

# Career & Entrepreneurship Workshop

By Sarfraz Hasan

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## For Aspiring Entrepreneurs

*Your time is limited, so don't waste it living someone else's life. Don't be trapped by dogma—which is living with the results of other people's thinking. Don't let the noise of others' opinions drown out your own inner voice. And most important, have the courage to follow your heart and intuition. They somehow already know what you truly want to become. Everything else is secondary.*

*Steve Jobs at Stanford University, 2005*

### **Great opportunities – where do they come from?**

Everyone who aspires to be an entrepreneur has ideas. For some, ideas arise on a daily basis. The real challenge, though, is to find good ideas. Good ideas are more than just ideas – they're opportunities. Where do great opportunities come from? How are they born? In the case histories in this book, we've seen four common patterns, patterns that you too can use to find your opportunity:

- opportunities created by macro-trends;
- opportunities found by living and experiencing the customer problem;
- opportunities created through scientific research;
- opportunities proven elsewhere that you can pursue where you hope to do business

### **The Most Important Question For Entrepreneurs To Ask Themselves Every Morning: Why will this new business work when most will fail?**

Passion! Conviction! Tenacity! Without these traits, few entrepreneurs could endure the challenges, the setbacks, the twists in the road that lie between their often path-breaking ideas – opportunities, as they call them – and the fulfilment of their entrepreneurial dreams. The very best entrepreneurs, however, possess something even more valuable – a willingness to wake up every morning and ask a simple question about their nascent opportunity: 'Why will this new business work when most will fail?' Or, to put it more realistically, 'What's wrong with my idea, and how can I fix it?'

They ask this simple question for a very simple reason. They understand the odds. They know most business plans never raise money. They know most new ventures fail. Most of all, they don't want to end up starting and running what Bill Egan would call a 'lousy business', one that consumes years of their energy and effort, only to go nowhere in the end. Despite asking this crucial question every day, their passion remains undaunted. So committed are they

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to showing a reluctant world that their vision is an accurate one that they want to know before bad things can happen why they might be wrong. If they can find the fatal flaw before they write their business plan or before it engulfs their new business, they can deal with it in many ways. They can modify their idea – shaping the opportunity to better fit the hotly competitive world in which it seeks to bear fruit. If the flaw they find appears to be a fatal one, they can even abandon the idea before it's too late – before launch, in some cases, or soon enough thereafter to avoid wasting months or years in pursuit of a dream that simply won't fly.

Better yet, if, after asking their daily question and probing, testing and especially experimenting for answers, the signs remain positive, they embrace their opportunity with renewed passion and conviction, armed with a new-found confidence that the evidence – not just their intuition – confirms their prescience. Their idea really is an opportunity worth pursuing.

**Startup is a Business:** the main purpose of coming into existence is to have a lot of people who are willing to buy what you sell and at a price you sell.

Getting funding is not the main purpose of starting up – So don't keep crying about it – If you can prove that there are a lot of people willing to buy what you sell at a price you sell – Investors will find you

Note: Ureka Ltd is coming out with a 5 weeks, Skype-based, **Idea Validation Course**. Main Features will be:

Hands-on, Learning by Doing approach – Indian/Italian faculty – Taught by Entrepreneurs – Flexible – Affordable – Aimed to Really Test Your Idea

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## What To Do Before Writing a Business Plan

### What's entailed in a customer-driven feasibility study?

- 1** Executive summary that briefly sets what follows (tells the reader(s) – you and your team – what you are going to tell them).
- 2** Micro-level market assessment:
  - target market and its pain identified; compelling benefits of your solution identified, with evidence that those in this segment are willing to pay a price that works;
  - target market segment, size and growth rate;
  - options to grow into other segments.
- 3** Macro-level market assessment:
  - overall market size and growth rate;
  - macro-trends analysis to assess future market growth and attractiveness.
- 4** Macro-level industry assessment:
  - five forces analysis: whether or not the industry is attractive;
  - likely changes therein going forward.
- 5** Micro-level industry assessment:
  - any proprietary elements;
  - any superior organizational processes, capabilities or resources identified that are not easily duplicated or imitated;
  - economic viability of business model established:
    - revenue forecast;
    - customer acquisition and retention costs, and time required to obtain a customer;
    - gross margins;
    - capital investment required;
    - break-even analysis;
    - operating cash cycle characteristics.
- 6** Team assessment:
  - team's mission, aspirations and propensity for risk;
  - team's ability to execute on the CSFs in this industry;
  - team's connectedness up, down and across the value chain.
- 7** Summary and conclusions (tell the reader(s) the key highlights of what you've told them):
  - why this opportunity is – or isn't – attractive and on what one (or, at most, two) domain(s) you rest your case.

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## What investors will be looking for in your business plan

To wrap things up, let's summarize some of the key things professional investors – the ones looking to make boatloads of money from *their* capital and *your* entrepreneurial efforts – are looking for. Some of what follows you have read in earlier chapters, but it warrants repeating in the context of the business plan you may soon be ready to write.

- Professional investors are not very interested in your idea or technology. Instead, they want to know that your business will offer differentiated solutions to real customer problems or pain, solutions that offer real competitive advantage. Better, faster or cheaper. A customer-focused business plan, following from your customer-focused feasibility study, will help you make this point.
- Investors generally look to invest in large and growing markets. Why? They want to know your venture can reach a sizeable scale, and they want to know your market is large enough to accommodate more than one successful new entrant.
- Investors seek industries that are not competitively brutal; they like entry barriers to be high enough to make it difficult for others to enter.
- Investors look for evidence that your initial advantage can be sustained. Why won't someone else steal your thunder?
- Investors look for committed lead entrepreneurs and entrepreneurial teams who can deliver on the promises contained in their business plans and whose mission, aspirations and propensity for risk are aligned with those of the investors. Life leading an entrepreneurial, venture-capital-backed company is simple really. Perform or move on. Having executed previously on the industry's CSFs, and being well connected enough to see the need to move to plan B – or, as we saw for Palm Computing, plan Z – when conditions so dictate, are important indicators of this capability.
- Finally, professional investors will measure your financial performance by cash flow, not profits. Cash is king when it comes to results so that's where your financials and your discussion thereof should focus.