

TIM 80C STARTING A NEW TECHNOLOGY COMPANY

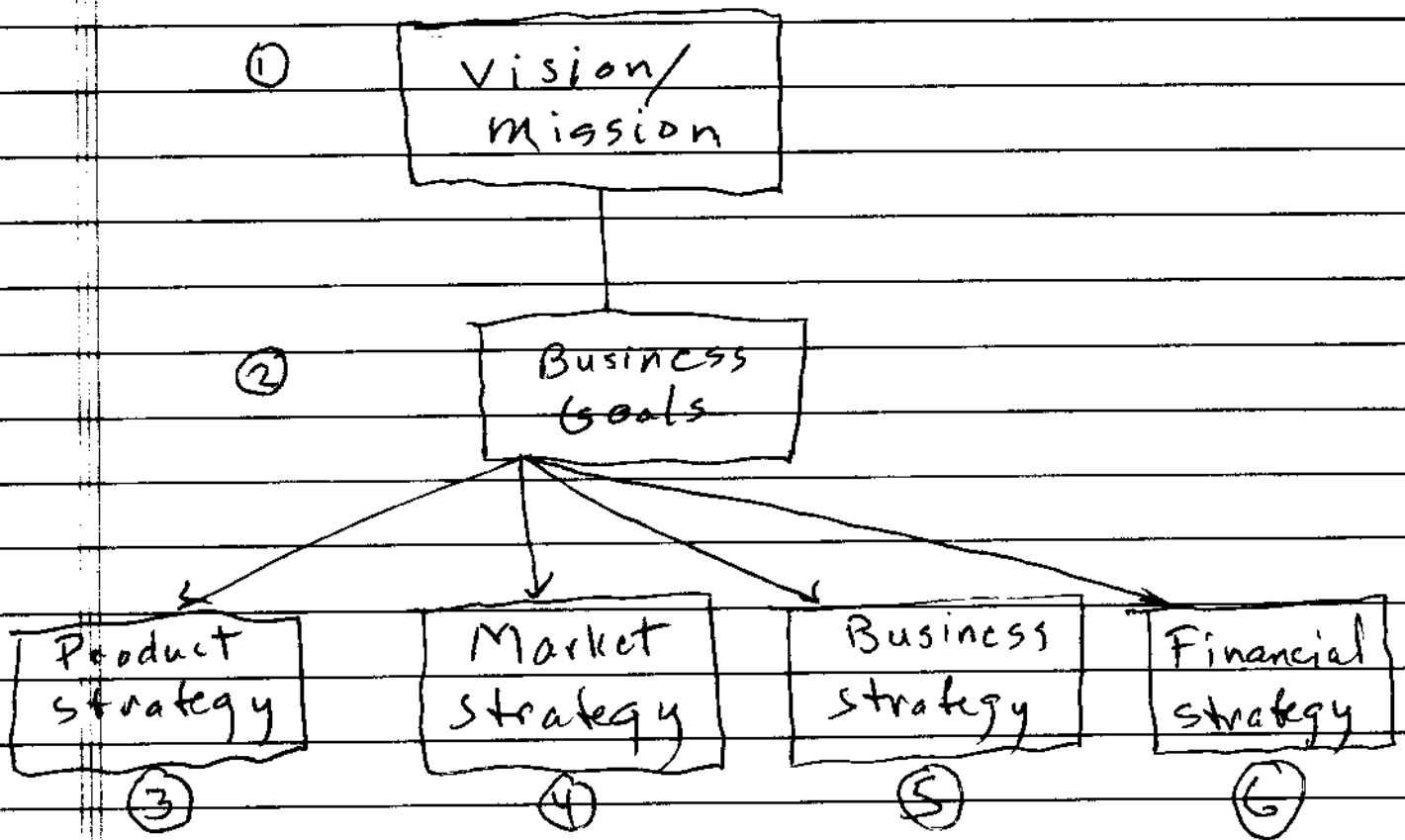
Lecture 1 3.29-16

- overview
- syllabus
- Idea Generation
- Project Kickoff &
Homework #1

① overview

Problem: How do we create a successful new technology company?

Approach: 6 steps!



- 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
eg., 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:

consumer electronics

target: college students

- identify the appropriate market for the product
- segment the market into customer groups
- size the market
 - # customers; \$; % growth
- select your target market & develop your marketing plan

5. Business Strategy

Ex:

Apple: market-wide; differentiated

Samsung: market-wide; price competitive

Motorola: market-wide; price competitive

Pebble: market-wide; lowest price

our strategy:

highly differentiated;
focus on selected end users.

Who are the major players (companies) in the target market?

what is competitive strategy of the players

what is the appropriate competitive strategy for our company?

6. Financial Strategy

EX:

5 yr goal/projection

Expenses: \$5 mil

Revenue: \$10 mil

Profit: \$5 mil

Venture Capital

20% ownership for

\$1 million in seed funds

- cash flow analysis

• revenues, expenses over time

- Funding - who will finance the start-up?

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

- 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