

Small is Beautiful

New Opportunities and Challenges For Entrepreneurs and Investors

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Common Wisdom: New Ventures

- Come up with a disruptive technology
- Write a brilliant business plan
- Develop a stirring investor pitch





Common Wisdom . . .

- Raise a pile of money
- Build a world-class team
- Ship your beta version





Common Wisdom . . .

- Raise another pile of money
- Ship Version 1.0
- Hire a real CEO





Common Wisdom . . .

- Raise another pile of money
- Give lots of it to investment bankers
- Cash out!





A Better Alternative

Small is Beautiful:

Building a lean, scrappy, nimble company without raising piles of money





Small is Beautiful

Top Ten New Rules

for entrepreneurs and investors





1. Fundamental Objective

Old Rule:

Create wealth

New Rule:

Create value





2. Getting Started

Old Rule:

Brilliant entrepreneur

New Rule:

Brilliant entrepreneurial team





Building Successful Teams . . .

The Optimist, the Pessimist, and the Engineer





3. Sharing the Vision

Old Rule:

Craft a Mission Statement

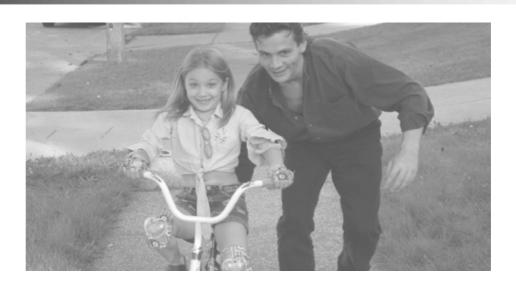
New Rule:

Create a Mantra





Mission Statements ...



"The mission of {???} is to deliver superior quality products and services for our customers and communities through leadership, innovation, and partnerships."





Mission Statements ...

"We exist to professionally build long-term high-impact sources so that we may endeavor to synergistically leverage existing effective deliverables to stay competitive in tomorrow's world."

-- Dilbert Mission Statement Generator





Mantras ...



- Good food, fast (Wendy's)
- Absolutely, positively the next day (Fedex)
- Best fares, period (cFares)





4. Management Style

Old Rule:

Plan the work, work the plan

New Rule:

Ready, fire, aim!





5. Business Model

Old Rule:

Raise capital

New Rule:

Generate revenues





6. Foundation of Innovation

Old Rule:

Good old American know-how

New Rule:

Good new Global know-how





7. Competitive Advantage

Old Rule:

First mover advantage

New Rule:

Fast adaptor advantage





8. Marketing Strategy

Old Rule:

Build it and they will come

New Rule:

Everyone sells





9. Pace of Change

Old Rule:

Innovation is accelerating

New Rule:

Market penetration is slow





Pace of Change . . .

Progress is slower than we think:

- Software
- Bandwidth
- Energy
- Medicine
- Transportation
- Television.





Pace of Change . . .

What was the most successful innovation of the 20th Century?





Radio!







10. Source of Innovation

Old Rule:

Technology drives innovation

New Rule:

People trump technology





Top Ten New Rules

- 1. Focus on creating value
- Build a team
- 3. Develop a mantra
- 4. Get in the game
- 5. Stay lean and scrappy
- 6. Go for the globe
- 7. Be nimble, be quick
- 8. Always be selling
- 9. Plan for continuous upgrading
- 10. Focus on people





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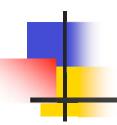
Questions, Comments, Slides:

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Resources:

- Garage website: www.garage.com
- Small is Beautiful: the article
- Art of the Start: the book





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