



Mastering Entrepreneurship

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Workshop Outline



- **The Challenge of 'Mastering Entrepreneurship'**
- **Entrepreneurial Mindset**
- **The AFFA/NIDP Business Reality Check**
- **Investor Readiness**
- **Review**



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Business Development Model



Operational Excellence

Innovation

Leadership

Strategic Competence

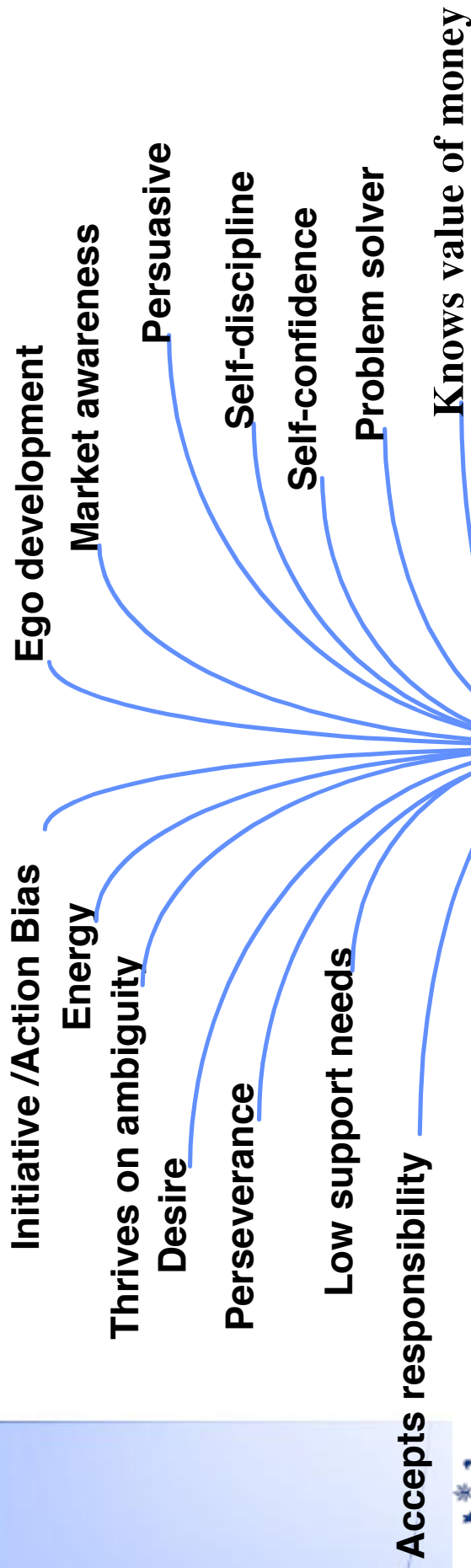
Enterprise Culture



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Entrepreneurial Traits



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Characteristics Of The Entrepreneurial Mindset



- **Passionately seek new opportunities**
- **Pursue opportunities with enormous discipline**
- **Pursue only the very best opportunities**
- **Focus on execution**
- **Engage energies of everyone in their domain**

Entrepreneurial Mindset



They passionately seek out new opportunities

- **They are always alert, always looking for their chance to profit from change and disruption in the way business is done**
- **Their greatest impact occurs when they create entirely new business models**
 - **New business models revolutionise how revenues are made, costs are incurred, or operations are conducted, sometimes through a new industry**



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Entrepreneurial Mindset



They pursue opportunities with enormous discipline

- They are not only alert enough to spot opportunities, but make sure they act on them
- Most maintain some form of register of unexploited opportunities
- They make investments only if the competitive arena is attractive and the opportunity is ripe



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Entrepreneurial Mindset



They pursue only the very best opportunities

- **They avoid exhausting themselves and their organisation by chasing after every option**
- **Most successful entrepreneurs remain ruthlessly disciplined about limiting the number of projects they pursue**
 - **They go after a tightly controlled portfolio of opportunities at different stages of development**
 - **They tightly link their strategy with their choice of projects, rather than diluting their efforts too broadly**



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Entrepreneurial Mindset



**They focus on execution -
specifically adaptive execution**

- **They get on with it rather than analysing new ideas to death**
- **They are able to change direction as the real opportunity, and the best way to exploit it evolves**



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Entrepreneurial Mindset



They engage the energies of everyone in their domain

- **They involve many people both inside and outside the organisation**
- **They create and sustain networks of relationships rather than going it alone,**
- **They make the most of the intellectual and other resources people have to offer and help those people achieve their goals as well**

Fasttrac and AFFA/NIDP Business Reality Check



- **Our Strategic Partners**
 - **Ernst and Young**
 - **Decideware**
 - **TAFE NSW**
 - **Swinburne University - AGSE**
 - **Nexus Business Coaching**
 - **Moore Stephens**
 - **Williams Hatchman and Keane**
 - **Mack Consulting**



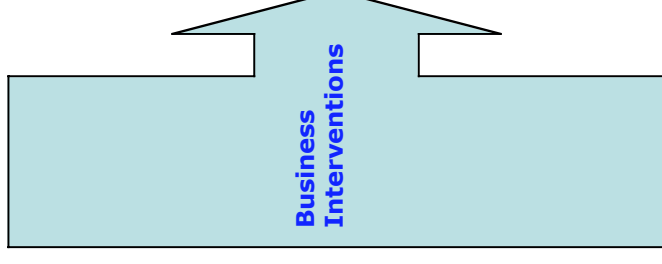
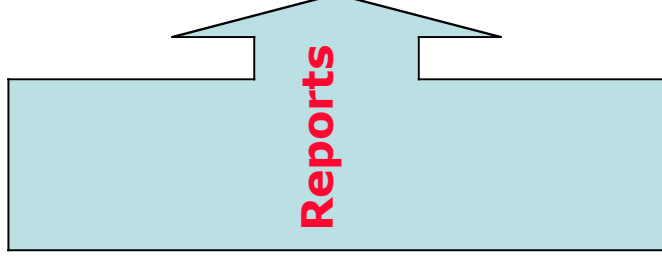
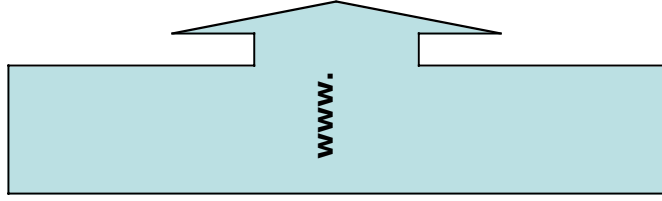
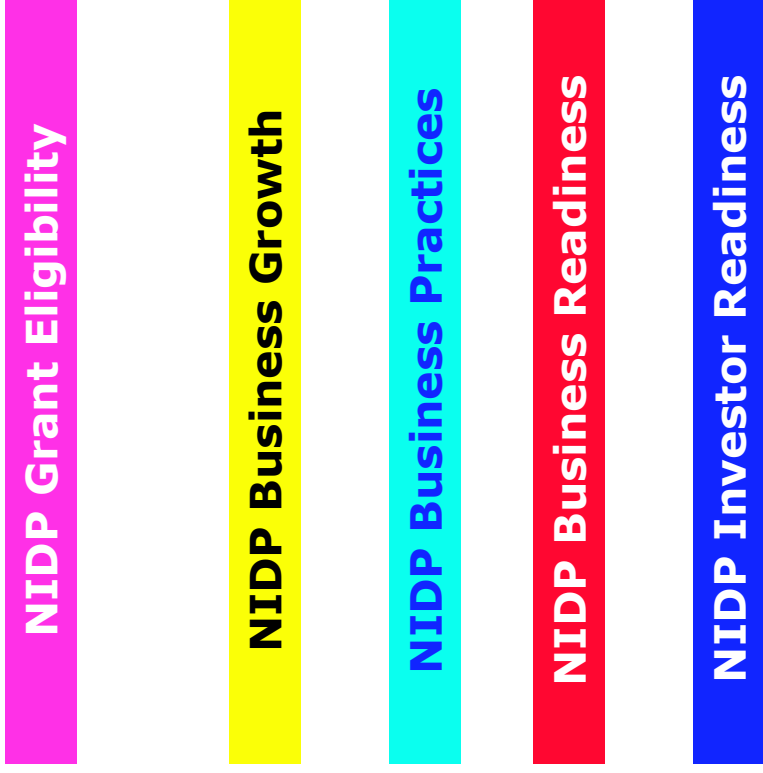
NIDP Grants Assessor & Business Reality Check



The 6 Assessment Tools provide applicants with:

- the opportunity to consider their eligibility for the NIDP / PCP Funding Grant
- A business reality check
- An assessment of their investment readiness

Business Reality Check



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NIDP Grants Assessor & Business Reality Check



- 1. NIDP - PCP Stage 1 Eligibility Assessment**
- 2. NIDP - PCP Stage 2 Eligibility Assessment**
- 3. Business Growth Cycle Assessment**
- 4. Business Practices Assessment**
- 5. Business Readiness Assessment**
- 6. Investment Readiness Assessment**



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Stage of Business Growth



The Stages of Business Growth Assessment Tool examines your business and determines where it is positioned in the business growth of the investment cycle



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Business Growth Cycle



- 1. Stages Of Growth**
- 2. Capital Base**
- 3. Capital Sought**
- 4. Business History**
- 5. Market Penetration**
- 6. Product Development**



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Stages Of Growth

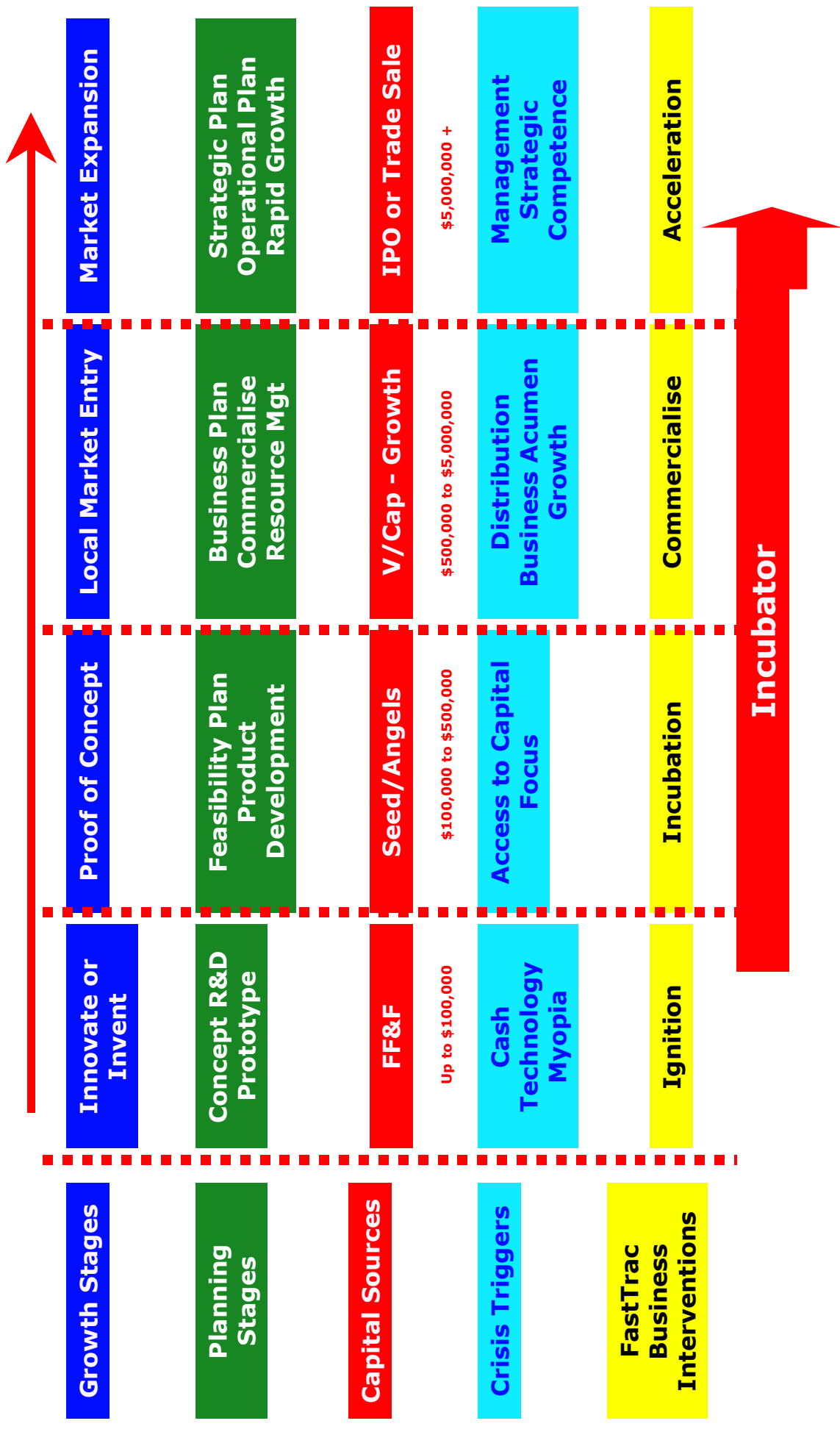
- **Concept**
- **Incubation**
- **Commercialisation**
- **Business Expansion**
- **Business Acceleration**



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Linking the Growth Path for Technopreneurs





Business Practice Assessment

The Business Practice Assessment is a snapshot of your business sophistication, its commercial competencies and attractiveness to an investor at the various capital raising stages



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Business Practice Assessment

- 1. Strategic Competency**
- 2. Risk Management**
- 3. Legal Sophistication**
- 4. Professional Services**
- 5. Marketing**
- 6. Human Resources**
- 7. Financials**
- 8. Technology**



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Strategic Competency

- **Strategic Thinking**
- **External Forces**
- **Industry Analysis**
- **Competitor Analysis**
- **Customer Analysis**



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Risk Management



- **Business Liability**
- **Security Systems**
- **IT Risk**
- **People Risk**



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Legal Sophistication



- **Legal Structure**
- **Shareholder Agreements**
- **Intellectual Property**
- **Warranty**
- **Employment Contracts**



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Professional Services

- **Legal**
- **Accounting**
- **Bank**
- **Board**



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Marketing



- **Marketing Strategy**
- **Product Strategy**
- **Pricing Strategy**
- **Promotion Strategy**
- **Market Strategy**
- **Distribution**



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Human Resources



- **New Employee Availability**
- **Job Definitions**
- **Performance Management**



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Financials



- **Financial Plan**
- **Cash Flow**
- **Financial Modelling**
- **Financial Management**



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Technology



- **IT Sophistication**
- **eCommerce**
- **Web Interface**
- **CRM**



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Business Readiness



- **The Business Readiness Assessment looks at your commercial viability and ability to build sustainable competitive advantage.**
- **We are looking at your management capability, strategic competence, planning effectiveness and viability of commercialising your technology or innovation**



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Business Readiness Assessment



- 1. Business Planning**
- 2. Management Team**
- 3. Strategic Competence**
- 4. Business Acumen**
- 5. Core Business Processes**
- 6. Supply Chain**



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Business Planning



- **Planning Sophistication**
- **Concept Evaluation**
- **Business Plan**
- **Strategic Business Plan**
- **Financial Planning**



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Management Team



- **Strategic Competence**
- **Founder's Track Record**
- **Chief Financial Officer's Track Record**
- **Chief Technical Officer's Track Record**
- **Marketing Manager's Track Record**
- **Leadership Effectiveness**
- **Match To Growth Stage**
- **Performance Management**

Strategic Competence

- **Market Research**
- **Competitive Analysis**
- **Market Segmentation**
- **Customer Value Proposition**
- **Product Differentiation**
- **Price Positioning**
- **Distribution Strategy**
- **Branding**
- **Strategic Threats**



Business Acumen

- **Financial Management**
- **Customer Relationship Management**
- **Operational Excellence**
- **Enterprise Culture**
- **Business Survival Skills**
- **Entrepreneurial Leadership**



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Core Business Processes



- **Human Resources**
- **Research and Development**
- **Procurement**
- **Production**
- **Sales and Marketing**
- **Finance and Administration**
- **Quality Assurance**



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Supply Chain



- **Strategic Risk**
- **Interdependence**
- **Communication Network**



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Investment Readiness



- **Investment Readiness is an assessment of your business and its attractiveness to a potential investor at the various capital raising stages.**
- **Investors position themselves in the market and focus on businesses that 'fit' their investment profile.**



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Investment Readiness



- 1. Business Model**
- 2. Management**
- 3. Market**
- 4. Financial**
- 5. Projections**
- 6. Strategic Risk**
- 7. Corporate Governance**
- 8. Valuation Risk**
- 9. Legal Risk**
- 10. Preparedness**

Business Model



- **Exit Strategy**
- **Strategic Advantage**
- **Scalability**
- **Sustainable Competitive Advantage**
- **Window Of Opportunity**
- **Flexibility**
- **Stage of Growth**



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Management



- **CEO Investor Image**
- **Track Record**
- **Management Team Balance**
- **Management Team Skills**
- **Leadership**
- **Strategic Competence**
- **Action Bias**
- **Performance Management**
- **Financial Management**
- **Supply Chain Management**

Market



- **Market Attractiveness**
- **Market Size**
- **Market Share**
- **Market Reach / Penetration**
- **Customer Value Proposition**
- **Brand / Image Strength**
- **Price Elasticity**
- **Distribution**



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Financial



- **Financial History**
- **3 Year P&L History**
- **Current Ratio**
- **Debt To Equity**
- **Return on equity**
- **Sales/employee**
- **R&D Investment/Sales**
- **Performance to targets**



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Strategic Risk



- **Competitive Intensity**
- **Threat Of New Competition**
- **Threat of Substitute Products**
- **Negotiating Power of Customers**
- **Negotiating Power of Suppliers**
- **Strategic Information System**

Corporate Governance

- **Business Transparency**
- **Board of Directors**
- **Conflict of Interest**
- **Simple Corporate Structure**
- **Audited Accounts**



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Valuation Risk



- **Early Stage Investor Profile**
- **Early Stage Investors**
- **Customers/Users**
- **Strategic Partners**
- **Independent Researchers**



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Legal Risk



- **IP Ownership Verified**
- **Patent Applied For**
- **Interim Patent Granted**
- **Patent Granted**
- **Trade Mark Registered**
- **Design Registered**
- **Employment Contracts In Place**



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Preparedness



- **Feasibility Plan Completed**
- **Business Plan Completed**
- **Strategic Plan Completed**
- **Memorandum of Understanding Completed**
- **Independent Valuation Completed**



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Financial Analysis



- **3 Year P&L History**
- **Debt To Equity**
- **Sales/ Employee**
- **R&D Investment/ Sales**



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Projections



- **Cash Flow**
- **1 Year Financial Plan**
- **3 Year Financial Plan**
- **Capital Expenditure Plan**
- **Break Even Point**
- **Return On Investment**



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Business Interventions



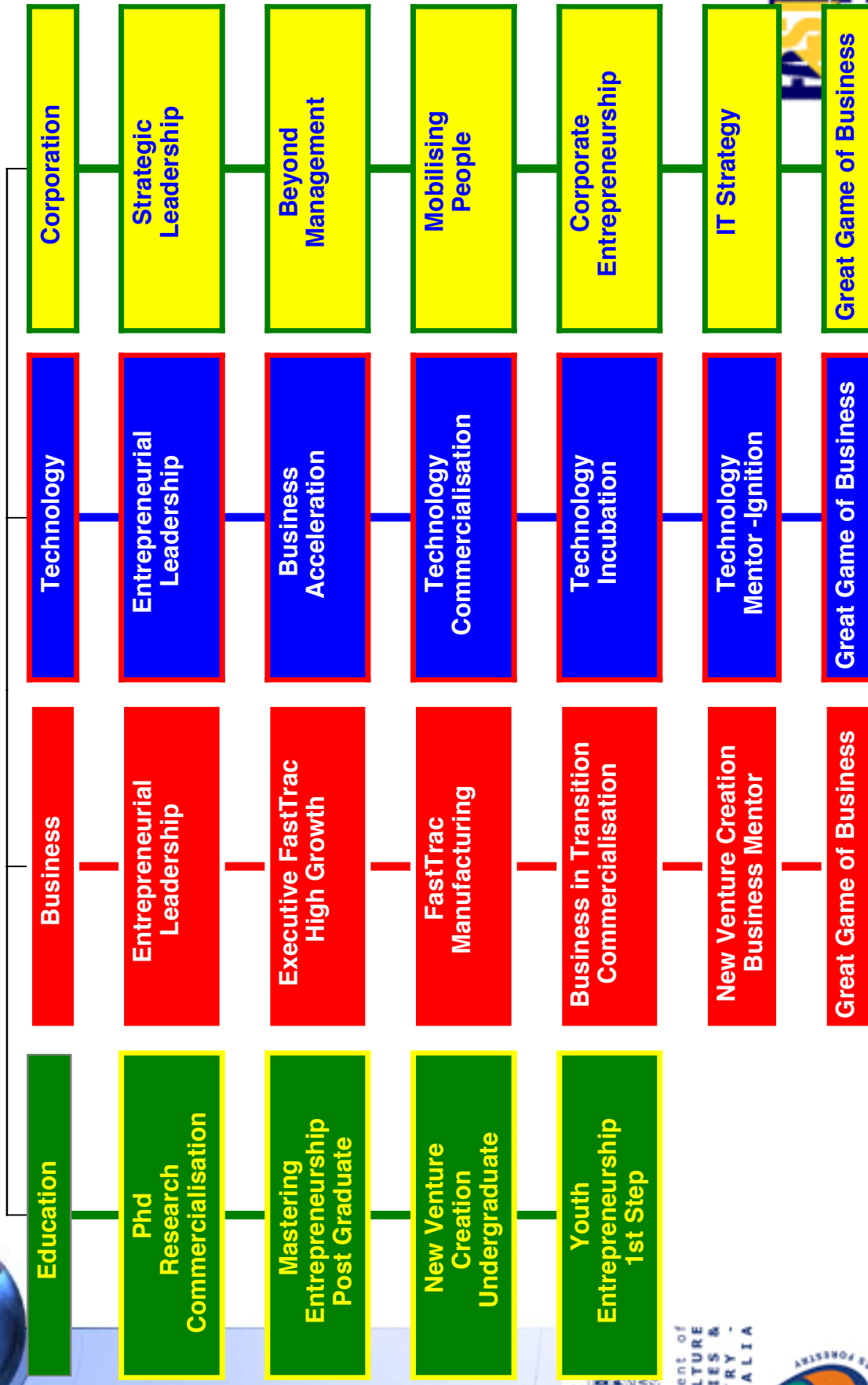
- **Corporation Builders**
- **Pacific Capital**
- **Australian Business**
- **Enterprise workshops**
- **FastTrac Australia**



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FastTrac Australia Products



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Books to Read



- **Enterprise and Venture Capital**
 - Chris Golis
- **Venture Capital**
 - Joel Cardis et al
- **How to Read a Financial Report**
 - John Tracy
- **Blown to Bits**
 - Evans and Wurster



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<http://www.Entreworld.org>

