write-a-great-business-plan.html>

Center for business planning  
<http://www.businessplans.org/>

Starting a business, US Small Business Administration  
<http://www.sba.gov/category/navigation-structure/starting-managing-business/starting-business>

Common questions about starting a business  
[http://www.wickedstart.com/common\\_questions](http://www.wickedstart.com/common_questions)

85 Broads  
<http://www.women2.org/>

Startups  
<http://www.microsoft.com/business/en-us/resources/technology/small-business-technology.aspx?fbid=ws3T7HSPFeV#Howtowriteabusinessplan2>

### Print Resources:

Abrams, Rhonda M. *The Successful Business Plan: Secrets and Strategies*. (Palo Alto, CA: The Planningshop, 2003).

Barringer, Bruce. *Preparing Effective Business Plans: An Entrepreneurial Approach*. (Upper Saddle River: Pearson Prentice-Hall, 2009).

Berry, Tim. *Hurdle: The Book on Business Planning*. (Eugene, OR: Palo Alto Software, 2004).

Bhide, Amar, "The Questions Every Entrepreneur Should Ask," *Harvard Business Review* 74, no. 6 (November–December 1996): 120–130.

Hisrich, Robert D., Michael P. Peters and Dean A. Shepherd. *Entrepreneurship*. (Boston: McGraw-Hill Irwin, 2008): 196–310.

Mariotti, Steve and Caroline Glacki. *Entrepreneurship and Small Business Management* (Boston: Prentice Hall, 2012).

Ronick, David. *Hit the Deck: An Upstart Bootcamp Guide*. (New York: Upstart Bootcamp, LLC, 2010).

Zacharakis, Andrew, Stephen Spinelli, and Jeffrey A. Timmons. *Business Plans That Work: A Guide for Small Businesses*. (New York: McGraw-Hill, 2011).

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- **People: The Founding Team**

What's the single biggest driver of success in businesses? What do investors look at first and most? The people. You and the team will be the most important factor in success or failure. Do you know how to think about finding and building a founding team that will succeed?

- If you are not already a team, have you made the decision to go it alone, or build a team? If so, can you write down your own strengths, and what you think you need in a team? And can you write down a plan to find and choose the right members?
- If you are a team, can you each write an open letter to your other members describing your goals for the enterprise, your reasons for being part of it, and what you think success is for you?
- Have you talked candidly with each other about how you will work together, make decisions, resolve conflicts, bring in new members?
- Can you write down in a paragraph or two what you think your team culture is, and what you think it should be (if the two aren't the same)?
- Have you dated before you start incorporating and splitting up ownership?
- Have you gone through the "splitting the pie" exercise and are you all comfortable you have reached a fair outcome? Are you set up with vesting to protect against unfair ownership levels due to changes in condition?

## Websites:

Building the founding team

<http://founderresearch.blogspot.com/2009/07/founders-dilemmas-course-building.html>

Where to find top talent?

[http://www.businessweek.com/smallbiz/content/dec2008/sb20081211\\_402088.htm](http://www.businessweek.com/smallbiz/content/dec2008/sb20081211_402088.htm)

Founder labs

<http://founderlabs.org/start.html>

Team dynamics

<http://femgineer.com/2010/04/team-dynamics/>

Finding co-founders

<http://blog.meebo.com/?cat=12>

Finding a co-founder

<http://findthetechguy.com/where-to-find-a-co-founder/>

## Print Resources:

Barringer, Bruce R., and R. Duane Ireland. *Entrepreneurship: Successfully Launching New Ventures*. (Upper Saddle River, NJ: Pearson Prentice-Hall, 2008): 254–281.

Dauchy, Constance and Craig. *The Entrepreneurs Guide to Business Law*. (Mason, OH: West, 2008): 73–108.

Dorf, Richard C., and Thomas H. Byers. *Technology Ventures: From Idea to Enterprise*. (Boston: McGraw-Hill Higher Education, 2005): 259–284. Robbins, William L. *Seed-Stage Investing*. (Boston: Apspatore, 2006): 55–60.

Thurston, Philip H., "When Partners Fall Out." *Harvard Business Review* 64, no. 6 (1986): 24–29.

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- **People: Building Boards**

Boards of directors have two statutory responsibilities to the shareholders of a company: a *duty of loyalty* to act in the best interests of the corporation and its shareholders, and a *duty of care and oversight* to make informed decisions and oversee the corporation's financial activities. In addition, directors and advisors should be one of the most trusted and useful sources of guidance, experience, and information for a founding team.

- When do you think you need a board of directors?
- Can you write down the key assets you want to secure in your board seats – reputation, investment, experience, etc.?
- Can you come up with a plan to fill the limited number of seats on the board to balance the needs on your list?
- What role do you want to play on the board?

- Who do you want to be the chair?
- What timing do you think is appropriate for filling the board seats?
- What do your advisors think about your strategy for your board of directors?

### Websites:

Selecting the best board members

<http://www.acfitzgerald.com/nonprofit-partner/24-selecting-the-best-board-members-.html>

Recruiting for board members

[http://www.help4nonprofits.com/NP\\_Bd\\_Recruit\\_Article.htm](http://www.help4nonprofits.com/NP_Bd_Recruit_Article.htm)

Who will make a difference?

<http://www.goehnergroupp.com/donscorner/view/6-selecting-board-members-who-will-make-a-difference>

Tips for selecting board members

<http://richardmale.com/?p=292>

### Print Resources:

Bagley, Constance and Craig Dauchy. *The Entrepreneur's Guide to Business Law*. (Mason, OH: West, 2008): 109–131.

Dorf, Richard C., and Thomas H. Byers. *Technology Ventures: From idea to Enterprise*. (Boston: McGraw-Hill Higher Education, 2005): 259–284.

Robbins, William L. *Seed-Stage Investing*. (Boston: Apspatore, 2006): 179–190.

- **People: Employees and Other People Resources**

It is people who turn an idea into something tangible. They get a product to the customer, they drive investment. Founders may birth a company, but rarely can they scale it to any significant size on their efforts alone. Building out your team with employees is one of the most important things you can do for your company's future.

- How do you think you will know when it really is time to hire employees? For what functions? Will you be able to quantify the return on cost of the people you hire?
- How will you balance the need for people to do the work and the overhead they will cost you? How will you make those decisions?
- Who are your good people? Why are they good? Where can you find more like

them?

- People are often your biggest cost and the hardest thing to get right. What do you know about hiring people wisely – not only the mechanics and procedures, but what to look for and how to identify the people who will work out well for you? How do you know if you know enough, or even what is “enough?”
- How will you manage the people as you bring them on? If you don't have the management experience, where will it come from?
- What growth rates are appropriate? Who will help you make those choices?

### Websites:

Hiring checklist

<http://humanresources.about.com/cs/selectionstaffing/a/hiringchecklist.htm>

Top hiring mistakes made by small businesses

[http://news.thomasnet.com/IMT/archives/2007/09/top\\_hiring\\_mist.html](http://news.thomasnet.com/IMT/archives/2007/09/top_hiring_mist.html)

The key to hiring right

<http://www.entrepreneur.com/magazine/entrepreneur/2006/may/160158.html>

MindTools

[http://www.mindtools.com/pages/main/newMN\\_TMM.htm](http://www.mindtools.com/pages/main/newMN_TMM.htm)

### Print Resources:

Bagley, Constance E. and Craig E. Dauchy. *The Entrepreneur's Guide to Business Law*. (Mason, OH: Thomson/West, 2008): 266–342.

Dorf, Richard C., and Thomas H. Byers. *Technology Ventures: From Idea to Enterprise*. (Boston: McGraw-Hill Higher Education, 2005): 259–284.

Miller, Roger Leroy, and Gaylord A. Jentz. *Business Law Today: The Essentials*. (Mason, OH: SouthWestern - CENGAGE Learning, 2011): 514–551.

Robbins, William L. *Seed-Stage Investing*. (Boston: Apsspatore, 2006): 83–97.

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- **The Competition**

One of the first questions people always ask about a new idea or venture is: *Who is the competition? Who else is doing this?* The worst mistake in the world is to answer: *No one*. There is always a competitor. Even if you can't find someone else who is doing what you're doing, someone is likely thinking about it. And even if someone's not thinking about

it, you'll always have indirect competitors, including the status quo and your customer's thrift. How are you doing your homework on your competitors? How will you differentiate yourself and preserve profit margins in the face of imitation and competition?

- What barriers will you be facing when you try to enter the market? What do you plan to do about it, so you don't fail before you ever establish a position?
- What do you anticipate your competitors will do? How far ahead can you think in this chess game?
- Can you write down a list of who (or what) is competing with you for your customers?
- What do you know about them? (You should know everything you can.)
- Can you annotate each with reasons why you are different than them, and why you should be more appealing to your customers?
- How creative can you be in developing barriers to competition? What will it take to make these a reality? Can you justify the cost against the rewards?

#### Web sites :

Barriers to entry

<http://www.inc.com/magazine/20011001/23475.html>

Business competition strategies

<http://thinkup.waldenu.edu/management/business-planning/item/11819-business-competition-strategies>

Small business competition strategies

[http://www.streetdirectory.com/travel\\_guide/193355/entrepreneurship/small\\_business\\_competition\\_strategies.html](http://www.streetdirectory.com/travel_guide/193355/entrepreneurship/small_business_competition_strategies.html)

#### Print Resources :

Barringer, Bruce R., and R. Duane Ireland. *Entrepreneurship: Successfully Launching New Ventures*. (Upper Saddle River, NJ: Pearson Prentice-Hall, 2008): 130–159.

Boulding, William and Markus Christen. *First Mover Disadvantage*, *Harvard Business Review* 79, no. 9 (October, 2001): 20–21.

Copeland, Michael V. *Start Last, Finish First*. *Business 2.0* (January–February 2006) 7, no. 1): 41–43.

Gladwell, Malcom, *How David Beats Goliath*. *New Yorker* 85, no. 1(May 11, 2009): 40.

Porter, Michael E. *On Competition*. (Boston: Harvard Business School Publishing, 2008).

Tellis, Gerard J., and Peter N. Golder. *First to Market, First to Fail? Real Causes of Enduring Market Leadership*. *Sloan Management Review* 37, no. 2. (Winter, 1996): 65–75.

Yoffie, David B., and Mary Kwak. *Judo Strategy: 10 Techniques for Beating Stronger Opponents*, *Business Strategy Review* 13, no. 1 (2002): 20–30.

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- **Financing**

Unless you can launch your business on your own resources or customer revenue, you will have to raise investment to launch and build your business, often repeatedly. Getting investment into your company is not a metric of success, only a tool to seek it. Early stage investment is expensive, and hard to get.

- How much money do you think you need to get going?
- How much can you get done on your own money or other non-investment sources?
- When do you think you have to have investment? What kind? From whom?
- How much do you need now, to get you to a milestone increase in value in the company? What will you do when you get to that milestone? (No “bridges to nowhere.”)
- What is the plan to get in front of the right investors?
- Have you done your homework thoroughly on who they are, what they invest in, how they decide, what they are like to work with? Have you called people to find out?
- What forms of investment might be acceptable to you? How realistic are you being about that?
- What do you think your company is worth in an investment transaction? How are you valuing intangibles that the investors might bring?
- How long can you go before you run out of money? What will you do if you don't get an acceptable offer (or none at all)?
- Do you know what your potential investors' goals are?
- Do you know what they think of you? How do you know?

- How will you make the decisions on accepting and closing on investment?
- How will you make decisions together afterward?

## Websites:

### *Angels*

Note on angel investing

[http://mba.tuck.dartmouth.edu/pecenter/research/pdfs/Note\\_on\\_Angel\\_Investing.pdf](http://mba.tuck.dartmouth.edu/pecenter/research/pdfs/Note_on_Angel_Investing.pdf)

AngelSearch

[http://www.vfinance.com/ent/ent.asp?ToolPage=angelsearch\\_00.asp](http://www.vfinance.com/ent/ent.asp?ToolPage=angelsearch_00.asp)

Angel Capital Association

<http://www.angelcapitalassociation.org/directory/> <http://angelsoft.net/>

AngelList

<http://angel.co/>

Angel investors

<http://www.entrepreneur.com/financing/angelinvestors/archive144004.html>

NVCA

<http://www.nvca.org/>

AngelSoft

<http://angelsoft.net/>

Angel investors by state

<http://www.rochester.edu/entrepreneurship/angel.html>

PureVC

[http://www.purevc.com/pure\\_vc/liquidity\\_events/](http://www.purevc.com/pure_vc/liquidity_events/)

### *Venture Capital*

Anatomy of a term sheet

[http://www.netpreneur.org/funding/anatomy\\_term\\_sheet.pdf](http://www.netpreneur.org/funding/anatomy_term_sheet.pdf)

Seed deal documents

[http://www.feld.com/blog/archives/term\\_sheet/index.html](http://www.feld.com/blog/archives/term_sheet/index.html)

Equity financing documents

<http://ycombinator.com/seriesaa.html>

Term sheet generator

<http://www.wsgr.com/WSGR/Display.aspx?SectionName=practice/termsheet.htm>

Understanding term sheets

[http://www.woodsidefund.com/ent/articles/Defining\\_Terms.html](http://www.woodsidefund.com/ent/articles/Defining_Terms.html)

YCombinator financing documents

<http://ycombinator.com/seriesaa.html>

Techstars model seed funding documents

<http://www.techstars.org/2009/02/07/techstars-model-seed-funding-documents/>

Startup legal resource guide

[https://docs.google.com/viewer?url=http://www.fenwick.com/docstore/publications/ip/Startup\\_Legal\\_Resource\\_Guide.pdf&pli=1](https://docs.google.com/viewer?url=http://www.fenwick.com/docstore/publications/ip/Startup_Legal_Resource_Guide.pdf&pli=1)

PureVC

[http://www.purevc.com/pure\\_vc/liquidity\\_events/](http://www.purevc.com/pure_vc/liquidity_events/)

*Corporate Venture Capital, Lending*

Financehub

<http://www.financehub.com/>

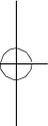
## Print Resources:

Bagley, Constance and Craig Dauchy. *The Entrepreneur's Guide to Business Law*. (Mason, OH: West, 2008): 132–179.

Barringer, Bruce R., and R. Duane Ireland. *Entrepreneurship: Successfully Launching New Ventures*. (Upper Saddle River, NJ: Pearson Prentice-Hall, 2008): 282–313.

Benjamin, Gerald and Joel Margulis. *The Angel Investor's Handbook: How to Profit from Early-Stage Investing*. (Princeton, NJ: Bloomberg, 2001).

Bhide, Amar. *Bootstrap Finance: the Art of Startups*. Harvard Business Review 70, no. 6 (November–December 1992): 109–117.



Bygrave, William D. (ed.) and Andrew Zacharias (ed.). *The Portable MBA in Entrepreneurship*. (Hoboken, NJ: John Wiley and Sons, 2010): 161–224.

Dorf, Richard C., and Thomas H. Byers. *Technology Ventures: From Idea to Enterprise*. (Boston: McGraw-Hill Higher Education, 2005): 387–422.

Feld, Brad and Jason Mendelsohn. *Venture Deals*. (Hoboken: John Wiley and Sons, 2011)

Finkel, Robert A. *The Masters of Private Equity and Venture Capital*. (New York: McGraw-Hill, 2010).

Gianforte, Greg and Marcus Gibson. *Bootstrapping Your Business*. (Avon, MA, Adams Media, 2005)

Hill, Brian E., and Dee Power. *Inside Secrets to Venture Capital*. (New York: John Wiley & Sons, 2001).

Hisrich, Robert D., Michael P. Peters, and Dean A. Shepherd. *Entrepreneurship*. (Boston: McGraw-Hill Irwin, 2008): 341–458.

Mancuso, Joseph R. *How To Get A Business Loan*. (New York: A Fireside Book, 1990).

Presser, Leon. *What It Takes to Be an Entrepreneur*. (Resserp Publishing, 2010): 96–132.

Robbins, William L. *Seed-Stage Investing*. (Boston: Apspatore, 2006): 83–97.

Sahlman, William, Howard H. Stevenson, Michael J. Roberts, and Amar Bhidé. *The Entrepreneurial Venture*. (Boston: Harvard Business School Press, 1999): 272–291.

Shane, Scott A. *Fool's Gold: The Truth Behind Angel Investing in America*. (New York: Oxford University Press, 2009).

Stoller, Gregory. *Strategies in Entrepreneurial Finance* (Garfield Heights, OH: Northcoast Publishers, 2006).

Van Osnabrugge, Mark, and Robert J. Robinson. *Angel Investing—Matching Funds with Start-up Companies: The Guide for Entrepreneurs, Individual Investors, and Venture Capitalists*. (San Francisco: Jossey-Bass, 2000).

- 
- **The Law**  
If you are starting a company you have to know enough about business law that you can

make sound decisions and do things right the first time. Getting legal things wrong can be so damaging that there really is no alternative. You can avoid most obvious legal problems by thinking ahead and doing things properly the first time. You shouldn't try to be your own lawyer; you can't. That's what lawyers and specialists are for. But you do have to manage your lawyers and your affairs, or they will manage you.

- Who is your lawyer?
- Is your lawyer a good one and not too expensive? How do you know?
- What is your working relationship? How do you manage your lawyers?
- How will you decide the balance between spending precious cash on legal matters and on other startup needs, especially in the early days?
- How will you educate yourself on what matters are important enough to worry about? If your lawyer is like many, he or she will feel most matters are important because they are all potential risks.
- How will you work out an approach with your lawyers to single out what risks need attention now? How might you minimize the effort and cost to deal with them, anticipating you will do more as you grow and have more assets at risk and more cash to deal with the risks?
- How might you best educate yourself on what you should know about the law and your business, so you can manage you lawyers effectively and understand what they recommend? How much education is enough? (There are only so many hours in the day.)

#### Websites:

StartupCompanyLawyer

<http://www.startupcompanylawyer.com/category/index/>

Sample business contracts

<http://contracts.corporate.findlaw.com/>

Legal issues in entrepreneurship

<http://singletonlawfirm.com/library/docs/Legal%20Issues%20in%20Entrepreneurship%20Presentation.pdf>

Startup law 101

[http://www.grellas.com/faq\\_business\\_startup.html](http://www.grellas.com/faq_business_startup.html)

Founder's Workbench

<http://www.goodwinfoundersworkbench.com/>

Rocket lawyer

<http://www.rocketlawyer.com/>

LegalZoom

<http://www.legalzoom.com/>

NVCA model legal documents

[http://www.nvca.org/index.php?option=com\\_content&view=article&id=108:%20model-legaldocuments&catid=43:resources&Itemid=136](http://www.nvca.org/index.php?option=com_content&view=article&id=108:%20model-legaldocuments&catid=43:resources&Itemid=136)

Startup legal resource guide

[https://docs.google.com/viewer?url=http://www.fenwick.com/docstore/publications/ip/Startup\\_Legal\\_Resource\\_Guide.pdf&pli=1](https://docs.google.com/viewer?url=http://www.fenwick.com/docstore/publications/ip/Startup_Legal_Resource_Guide.pdf&pli=1)

### Print Resources:

Bagley, Constance, and Craig Dauchy. *The Entrepreneur's Guide to Business Law*. (Mason, OH: West, 2008). (If there is one book every entrepreneur should have on his or her bookshelf, this is it. The authors cover all the major areas of concern to entrepreneurs, thoroughly and accessibly. There is an excellent listing of Internet resources at the back.)

Bygrave, William D. (ed.) and Andrew Zacharias (ed.). *The Portable MBA in Entrepreneurship*. (Hoboken, NJ: John Wiley and Sons, 2010): 263–296.

Foster, Frank H, and Robert L. Shook. *Patents, Copyrights and Trademarks*. (New York: John Wiley and Sons, 1993)

Hovey, Craig. *The Patent Process*. (New York: John Wiley and Sons, 2002)

Miller, Roger Leroy and Gaylord A. Jentz. *Business Law Today: The Essentials*. (Mason, OH: SouthWestern-CENGAGE Learning, 2011).

Miller, Roger Leroy and Gaylord A. Jentz. *Business Law Today: Standard Edition*. (Mason, OH: Southwestern-CENGAGE Learning, 2011).

Pressman, David. *Patent It Yourself*. (Berkeley: Nolo, 2009)

### Choosing and Managing Attorneys

Barringer, Bruce R., and R. Duane Ireland. *Entrepreneurship: Successfully Launching New Ventures*. (Upper Saddle River, NJ: Pearson Prentice-Hall, 2008): 190–221.

Lesonsky, Rieva. *Start Your Own Business*. (Irvine, CA: Entrepreneur Press, 2007): 149–164.

Presser, Leon. *What It Takes to be an Entrepreneur*. (Resserp Publishing, 2010): 172–179.

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- **Nonprofits and Social Entrepreneurship**

There is no clean divide between entrepreneurship that seeks profits and entrepreneurship focused on the nonprofit world. In fact there is an almost seamless continuum between enterprises whose goal is strictly commerce and profit, and enterprises doing only charity. In between is everything from doing well by doing good to social enterprise, blending the for-profit sector's focus on business execution and revenue-generation with the nonprofit world's altruistic focus on making the world a better place.

- What form of business is best for your idea – for-profit or nonprofit? Why? Can you make a list of pros and cons?
- If nonprofit, which form seems best? Why?
- Can you make a clear connection between your idea and who you identify as the customers and the beneficiaries?
- Can you write a clear paragraph defining what success will look like?
- What is your plan for sustainability? How well substantiated is it?
- What could you learn that would make you want to abandon your idea?
- How will you measure your success? Who will care about your success? How will you communicate with them?
- What is your long term plan, and how do you envision succession?

#### W e b s i t e s :

Starter kits for social entrepreneurs

<http://ashoka.org/story/starter-kits-social-entrepreneurs>

About.com "Nonprofit Charitable

Orgs" <http://nonprofit.about.com/od/becomingtaxexempt/a/nonproffitypes.htm> Ashoka

What is a social entrepreneur?

[http://ashoka.org/social\\_entrepreneur](http://ashoka.org/social_entrepreneur)

BoardSource

<http://www.boardsource.org/>

The Canadian Social Enterprise Guide  
[http://www.enterprisingnonprofits.ca/projects/the\\_guide](http://www.enterprisingnonprofits.ca/projects/the_guide)

Council on Foundations  
[www.cof.org](http://www.cof.org)

Foundation Center  
<http://foundationcenter.org/getstarted/faqs/html/howmany.html>

Unleashing the power of nonprofits  
<http://www.mapfornonprofits.org/>

Idealist  
<http://www.idealists.org/info/About>

The Independent Sector  
<http://www.independentsector.org>

IRS Publication 557 (06/2008) Tax-Exempt Status for Your Organization,"  
<http://www.irs.gov/publications/p557/index.html>

Seedco  
<http://www.seedco.org/>

Top 25 social entrepreneurship websites  
<http://e-180.com/2009/02/our-top-25-social-entrepreneurship-websites/>

## Print Resources:

Bornstein, David. *How to Change the World—Social Entrepreneurs and the Power of New Ideas*. (New York: Oxford University Press, 2007).

Bygrave, William D., and Andrew Zacharakis. *The Portable MBA in Entrepreneurship*. (Hoboken, NJ: John Wiley & Sons, 2010): 411–436.

Collins, Jim. *Good to Great and the Social Sectors, a Monograph to Accompany Good to Great*. (Boulder, CO: Jim Collins, 2005).

Connors, Tracy Daniel, ed. *The Nonprofit Handbook: Management*. (New York: John Wiley & Sons, 2001).

Dees, J. Gregory, Jed Emerson, Peter Economy. *Enterprising Nonprofits—A Toolkit for Social Entrepreneurs*. (New York: John Wiley & Sons, 2001).

Greenfield, James M., ed. *The Nonprofit Handbook: Fund Raising*. (New York: John Wiley & Sons, 2001).

Oberfield, Alice, and J. Gregory Dees, *Note on Starting a Nonprofit Venture*, Harvard Business School Case 391-096, 1991 (rev. 1992).

Oster, Sharon M. *Strategic Management for Non-Profit Organizations*. (New York: Oxford University Press, 1995).

Powell, Walter W., and Richard Steinberg. *The Nonprofit Sector: A Research Handbook*. New Haven, CT: Yale University Press, 2006).

Weisbrod, Burton A. *The Nonprofit Economy*. (Cambridge, MA: Harvard University Press, 1988)

### 3: Growth and Endpoints

- **Managing Your Company**  
Build your negotiating, selling, and decision-making skills; manage your finances; correct your course (you'll have to, at least once!); manage the transition to a healthy, growing business
- 
- **Negotiating: Everything is Negotiable!**  
Like everything in life, in your entrepreneurial company you need to negotiate effectively for virtually everything they seek, and because people on the other side are going to be relentlessly negotiating with you whether you know it or not. Negotiating *can* be fun, but fun or not, you have to negotiate all kinds of things every day. So prepare yourself to do it well
    - Can you make a list of the major things you should negotiate during your launch?
    - Can you take that list and annotate who will be responsible to prepare thoroughly, define with the team what is a must-have and what is nice-to-have, and manage the negotiations?
    - How well-prepared are these people (or you) to negotiate effectively? How do you know? Who can you call on to help you learn or actually participate in the negotiation with you?
    - How much time and resource can you allocate to shoring up your negotiating skills and doing the homework needed for the important negotiations? Can you quantify a cost-benefit?
    - How will you measure your success in your negotiations?

## Websites :

How to negotiate

<http://www.how-to-negotiate.com/>

The Secrets of Power Negotiating

<http://www.rdawson.com/>

Tips learned in the trenches

[http://www.negotiator magazine.com/article262\\_1.html](http://www.negotiator magazine.com/article262_1.html)

MindTools

<http://www.mindtools.com/CommSkill/NegotiationSkills.htm>

Techniques to close the deal

[http://www.au.af.mil/au/awc/awcgate/doe/negotiation\\_mckinney.pdf](http://www.au.af.mil/au/awc/awcgate/doe/negotiation_mckinney.pdf)

## Print Resources :

Ertel, Danny. Turning Negotiation into a Corporate Capability. *Harvard Business Review*, May–June 1999): 55. A summary of education and training practices to build negotiating skills in an organization.

Lewicki, Roy J., David M. Saunders, and John W. Minton. *Essentials of Negotiation*. (Boston: Irwin McGraw-Hill, 1997).

Lewicki, Roy J., David M. Saunders, and Bruce Barry. *Negotiation*, (Boston: McGraw-Hill Irwin, 2006).

Luecke, Richard. *Negotiation*, (Cambridge, MA: Harvard Business School Press, 2003). Excellent source book for fundamentals, tactics and strategy with the main focus on transactional negotiating. Accessible material, 168 pages. One of the best you can buy.

Fisher, Roger and William Ury. *Getting to Yes: Negotiating Agreement Without Giving In*. (New York: Penguin Books, 1991).

Mariotti, Steve and Caroline Glacki. *Entrepreneurship and Small Business Management* (Boston: Prentice Hall, 2012).

Thompson, Leigh. *The Mind and Heart of the Negotiator*. (Upper Saddle River, NJ: Prentice Hall, 2009).

Thompson, Leigh. *The Truth About Negotiations*. (Upper Saddle River, NJ: Pearson Education / FT Press, 2008).

Walker, Michael A., and George L. Harris. *Negotiations: Six Steps to Success*. (Upper Saddle River, NJ: PTR/Prentice Hall, 1995).

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- **Sales and Selling**

One of the most common mistakes that entrepreneurs make is confusing sales with marketing—product, price, place and promotion. Products don't sell themselves—someone has to do it. This is your salesperson, the people who actually bring in your company's revenue. A good operations plan focuses not just on product promotion but also on product sales. This means knowing when your company will hire its sales people, how many, how it will manage them, and, based on all of that, how it will project its sales revenue growth based on their performance.

- Do you have a sales plan? Does it start with your market validation? Can you write it down in a page or less?
- What do you calculate to be your costs of customer acquisition? Can your margins support them? How well do you expect them to scale as you grow?
- What tradeoff do you anticipate between focusing on growth in sales at the cost of profitability, or profitability at the cost of growth in sales?
- Who is responsible for driving sales? What are their qualifications?
- When will you set goals and metrics for sales?
- How much of your time and money will you allocate to selling? Can you calculate a yield per unit effort?
- Who will manage your sales force?
- How will you integrate information from your salespersons into your strategy and innovation?

**Websites:**

Sales and selling

<http://businessplans.org/topic70.html>

How and why of sales

<http://salesmanagement.org/>

Sales vs marketing

<http://www.business-opportunities-internetonline.com/blog/2009/01/19/sales-vs-marketing-the->

[battle-of-the-words/](#)

Sales management

<http://www.inc.com/sales>

Sales performance

[http://www.sidehillgroup.com/consulting/sales\\_development.html](http://www.sidehillgroup.com/consulting/sales_development.html)

## Print Resources:

Anderson, B. Robert. *Professional Selling*. (San Jose, CA: to Excell, 2000).

Bygrave, William D. and Andrew Zacharakis. *The Portable MBA in Entrepreneurship*. (Hoboken, NJ: John Wiley & Sons, 2010): 329–354.

Jackson, Ralph W., Robert D. Hisrich, and Stephen J. Newell. *Professional Selling and Sales Management*. (Garfield Heights, OH: NorthCoast Publishers, Inc., 2007).

Jones, Eli, Carl Stevens, and Larry Chonko. *Selling ASAP*. (Mason, OH: Thomson/SouthWestern, 2005).

Cialdini, Robert B. *Influence—Science and Practice*. (Boston: Allyn & Bacon, 2001).

Gitomer, Jeffrey. *The Little Red Book of Selling*. (Austin, TX: Bard Press, 2005).

Heiman, Stephen, and Diane Sanchez. *The New Conceptual Selling*. (New York: Warner Books, 1999).

Hogan, Kevin. *The Psychology of Persuasion: How to Persuade People to Your Way of Thinking*. (Gretna, LA: Pelican Publishing, 2000).

LeBoeuf, Michael. *How To Win Customers and Keep Them For Life*. (New York: Berkley Books, 1988).

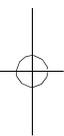
Miller, Robert B. and Stephen E. Heiman. *The New Strategic Selling: The Unique Sales System Proven Successful by the World's Best Companies*. (New York: Grand Central Publishing, 1998).

Norman, Jan. *Starting Your Own Business*. (Chicago: Dearborn Trade Publishing, 2004): pp. 135–154

Presser, Leon. *What It Takes to Be An Entrepreneur*. (Resserp Publishing, 2010): Chapter 6.

Schiffman, Stephen. *The 25 Sales Habits of Highly Successful People*. (Avon, MA: Adams Media, 2008).

Stinnett, Bill. *Selling Results!* (New York: McGraw-Hill Professional, 2007).



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- **Pitching: Communication**

Not all startup ideas are equal, but most of the time ideas have reasonable merit buried in them somewhere—call 90%. Maybe 70-80% of execution plans are plausible. But when it comes to getting your idea and plan across to someone else so that they understand it and can repeat it (never mind are persuaded by it), the success rate drops to somewhere between 10-20%. The most difficult thing in launching a company is effectively and persuasively communicating your vision, your idea's essential elements and your enthusiasm to listeners so that they understand it, are able to repeat it, and, hopefully, care enough that they are motivated to act.

- What is your central message? Why is what you do valuable and important? Can you compress it to one or two sentences?
- Can you write down what you want to happen before you communicate your message or present it in an important context? If you can, how will you evaluate whether you think your message and presentation will get you there?
- Who in your team should do the presenting? How do you know this is the right choice?
- Where can you go to learn to be a compelling presenter? How will you know when you have succeeded? It's not a great idea to use your important presentation opportunities to find out if you present effectively!

#### **Websites:**

Entrepreneur Pitch Workbook—Canaan Partners

<http://www.slideshare.net/canaanpartners/canaan-entrepreneur-pitchbook-presentation>

Five quick tips to pitching to investors

<http://www.instigatorblog.com/5-quick-tips-on-pitching/2008/05/14/>

Pitching to investors

<http://www.slideshare.net/mayaelhalal/pitching-to-investors-presenting-for-results>

What you should not do while pitching to investors

<http://www.blog.ideasrule.com/2011/07/what-you-should-not-do-while-pitching-to-investors/>

Upstart advisors

<http://upstartadvisors.wordpress.com/tag/pitching-to-investors/>

Take it personally when pitching to investors

<http://www.openforum.com/idea-hub/topics/money/article/take-it-personally-when-pitching-to-investors-1>

MindTools

<http://www.mindtools.com/page8.html>

### Print Resources:

Cialdini, Robert B. *Influence—Science and Practice*. (Boston: Allyn & Bacon, 2001).

Gilovich, Thomas. *How We Know What Isn't So—The Fallibility of Human Reason in Everyday Life*. (New York: The Free Press, 1991). Gladwell, Malcom. *Blink*. (New York: Little, Brown, 2005).

Heath, Chip, and Dan Heath. *Made to Stick*. (New York: Random House, 2007).

Hogan, Kevin. *The Psychology of Persuasion—How to Persuade Others to Your Way of Thinking*. (Gretna, LA: Pelican Publishing Co., 2000).

Horn, Sam. *Stand Out in Any Crowd*. (New York: Perigree-Penguin Group, 2006).

Luntz, Frank I. *Words That Work: Its Not What You Say, It's What People Hear*. (New York: Hyperion, 2007).

Munter, Mary. *Guide to Managerial Communication—Effective Business Writing and Speaking*. (Upper Saddle River, NJ: Prentice-Hall, 2009).

Pentland, Alex. *Honest Signals*. (Cambridge, MA: MIT Press, 2008).

### Sample Summaries and Presentations:

We find it's a lot easier for people to find good examples of presentation materials they like and imitate them, than to try to tell people a whole list of rules and practices for best presentation

To view sample materials please go to the "Resources" section of this site and click on "Sample Materials." The Link is: <http://greggfairbrothers.com/resources-2/sample-materials/>

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- **Making Decisions: Leaders Decide**

One of a leader's most important attributes is the ability to make a decision, especially in a startup, where decisions need to be made quickly and wisely every day. A leader who can't decide puts pressure on everyone else, diverting their attention and decreasing their effectiveness. Startups operate in an uncertain world filled with messy, incomplete and incoherent data, and risks are everywhere. But indecision is fatal. John H. Patterson, founder of the National Cash Register Company, said, "An executive is a person who always decides; sometimes he decides correctly, but he always decides." This quote should be taped to the bathroom mirror of every startup founder and leader. Leaders have to make timely decisions, lots of them, even when they don't know all the answers; they have to take responsibility and act.

- Can you describe clearly to someone you know how you approach making decisions?
- Ask half a dozen people who work with you or know you well: how willing do they think you are to make decisions when they're needed? Do you avoid making decisions? Do you make them too quickly or casually?
- What do you think is the proper balance between getting more facts to work the detail, and making a decision and getting it carried out? (There is no one right answer.)
- How big a role do circumstances play in the answer you might give in a given situation?
- What do you think is the proper balance between intuition and deliberate, calculated decisions?
- How do you determine when it is time to decide?
- Who do you involve in decisions? Are there places you can improve the process?
- How can you set up to evaluate the quality of your decisions? To what extent can you distinguish the influence of the outcomes (which are often controlled by outside factors) and of your decisions and the inputs that drove them? Can you properly separate hind-sighting from evaluating to learn for the future?
- Can you put together a discipline of lessons-learned to apply after the outcomes of important decisions are known?

#### Websites:

Courageous leadership

<http://www.entrepreneur.com/article/206324>

Leadership playbook

<http://www.businessweek.com/smallbiz/tipsheet/06/36.htm>

What matters in leading a company

<http://answers.onstartups.com/questions/16270/what-matters-in-leading-a-company>

Leadership development method and tips

<http://www.businessballs.com/leadership.htm>

MindTools

[http://www.mindtools.com/pages/main/newMN\\_LDR.htm](http://www.mindtools.com/pages/main/newMN_LDR.htm)

#### Print Resources:

Baron, Robert A. *Cognitive Mechanisms in Entrepreneurship: Why and When Entrepreneurs Think Differently Than Other People*. *Journal of Business Venturing* 13, no. 4 (1998): 275–294.

Bazerman, Max H. *Judgment in Managerial Decision Making*. (New York, NY: John Wiley & Sons, 1998).

Dorner, Dietrich. *The Logic of Failure*. (New York, Basic Books, 1996).

Farson, Richard, and Ralph Keyes. *Whoever Makes the Most Mistakes Wins*. (New York: The Free Press, 2002).

Gilovich, Thomas. *How We Know What Isn't So: The Fallibility of Human Reason in Everyday Life*. (New York: Free Press, 1991).

Hogarth, Robin M. *Educating Intuition*. (Chicago: University of Chicago Press, 2001).

Klein, Gary. *Sources of Power*. (Cambridge, MA: MIT Press, 1999).

Lehrer, Jonah. *How We Decide*. (Boston: Houghton Mifflin Harcourt, 2009).

Matson, J. V. *Using Intelligent Fast Failure: The Art of Innovation*. (University Park, PA: Pennsylvania State University, n.d.).

Myers, David G. *Intuition – Its Powers and Perils*. (New Haven, CT: Yale University Press, 2002).

Plessner, Henning, Cornelia Betsch, and Tilmann Betsch. *Intuition in Judgment and Decision Making*. (New York: Lawrence Erlbaum Associates, 2008).

Robbins, Stephen P. *Decide and Conquer*. (Upper Saddle River, NJ: FT/Prentice Hall, 2004).

Russo, J. Edward, and Paul J. H. Schoemaker. *Winning Decisions*. (New York: Currency Doubleday, 2002).

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- **Getting Serious: Accounting and Money Management**

Many first-time entrepreneurs ask, "What subject is most important to my success in business?" Most experienced business people answer, "Accounting!" Once you grow beyond managing your finances by the cash in your wallet, good accounting systems and reports are the only way you can understand and effectively manage your business. As with legal matters, there are lots of great tools for early stage companies and later on, you'll use professionals. It is important that you do know enough about accounting, money management, and taxation to understand what your numbers are telling you and grow

wisely.

- Who is your bookkeeper?
- When will you hire an accountant, what level of accounting resource do you need and what type of qualities are you looking for in that individual beyond just accounting skills?
- How much cash do you have on hand today? How do you know?
- What tools are you using to forecast cash and measure important management numbers? How timely are they? How accurate do you think they are? How do you know?
- Do you understand the financials, revenue recognition issues and cash flows of companies in your space/competitors/peers?
- What are you doing to manage your money effectively and profitably?
- What controls do you have in place for properly managing the flow of money? Where are you keeping your cash?
- What have you done with tax structuring and the timing of revenues and expenses to minimize your tax burden?

#### **Websites:**

AccountingNet

<http://www.accountingnet.com/>

Entrepreneur accounting

<http://www.entrepreneuraccounting.com/>

Michael Gonnerman, Inc. (financial management)

<http://www.gonnerman.com/>

#### **Print Resources:**

Droms, W. G. *Finance and Accounting for Nonfinancial Managers*. (Reading, MA: Addison-Wesley, 1990).

Garrison, Ray H., and Eric W. Noreen. *Managerial Accounting*. (Chicago: Irwin, 1997).

Raiborn, Cecily, Jesse T. Barfield, and Michael R. Kinney. *Managerial Accounting*. 3rd ed. Cincinnati, OH: South-Western, 1998.

Sahlman, William A., *The Financial Perspective: What Should Entrepreneurs Know?* Harvard Business School Case 293-045, 1992

Tracy, J. A. *How to Read a Financial Report*. (New York: John Wiley & Sons, 1994).

## Toolkit Resources:

Building websites <link coming soon>

Accounting, finance, and administrative systems

*Please go to the "Resources" section of this website and click on "Jen's Thoughts" for more toolkit resources and sample authorization matrix, PO form, and waterfall diagram. The direct link is <http://greggfairbrothers.com/category/jens-thoughts/>. See Jen's exhibits (authorization matrix, PO form, and waterfall diagram) at the bottom of this document\*\*.*

Michael Gonnerman, Inc. (financial management)

<http://www.gonnerman.com/>

Steve Blank's startup tools

<http://steveblank.com/tools-and-blogs-for-entrepreneurs/>

HBS services and tools

<https://sites.google.com/site/startuptribe/general-information/communications>

FrontPage startup tools

<http://startuptools.pbworks.com/w/page/17974963/FrontPage>

AccountAbility

<http://www.accountab.com/>

SOI

<http://www.soi.com/>

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- **When Things Aren't Working: Correcting Your Course**

Few successful enterprises end up looking exactly like their start-up idea. Most entrepreneurs will tell you, there is almost always at least one, if not several, major course corrections somewhere along the way. Accept that they will come, look for the signs, and don't be afraid to make the leap. Course corrections are good for you! You can't plan for them, but you can position yourself so that, when they happen, you're mentally prepared to both recognize and learn from them the first time. If something isn't working, you need to extract the right lessons and change course. There are some proven ways to do this well, and some common mistakes to avoid.

    - Is your idea failing?
    - How do you know your answer is correct?

- What are you doing to evaluate your current plan against possible better alternatives?
- How can you put in place a culture that is always actively questioning the current plan but still committed to carrying it out effectively until decided otherwise?
- Would you know if you should change course? How?
- If you had to change course, how would you approach the decision and get buy-in from all the affected stakeholders?

### Websites:

Saving a struggling startup

<http://rodgermitchell.wordpress.com/2010/10/25/how-to-save-your-struggling-company-a-simple-system/>

How do you pull a struggling company from the grave?

<http://hearpreneur.com/ask/2011/06/24/pull-struggling-company-grave/>

Rebuilding

<http://www.restructuringbusiness.net/blog/>

### Print Resources:

Dorner, Dietrich. *The Logic of Failure*. (New York: Basic Books, 1996).

Farson, Richard, and Ralph Keyes. *Whoever Makes the Most Mistakes Wins*. (New York: The Free Press, 2002).

Matson, J. V. *Using Intelligent Fast Failure: The Art of Innovation*. University Park, PA: Pennsylvania State

Petroski, Henry. *Success through Failure: the Paradox of Design*. (Princeton, NJ: Princeton University Press, 2006).

Petroski, Henry. *To Engineer Is Human: The Role of Failure in Successful Design*. (New York: St. Martin's Press, 1985).

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- **When Things Are Working: Growing**

Managing growth differs from conceiving and launching. Risk of failure is not highest when a company is launching: studies show that risk actually goes *up* in the one to fifteen years after a successful launch. Here the challenges shift from refining an idea, getting an executable strategy, securing resources to launch, and proving the viability of the idea and sales in the market, to operational and managerial effectiveness and efficiency. As an

early stage enterprise moves from the chaos of launch to the discipline of operations and sustainable growth, management must move from ad hoc entrepreneurial activity to structures and systems. But putting structures and procedures in place requires employees to adjust, habits and cultures to change, and most of all, institution of sound management practices in operations, marketing, finance and continuing innovation.

- What is your plan for growth? How much do you want, how soon?
- Is there a consensus among the team and the stakeholders on this?
- How are you set up to anticipate the stresses and changes that come with growth? Too many teams fail to anticipate and run into all sorts of problems. They can be fatal.
- How will you know when it is time to start structuring?
- Is the company culture prepared for the deep changes that are going to come with growth and structure?
- How will you set policies? Who will help you structure wisely?
- What will be your philosophy on policies and procedures? Do you have one? If not, how will you go about thinking this through? Who will be involved?
- When will you put in place training and education resources to help your people grow and advance professionally? How important will this be to you?
- Where do you see yourself fitting in as the company grows?

#### **Websites:**

Five lessons learned growing a company

<http://www.taylorstudios.com/blog/index.php/2011/06/27/five-lessons-learned-growing-a-company/>

Growing a company

<http://www.slideshare.net/launch48/growing-a-company-from-start-up-to-business-v3>

#### **Print Resources:**

Bygrave, William D., and Andrew Zacharakis. *The Portable MBA* (Hoboken, NJ: John Wiley & Sons, 2010: Chapter 13, pp. 355–383.

Gibbons, John. *Employee Engagement—Current Research and Its Implications. The Conference Board Report Series*. (New York: Conference Board, 2006).

Hisrich, Robert D., Michael P. Peters, and Dean A. Shepherd. *Entrepreneurship*. (Boston: McGraw-Hill Irwin, 2008): 488–519.

Roberts, Michael J. *Managing Transitions in the Growing Enterprise*. Harvard Business School case 393–107, 1997.

Roberts, Michael J. *The Challenge of Growth*. Harvard Business School Case 393–106, 1993.

Sherman, Andrew J. *The Complete Guide to Running and Growing Your Business*. (New York: New York Times Business, 1997).

Steffens, Paul, Per Davidson, and Jason Fitzsimmons, *Performance Configurations over Time: Implications for Growth and Profit-Oriented Strategies*. *Entrepreneurship: Theory and Practice*, 33, no. 1 (2009): 125–148

Wasserman, Noam, *The Founders Dilemma*. *Harvard Business Review* 86, no. 2 (2008): 102–109.

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- **When It's Time to Cash Out: Liquidity Events**

So regardless of when you might or might not plan to sell, you should understand how businesses are valued and sold: because this is how you will know if you're actually building value in your business, and everybody ought to be building value; because investors always focus on valuation, and; because odds are, sooner or later, you or your investors will want liquidity.

    - Do you have expectations over the long term for liquidity?
    - Do you know when you will need to take out of the company at least some of the value you have created? All kinds of personal needs can arise, from college costs, to paying for a house, to medical bills to, unfortunately, sometimes divorces. Are you thinking now about how you might realize some of your gains without having to sell your position or the whole company under duress?
    - Do you have a long term plan for succession and getting liquidity for yourself and your heirs?
    - If you have investors, what are their expectations in terms of future liquidity? What are the expectations of the team and the stakeholders?
    - Do you know what you think your business is worth? You should. You don't have to be accurate, but you are building a business to create value, and this is the ultimate measure of whether you are succeeding.

- Are you always thinking about who might be interested in buying your business? And are you thinking about what your company should look like to be of maximum interest to them? Just because you're interesting to buyers doesn't mean you have to sell, but it's advantageous to be successful enough to attract buyers' attention.
- What might make you want to sell to the public in an initial public offering? Do you know what's needed to be acceptable for an IPO? Have you thought through the pros and cons?

### Websites:

Preparing for liquidity events

<http://www.morganlewis.com/index.cfm/nodeID/D8EEF185-9748-45AA-86FD-19871E3A3A0C/fuseaction/content.page>

Liquidity events (Ask.com)

<http://economics.about.com/b/2007/08/16/liquidity-events.htm>

PureVC

[http://www.purevc.com/pure\\_vc/liquidity\\_events/](http://www.purevc.com/pure_vc/liquidity_events/)

Selling a company

<http://www.entrepreneur.com/tradejournals/article/164316811.html>

Eleven stages of selling a company

<http://www.openforum.com/articles/11-stages-of-selling-a-company>

### Print Resources:

Bagley, Constance E., and Craig E. Dauchy. *The Entrepreneur's Guide to Business Law*. (Mason, OH: Thomson/South-Western/West, 2008): 595–728.

Bygrave, William D., and Andrew Zacharakis. *The Portable MBA*. (Hoboken, NJ: John Wiley & Sons, 2010): 184–193.

Hisrich, Robert D., Michael P. Peters and Dean A. Shepherd. *Entrepreneurship*. (Boston: McGraw-Hill Irwin, 2008): 568–627.

Kellogg, Douglas E. *Entrepreneurship in America: A Primer for Buying and Selling Small Manufacturing Companies*. (Bloomington, IN: Douglas E. Kellogg, 2002).

Kleuger, Robert F. *Buying and Selling a Business*. (New York: John Wiley & Sons, 2004).

Nottonson, Ira. *Ultimate Guide to Buying or Selling a Business*. (Irvine, CA: Entrepreneur Press, 2005).

\*\*See Jen Gabler exhibits on the following 3 pages:

<b>Exhibit #2 - Authorization Matrix</b>								
	<i>Operations Controller</i>	<i>MIS Director</i>	<i>Director Manufacturing</i>	<i>Manager</i>	<i>Director</i>	<i>Vice President</i>	<i>CFO</i>	<i>President</i>
<b><i>Payables Functions</i></b>								
Purchase Requisitions and Check Requests	X	X**		\$0-\$499	\$500-\$999	>=\$1K	>=\$10k	
Purchase Orders - Inventory			X			>=\$250k	>=\$250k	
Debit Memos	X							
Check Signing	Checks >=\$10k require two authorized signatures, others require just one							
Travel Authorization/Advance					X - OR - X			
Expense Reports				\$0-\$499	\$500-\$999	>=\$1k	X***	X***
Capital Appropriation Reqs.	X	X**				X	X	
** MIS Director must approve all purchases of computer equipment.								
*** All V.P. expense reports require the approval of the CFO or President.								
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**Exhibit #3 - Purchase Order Form**

**Company XXX**

**Purchase Order Form**

Date

Description of Purchase

Requestor

Price

Accounting Code

Approvals:    BOD (>=\$50K)  
                  CEO (>=\$10K)  
                  EVP (>=\$1K)  
                  VP/Manager (<\$1K)  
                  VP-F&A

Please ship to:

