

TIM 80C : STARTING

A NEW TECHNOLOGY COMPANY

Lecture 1

4-4-17

- overview

- syllabus

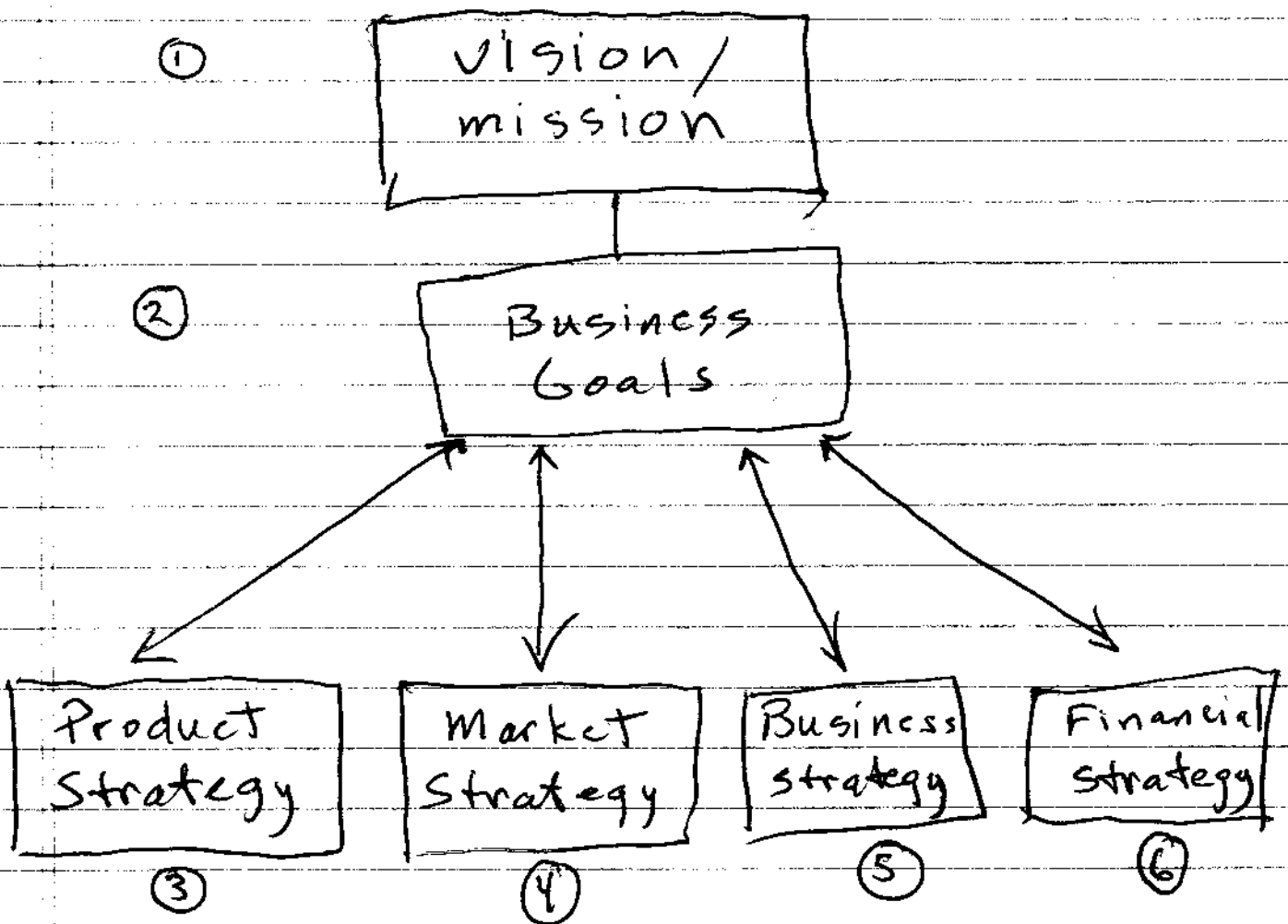
- Idea generation

- Project Kickoff $\frac{1}{1}$
Homework #1

Overview

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

Approach: 6 steps



- all 6 steps influence each other and are 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 \$2 mil revenue by year 2
- Grow revenue at 25% yearly for 4 years

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

③ Product Strategy

ex.
select:
smart watch
- voice
- video
- text
- email

- Generating ideas for the new product/service
- selecting one idea to design & 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.
Estimate # 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, least cost

our strategy:

highly differentiated;
focus on selected end users

- who are the major players (companies) in the target market?

- what is their competitive strategy?

- what is the appropriate competitive strategy

for your company?

6. Financial Strategy

EX:

5 yr goal/projection

Expenses: \$5 mil

Revenues: \$10 mil

Profits: \$5 mil

Venture funding

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 capitalist, angel investor, loans, large company

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Note on workload:

Thursdays: either HW or project reports due in class.

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 them
 - immediately implementable
 - implementable in a relatively short period of time. e.g. 2 years
 - speculative, long term