

# **Critical Success Factors for Successful Entrepreneurs: Do You Have What It Takes to be a Bill Gates?**

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## **Abstract:**

Today's students have several career choices from starting their own businesses to working in the corporate world or working for their government.

This presentation will focus on successful entrepreneurship and what it takes to be successful. Examples of successful global entrepreneurs such as Bill Gates, Ozires Silva, Ratan Tata and Joy Mangano will be discussed.

The following topics will be covered:

- Setting the Stage – Major Trends, Challenges and Realities
- What is an Entrepreneur?
- The Entrepreneurial Audit
- Major Impediments to Successful Entrepreneurship
- Strategic Plan Formulation Framework
- Key Personality Traits of Entrepreneurs + 6E's
- USP (Unique Selling Proposition)
- Pre-Launch Planning
- Capitalization, Governance and Control
- Career Choices – Which Road is for you?
- Advice from Successful Executives
- Final Entrepreneurial Disaster Checks

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## Critical Success Factors for Successful Entrepreneurs Do You Have What it Takes?

SENAC University Presentation – Sao Paulo, Brazil  
October, 2008

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- Setting the Stage – Major Trends, Challenges and Realities
- What is an Entrepreneur?
- Major Impediments to Successful Entrepreneurship
- The Entrepreneurial Audit
- Vision & Strategy Formulation Framework
- Key Personality Traits of Entrepreneurs + 6E's
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### What is an Entrepreneur?

- Webster:  
"A person who organizes, manages and assumes responsibility for a business or other enterprise."
- Alternative Definition:  
"A Meshugana."

**Key Objective of Successful Entrepreneurs – "Create Wealth"**

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### Successful Entrepreneurs – Come from Anywhere



Bill Gates,



Ozires Silva,  
Aerospace



Ratan Tata, Tata Industries



Joy Mangano,  
Magic Mop



Huang Guangyu,  
Retail Electronics Entrepreneur

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### OVERVIEW

#### Setting the Stage – Major Trends, Challenges & Realities

The pace of change and innovation is accelerating

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### OVERVIEW

#### Major Impediments to Successful Entrepreneurship:

- No passion or champion
- Poor product/service idea
- Lack of marketing & distribution channels
- Low risk tolerance
- Inflexible processes & bureaucracy
- Procrastination & uncertainty
- Unclear objectives/fuzzy scope/ambiguous responsibilities
- No reward/recognition/celebration process
- Poor execution and commercialization process
- Under capitalized
- Weak leader
- Cannot work well in an unstructured environment
- Lack of decisiveness

"It is better to be 70% correct & take advantage of an opportunity rather than 100% correct after the opportunity has passed"

**Norman Augustine**  
Former Chairman & CEO, Lockheed Martin Corp.

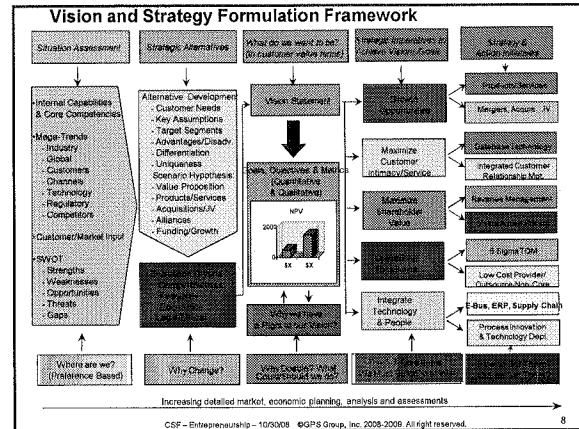
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### The Entrepreneurial Audit

- What is the vision of the business? Is it Realistic? Inspirational?
- What is our present business? Core competencies? What makes us unique?
- What is our value proposition? Differentiators?
- If we cease to exist, would our customers care?
- Who are our customers? Who are our most profitable customers?
- Who could/should become our customers?
- Who are our competitors? Who could/will become our competitors?
- How does management pursue opportunities? Propensity for Risk?
- How does management view innovation? Empowerment?
- What technology is deployed? Embraced?
- What is the philosophy on continuous learning? Training?
- How should we grow? Organically? New Products? Mergers & Acquisitions? JV?
- How does management accelerate and sustain innovation? Create a flexible strategy?
- How should we fund our growth and capitalize?

**"You miss 100% of the shots you never take."**  
Wayne Gretsky

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### OVERVIEW

Create marketable idea	Negotiate Ownership	Raise capital
Control the process	Form a team	Define Objectives & Scope Assign Roles & Responsibilities
Develop realistic, but flexible business plan		
Realistic Formal Governance Process Establish Metrics	Determine Market Needs	Empower
Create Team Collaboration	<b>No Easy Task</b>	Find the right leaders
Assemble right skills		Manage Expectations
Manage change and be flexible	Establish Base Line	Obtain Consensus
Incentivize innovation	Design & sustain flexible scalable, flexible policies, processes	Conflict Resolution
Integrate Technology with Business		Sustain Business Growth

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### Key Personality Traits of Successful Entrepreneurs

- High Risk / Gambling Mentality
- Patience/Persistence/Principled
- Must be able to focus and refocus (limit distractions)
- Willing to Guarantee Debts
- Willing to Sue/Be Sued
- 100 + Hour Work Weeks
- Organized/In charge and In Control
- Believes " You can be wrong and make mistakes, but never unsure"
- Passion and Champion
- Customer Focus
- Out of the Box & Innovative Thinking
- Pragmatic and Realistic
- Patience (Rome was not built in a day)
- 6 E's - Energy, Energize, Edge, Execution, Ethics and Excellence ("Be All That You Can Be")

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### 6 E's of Effective Leaders and People

- **Energy** - the degree of energy you display on the job
- **Energize** - the degree of influence you have on others
- **Edge** - the degree to which you take advantage of your and other's competencies.
- **Execute** - the degree to which you are effective in implementing action throughout the organization

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- **Ethics** - Deal with all constituents honestly, fairly and with integrity & embrace diversity (no cheating; no plagiarism; no blaming others if you did it)
- **Excellence** - have a passion for being the best-in-class (measure and benchmarking - Be all that you can be)

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### USP's (Unique Selling Proposition)

- Identify Key Customer Value Added Proposition (What makes customer buy?)
- Economics/Leverage
- Marketing/Channel/Distribution Options (Sales) - include the Internet/e-Business
- Strategic Alliances/Partnerships
- Management Team/Effective Execution
- Market Timing (Is now the right time?)
- Competitive Positioning/Key Differences

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**Pre-Launch Planning**

- Construct Realistic Financial Model (s)
  - Cash Flow/EBITDA
  - Sources/Uses of Funds
  - Balance Sheet/Capitalization
- Develop contingency plans (best, worse and most likely cases)
- Carefully analyze "Competitive Set"
- Understand your Market Segment (s) and Micro –Segments
- Write detailed, but flexible business plan (discipline)
- Create an Internet Web Site Presence
- Focus on core competencies, Outsource the rest

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**Capitalization and Governance**

- Many Considerations
  - Partners (Risks vs. Rewards)
  - Capital Contribution/Sources of Finance
  - Personal Guarantees/Pledges
  - Corporate Structure – (S, C, LLC, LP, ...)
  - Exist Strategy
- Governance & Control
  - Board of Directors or Advisors
  - ESOP/Dilution
  - Auditors

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**Career Choices – Which Road is for You?**

- Create wealth (be a successful entrepreneur like Bill Gates, Michael Dell, etc.)
- Live well (become a successful corporate executive)
- Work as a professional (e.g. engineer, lawyer, accountant, programmer, teacher, etc.)
- Work for the government (as a civil servant)

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**Inter-Disciplinary Business, Engineering, Technology & Leadership Competencies**

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**Advise from Successful Executives – 6 Critical Components**

- **Performance** – Focus on current job performance. Do everything with a **sense of urgency and drive to win. Make a difference** on every job. Develop a reputation for **delivering results above and beyond**. It's ok to think and talk about your career, but secondary to job performance and **better when you are hitting the ball out of the park in your current job**.
- **Expertise** – Become proficient in one or two business/technical areas. **Build a strong functional expertise in a broader business context:** multi-functional teams and inter-disciplinary competencies. **Learn finance** –it's the language of business. Manage your career so that you can evolve (rather than leap) into a cross-functional assignment.

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**Advise from Successful Executives - 6 Critical Components (Cont'd)**

- **Ownership** – Don't whine about your career. Others can provide advice, but, in the end – you are responsible. **Get in the habit of constantly developing yourself**... Like a professional athlete. Commit to continuous learning and adapt to constant and frequent change (Deeper/Broader). **Develop skills** as opposed to titles.
- **Challenge and Visibility** – **Take the hard job**. Err on the side of the bigger challenge. Take on the work that the business considers important. Seek out the **assignments with visibility recognizing the upside and downside potential. Play offense with your career.**

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**Advise from Successful Executives - 6 Critical Components (Cont'd)**

- **Mentors/Supporters/Role Models** – Broaden your base of support. Take jobs with different managers/clients. **Work for people who will challenge you. Seek out constructive input on a regular basis** and don't be defensive when you get it. Surround yourself with great people and learn from them. Be persistent.
- **Global Experience/Cultural Depth** – Expose yourself and your family to different cultures & diversity early. Seek out positions which require interaction across countries and cultures. Consider assignments outside your home country, but prepare by become an expert in something, by developing **teaching (as well as functional) skills** and by committing to get a specific job done.

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**Select Success Quotations**

- "Success is a journey, not a destination." - Danny Thomas
- "Most people who succeed in the face of seemingly impossible conditions are people who simply don't know how to quit." – Robert Schuller
- Always bear in mind that your own resolution to succeed is more important than any other thing." – Abraham Lincoln
- True success is overcoming the fear of being unsuccessful." – Paul Sweeney
- Success does not consist in never making mistakes, but in never making the same one a second time." – George Bernard Shaw

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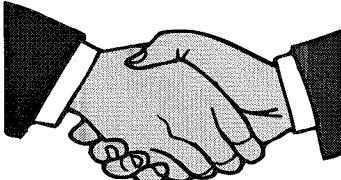
**Final Entrepreneurial Disaster Checks**

- Your Spouse/Family
- Other Entrepreneurs
- Investors/Bankers/Creditors/Venture Capitalist
- You must have the "Chutzpa" or "Persistence"
- It's much harder than you think and it takes much longer than you can image to create wealth & comfort

"If you can (be happy) do(ing) something else.....  
Then you should do it  
Martha Graham  
Modern Dance Choreographer

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**Thank You!**



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