

ENTREPRENEURSHIP OPPORTUNITIES & SKILLS

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CRA-W

Computing Research Association
Women

My Double Career



Academia



- Ph.D thesis (Princeton), 2000
 - Memory and storage systems
- UIUC, 2002-2009
 - Software reliability and quality
- UCSD, 2009-Now
 - Data center management
 - Software quality

Startups



Emphora, 2000-2002

- Database storage
- Acquired by a public company

Pattern Insight 2007-2012*

- Software quality
- Data center monitoring (acquired by VmWare in 2012)

Whova: Nov 2013-Now

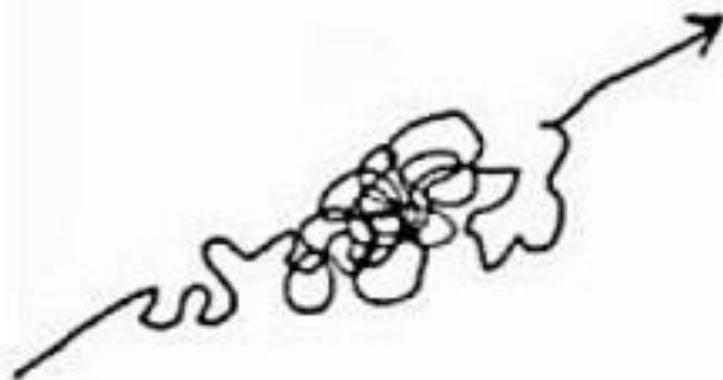
- Event engagement and management
- 7000 conferences, 83 countries

Success



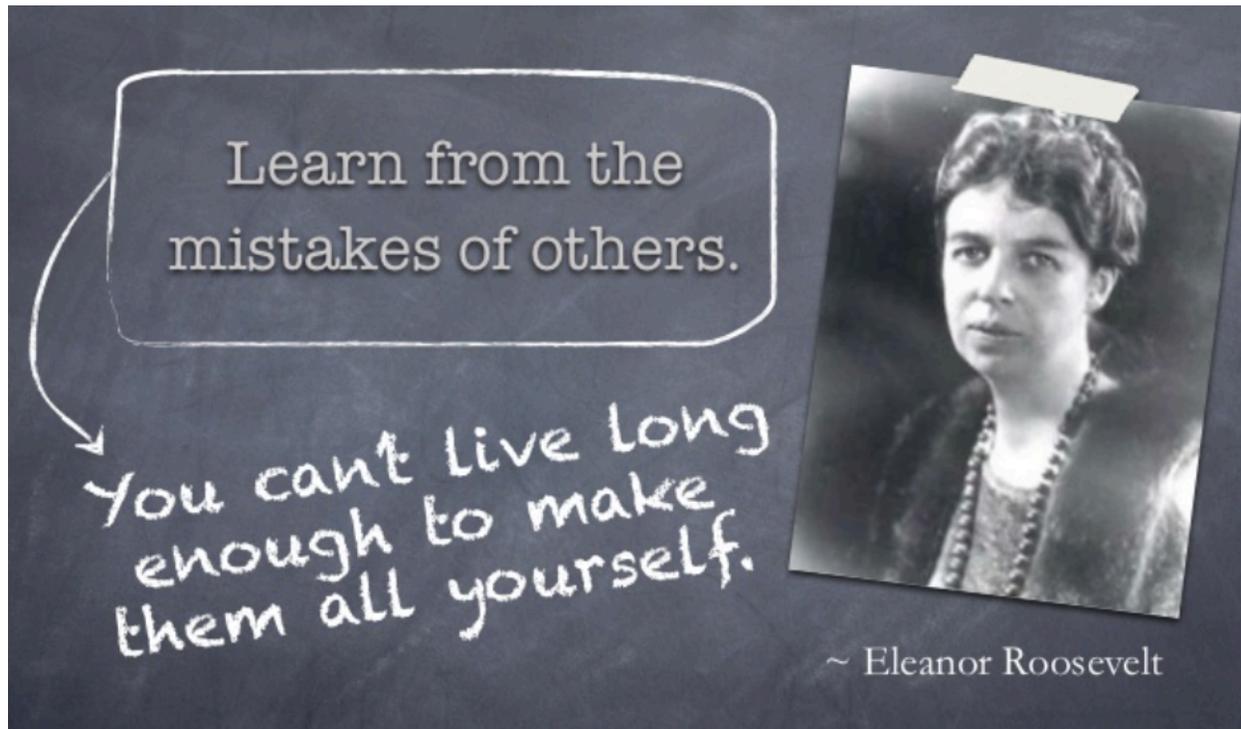
what people think
it looks like

Success



what it really
looks like

Now I am sharing 10 of my mistakes



Mistake 1: “I know more than the customers”

- Ph.D: Permanent head damage
- Story: My first startup in NJ
 - “Once I built it, customers will buy it”
 - NO, NO, NO!
- Correct way: find customers first
 - Understand their requirements and how much they want it



Mistake 2: Delay talking with customers

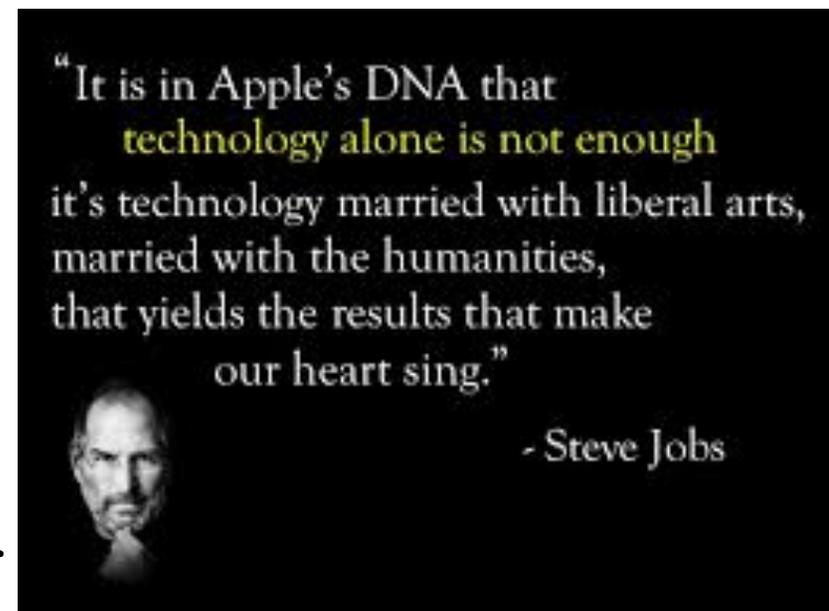
- “We want to build the perfect product!”



- Story: Emphora’s initial customer traction
- A recent article: <http://www.entrepreneur.com/article/269554>

Mistake 3: Over-emphasize Technology Advantages

- How about go to market strategy?
 - Fitbit story
- How about easy to use?
 - Datadomain vs. its competitors
- How about cost of product and service?
- You are no longer playing in the technical world
 - 入乡随俗 **Startup is in the business world. Play the game of business (that includes many things)**

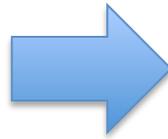


Mistake 4: Over-emphasize novelty

- Yes, there is some first mover advantage
- But have you heard of **last mover advantage**?
 - Example: Google
 - Why?
 - Early players have already educated the customers/users
- What investors like the most typically
 - Existing market, Not a new market
 - but with a unique approach

Mistake 5: Recruit people similar to me 😊

Diverse **background, perspective** and **thinking** helps perfecting the product, the business process



Story: Whova 2015

Mistake 6: Not focused in the first 3-4 years

Yes, your technology can have many applications. But pick one to focus

- Building a product is not as easy and quick as doing a research paper
 - May take 2-3 years to be ready for prime time
- Marketing/sales need to focus, too



Story: Pattern Insight's semi structure analysis (Series B)

Mistake 7: Over-emphasize Fund raising

Fund Raising is a Means Not an End

Posted on **June 11, 2013** by steveblank

Not all that glitters is gold
William Shakespeare

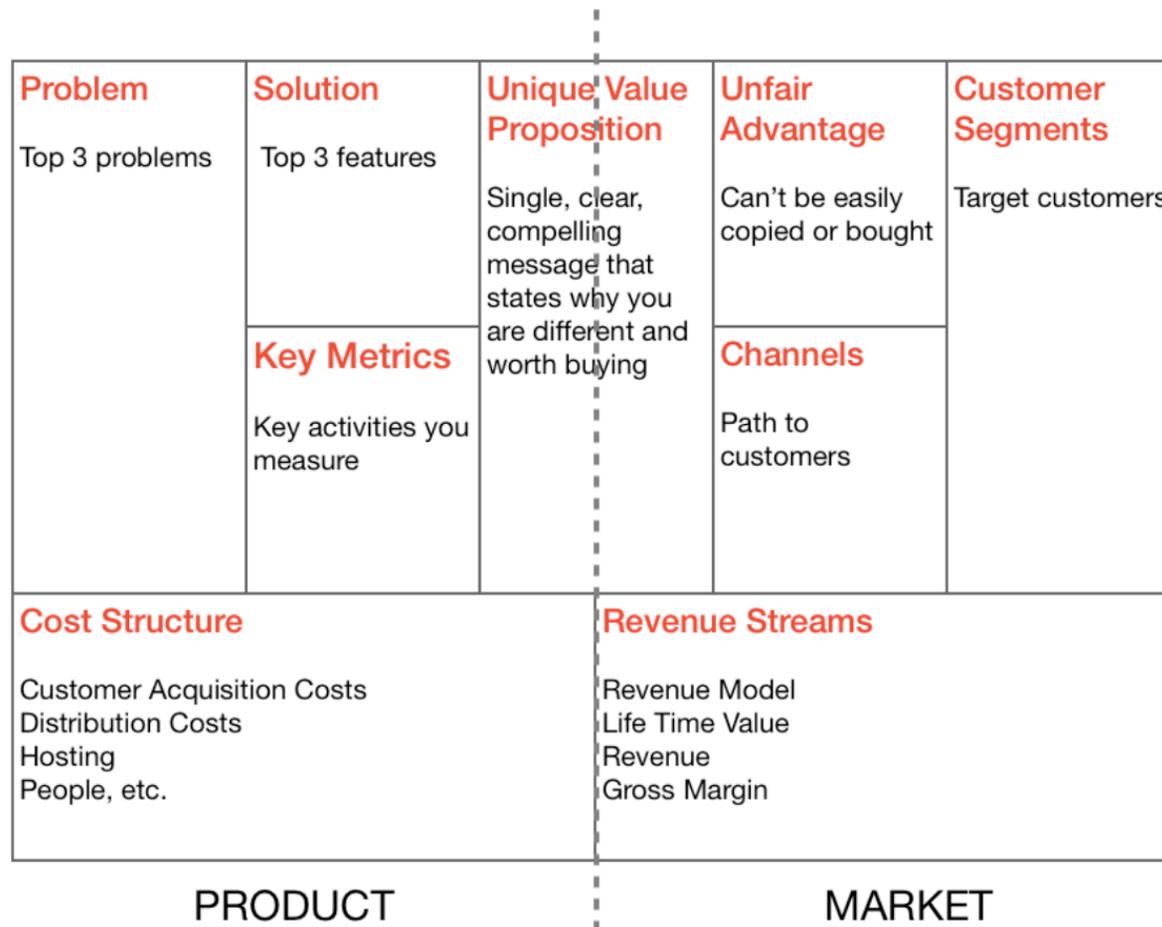
For many entrepreneurs “raising money” has replaced “building a sustainable business” as their goal. That’s a big mistake. When you take money from investors their business model becomes yours.

One of my ex students came out to the ranch to give me an update on his startup. When I asked, “What are you working on?” the first words out of his mouth was his fund raising progress. Sigh... What I should have been hearing is the search for the business model, specifically the progress on product/market fit, but I hear the fund raising story first at least 90% of the time. It never makes me happy.

- Story: Pattern Insight Series B

Mistake 8: Confuse Product Idea with Business Model

- Building a product is NOT “the product” of your startup.
Your business model is “the product”.



Mistake 9: Over-Rely on Business People

TRUST YOURSELF.
YOU KNOW MORE
THAN YOU THINK
YOU DO.

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- **No, business people will NOT be your savior**
 - Is your company good enough to attract top notch business people?
 - If not, why did he/she want to join you? What other opportunities does he/she have?
 - He/she is not as committed as you are
 - For them, it is just a job. For you, it is your baby
 - The business people you hire are not as exploratory as you
 - They will not help you find the business model
- **In the first 2-3 years you have to trust and rely on yourself!**
- See Steve Bank's book

Mistake 10: Too optimistic

- Yes, investors (customers) are very interested....
 - But from interest to money in the bank, it can still take 6-24 months
- Yes, we still have enough money to run for 1 year
 - Is 1 year enough?
 - How about after 1 year?
- Once our product is ready, our investors will put in more money?
 - Really? Is it guaranteed?
- Once we hire sales people, we will get revenue from customers?
 - Really? How long your sales people need training? How long is your product's sales cycle?
- **90% companies fail because**
 - They run out of money
 - So be **paranoid**

Now the boring but important part

- **Co-founder or early employee visa issues**
 - Yes, you can get H1 for them
 - You need to provide some evidence as a legitimate business such as investments, customer purchase/license, SBIR grants, etc.
 - Yes, you can get green card for them, and sometimes even faster than big companies
 - You can possibly apply EB-1 for them, green card in just 6-12 months



IP License from University

- Yes, if your startup is based on your research from university
 - The IP belongs to university and you have to license it
- Get to know the OTM (Office of Technology Management) earlier
 - Do not wait until you need to license the IP
 - Get to know their policies
 - Get to know them personally
- Ask other professors who have dealt with OTM before
 - What has been any lessons or pitfalls you need to watch out
- University owning equity in your startup has a good side and also bad side

Fund Raising

- Talk with investors earlier
 - More as an advisor not for investment in the first 2-4 meetings (meet them once every 3-4 months to update them with progress)
 - Keep in touch with them and have investors to observe your progress over 6-12 months period-----**build trust**
 - you are coachable (you took the advice and implemented it)
 - You can execute, not just talk
 - You want them to “convince” you that you should raise some money
 - Then you know you are ready to raise money from them
- You need to meet more people