

# STARTUP SUCCESS MAP

As described in

STARTUP LEADERSHIP

HOW SAVVY ENTREPRENEURS TURN THEIR IDEAS INTO SUCCESSFUL ENTERPRISES



DEREK LIDOW

## FIVE ESSENTIAL SKILLS OF AN ENTREPRENEURIAL LEADER

### 1 SELF-AWARENESS Understand...



**Your Motivations**  
Drive your actions; They are your basic desires and fears.

**Your Traits**  
Physiological and psychological characteristics that you are born with or that develop early in life.

**Your Skills**  
Ability to perform prescribed tasks.

### 2 RELATIONSHIP BUILDING Understand what constitutes relationships

**Relationships = Shared Objective(s)**

**3 Types:** 1. Cooperative 2. Competitive 3. Retreating

BENEFITS	VS.	COSTS
<b>COOPERATIVE</b>		
Most efficient way to create new value or capability; lowest risk		Requires largest investment in time and resources; requires continuous investment of time and resources; Inconsistent quality from unskilled relationship builders
<b>COMPETITIVE</b>		
Most efficient way to test a solution; more suited to those who perform skills better when competing		Destroys value and assets to perform the test; highest risk path to achieve a desired outcome; often creates feelings of anxiety
<b>RETREATING</b>		
Enables independence, refreshes energy and resources; often enables creativity and innovative thinking; equivalent to buying an option on the future		Requires forgoing desired outcomes; can generate feelings of isolation

Improve relationships by using each type of relationships when their benefits outweigh their costs.

### 3 MOTIVATING OTHERS Create Relationships with Shared Objectives

**How to make the people who help you to fulfill your vision feel autonomous, masterful, and purposeful.**

### 4 LEADING CHANGE Put in place, and keep in place these 5 prerequisites for change



**Comprehension**  
Sharing the same understanding of the change objectives



**Motivation**  
To see the change is successfully accomplished



**Skills**  
Possessing the skills necessary to design and implement the change



**Resources**  
Required resources must be made available to the team as requested



**Communication**  
Everyone impacted by the change must understand its importance

### 5 ENTERPRISE BASICS Projects and Processes create all value. Cultures can amplify this value creation.

**Project**  
Set of tasks performed by a team of people to create something new or to make something better.

**Process**  
A set of tasks that people repetitively perform to transform materials and information into something more valuable.

**Culture**  
A shared set of understanding held by an enterprise's stakeholders about how contributions are valued and rewards are given.

PROJECTS	VS.	PROCESSES
Have never done this before		Do the same thing repetitively
Less efficient than processes for transforming inputs into outputs		Processes are created by projects; have up-front costs, partially recovered each time the process is performed
Status is monitored through milestones, time, and resources expended		Status is monitored through in-process measurements often using statistical tools
Achieved by assembling people temporarily into a team		Performed by people assigned permanently who are trained in the required skills
Objectives and plans can be changed by whomever gives the project team its mandate and resources		Can be successfully changed only with significant planning and investment (requires a project)
Significant leadership is required to plan and execute		Processes are managed, not led, unless they are to be changed
Carry a greater risk of not achieving a successful outcome		Risks are well defined by statistics
Projects create change		Processes resist change

## PERSONAL LEADERSHIP STRATEGY

How will I master these skills? Who will I get to help me? How will I hold myself accountable?

## INDUSTRY SPECIFIC SKILLS

## ENTREPRENEURIAL STRATEGY - 10 BASIC STRATEGIC QUESTIONS

- Who will want to buy your product?
- Why will they want to buy your product?
- How will they know they want to buy your product?
- Where will they buy your product?
- How much will they be willing to pay?
- What process will you use to make and deliver the product?
- Are there any special skills required for the enterprise to succeed?
- Are there any critical enablers to making and delivering the product?
- How much will it cost to make and deliver the product?
- How much money will it take to set up your rudimentary (stage two) processes for delivering the product, finding and satisfying customers, and administering the enterprise?

## FOUR STAGES OF ENTERPRISE MATURITY

### STAGE ONE: Customer Validation

**Starts** with a commitment to forming an enterprise around an idea.  
**Ends** when a customer commits to using the product or service.

**Value Creation: All project**

**Strategic imperative:**

- How can I best find real customers?
- How can I make a very basic product (the minimum viable product or MVP) attractive enough so some customer will actually agree to try it?
- How can I deliver the MVP when I find a customer willing to try it?

### STAGE TWO: Operational Validation

**Starts** with a customer committing to use the product or service;  
**Ends** when basic processes are used to deliver the product, ensure the customers are satisfied, capture new customers, and simply administrate the enterprise.

**Value Creation: Projects transitioning to processes**

**Strategic Imperative:**

Implement these core capabilities as simply and reliably as possible.

### STAGE THREE: Financial Validation

**Starts** when the value proposition has been confirmed and basic processes are reliably in place to deliver the product, capture and satisfy customers, and administrate the enterprise.

**Ends** when the company is able to produce consistent value under stressful competitive and economic conditions by operating with scalable processes that manage all aspects of the enterprise with no process relying on any particular individuals.

**Value Creation: Dominated by processes**

**Strategic imperative:**

To create a sustainable balance in the enterprise processes between effectively generating significant value and being flexible enough to meet the expectations of existing and potential customers.

All processes must operate without the direct involvement of the entrepreneur or any other individual person or supplier.

### STAGE FOUR: Self-Sustainability

**Starts** when the leader initiates a project to create an innovative new product or service that captures new customers. Stage 4 does not start automatically when stage three ends, for many enterprises it starts years after stage three has ended, or never starts at all.

**Ends** when the new product or service produces consistent value for the enterprise and a process has been established to produce more innovative products.

**Once an enterprise has completed stage four, it is a fully mature enterprise.**

**Value Creation: Innovation projects transitioning to innovative new processes**

**Strategic imperative:**

For the enterprise to implement a process that enables itself to be renewed.