TIM BOE STARTING A NEW TECHNOLOGY COMPANY

Lecture 1  3-29-16

- overview

- syllabus

- Idea Generation

- Project Kickoff 
  Homework #1
Problem: How do we create a successful new technology company?

Approach: 6 steps:

1. **Vision/Mission**
2. **Business Goals**
   - Product strategy
   - Market strategy
   - Business strategy
   - Financial strategy

- 3-6 determine 2
- all 6 steps influence each other "co-determined"
1. Vision & Mission

Ex: Mobile communication, wearable technology

- What is the societal need your start-up will address?
  - e.g., clean water, elder care, entertainment
- How will the start-up address the identified need?

2. Business Goals

Ex:
- Generate $2M revenue by year 2
- Grow revenue at 25% yearly for 4 years

- Revenue goals ($ in)
- Growth " (%)
- Profit Margin (%)

3. Product Strategy

Ex: Smart watch
- Voice
- Video
- Text
- Email

- Generate ideas for the new product/service
- Select one idea to design and develop
### 4. Market Strategy

Ex:  
- Identify the appropriate market for the product
- Segment the market into customer groups
- Size the market
- Select your target market & develop your marketing plan

**Target:** college students

### 5. Business Strategy

Ex:  
- Apple: market - wide, differentiated
  - Who are the major players (companies) in the target market?
- Samsung: market - wide, price competitive
  - What is the competitive strategy of the players
- Motorola: market - competitive
  - What is the appropriate competitive strategy for our company?
- Pebble: market - wide, lowest price
  - Our strategy: highly differentiated; focus on selected end users.
6. Financial Strategy

- cash flow analysis
- revenues, expenses over time
- funding - who will finance the start-up?

- crowd sourcing, venture capitalists, angel investors, loans, large companies

Venture Capital

20% ownership for $1 million in seed funds

Financial Structure

- who owns the company (dividing up the stock)

Workload

- Thursdays - either HW set due or project report due
IDEA GENERATION

= Structured Brainstorming "

1. Group designates a moderator
   - takes notes
   - keeps discussion on track

2. Generate ideas 30-50
   - no limit to craziness of ideas
   - no judgement

3. Categorize ideas
   - immediately implementable
   - implementable in a relatively short period, e.g., 2 yrs
   - speculative, long-term project