



# Entrepreneurship: *What Does It Take to Succeed?*

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Consultants Can Succeed In Business By  
*capitalizing on their industry insight &  
technical expertise!*

# Ingredients Of A Successful Business

- A “good idea”
- A sound business case
- A viable strategy
- Adequate financial backing
- Management’s ability to execute to properly develop the business

A Good Idea Is One You Can Succeed At

An idea good for the goose  
may not be good for the gander

# Coming Up With A Good Idea

- Find a business opportunity in an industry where you have deep insight
- Identify a product that serves an unmet need that is determined objectively based on data
- Define business case & reasons why you can succeed
- Use your deep technical expertise to provide a strategic advantage and a head start
- Use a buildout strategy that is consistent with your financial backing
- Get founders who complement your skills

# “Usefulness” Is Defined In the Marketplace

- Having a useful product is just a starting point
- Get feedback from the marketplace to validate your premises
- Never count on opinions & assumptions

A good strategy provides a **clear roadmap**, consisting of a set of guiding principles that define actions, goals, and prioritization

# Write A Business Plan To Fine Tune Your Strategy

- Enables you to work through scenarios to optimize
- The business plan provides a banner and a roadmap to guide the organization to work in sync
- Use milestone goals to measure against the performance of the organization to adjust the plan as you go



# Lack of Capital Is A Common Cause For A Business To Fail

It is difficult to succeed without adequate  
financial backing

# Getting Financial Backing

- Investors are risk adverse, they want
  - Assurance for success...as well as the potential of a big upside
  - Provide them a solid rational business plan plus a grand vision
- Align business strategy/plan with available resources; reduce goal to match available resources
- Focus on meeting milestone goals to get successive rounds of financing

# Offer The possibility of an Attractive Return

- Investors want to optimize returns
  - 10% IRR = 2.14x in 8 years
  - 15% IRR = 3.06x in 8 years
  - 25% IRR = 5.96x in 8 years
- Proceed with a mindset to work with investors constructively and a willingness to share the upside

# Get Value-Add Investors

- Investors can be helpful or detrimental
- Seek idealistic investors who want to make an impact (Shun opportunistic investors who are preoccupied with making money)
- Trust your gut instinct when it comes to relationships
- Check references where the company failed

# Appropriate Sourcing At Each Stage

- Verifying concept : Bootstrapping
- Proof of feasibility: Friends & family
- Verifying technology: Grants
- Prototyping: Angel, angel group
- Market testing: Crowd sourcing
- Product development: Seed VC
- Business development: Early-stage VC
- Growing the business: Late-stage VC

# Pitching Effectively

- Cut to the chase; give what investors want to know; What's the nugget?
- Cater pitch to each investor
- Emphasize business case, less on technology
- Clearly define why the business could succeed
- Provide proof/data/evidence that the business could succeed

# **Rome Is Not Built In One Day**

A modest success is more desirable than a spectacular failure

# A Modest Success Can Launch Your Entrepreneurial Career

- Easier to succeed with a modest goal
- Resources readily available to entrepreneur with a track record
- Done-it-once experience minimizes mistakes
- Gain benefits from existing relationships
- Can capitalize on existing infrastructure to achieve capital efficiency



# In Short

- Acquire management & business skills always
- Minimize risks by finding a business opportunity in the industry you know
- Use data to build a strong business case
- Reduce initial goal to match financial backing
- Engage cofounders with skills complementary to yours
- Focus on execution
- Prototype the business before betting the farm

# Career Advice For Engineering Students

- Never stop learning: Seek depth in expertise & breadth in general knowledge & awareness
- Work for a company that provides learning and opportunity for growth
- Participate in making management decisions & learn from mentors to hone leadership skills
- Get firsthand *intrapreneurial* experience
- Participate in community activities

# Parting Words

Consultants can succeed in business by capitalizing  
on their  
industry insight & technical expertise

That said, Blessing Can Become a Curse  
Challenge yourself to do what you are not naturally  
inclined to do to optimize choices



- A practical reference for startups
- My experience to get you a head start

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