

ACETECH

EARLY STAGE

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Do you have what it takes to
make \$millions in a high tech
start-up?

Basil Peters

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Now for the really valuable info

- You paid good money to be here.
- You took two days out of your life -- something that's never easy for anyone running a business.
- You've received lots of information.
- But what did you really want to know?
- **HOW TO MAKE \$MILLIONS.**

Does it happen often?

- Less often than most people think.
- Competition for money is INTENSE -- so it's never easy.
- The media has ensured that everyone knows the success stories, from Bill Gates all the way down.
- But there are also legions of start-up carcasses and burned out entrepreneurs.

OK, but what about you?

- The real question is whether it's right for you.
- Should you even try?
- Shouldn't everyone try?
- No, it can easily ruin your life.
- How much is genetic and what can be learned?

When should you start?

- Try hard not get a ‘real’ job first!
- Do it early in life.
- Being a student is excellent training:
 - used to working long hours
 - for no money (i.e. already used to starvation)
 - not yet risk adverse (because you have no money)
 - willing to roll the dice double or nothing every day (because you are too young to know any better)

Characteristics of Entrepreneurs

- Lots written by VCs
- You may not like some of it.
- Sample characteristics:
 - first born
 - entrepreneurial family
 - incredibly persistent
 - intuitive
 - OCD
 - weird relationship with father

Some discriminating tests

- Hot stove test.
- Is the glass half full?
- See around the mountain.
- Perseverance.
- Work with teams.

Entrepreneurial Teams

- An individual can't be perfect.
- But a team can come close.
- There are exceptions (like Jim Pattison and Ted Rogers).
- Investors only back teams.

What is MOST important?

- OK, you have a bunch of entrepreneurs...
- What is most important in determining whether you will make really BIG \$ in your first entrepreneurial venture?
 - management?
 - innovation?
 - hard work?
 - luck?

LUCK!

- Was a bit of a trick question.
- Zero doubt that this is the correct answer.
- Various proofs available:
 - Bill Gates: \$ vs IQ standard deviation
 - millions of individual examples

Right Place at the Right Time

- Have to get two things right.
- Its hard.
- It's mostly luck when you are young.
- Just can't accumulate the knowledge to consciously position yourself.
- That's what old guys always say..... (the stove)

Ted Rogers Example

- Hero to a generation of Canadian technology entrepreneurs.
- First Canadian high-tech entrepreneur billionaire.
- Three right calls:
 - FM radio
 - cable TV
 - cellular telephones

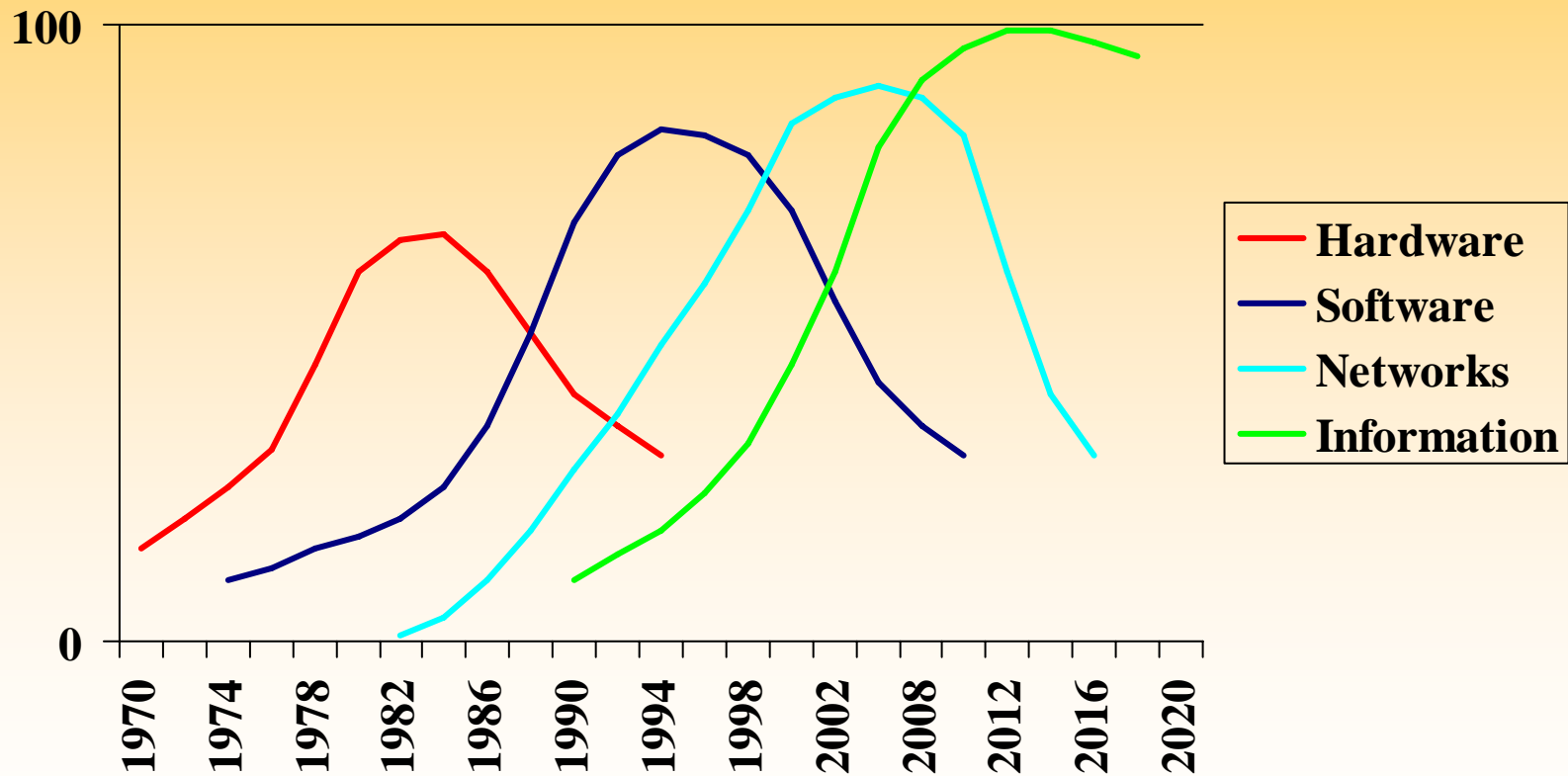
How I blew it the first time

- Prototypical techie nerd in the basement.
- Just had to build stuff.
- Vision of production line.
- Genetic defect common to engineers.
- Never listen anyway.
- I guess I just had to learn the hard way.

Getting it right the next time

- Being in the right place at the right time can be learned. (Terry Mathews more than Mike Copeland.)
- The right timing is much harder.
- The “Year of the LAN” for over 5 years.
- You can see into the future -- if you think about it hard enough.
- Its actually pretty easy -- just takes a really long time to learn how.

Eras of Opportunity In Computer Technology



What else is important?

- How else can you improve your chances of making really big \$?
- Second most important lesson:
- Try not to ‘blow your brains out’.

200 Fatal Mistakes

- Probably about 200 common mistakes that entrepreneurs make in the first few years.
- Unfortunately, most are fatal.
- Most companies try to make a dozen or so.
- They are not in a book or CD.
- That's another reason why chances of great success are so small.

Some good news

- The mistakes can be learned.
- The hard way (common path for entrepreneurs - remember the stove.)
- Go broke a few times (Jimmy and Ted almost did a couple of times.)
- There is a much better and faster way.

Mentors

- The most important controllable factor in your success.
- Ideal team includes some grey hair and some serious entrepreneurial scar tissue.
- Good ones not easy to find or to get sucked in.

Why they might make you rich

- How it worked for us at Nexus.
- What it feels like after you make your first \$million.
- What's still fun?
 - vicarious business thrills
 - management - NOT
- Passages and symbiotic relationships.
- Could always use a few more \$million and what else would you do anyway?

Other important lessons

- Do not run out of money.
- All investment capital comes with costs and conditions that are worse than you can possibly imagine (and that you probably won't understand until its too late).
- You have to sell what you make.
- 197 other lessons for another day.....

**Good
Luck!**