TIM Lecture Series
29 Lessons Learned in Entrepreneurship

Wes Biggs

> *"To me, entrepreneurship is all about building.*
> *Building a team.*
> *Building a product.*
> *Building a company."*
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> Wes Biggs
> President and CEO
> Triacta Power Technologies

Overview

The eighth TIM lecture of 2012 was presented by Wes Biggs, President and CEO of Triacta Power Technologies (triacta.com). Biggs shared the 29 key lessons he has learned about his experiences with entrepreneurship both through roles within large technology companies and as part of the senior management and founding teams of technology startups. He retraced his career history up to this point and extracted lessons learned through each of his varied experiences. The event was held at Carleton University in Ottawa, Canada, on October 11th, 2012.

The TIM Lecture Series is hosted by the Technology Innovation Management program (carleton.ca/tim) at Carleton University. The lectures provide a forum to promote the transfer of knowledge from university research to technology company executives and entrepreneurs as well as research and development personnel. Readers are encouraged to share related insights or provide feedback on the presentation or the TIM Lecture Series, including recommendations of future speakers.

Summary

Wes Biggs drew upon his 30 years of experience in technology companies to distill 29 lessons he learned about entrepreneurship. Biggs described five key roles he has played as case studies to show how his perspective in each role influenced the lessons he learned. As he transitioned through each of these roles, he sought out increasingly entrepreneurial environments because he was attracted by the ownership opportunities. In this sense, "ownership" refers to more than equity; it refers to involvement in strategy development, technology selection and development, and the development of the company itself. Biggs started out as an engineer in an established telecommunications company, and he is now the President and CEO of an energy management hardware company, which he joined during in its early, startup phase.

Below are the 29 key lessons learned by Biggs, which come in the form of advice to other technology entrepreneurs:

1. Get in early. The very early days of a company are filled with energy and opportunity.

2. Have a product and market focus. You can't do everything, especially at the beginning. If you try to, you will likely find that you will accomplish nothing. At first, you should focus on one market and one product.

3. Too much money can be as bad as too little. Having too much money can stifle innovation. It is better to focus on getting customers, not spending money.

4. Give people a "fraction of the action". This means not only giving equity in the company, but it also means giving team members ownership of problems and responsibility to make decisions. Note that the "early ones" tend to get the largest fraction of the action; it is a decreasing scale.

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5. Find the right mix of "veterans" and "new blood". Effective teams are diverse. Young people often bring energy, new technology, and room to grown and learn, but experience is also important.

6. Surround yourself with proven and trusted colleagues. In an entrepreneurial setting, it is critical to work with people who you know will deliver, even under time pressure, money pressure, etc.

7. Adopt a connectionless management scheme. Organizational hierarchies are only useful for human resources purposes and for displaying on organization charts. Cultivate an environment where people are free to talk to whoever can give them the answers they need. Communication is key; don't let hierarchies get in the way.

8. If you want to find out what is really going on in R&D, install a beer keg next to your office. You need to understand the key issues happening in R&D. Often, the best way to do this is to create opportunities for informal discussion.

9. The outside-affiliate model can be great for innovation. Creating affiliate companies (or spin-offs) outside of the company can be a great way to promote innovation. This model gives an outlet to employees who wish to be entrepreneurs, while maintaining control of intellectual property; it is also a way to retain engineers who might otherwise leave the company.

10. Some people may not perform to the same level in a startup as they would in a large company with "infrastructure". A startup is a much different environment than a large company, and you can't always predict how a given person will respond based on their past performance in a large company. Some people thrive in startups, and some people struggle.

11. In your business plan, take the most pessimistic timeframe you can imagine to achieve your first sale... then double it. Once you know what the pessimistic timeline is, ask yourself whether you, your employees, and your company can survive it.

12. Successful people who bring money to the company typically also bring an engrained formula for success. When people have had success in the past, they are unlikely to want to deviate from the formula that brought them this success. But, every situation is different. Be aware that these engrained formulas can help you, but they can also hurt you.

13. Taking money from individuals brings one level of expectation. Taking money from individuals who have taken other people's money ratchets up the level of expectation. When individuals bring other people's money, they have already committed to the expectations of their group or fund.

14. Those with the money call the shots. If you have no skin in the game, you ultimately have no say.

15. Those with big money typically look for "Type A" CEOs. Make sure you are the right "blood type" for a startup backed by venture capital. Venture capitalists are looking for aggressive, assertive CEOs that will drive the growth and revenue of the company. If you aren't this type of person, think twice about accepting venture capital.

16. Your board is important; try to have one or two independent board members. The board plays an essential role in the company's success. Listen to them. And, make sure some board members do not have a vested interest in the company beyond a shared desire to see it meet its growth objectives and contribute to its success.

17. Build a management team that has interchangeable parts. There is risk when one individual is the heart and soul of a company. If something happens to a company or one of its senior management team, it helps to have redundancy in the skill sets of senior managers.

18. Have a first customer as early as possible. Early customers are not only a source of early revenue, they can validate that you are on the right track.

19. Nobody ever gets it right in their first PowerPoint slides. Be prepared to change direction. As you develop the product and meet with potential customers, new markets may present themselves.

20. Regulations can make markets, and regulations can take markets away... quickly. In some cases, you need to commit the company to a particular market. However, regulatory changes can open new markets or shut others down, sometimes with very little warning.

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21. Recruit employees that will ride it out through the tough times. A dedicated core team is essential. This dedication may be tested if the company struggles.

22. If it's not fashionable, you may be onto something. Depending on what you are building, you may be better off developing your product in obscurity and letting the market come to you, rather than chasing a crowded market.

23. It doesn't have to be the next "New New Thing"; it just has to be new to your customers. When moving into new industries, you may find that what is "well known and ordinary" to you may be perceived as new and innovative, either because it is unfamiliar or because it may not have been used in that way before.

24. Ignorance of industry norms sometimes gives you an advantage. Industry norms can sometimes stifle innovation; when moving to a new industry, ignorance of these norms can lead you to doing things that others perceive as innovative.

25. Don't forget about patents. It can be easy to focus on building technology and forget about patents. However, patents affect your valuation, and they can also be used as a defensive or offensive tool.

26. Recruit board members that have built companies (preferably in your industry). Use their expertise and experience. Ask for their advice, and listen to it.

27. All investors want an exit. If you take money from people, don't forget that they will want to get their money out at some point. Plan for it.

28. Key revenue milestones are $3 million and $10 million. For hardware companies, these are magical numbers that signal that you are going to "make it". Reaching the first milestone with further opportunities for growth can reinvigorate employees and investors. The second milestone tells you that you are a "real company" in terms of the number of customers, consistent repeat buying, and greater opportunities for acquisition.

29. Building a company can take a while. Be patient, but also plan ahead for a long journey.

About the Speaker

Wes Biggs is a technology company veteran with over 30 years of experience in established technology companies such as Nortel, Mitel, and Newbridge plus several startups along the way. He has learned many lessons both as an engineer and as a founder/executive. Wes joined Triacta Power Technologies as the VP of Engineering & Operations in 2003 and is now President and CEO. Prior to joining Triacta, Wes was co-founder, President, and CEO of Meriton Networks.

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