

Negotiations for Start-ups

LECTURER KHOLOVA GULNORA

Real Entrepreneurs Describe Their Mistakes



Entrepreneur

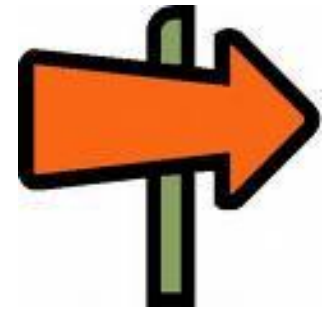


French origin – “to undertake” (13)

Richard Cantillon (1730) – “self-employment of any and every sort”, including beggars and robbers (22)

One who organizes, manages and assumes the risk of a business or enterprise (13)

Peter Drucker, modern management theorist - “Shifts economic resources out of an area of lower and into an area of higher productivity and greater yield,” (22)



Objectives

Understand the evolving definition of an entrepreneur

Learn about the characteristics and demographics of entrepreneurs

Meet real entrepreneurs from around the globe

Examine the large amount of research that has been conducted on entrepreneurs and compare it to the entrepreneurs we interviewed

Find out if you have what it takes

Qualities of an Entrepreneur

Inner drive to succeed

Strong belief in themselves

Open to change

Competitive

Highly motivated

Initiative

Commitment

Leadership

Self-direction

Optimism

Hard work

Demographics: Age

Greater levels of experience,
superior personal networks,
and a stronger financial asset
base

Entrepreneurship increases
with age (2002)

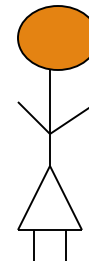
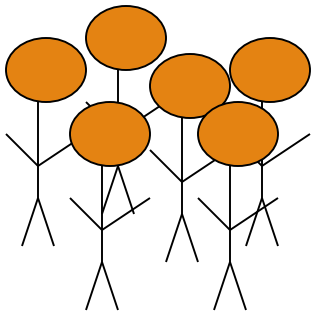
- 21% of the working population,
age 66+
- 11%, age 25-54
- 8%, age 25-34



Demographics: Gender

Women owned firms have a higher probability of closure and a lower probability of becoming profitable (Study of 2,994 US companies, 1993)

In 2000, more men than women in the US were self-employed



Cultural Influences



In a review of 21 empirical studies, Hayton, George and Zhara found that cultures that value risk taking and independent thinking (such as the United States, Singapore and many European countries) have more entrepreneurial activity

Cultures that value conformity, group interests and control (many Asian and Islamic nations) over the future have less

Guess the Entrepreneur



Bill Gates, Microsoft



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Meet Real Entrepreneurs from Around the World

Matthew Porter,

St. Louis, MO



Csaba Zaido,

Hungary

Akom Thongloy,

Thailand

Matthew Porter



Owner and founder of Contegix

St. Louis, MO

32 years old



Experience The Power of Beyond Managed Hosting

- Customizable Hardware Configurations
- 100% Network Uptime Guarantee
- Phenomenal 24x7 Support
- Intelligent Routing
- Fully Managed

Background



Introverted, logical middle child

Grandpa bought him his first computer when he was six years old

Sold his first commercial software at age seven

CBC High School graduate

Began as a Pre-Med Student at St. Louis University

Changed his major to computer science after the first semester

Career Background



Started a small business computer consulting company in 1998

Sold the customer base to pay for his wedding

Worked in industry to learn the right and wrong ways to operate

Managed a software development project that was shelved when the company was acquired by a competitor

Contegix



With his wife's help, he decided it was time to start his own business

Founded Metissian with his friend Craig, while still working full time at Demand Management

Contegix began because customers wanted and needed hosting services

Csaba Zajdó

Co-owner, founder and CEO of WebShop-Experts

Debrecen, Hungary

25 years old



WebShop-Experts Kft.

Csaba's Background

Extroverted, logical

Very talented in Math and Computer Sciences

Competitive personality

Local high school

MSc Degree in Business Administration at the University of Debrecen

Programming-mathematic studies, graduation in 2008 or 2009



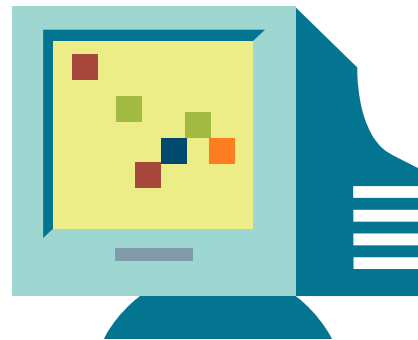
Csaba's Background

Business icon: Bill Gates

First thought of starting a business at age 14

Early plans at the age of 18

Started his company in the beginning of 2006, at the age of 23



Csaba's Career Background

No prior work experience, started in the last semester of business studies

He started the company with almost no money and experience

Founded the company with his brother with minimal financial help from their parents



WebShop-Experts



Founded in the beginning of 2006

In 6 months, he got an office equipped and had his first employee

After one year, he had 5 employees

Currently, 14 people on his team with good potential for further growth

Akom Thongloy



Owner and founder of Extreme Solution

Bangkok, Thailand

30 years old



Akom's background

Extroverted, self-directed

Grew up in agricultural family

Graduated with a Bachelor's degree in Electronics Engineering

Interested in Web designing and Visual Basic



Akom's Career Background

Worked in an IT company for 2 years

Together with his former classmate, he started his own company, Extreme Solution

Started serving clients who he had known since he worked in former company.



Extreme Solution

Founded in 2005

Focus on customer service

Decentralized organizational structure

Profit increased around 40% since first year

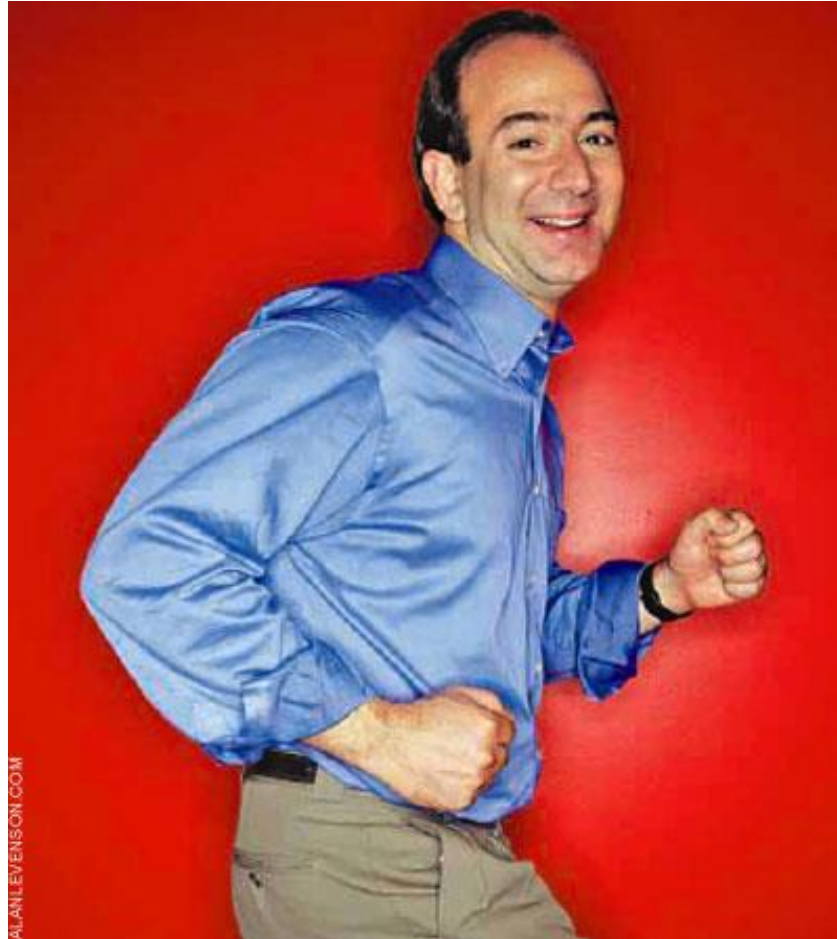




Hobbies of Entrepreneurs

<p>Matthew Porter, Contegix</p>	<p>Csaba Zajdó, WebShop- Experts</p>	<p>Akom Thongloy, Extreme Solution</p>
<ul style="list-style-type: none"> ▪ Weekly yoga class with wife ▪ Spend time with three kids ▪ Write code for fun 	<ul style="list-style-type: none"> ▪ Body building ▪ Starcraft (3x WCG) ▪ Girlfriend 	<ul style="list-style-type: none"> ▪ Play guitar ▪ Surf the Internet ▪ Read a book

Guess the Entrepreneur



**Jeff Bezos,
Amazon**



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Hatch & Zweig Study

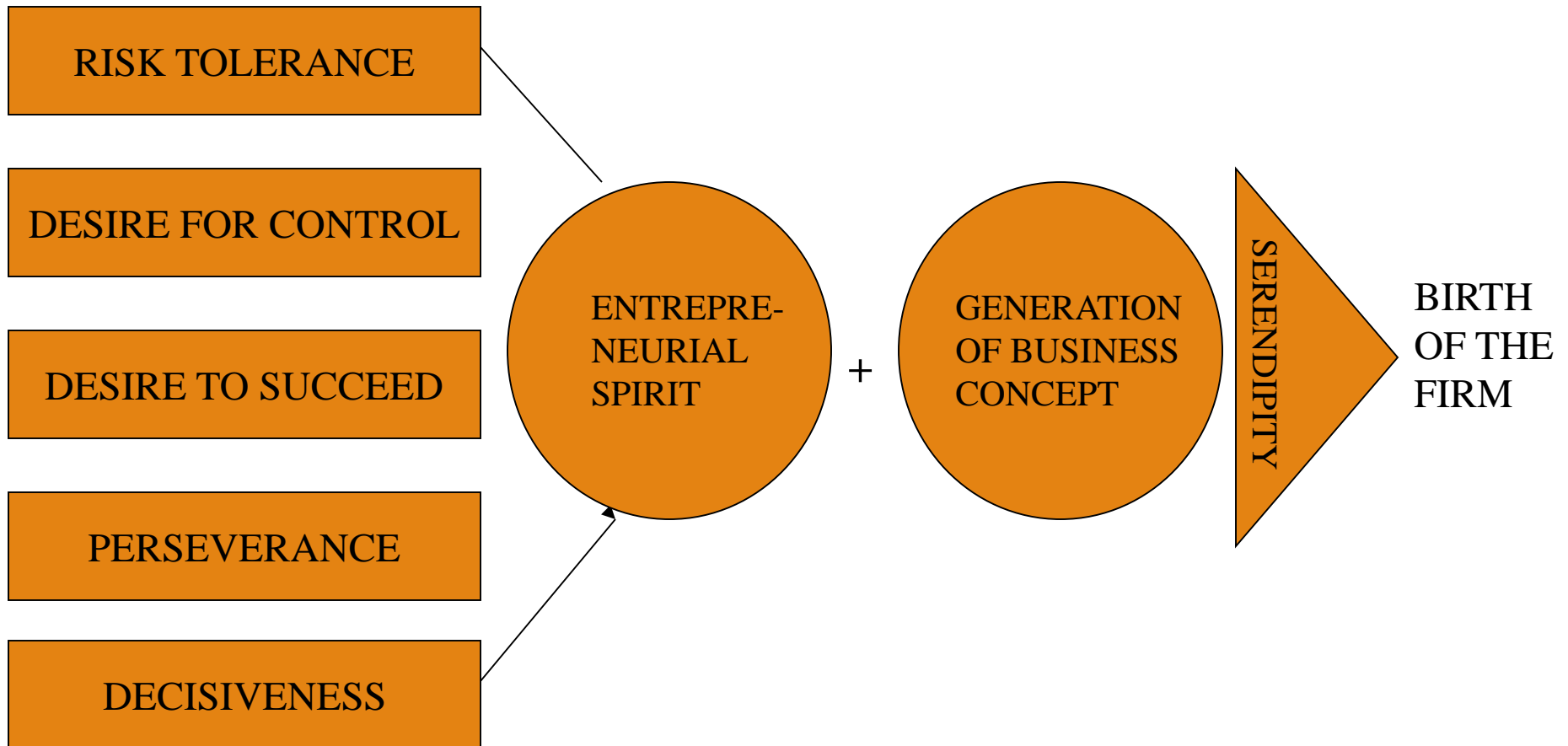
Sample: Over 50 In-depth interviews with entrepreneurs from the Chicago area

Findings:

- Middle to Upper Class families
- Post secondary degree unrelated to business field
- Different stages of onset
- Modest performers in other aspects
- 5 key personal characteristics



The Stuff Entrepreneurs are Made of



Northeastern University Study

School of Technological Entrepreneurship

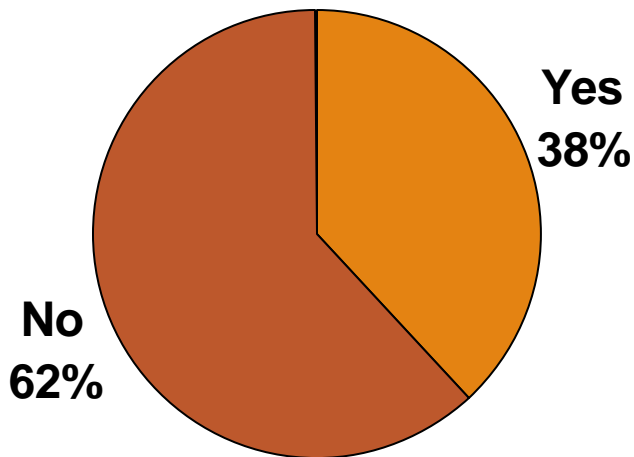
Sample: 202 U.S. based entrepreneurs



Were your parents, grandparents, or siblings entrepreneurs?

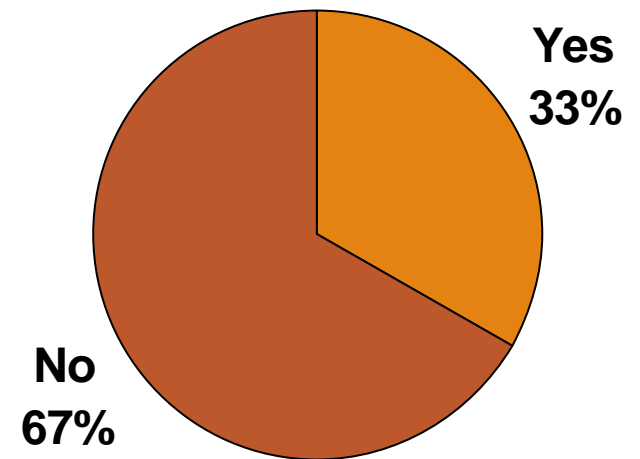
Northeastern University Study

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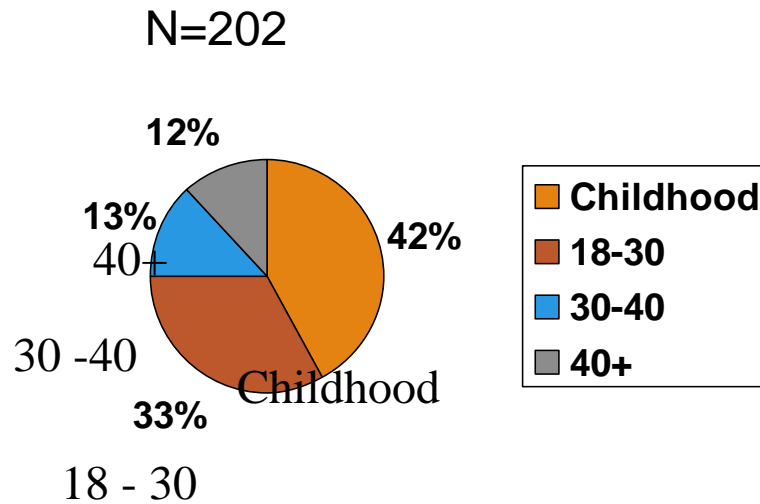
Our Interviews

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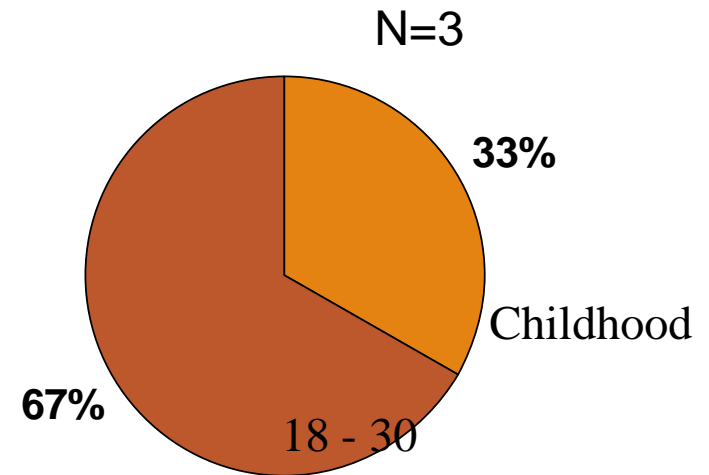


At what age did you launch your first venture ?

Northeastern University Study



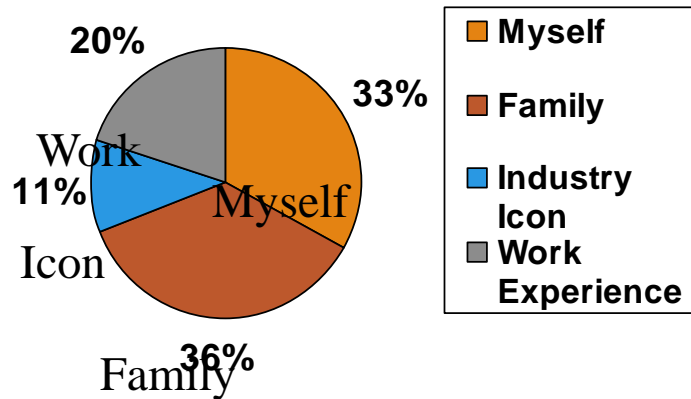
Our Interviews



What was your biggest inspiration?

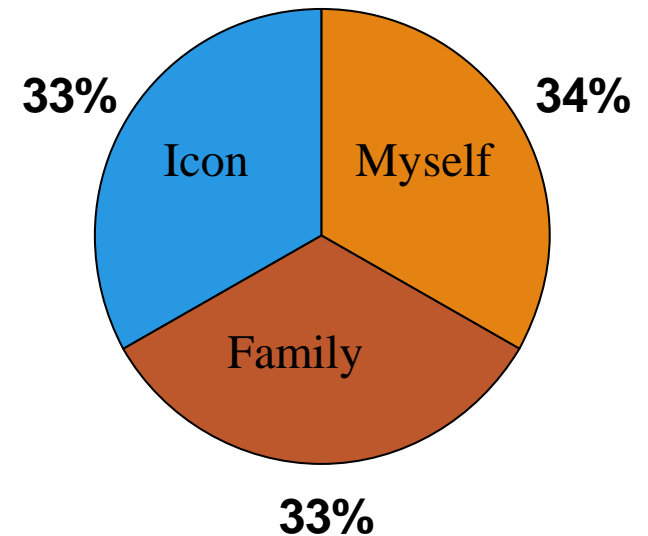
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Our Interviews

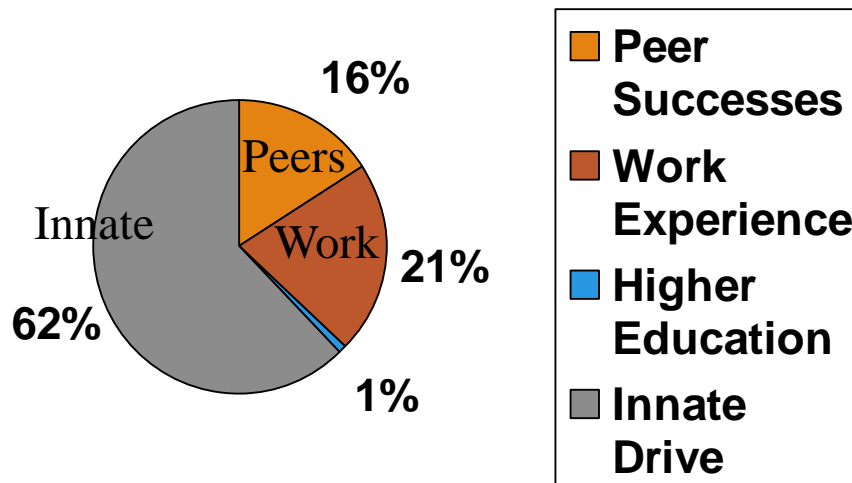
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What were your biggest motivators towards starting your own venture?

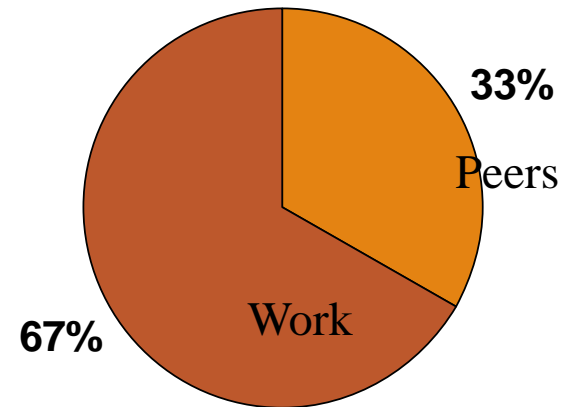
Northeastern University Study

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Our Interviews

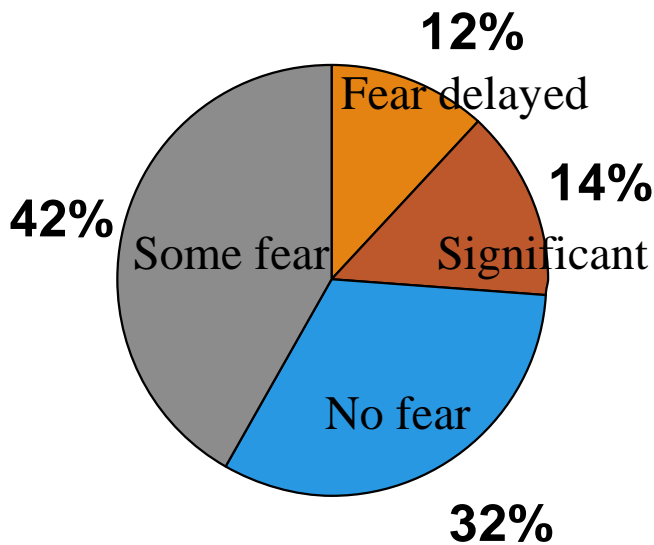
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How fearful were you that your first venture would not succeed?

Northeastern University Study

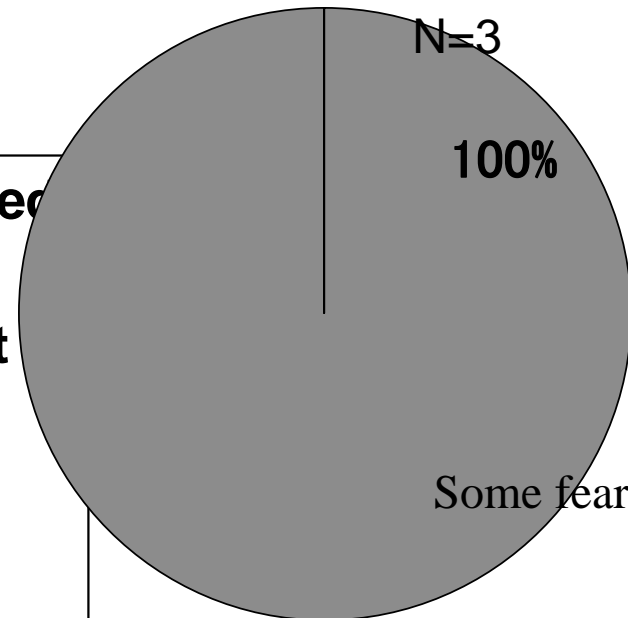
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-  **Fear delayed venture**
-  **Significant fear**
-  **No fear**
-  **Some fear, but confident**

Our Interviews

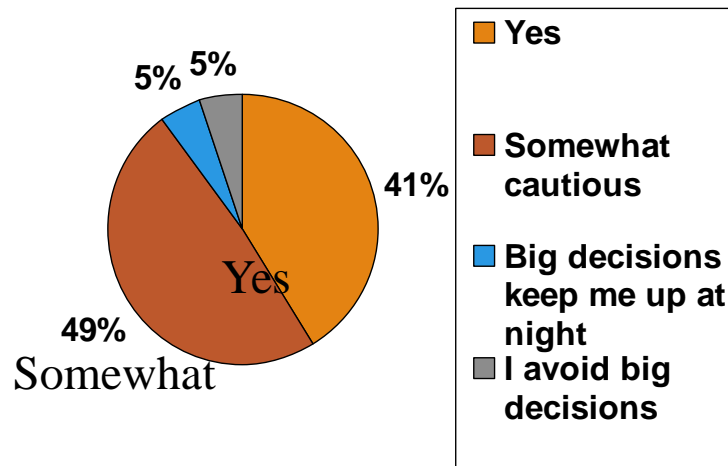
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Do you consider yourself a risk taker when making big decisions that deal with your business?

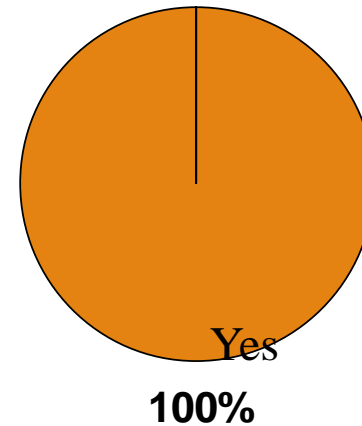
Northeastern University Study

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Our Interviews

N=3



Results of Survey



Question	Survey Majority Response	Interview Majority Response
Family member Entrepreneur	No	No
First Venture	During Childhood	Age 18-30
Biggest Inspiration	Family	Mixed response
Biggest Motivator	Innate Drive	Work
Fear of failure	Some fear, but confident	Some fear, but confident
Risk taker	Somewhat cautious	Yes

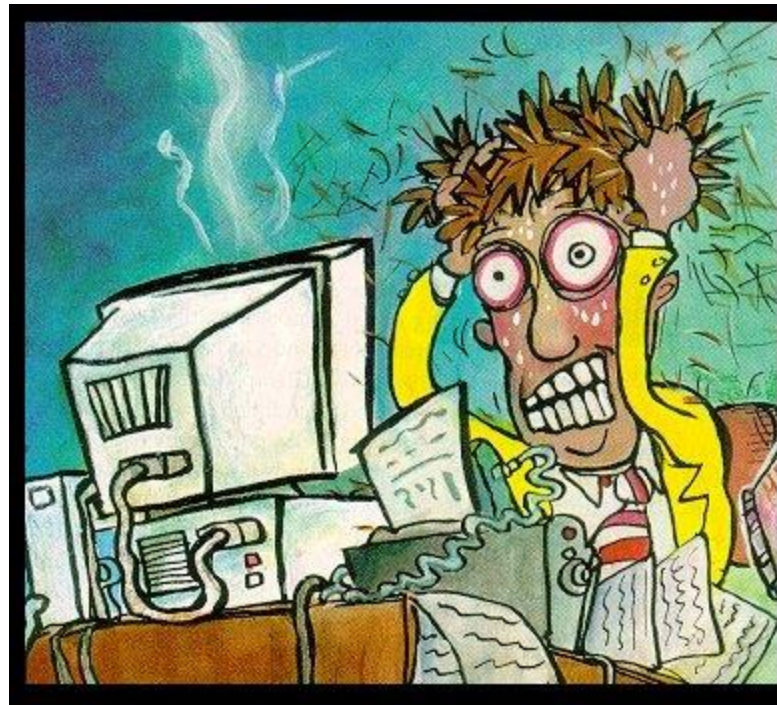
Donald J. Taffi Research (7)



	Matthew Porter, Contegix	Csaba Zajdó, WebShop-Experts	Akom Thongloy, Extreme Solution
Unusually well-developed ego	✓	✓	✓
Detail oriented, perfectionists who rarely develop personal intimacy in their relationships			
Endowed with inexhaustible reservoir of energy	✓	✓	✓
Nothing is done soon enough, everything is a crisis			✓
Tend to be contingency thinkers, generally six months or longer ahead	✓	✓	✓
Unwilling to surrender the need for complete control	✓	✓	✓
Above average intelligence; tend to see the “big picture”	✓	✓	✓
Higher than normal level of emotional stability	✓		
Strong desire to succeed, passion for product or business	✓	✓	✓
Calculated risk takers, not gamblers	✓	✓	

Taffi's Conclusion

“It takes one to know one”



Conclusion

Research on entrepreneurs offers various conclusions

Location of entrepreneur also affects the business environment

Don't be afraid to start your own business!





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