

Chapter 1: From Daydreaming to Technology Businesses

Why Start a Technology Business?

I've spent decades building and working in technology businesses. For me, it has been a wonderful and fun experience. If I had to do it all over again, I might change a few of my business decisions, but I wouldn't do anything else different!

It's my goal as a serial entrepreneur, who others have deemed as being 'successful', to share with you my experiences. All my ventures have been started by daydreaming. When I was young, I loved to daydream about what could be possible. I would see opportunities and apply my daydreamer's mind to it, and create various possibilities about what could be done. Interestingly, while money was important given that I grew up in a poor family, it was never the most important thing to me; it was seeing what I dreamt up coming to fruition that was the primary driving force. Thankfully, that was coupled with the need to make money which, in a way, funded my daydreaming and tinkering.

And in all these years of seeing innovation at close quarters, I've learnt that starting a business is about creating a need or solving a problem. I had a natural ability to see problems and daydream up solutions for those problems that I saw. I also daydreamed about how, from that solution, a whole business would spawn.

I would say to budding entrepreneurs that there's always the temptation to get so attached to 'building a better mouse trap' that you lose sight of the customers' needs and problems. That is why I always advocate starting by identifying a problem in the market place.

In this book, I will share a lot of my personal experiences, rather than solely base it on theory, to help get my points across. Remember, my goal is not to impress you, but to give you my experiences from the school of hard knocks, so that you can learn and profit from them.

So why start a technology business? In my opinion, a technology business is exciting because ideas can be quickly scaled up. A website meant for inter-college communication started by a bunch of Harvard roomies has more than 1.4 billion monthly users today. There is a lot to Facebook, but at its core is an idea that exploits the fundamental human need to communicate.

The key, I believe, to creating a good technology business is to ask yourself this question: 'Do you have an idea that looks at an old problem in fresh ways? An idea that finds new solutions?' Allow yourself to daydream up creative, crazy solutions. Don't judge what comes your way, just note them all down. By allowing the creative flow of daydreaming, you can come up with powerful ideas that can be the seed of a great technology start-up business.

In the eighties, after college, with my training in programming, I started looking around and realised that mid-range computers were the current 'big thing'. People were moving from the giant mainframe computers to mid-range, more affordable computing in those days. So we trained a lot of people who could build applications using a fourth generation language called Powerhouse.

Then I talked to the sales people in the industry. One of the things they said was that they wanted to build a document of everything they had done. I immediately saw an opportunity. At that time, I was a

rookie at Singapore Computer Systems (SCS). I spent some time daydreaming as to how we could seize this opportunity. I dreamt up a way we could actually create a solution that could do all their documentation for them. I went back to my General Manager and said, "Look, I think I can build products." Perhaps out of curiosity, my General Manager actually said yes to my initial idea.

I wrote (dreamt up) a business plan, and I was confident we could sell the solution. I was allowed to hire more people. In about four to six months, I completed a working prototype and brought that to market. My daydream had become a reality.

While setting up a business, you might dream of becoming rich and famous, and there is nothing wrong with that — but there must always be a problem-solving element to it. Otherwise your dreams will be merely castles in the air.

Are Your Motives Right?

I've always dreamt of making things and selling them. I suppose the one thing that attracts youngsters today is the same thing that attracted me — an ambition which says, "I want to build something."

You have to start somewhere. I have always tried to build something at every opportunity I got. As an undergrad in the early eighties, I tried to get people to pay me to build something and along the way I started building applications using Dbase 3 on desktop computer for clinics to manage their inventory, generate label for drugs, keep their patient records — that kind of stuff. That was simply because that was a real problem clinics had; I saw the problem and came up with a solution. It became a relatively good business that gave me a good lifestyle in college.

When I'm creating something during my 'daydream times', the basis of my dreams is solving a real problem. You may not have to always clearly articulate your motives to investors. But behind every great business opportunity is a motive that says: "I will try to build something". It's important to get these basics right. While this may sound like common sense, very few technology start-ups actually go down to the ground and do research about their customers. They simply think of a product and go and build it. The painful part is discovering months or years later that people already have a solution to that problem, or are not interested in solving the problem due to company politics or something else.

Do You Have the Skills?

I think it is important that people ask themselves, "Am I the type who can operate a business or the type who can start a business?" Because the skills are actually quite different. A key question hovering around a new technology business is: Can you lead a team? Team dynamics are visible. Are people enjoying themselves being part of your team or are they rebelling? I can easily spot that. Are they prepared to die for you, so to speak, or are they prepared to walk out on you?

If it is hard to find people who have complete faith in their leader, then chances are the new business won't go very far; because this is a stage when there is no time to motivate or mentor anybody externally. People must move forward and put in long hours. Once you can crack this, you are going to convince more people to put money behind you.

Be aware of your core capabilities, your natural strengths. These are not easily replicable. Investors will want to see that 'spark'. Some guys know how to convince people and overcome obstacles. Others are very meticulous, and don't say 'no', but get the work done. Be clear about what you are bringing to the table.

For me, I know that my strength has always been in daydreaming and coming up with creative, workable solutions to problems. My core area of expertise has always been in databases and data analysis. In my 30+ years of business I have always stuck to my strengths and found people to help me in areas that I am weaker in. Gain a self-awareness to know where your strengths and weaknesses are. Focus on utilising your strengths and look at outsourcing areas that you are weak in. In some cases, you may want to get the necessary training to overcome the areas you are weak in but are essential to the future of your business.

Are you prepared to support your business?

When I'm looking for funds for a new venture, here's some of the questions I ask myself: When do I start asking for money? I put myself in the shoes of the other person. When will that someone be willing to part with his or her money? When will I agree to give my money to someone? This gives me a good estimate.

The people who you trust the most are most likely to fund you first. This means friends and family. If you cannot get past people who trust you unconditionally, then your idea probably won't fly and you really have to go back to your drawing board and address their objections first. Assuming you are past that point, start developing your idea further, till you reach a stage where you need to reach outside your friends' circle for money. These other people will tell you: "At least show me a customer, or at least show me a prototype, or at least show me some market data."

The key is to be ready with the answers. I always do my homework. And if they still say 'no', then I ask for the reasons. Never leave without knowing why. Is it because this idea doesn't make sense to them or is it that there are ten other people already doing this? If it's the latter, it's not necessarily a closed chapter; I just have to find what I can offer that is different from the ten people - my USP, in other words. USP stands for unique selling proposition. It is what makes you different to everyone out there.

To create your USP, you will need to ponder upon this question: *"Why should someone buy from me instead of from anybody else?"* The more thought you put into this, the more unique reasons you can come up with, and the stronger your USP will be. In fact, set aside some daydreaming time to dream up how you can be unique. Better still, dream up how you can be so unique that you are remarkable, and people talk about you and your product with excitement.

Do You Need to Quit Your Job?

I always believe that if you can work within your means on weekends and evenings with like-minded people to solidify the idea, then that should be the way to start. Don't make the mistake many novices make. They quit their full-time positions and end up having lots of stress due to financial pressure. Eventually they give up on their idea. Do the math beforehand. How much savings would you need to sustain yourself and your family for, say, one year?

There's a slight difference between 'I wish I could invest but I have no money' and 'I think the idea works'. It boils down to demonstrating your conviction. Say, I'm asking money from a General Manager of a listed company. And he agrees. Now, to become General Manager the person must have got sufficient judgment to ascertain whether he's throwing money away or there's some chance that it will bring him returns some day. That is a good indication that your concept works if he or she says 'yes' to invest with you.

After this point, once you've got the initial funding, your first bite, you're already being paid now — so you don't have to do any other work. Forget your old job. Concentrate on the new business. So work on your concept on a part time basis, until you get some serious funding or generate sufficient cash flow from your business. Then focus on growing your start-up on a full-time basis.

The initial months of your new business are crucial. You and your team will work late nights from a tiny office. Tempers will fray. The future will be uncertain — but full of possibilities. It is in these heady months that your business will take shape. Give yourself that chance.

The Importance of Daydreaming

For me, I believe that daydreaming has brought me all the successes that I have as an entrepreneur. The exciting part is, you don't have to have 30+ years of experience in daydreaming like I do to be a good daydreamer. In fact, most young people and school-leavers are naturally great at daydreaming. They have dreams about how their lives might turn out and what they want to achieve.

The sad thing is that from being young, we are conditioned that daydreaming is bad. Perhaps you might have got scolded or reprimanded for daydreaming. You might even be told that you were wasting time. Possibly, your peers might even have laughed at you in class while you were daydreaming away! However, times have changed. The 'doers' are the ones who are increasing getting less money and more stressed — and, in reality, creating less value for society and the world at large. Dreamers are the ones who seem to be creating change in the world, dreamers are the ones who are the most highly paid, and they are probably enjoying life a lot more than the 'doers'.

Elon Musk and Richard Branson are daydreamers; they are changing the face of business. Lee Kwan Yew was a dreamer, he changed the fate of a small, backwater into one of the world's most advanced nations.

Dare to daydream. Dream of ways you can solve problems and set to work on them. This is the foundation and formula I have used and it has never failed me. So before I share with you my journey, lessons and many insights, I want to encourage you to release that daydreamer within you again. The daydreamer in me has helped me create many successful start-up businesses, and it could do the same for you. Perhaps it could help you create bigger and better businesses than I ever did. If that eventuated, then I will have achieved my dreams with this book!

Chapter 2: :Where to Find the Money for Your p

The Basics: Bootstrapping Your

The money: it's probably the question on every new entrepreneur's mind.

Here's my take on it - you shouldn't let the perceived lack of money stop you from daydreaming your start-up. In fact, the opposite is true: the more time you daydream and get clear about your start-up and the business, the more likely you will attract money. That's the big picture, but let's get into the nitty gritty of it.

After spending years in the business of starting and mentoring businesses, I know exactly what it takes to launch a start-up. While a great business idea will go a long way in attracting investors, you often need to get the business running on a small scale before investors start showing interest. Since you can't rely solely on your own savings, you need to find creative ways to fund your business.

To be sure, personal savings constitute an important source of funding for many start-ups, but you need to make sure you have taken care of you and your family's basic needs for at least one year before digging into your savings. You don't need the distraction of unnecessary financial pressure that could well kill your start-up.

Bootstrap and develop your prototype as much as possible using your own time and money; do it on the weekends, and at night if possible, while keeping your day job. The reason I suggest this is because the more developed your idea and prototype, the more likely you are to attract seed capital and investors for your project.

In addition, you do not want to sell yourself short. The more developed your prototype and business model, the more value you can command and the more funds you are able to raise in the next round of your capital raising. Bootstrapping and taking your business/prototype to the next level could mean a massive difference in the valuation of your business and prototype. So the longer you can bootstrap, the better it will be, both for attracting investors and also for the valuation of your start-up.

I'm sure you have heard of stories of entrepreneurs bootstrapping on credit card debt. While I wouldn't suggest this path, it really depends on your risk appetite and your life circumstances. If you are 50 years old with little savings, I really would not suggest doing this. However, if you are 25 with no family, live at home and can always fall back on a job, this may be a path you might want to choose.

When you are ready for the next stage, that's where seed capital comes in. Seed capital is usually a smaller amount of money to fully develop your idea and prototype to a point where it is working. The initial 'seed' money does not guarantee success, but it will give you a real shot at taking your business to the next level. A lot of young entrepreneurs struggle at this stage and one can only guess how many great business ideas don't take off because they lack that initial funding boost.

The good news is everyone from the government to angel investors are looking at new business ideas with greater enthusiasm today. So you have options to choose from while searching for funds. Of course, you will have to see what works best for your business. *The truth is, there's a lot of money out*

there, much more money than ideas. That's why you need to daydream, to get clear about your venture, to attract that money. Without clarity and communication, you will not get the money required for your start-up.

You may just want to weigh the positives and negatives of each option before jumping into it. I am giving a summary of the options and my thoughts on each so that you can weigh each option objectively for your venture. **Government Grants and Loans**

Does the state really help folks who are starting businesses? Even I was skeptical once, but in the last five years, things have changed significantly in most advanced economies.

It might sound too good to be true, but governments actually provide grants for starting businesses.

Governments grants generally do not have to be paid back - essentially it is 'free money'. However, they may involve certain conditions that we will discuss later on. Government loans on the other hand, generally need to be paid back at a certain time. However, the criteria for the loan and the payment terms are generally more favourable than banks.

First, why do governments give out grants? The reason is simple: they give out grants to start-ups because they are hoping that some of those start-ups will become viable businesses, to provide employment to their citizens in the future. In addition, they hope that those start-ups will one day contribute their fair share of taxes when they grow bigger.

Australia, which has various grants and concessions for IT start-ups, understands the importance of ICT start-ups to a country. According to a 2013 Google Australia PriceWaterhouseCoopers study, the Australian technology start-up sector has the potential to contribute more than \$100 billion (4 per cent of GDP) to the country's economy by 2033.

Getting a grant may not be all that easy, but the key is to give it an honest shot. The US federal government, for instance, gives a range of grants in various categories. One of them just might fit in with your business idea. If you've worked out your plan in some detail and it's a niche business proposal, your chances to land a grant just got higher.

Many Asian countries like Singapore have good grants and support for start-up businesses. Often they target industries where they see good potential, such as ICT and biotech. However, there are grants for all types of industries.

Before you apply for a grant, you need to make sure that you are applying for the right one. There are grants with different criteria and are looking for different things. Study and understand what they are looking for before you submit your proposal. It also may be advisable to engage the services of a government grant consultant, as they would be a lot more familiar with the criteria and process of each grant. They could save you a lot of time and effort and, at the same time, maximise your chances of success.

Now for the considerations you will need to take into account when applying for a grant. Firstly, you will need to consider whether you want to go through with the red tape and paperwork of applying for a government grant, and whether you want to work with the conditions imposed as a result of the grant. In some cases, you will need to be tied down to a certain country or have certain deliverables in a set

period of time. In many cases the government grant program may dictate that you spend the money in a certain way, not necessarily the way that you may want to. You simply have to ask yourself if the grant is going to be worth it in the long term if it is going to limit your business's potential for growth.

So make sure you check the various limitations and restrictions upfront if you want to go down the track of getting a government grant to fund your start-up. The good thing about most government grants is that they do not expect any equity or repayment on the money you get from them. That is a huge positive as you may not want to have the pressure of a loan or investors demanding a return from you.

Remember, if the government says no to your application, take it as a learning experience. Normally their panel will have experienced people who can provide invaluable feedback for your product and your business approach. Make sure you incorporate this into your future development and business. Don't let a 'no' be the end of your start-up; it's often an opportunity to make tweaks and improvements. In addition, it sometimes is not your idea that is at fault. As I mentioned before, government grants usually have certain parameters and criteria that they need checked off before they can be given to you. So often it doesn't mean that your idea is not viable, it could simply mean it doesn't meet their criteria.

Family and Friends

I've always believed that the people who trust you most are most likely to willingly part with their money first. Yes, I'm talking about your family and friends — they are the ones who are most likely to believe you when nobody else does. They are the ones who will have the greatest tolerance for weaknesses in your business proposal. So, they're a good place to test the water.

And if you find yourself unable to fully answer the questions of people with whom there is zero trust deficit, then it is time to re-look at your business blueprint. Or, to put it more bluntly, if you cannot get past family and friends, then your idea probably won't fly and you really need to spend time more time daydreaming. I'd like to stress, though, that this is a process. You get some money from friends, do some work, show them the work, get a little more money. You don't have the luxury of waiting it out till that big funding arrives. Work with what you have and start building your business before asking for more.

Often people ask for a big amount upfront, rather than staging their funding. If you are able to deliver what you promise on your small amounts, the likelihood of getting more funding from the same people increases exponentially. This applies to all types of investors.

The one thing to consider is to make sure you have a proper agreement drawn up with them, and explain all the risks and downside to them. The best friends and family investors are those who are prepared to lose their money. However, I personally think you should also make sure they are not investing all their retirement savings with you; after all, at the end of the day you do not want to lose any friends or family in the event that something goes wrong. Furthermore, you do not need that burden of knowing their retirement depends on you...it's just unnecessary pressure. As a start-up entrepreneur, you have enough things and worries to deal with on a daily basis. You simply do not need your unde to be complaining to your partner that he is worried about his investment and wants his money back.

Angel Investors

At some stage, you may have to make a pitch to investors with deeper pockets. This is where angel investors come in play. Angel investors are generally rich individuals who are looking to get a slice of the 'next big thing.' They are often ex-business people who have sold their businesses, and want to apply their finances and knowledge to invest in start-ups, in return for a reasonable slice of equity in your business.

As I said before, you ought to do this after a prototype of your business is already up and running, and now you're looking to scale it up. But think of angel investors as one among a series of investment opportunities which are out there to be exploited.

When choosing an Angel investor, I suggest to not just look for money. Look for 'Angels' with relevant experience and contacts in your industry. Sometimes the contacts and experience that they have are worth more than the money they invest. One simple introduction to the right person can mean a complete transformation of your business.

Once you've moved beyond your circle of relatives and friends, people will ask you: "At least show me a customer, or at least show me a prototype, or at least show me some market data." It's okay if you can't satisfy them. Never get disappointed by rejection. Business successes are often built on a series of rejections. But never leave a meeting without clearly asking — and knowing — why your pitch didn't make it. No textbook will teach you this invaluable real-life lesson.

How does daydreaming come into play here? Well, it's my experience that with angel investors, the clearer and more passionate you are about your venture, the more likely you are to attract them. This is because Angel investors will often invest in the jockey rather than the horse. They may evaluate you as a person more than they evaluate the idea. If you show clarity and a well-thought out plan, this will give them the confidence that you are potentially a good bet.

So spend time daydreaming not just about what is possible, but what could go wrong and how you would handle those setbacks.

Crowdfunding

As a 'new kid on the block,' crowdfunding is fast gaining popularity as a means to fund start-ups. Australian firm LIFX developed a smart home device — long-lasting, Wi-Fi controlled lights which are brighter than regular bulbs — and took the crowdfunding route through the site Kickstarter. About \$1.3 million was pledged in less than a week, and investors added another \$2.1 million.

There are many more success stories on crowdfunding platforms. Funding projects can be as little as a few hundred dollars to over a million dollars. The positive thing about crowdfunding projects is that you do not need to sacrifice equity, nor do you need to pay back any money. However, you will need to fulfil the promises of the incentives that you have agreed to.

In crowdfunding, a large number of people may make online pledges to pre-buy your product or give donations. There are different models of crowdfunding, and you should find out what suits your project and what kind of projects attract people's attention.

The two major sources of crowdfunding are Kickstarter.com and Indiegogo.com. Kickstarter has been around longer and has more funders. However, the downside to Kickstarter is that they do not give you

the money unless the funding has reached the minimum milestone. They will return money to investors if the total funding is below that. Their logic is that the start-up will not succeed if it doesn't reach the minimum funding requirement.

For Indiegogo, they will give you however much money you raise from the campaign. The shortcoming of Indiegogo is that they have less funders than Kickstarter and generally is more suitable for smaller amounts of funds.

To have a successful crowdfunding campaign, here are some guidelines.

- a) Look at successful campaigns and what they offered as incentives for various funding levels. Try and emulate that.
- b) Get your friends and family to get the ball rolling...if there are zero funders for your campaign it is unlikely that anyone will donate money. Get your friends and family to start donating a few hundred or few thousand dollars to get some momentum.
- c) For larger amounts, it is advisable to either spend money on ads or on a good media publicist (particularly if your product is very newsworthy). The investment will yield good returns for your crowdfunding campaign.

I'll be the first to admit I'm no expert at this type of funding. But at the time of writing this book I have tried to fund an AI Chess project through Kickstarter. While we raised over \$11,000 it was way short of the total we wanted to get the project up and running. It was a good experience and we may adjust our approach and try it again.

To be honest, I do not know whether crowdfunding is a passing fad or will be here to stay. Currently crowdfunding is still popular at the time of publication of this book, so it may be worth jumping on this gravy train while it still is!

It's important to note that the platforms mentioned above are reward-based platforms for crowdfunding, ie, you get a reward or product for your investment. There are also equity-based crowdfunding platforms such as the Australian Small Scale Offering Board (ASSOB) in Australia and Crowdcube in the UK. On these platforms, you would give away share in your business in exchange for investment funds.

Stages of Fundraising

It is important for you to stage your fundraising into small steps. Most start-ups do not follow these steps and as a result, confuse investors and fail to raise the necessary money to get their business going.

Firstly, you have to establish and prove that there is a need for your product in the marketplace. You will need to confirm that the need is real through market research or market data. In other words, you will need to prove that people are going to buy your stuff!

Then when you raise money, make sure you are clear about what the money is going to be used for. Are you going to convert an algorithm into code? Are you building a prototype? The mistake many start-up entrepreneurs make is that they over-promise. They often think that investors want to see a return in the first trench of investment. However, professional investors look for milestones.

At the first stage they are often looking for initial proof that your concept actually works. So if they invest money at this stage, that is all they are looking for - don't try to deliver more than what is required. In fact, if you do that you will come across as an amateur and confuse the investors. More importantly, you won't be able to live up to your promises and lose the trust of your investors.

In the second stage, they sometimes are looking for whether the concept can actually be better or result in savings compared to the current solution in the marketplace. The money should only be used for this purpose, to prove your concept can actually work better than others out there.

Then in the third stage, you may be looking for money to prove that your product is deployable. You need to use the money to find out what it would take to deploy your product in a live situation. At the fourth stage, the money that you raise can be used for deploying your solution in a live situation for testing. Finally, the fifth stage might be where you raise money so that it can be commercialised and marketed.

Just remember, at each stage you need to show clear outcomes and KPIs (Key Performance Indicators) of what you aim to achieve with the money that you raise. And your goal as a start-up entrepreneur is to make sure that you can deliver on the promises.

For example, one of the companies that I'm involved in raised \$200,000 with over a million dollars valuation just for stage one and two. This money was raised just to translate part of their math formulae into software code!

So make sure you stage your money raising, don't raise more money than you need and don't overpromise on what you can deliver on each stage. By using this framework you will be able to have more success with your capital raising.

Conclusion

There are many ways of funding a start-up, but always start by bootstrapping and funding the project yourself. Be financially wise and take care of your family first...make sure they are not wanting, otherwise they can create a lot of unnecessary stress for you. Spend time to plan your finances. Ask yourself, "Can I live with the worst case scenario?"

If you can live with the worst case scenario, then it's time to get daydreaming! Daydream to get clear with your product and your venture.

Then take the next step by planning and creating your prototype, followed by one or more of the seed capital sources to get your next round of funding. Then consider quitting your job and going full-time once you come to this stage; because this is when things really start getting exciting!

Chapter 3: Knowing your market: Hitting The Market

**"Without data, you're just another person with an opinion." -
W. Edwards Deming**

As a veteran in the technology space, I've seen good ideas fail because the guys didn't care much about market research. I myself learnt this the hard way on a few occasions.

So, before setting out to place your product or idea into the market, spend some time understanding the market. This is where concepts like market research, competitive research and live testing come into the picture.

Most of the time we read stories in the tech space about the many success stories, like Steve Jobs, Elon Musk, Mark Zuckerberg etc. It's really fantastic to be inspired by such entrepreneurs who have revolutionised industries, who all started with a big dream, a vision and literally conquered their industries and changed the world. But at the same time, this needs to be augmented by a strong dose of reality. The successes are often media darlings who are featured in various stories, magazines and books; however, what we don't see is the many 'tech-wrecks' that lie buried in the vast ocean of failures.

While failure should not be a fear that cripples your dreams, you want to plan for setbacks as much as possible. One of the key steps to ensure that your tech start-up will be a viable one, is this very important step of market research. Market research basically gives your daydreaming as an entrepreneur some grounding. Too often, entrepreneurs daydream but their heads are 'in the clouds'; they end up creating product with very little practical application. Market research acts as that 'grounding tool,' to bring those pillars from the ground to support your castle in the sky.

Don't be intimidated by the term 'market research'. I merely see it as a way to help prove that my concept works; and it is also a great way to refine my product for the marketplace, to make it more beneficial and useful for my customers. After all, technology should help make lives easier, and that's what market research helps you to do...to help refine your product so that it makes lives better and easier for its users.

Remember, the better and easier you can make life for your users, the more they are willing to pay you to use it. Think about how much the iPhone has made information, communication and entertainment easier for millions of people. That is just one product that helped Apple make unprecedented profits. Think about how much easier WhatsApp has made communicating with your friends and family. That's what your technological innovation should aim to do, even if it is just for a small local industry. You don't have to change the entire world to be successful. So where does one start?

Here is my simplified, 7-step suggestion for market research for technology start-ups. 1. WHO ARE THEY?

I always start with who is the market I want to create a solution for; because whatever you invent, for it to be sustainable, you need people to use it and to buy it. It's good to start with what is known as

demographics - to know where they live, how much they earn, what job they are in, what gender they are and even what income level they have.

A good exercise for this is to create an 'Avatar' that reflects your ideal customer. Imagine you have a product like the smart wearable that can detect nutrient deficiencies. You might create an imaginary 'Avatar' for such a product and name him 'Peter'.

Peter is 45 years old and works as a high level sales executive at a multinational shipping company. His annual income is between \$100,000 to \$120,000. Peter is married with 2 kids. He is a fitness enthusiast who exercises 4 times a week at the local gym and also enjoys cycling with his friends on the weekends.

Peter takes vacations twice a year with his family. He values his health and well-being and invests a lot in supplements. In his spare time, he enjoys reading books and spending time with his children. His greatest fears are that he may die young because of a terminal illness and that his family will not be taken care of. He lives in a \$1.5M condominium on the East Coast of Singapore.

By creating this 'Avatar' and spending time daydreaming what it would be like to be 'Peter', it will help you to more clearly understand and feel what your market feels. It can also help you to pinpoint what are their fears, aspirations and even the best channels to connect with your market.

I have found this to be a very effective yet simple way to connect both on a practical and emotional level to my market. By doing this, you will be able to develop products that more effectively help your customers.

2. DEFINE THEIR PROBLEM

Many failed tech companies start on the wrong footing. They start based on what they think is cool and chic. While that can sometimes work, a better foundation is to start with the problem that your target market or target users are currently facing.

When I started my first software business, clinics didn't have a proper inventory control system. That was the problem. They were using paper filing and things obviously would get lost and made information hard to retrieve. The problem was they didn't have a centralised place to store all the information, and there was no easy way to retrieve the information when they wanted to.

So if you were to put yourself into the shoes of a nurse or doctor that's running the clinic, you can imagine it would be quite a hassle running around trying to maintain inventory, keeping customer records and so on.

So the key problems I managed to identify were:

- 1) They were spending lots of time managing records and inventories manually
- 2) They were getting frustrated with all the paperwork that took them away from their core business.

By clearly identifying these problems in their business, I went ahead and wrote a basic software program that helped them to manage their inventory, print drug labels and manage customer records. My software made things a lot simpler for clinics, and helped them to address their practical and emotional

problems. They could finally focus on what they do best...attending to their patients and making sure they got well, instead of wasting precious time and effort to maintain their records.

You can imagine creating the avatar as per Step 1 would help tremendously in Step 2 to help them define the problem. That's why I encourage you to spend lots of time daydreaming in Step 1.

Yes, I had a passion to create something back then, but I didn't just jump on the first idea I had...because if I had chances are it may not have worked out!

So as a tech entrepreneur, it is important for you to remember this...you are a problem solver. Make sure you snoop around and find a problem that you can solve with your technology before you go ahead and invest your time and money in it. Just to re-emphasise this point, the more clearly you are able to articulate the problem of your market, the better you are going to be at creating a product that's going to address their needs.

Here's some questions you may want to consider when defining your market's problem:

- a) What keeps them awake at night, that they wished someone could help them to solve?
- b) When they are at their dinner table, what do you think they would be complaining to their spouse about their work or life when they are having a heart-to-heart talk?
- c) What frustrates them, what annoys them, what angers them? Find out what causes an emotional response with them and, if you have a solution for that, then you are likely to have a winner.

One of my investee start-ups created an AI based engine to interpret the results of social media campaigns of brand owners and suggest improvements to their future social media campaigns. It is almost like a robot adviser to digital marketing agencies and brand owners.

The challenge for them is to articulate this pain point to brand owners and marketing agencies who need to measure and improve their social marketing mix, to convince them of the merits of adopting this product.

Currently they are in the midst of revising their USP and gaining clarity around it. Even though they have a great product, their marketing will not be effective until they get clear about their USP. Similarly, investors will not be interested in this project until there is clarity in their USP

Once you believe you have adequately addressed the problem and defined it, you need to consider something else that's a very important, and often forgotten, third consideration:

3. DO THEY HAVE MONEY?

Yes, it's very practical and sounds materialistic, but the truth is you need to make sure that the people you are creating your software or tech product for have money. You might set off to save the world and

create a super product that will make their lives 10x easier and more productive, but if the market you are targeting is not able to afford your product, then your start-up will not be successful.

For instance, you may want to create a home-use, water purifying equipment for poor people in remote parts of India and Bangladesh so that they can have clean water from wells. However, if your unit is going to cost US\$500, they are unlikely to be able to afford it. So make sure the market you are targeting does have the disposable income to buy your invention. If you have determined your market does indeed have the money to buy your product, then there is an equally important consideration next...

4. ARE THEY WILLING TO PAY FOR YOUR STUFF?

Having the money is one thing; being willing to buy your product or software can be a totally different matter altogether. Here's where many tech products fall short, because they do all their research and find that the market they are creating the product for has the right amount of income and wealth, AND the product does indeed make their lives easier. But they get a rude shock when they realise that market is not willing to fork out the cash to buy their stuff.

The DAT (Digital Audio Tape) was introduced in 1987. In truth it was a really cool product which was able to record with tiny little cassettes that were more durable and had a longer shelf life than CDs. To top it off, they could record at qualities that were even better than CDs.

It appeared that they were the new super-format for music storage of the future. However, people were not willing to fork out the cash for it as they didn't really understand it. Furthermore, the music industry was also concerned about music piracy with the high quality recording format it was able to provide; hence this great technology ended up in the graveyard, rather than in homes.

Remember, sometimes the pain that your market has, they are happy to live with it. Why? There are many reasons. It could be because they can tolerate the pain of living with it.

When I launched my documentation system software, sales peaked when the EU decided that they were only going to import stuff from Singapore that had ISO-9000 certification. Part of that certification required documentation. Our sales skyrocketed because of this new legislation. This demonstrates that many businesses were willing to live without documentation even though it clearly would help their business, and many were unwilling to pay for it. The moral of the story is that you might daydream up a product or service that is clearly beneficial to your market, but yet many not be willing to pay for it.

This brings into play the next consideration.

5. HOW TECH-SAVVY IS YOUR MARKET?

Let me say at the outset that this is a touchy issue, and you need to handle it with care. As a technology entrepreneur, I've interacted with hundreds of people from various backgrounds, and one thing I've learnt is that the number of people who actually understand technology inside-out is rather limited.

The biggest danger is assuming your users have the same level of technological know-how as you do. Even simple things like downloading and installing an App can be a big challenge for some users. This is not to suggest that the inputs by those not tuned in to the technology are not important. In fact, they

are extremely important. But it is good to know who is making what suggestion, especially when it comes to hardcore technology-related issues.

Many tech companies fall short in this by developing products that only their initial tech-savvy market knows how to use. But they fail to take into account the later majority of users may not be as tech-savvy as the first batch of users. By failing to adapt and take into account the later majority of users and their level of technological awareness, many tech companies have fallen short of their full potential.

There's a great book by Geoffrey Moore on this topic, titled 'Crossing the Chasm'. In a nutshell, what he says is that the innovators who will happily adopt your technology product are only a very small portion of the market; so to rely only on them buying your product is not good enough. You need to be able to reach the next stage of the early minority, which amounts to 13.5% of the total market. These people are generally younger and more willing to adopt new technology.

Failure to further innovate at this stage for the next segment, the early majority, which comprises 37.5% of your total market, will result in failure of your product in the marketplace. But if you manage to take into account the needs and requirements of the early majority, then you are able to 'Cross the Chasm' and see your product adopted in the mainstream market. Only then you are able to reap the profits and success for your tech product.

And yes, sometimes the product you create for the early market may be different for the mainstream market, to perhaps be more usable for the less tech-savvy users. This once again requires you to dream up features that make your product more user friendly for them.

6. DON'T FORGET YOUR COMPETITORS

In the start-up phase, it is very tempting to lock yourself in a dark room and emerge one day from it as a hero, with your completed technology in hand. Well, before you head into your dark room and build your prototype, I would suggest that you do some competitive research beforehand. It doesn't need to be a 20,000-word thesis, but by knowing what is currently out there, it will prevent you from coming out of that dark room only to discover that someone else has come up with the exact same product before you.

Logically, a good place to start would be the internet, just to see what else is out there. But just because someone else has a similar product doesn't mean you should give up. There is a good chance you can find a new angle, a little bit extra here or a small tweak there. But it is important for you to be different. It doesn't mean you have to be better...you just need to be different in a way that's meaningful to your market. It may be as simple as targeting a narrower niche market by adding a simple feature.

Just because Friendster was the first big social media site, didn't mean Facebook had no chance of succeeding. And similarly, it didn't stop Twitter, LinkedIn, Instagram, Pinterest and dozens of other social media sites from succeeding either. You can also learn from your competitors' successes and failures. If you have a very successful competitor, the chances are they are doing something right. So why not buy their product to experience what they are doing right? What is their packaging like? What kind of marketing material do they send out? How do they treat their customers? What are the key benefits they are trying to sell to you?

By being a customer of your competitors you will glean lots of useful experience that you can improve and modify for yourself, and make your business different from (and sometimes better than) that of

your competitors. Use that information that you have gleaned to dream up something new, exciting and meaningful for your product.

Now that you've taken these 6 steps, it's time to do some live testing.

7. TEST YOUR PRODUCT OR SERVICE

The ultimate market research one should do is to do live-testing of your product. As they say, 'The proof is in the pudding'. So you should get your product into the hands of your market and see what they think.

In a new business, the hardest part is moving from the ideation state to building the prototype which gets you your first real validation. You are no doubt in a mood to carpet-bomb the market with your product or service. Don't. Take it to a small sample audience first. Gauge their reactions, take their feedback, and incorporate some vital changes if necessary.

When you actually implement an idea on a small scale, the possibilities start expanding. Recently, a guy came up to us with an idea that he was trying to build a messaging app based on location. Everybody in a radius of, say, five hundred metres would be able to message each other if the app was installed.

Now, this is an interesting idea. Why would you want to broadcast a message within a one-km radius? Would it have any takers? Frankly, I didn't know. But he said: "I'm going to run this trial on a university campus". And we backed him. How will it turn out? We don't know yet, but it is a promising idea and it has progressed to the testing stage. And that's a cool thing as far as I'm concerned.

Live testing is important. If it's a software, you want a group of users to get their hands on it and see if it's working for them. Does it give them a distinct advantage? Is it easy to use? If it's a new e-commerce education portal, let a group of students handle it for a couple of days. Perhaps they may want a couple of additions on the home page and more features. Of course, not every idea has to be taken seriously. But listen to every idea carefully. And if many people are annoyed with the same thing, you don't want to ignore it.

A questionnaire is generally a good way to get feedback. This is also your chance to see if all the back-end operations are working well and, in case of a website, if your team is able to update it at regular intervals without glitches.

Remember, customers don't know what they really want sometimes. If Steve Jobs had relied on consumer research and focus groups, he would have never come up with the iPhone. So sometimes you do need to rely on your intuition as an entrepreneur, take the plunge and get the product to some live users on a small scale.

As you are doing your market research, use each stage to help you daydream for the purpose of refining and improve your product. Sometimes, if the research shows that no matter how hard you tweak or improve your product there is not going to be any market acceptance, then you need to be willing to scrap your idea and dream up something very different. Yes, it can be painful, but it is sometimes better to accept the harsh reality than to spend all your energy and resources on a venture that has little chance of succeeding.

Now that you understand the role of market research in helping you dream up your business idea, the next chapter will take a look at the key ingredients that go into the making of a successful business.

Chapter 4 - :Key Ingredients of a Great Start-up Business

"The wise musicians are those who play what they can master" - Duke Ellington

So what makes a successful start-up business?

In this chapter I will reveal several key ingredients which I believe are the cornerstones of a great technology business. I'd say that finding the right start-up depends both on your understanding of the specific vertical and the current scope in that field, which is something that can change quite rapidly.

In this chapter, I'll also discuss ways to choose the business that best suits you, and also look at the important concept of scalability.

Are you in the right industry?

How do you determine if you are in the right industry? In my opinion, the key thing here is to know yourself and what you are good at. Self-awareness of your strengths is the key to discovering whether you are in the right industry or otherwise.

In my case, I was fortunate enough to know what I was good at from young age. My forte is in understanding databases and processing information. For my entire career I have been literally doing the same thing in all the businesses that I pioneered.

While my businesses have manifested in different ways and in different forms, the fundamental industry has been the same for me. My entire plus 30-year career has revolved around understanding databases and processing data to create better information for decision making.

In the early days of my career it was about using a database to document things; I then moved on to processing data for decision making. But fundamentally it has always been about working on databases. I did not move from one thing to another. I stayed in the same 'industry' of database and data processing for 30 years.

This doesn't mean you should stick with one industry and become myopic either. You still need to change with the times and with technology to avoid becoming obsolete. You don't ever define what area you should focus on based on the technology. You focus on the fundamental value that you deliver to the marketplace.

For example, in the 30 years that I have been in business, the technology behind the delivery of information and database management has changed dramatically. I have experienced changes from mainframes, to mini-computers, to PCs, to cloud computing and mobile. The delivery of information has also changed from text to images, and nowadays video is becoming more prevalent. The velocity and magnitude of data has taken quantum leaps.

But the fundamentals of my businesses remained the same: it's all about data processing and making better-informed decisions. I always daydreamed about how the new technologies could improve my data processing and provide better value. I did not define myself as a mainframe computing database

provider, or a Dbase 3 programming business. If I had done that, I would have become obsolete with the changes in technology.

At the same time, I could have been easily distracted by other exciting and profitable areas of the IT industry; like communications, security and even robotics. But if I did that I think I would be in trouble because that is simply not what my strengths lie in. Yes, I believe that I was born and have natural abilities that suited my industry. I believe that you have that same thing, too. You might be suited for a different area than I am, and when you discover what that area is, I guarantee that you will be way better than I ever could have been in that industry.

I like to use the analogy of a swimmer; if they are naturally good at swimming and instead they choose to run, they will never be the best at running. Because on a DNA level, the swimmer has not been engineered to become a top runner...they may become good, but never a world-class runner. However, if they stick to swimming, they have every chance to become a world-class swimmer. So the key question then becomes, "How do I discover what I'm good at?"

To be honest, it's only in hindsight that I realise I have remained true to my natural abilities in the data processing industry. But I have always been attracted to doing data processing work and creating data processing solutions. I was never attracted to any other area of the IT industry. I always felt that I could do better than the other businesses in this industry, to be able to create something that will set me aside and provide a good solution for customers.

Another good barometer for you is that you will feel you have no passion or confidence in fields that you were not naturally born for. You need to be able to put the money and greed factor aside, because that is the number 1 reason why people end up in industries that they are not gifted for.

Yet another great way to test if you are in the right industry, is that you realise you have to spend lots of time to understand it and internalise it. The concept and what's required of you for the industry doesn't gel with your nature - you are just not born with that skill.

I have also found it easy to dream up new solutions and ideas when I stick to what I'm good at. It just seems to flow much easier. When I'm asked to daydream about opportunities in different industries, it just requires much more effort and somehow the ideas that turn up are just not as good.

While this may be contrarian, I personally believe that you should not try and hone skills that you are not naturally good at. In school we are told that we need to improve on the subjects we are not so good at, and we get extra lessons and tuitions just to get better grades. But in the start-up game, my experience is that it's a waste of time and you should just focus on what you are good at...and be the best at it! *Why row against the tide and make life unnecessarily difficult for yourself?*

Put your energies on your strengths, because if you try to rectify your weaknesses, it will simply take too many resources and too much time to be worth it. Remember, you can always hire people or find partners with the necessary skills to complement your weaknesses. Your value is in your strengths, not your weaknesses!

If you are in the right industry you will see things that others do not, you can see easily how to improve and fix things, whereas for others it is very hard for them to grasp what is happening. The final word on this is that you need to be self-aware, and remember not to only chase money! Chasing money can distract you from your ultimate goal and can waste a lot of your time.

And that's where your vision comes in, so you don't end up chasing your tail and wasting valuable years of your life chasing rainbows (and short-term windfalls).

That Vision Thing

Your vision is like your compass, so that you don't lose your way despite the many distractions and storms that will come your way as an entrepreneur. What's vision? There are entire books written on the subject. In my opinion though, vision is unexplainable. The best way I can explain it is that you can see what others can't. You can see the potential of your business in a way that no one else can quite fully understand. And you have a deep conviction that your business is going to be a success, even though others around you may not believe so.

Tech visionaries can quite literally see the future, and they have a strong sense that their idea will change people's lives.

Having a clear vision is key in your decision-making process. It will also enable you to stick to the right industry despite the many changes in the IT sector. This is where daydreaming plays an important role, to help you get clear and know what your vision is. A clear vision will help you know where you are headed, and help you stay the course even in stormy weathers and on dark nights.

For example, my vision to be a unique value provider in the data processing game meant that I was always ready and able to evolve, from mainframe computing, to micro computing and nowadays to mobile phones. I was always on the lookout for these changes, and brought them back to my vision. I then asked, "How are these changes going to affect my decisions for my business?"

By having this vision, it gave me clarity on what game I was playing. The technology may change the rules in the game, but the game remained the same for me. That's how I was able to capitalise on changes to technologies and repeatedly become a leading niche player in my industry. That's the power of a clear vision that has been fed regularly by daydreaming. Whereas others would moan and groan about the changes in technology (and, in some cases, die-off), my vision helped me capitalise on these changes and gave my business a head-start over the rest.

I describe any new technology that impacts my business as a rule change. For example, we started off in a client server query system environment, where a PC connects to a mainframe to get data. Windows and Apple first provided a Graphic User Interface (GUI) which then became a rule change. By adopting and capitalising on this change we managed to build a successful business.

In fact, all my subsequent businesses all capitalised on rule changes. Web browsers was another key rule change in my game, because people no longer had to install new software on their computers. You could get access to data anywhere in the world by simply typing in a URL. You don't need to install the software each time there is an upgrade anymore.

Each time there is a rule change, my vision allows me to create new capabilities and functions to customers, based on the strengths of the new technology and the new rule. This is because my vision allows me the flexibility to adapt and capitalise to these changes.

As I mentioned, I have played the same game of data processing for over 30 years. I haven't re-invented anything that is game-changing. It's just that every time there was a rule change I have been able to create a successful business or capitalise with the business that I was in. All I did was develop new capabilities and functionalities based on the new technology and sell it to customers. For example, we now sell 'big data analytics.' But what is it, really? It's really the same thing as data analysis of the old days, just with a bigger magnitude. It's still the same game.

Here's how I like to see it; each time there is a rule change, it's like the referee just pressed the 'reset' button. Everyone's score is zero again. I get excited because it's the opportunity of a decade! The good news is that the leaders before the rule change usually have more baggage, hence they are at a disadvantage compared to you. It becomes a great opportunity for you to surge ahead of them on the score charts.

I don't really believe you need to write out a vision statement. The important thing is to know the essence of your vision. The essence of my personal vision was to provide great data processing solutions, and as a consequence this has guided my businesses for the past 30 years to many successes.

Spend time feeding your vision by dreaming. It will help you spot the opportunities in your industry when rules change, and help you profit greatly from it. Observe and Listen to Your Customers

I always tell start-up entrepreneurs that they need to be adaptable to customer needs. It's important to use technology to find creative solutions for customers. Remember, it's only when your technology adds value to the lives of its users that it's going to be adopted.

When I was working at Singapore Computer Systems and I was asked what I wanted to do, I said I wanted to develop products. However, I based my product development on what the customer wanted, not simply because I thought it was cool. I spent a few months looking around and researching. And I got a lot of information from salespeople in the company. I asked them what the customers wanted and I found out the clients wanted documentation and reports. So I set out to create a product that would accomplish that for the customers.

Just for the record, this was my first year in the company. I had developed this product that eventually went international and was spun off as a separate business. I say this not to brag, but to impress upon you the importance of listening to your customers.

Apart from listening to your customers, it is important to observe them. I suggest you observe their decision-making processes, and through that you will be able to see where the profitable opportunities lie. For example, when people use comparison shopping websites, what are they thinking? Are they simply looking for the cheapest product? What information do they need to gather in order to take the next step?

In another company, I was providing a platform so that customers could compare products. In hindsight I probably rushed in too soon without properly observing the market and my customers, many of which, in this case, were hotels.

I was too hung up over creating this platform and providing it to the customers. I thought the way to play the game was by providing a horizontal platform for all industries. In the end, I realised that I would have been better off focusing on a vertical solution for the hotel industry. Because those customers who adopted my product realised the importance of the solution, once they figured out the model, they ended up developing their own.

If I had observed the industry better, I would have realised the rules of the game meant that if I had provided a vertical solution where my business would be a portal providing 'last minute' hotel rooms to the consumer market, I would have been more successful in this industry. In the end, someone else ran with that idea and became successful. So make sure you spend time observing your customers and how they might react to the solution you are providing. This will determine the best strategy for your business and could be the difference between a mediocre business and a wildly profitable one.

As mentioned in the previous chapter, daydreaming from the perspective of your customer avatar is also a highly profitable exercise. The more you spend time daydreaming from this perspective, the more you will gain insight and intuition about whether they will like your product. [Piggyback on Other Trending Technologies](#)

You don't need to be a whizz-kid, but technology should fundamentally excite you. It doesn't matter if you don't see a business opportunity in every technology, but once you are tuned in to technologies and how they affect people's lives, you will automatically see a notable increase in the number of business ideas you get. A larger catchment of workable ideas means a better chance of finding what works for you.

This is where daydreaming ability and vision comes in. Like I mentioned earlier, it is all about identifying new technologies, how fast people adopt it and how you can capitalise on it.

Some questions you might want to consider include:

- a) How can your technology piggyback on other trending technologies? For example, green power technologies are hot at the moment - is there something your technology can help with in that industry sector?
- b) How can your technology piggyback on social media growth? For instance, there are thousands of Facebook Apps that try to piggyback on the large Facebook user base.

In 1998-99, when the Internet boom was just beginning, I realised there was a massive opportunity as online content was about to explode, and all this content needed to be integrated. So, I dreamed up and created technologies for content integration; we were able to work on this for many years and grew the business significantly with BIGGontheNet (Business Information Gathering on the interNet).

Remember your vision and the game you are choosing to play, then you won't be blindsided and caught up in technology.

Market Need and Repeatability

One thing that always surprises me is how little thought is given to this aspect. Of course, everybody wants to make money and some young entrepreneurs even expect to make money.

The cornerstone of having a solid and repeatable revenue model is this:

You must have clear value proposition.

Ask yourself what value are you offering? For me in my businesses it has always been 'better decision making.' It could be helping people to find information faster through documentation; it could be helping people find the best price; they all lead to one thing...more informed and better decision making.

A second element to this is establishing a need. Your product may seem really cool and exciting to you. But the key thing is, 'Are there enough customers who have this need?'

If there are enough customers who have the need and are willing to pay you for it, then you have a potentially repeatable business. Without customers who are willing to pay, there is no business in the first place.

Scalability

A third dimension is the scalability of your business. If your first product takes 6 months to install for your client, the second one 2 months to install, and the third one takes a week to install, then you have a scalable business. Is the cost of repeating getting less and less? Each installation should cost less to complete. If not, then your business is not scalable.

For your business to grow, you need to spend time dreaming up ideas and processes on how to scale your business. In addition, you will need to be able to find this economy of scale before the next technology surfaces and changes the rules again for your industry. You will also need to be there a bit earlier than others to give you an advantage over the competition. You will need to be wary of short-term rule changes as well, so you don't pin your hopes and innovation on a fad, rather than an actual rule change.

To get scalability in your business, make sure you create software, workflows and processes that lend themselves to scalability. Take the following Fintech initiative as an illustration. One of my investee companies shifted their business model from providing software to the mobile workforce to a business that focuses on building demographic databases for market research companies that serving brand owners.

The reason for this shift is that software provision for the mobile workforce was not a highly scalable business. They identified a new need where their existing technology could be applied. In this new model the cost of acquisition scales linearly with each demographic added, but the value of the database grows non-linearly. This is because the information can be sold many times over with by slicing and dicing differently.

Essentially, this change of business model shifted them from a linearly-scalable business to a business that can be scaled exponentially. This shift allows them to grow their business much faster and with less constraints.

To scale your business, you also need to ask: “Do you have the necessary supporting technology to scale up?” For most people, you would think Google is simply just about its algorithm. But if you look deeper, it is much more than that. Can you imagine the amount of data that their servers have to handle? The need to index, refresh and decide what data to show and what not to show? That in itself requires them to develop new technologies.

It also requires Google to develop technologies to use less power than anyone else because of the sheer amount of data it has to process. All these supporting technologies make Google scalable and able to grow at the rate it has, but few people consider these things. Consider what supporting technologies you need for scaling up your business.

The Importance of Vision, Repeatability, Value and Scalability

Between early 1998 and early 2000, the Internet sector in the US earned more than 1,000 percent in returns on its stocks. During this heady and irrational phase, venture capitalists were putting their money on anything or anyone with the name ‘Internet’ on it.

Until the bubble burst. Between 11 March and 6 April of the year 2000, nearly a trillion dollars worth of stock value on the NASDAQ vanished. The lesson for technology firms involved in the mayhem was that you need to have the elements of providing value, repeatability and scalability. Without these, you can be blindsided by technology and get caught in the hype of the moment. After 2000, it became clear that a dotcom without these success elements was doomed to failure.

There will constantly be new technologies that have the potential to create a new wave of euphoria and over-enthusiasm. Stick to your vision and don’t let the excitement of such ‘game-changing’ technologies blindsides you.

Conclusion

Hopefully this chapter has given you some insights as to what key ingredients are necessary for your technology to be successful. In the next chapter, I’d like to address what key characteristics that you, personally, as an entrepreneur and founder, require for your startup to succeed.

Chapter 5: Characteristics of a Successful '

Daydreamer Entrepreneur

"I wanted to be an editor or journalist, I wasn't really interested in being an entrepreneur, but I soon found I had to become an entrepreneur in order to keep my magazine going." - Richard Branson

This is a question that I am often asked. People are looking for 'the secret' to success as an entrepreneur in the IT field.

The literature out there makes it seem that there is something special and mysterious about successful 'technopreneurs' with the likes of Elon Musk and Steve Jobs elevated to some thing of a demi-God status. But from my perspective, things are rather more grounded.

In this chapter, I'd like to reveal what I believe are some of the characteristics of a successful entrepreneur, whether you are in the field of IT or in some other field of business endeavour. I believe these traits are common and can be universally applied to all entrepreneurs...if you want to be successful.

Skill Sets

It is a misconception that you have to be the best programmer or the best inventor in your field to be a successful entrepreneur. While I humbly acknowledge that I was good at programming, I must say that there were better programmers out there than I ever was, and ever will be.

While I believe it is necessary that you understand your technologies or programming, it would be detrimental to you as an entrepreneur to spend all your time hiding in your room doing, creating and building stuff. This may work when you are in the development phase, but you need to develop other skills if you are truly interested in commercialising your invention or creation.

Here are some of the other skills you should consider developing:

Communication

The first skill I think that is absolutely necessary as you seek to commercialise your product is the art of communication. This is often difficult for many of us that come from an IT background, as we generally prefer to hang out in our labs or be in front of our computers.

However, without good communication skills, it is very difficult to get people to 'buy in' to your product.

Without the ability to communicate the true value and benefits of your product, you are not going to get investors. Without the ability to communicate, you are going to have a hard time convincing other key people to join you in your project, to invest the time and effort to get your product up and running.

In my first job at Singapore Computer Systems, I was not contented being just another employee, I was what they call an 'intrapreneur'. I thought like an entrepreneur but worked within an existing company.

It took good communication skills to convince my CEO to provide me with the funding and resources to develop my idea. It took persuasion to get my first client who was willing to invest thousands of dollars at that time to implement my idea in their business, even though it wasn't fully developed yet! Good communication was again necessary to lead my small team to build the software that I had dreamed up.

Without good communication your idea is much less likely to succeed, because building a business requires a team and resources. If you think you can do it all on your own and on your savings, there is of course a chance you can succeed. But if you can communicate your vision to others, and the unique benefits of your product and idea, you will have increased your chances of success by many times compared to the solopreneur working alone who lacks good communication skills and interpersonal relations.

In testing and dark times as you walk through your entrepreneurial journey, which will inevitably happen, your ability to communicate and keep your team believing in your vision is critical for success. Find Your Horse

Authors Al Ries and Jack Trout wrote a book called 'Horse Sense' many years ago. The book was all about finding the right person who can help you to succeed. As an entrepreneur, this is absolutely critical and true to your chances of success. As in my case, my first 'horse' in my clinic database software business were the doctors who were willing to support me initially. By having those first doctors believe in my product, I was able to convince many others to buy my product as there had been successful case studies. This gave other prospective purchasers the confidence to buy from a young geeky guy who was still in college.

As an 'intrapreneur' in the first company that I worked for, it was the CEO who was my 'horse'. He gave me the opportunity to develop my idea, and create a whole new division within the company for my product. He eventually gave me the funding and the autonomy to spin off this business into a separate new entity from the main business, and allowed the company to have its own business functions. This gave the new business the opportunity to go international and be free of the constraints and politics that would have otherwise shackled this new business and severely limited it.

Your 'horse' may be an investor. It may be a mentor who has been through what you have and done it before. It could even be a potential partner with skillsets and connections that you need for the business to flourish. Your horse could even be a rich relative or your current boss who is willing to support your endeavours by putting in the necessary time or resources to get you up and running.

For others it could even be a spouse that could give you the emotional support that you need to believe in yourself. It might even be someone in a government agency that believes in your product and vision, and who is willing to help you refine your approach to get you the necessary funding. It could also be that first customer who believes in your product and is willing to pay you upfront before your idea is fully commercialised.

It is important that you spend time identifying who are the 'horses' in your business that you can 'ride' to success with your business and idea. Find the right horse and convince them to support your idea and it can be that shortcut you're looking for to help make your journey in entrepreneurship a success. If you don't find that horse, it may be a longer and more painful road.

Virtually all successful entrepreneurs had someone who gave them a huge helping hand that propelled them towards success. You need to identify and find your horse who believes in your dream.

Be Willing to be at the Right Place at the Right Time

Having the right business at the right time is crucial. If you have a great idea or product that's not the flavour of the month or in the right industry, no matter how good the product is, you will find it very difficult to get funded or have customers buy your product.

For example, when I was setting up my business intelligence business it was critical for us to be in the Silicon Valley, so I uprooted my family and we went there. At that time the business intelligence industry was hot; there were over 100 businesses that were funded by venture capital money at that time operating in the Silicon Valley.

Without being there I would not have my pulse on the marketplace. It's one thing reading industry journals and looking on websites to glean information on what your competitors are up to. It is a totally different thing when you are on the ground, being in touch with major industry players and having a real feel for what's going on. In fact, we personally knew many of our competitors and caught up sometimes just to exchange information on the industry.

If we had chosen to be based in Singapore we would not have got the exposure or the funding that we required at that time. I would not have sat in front of Wells Fargo and raised the \$4M we needed to get the business up and running. At the same time, this was the 1980s and funding sources for technology firms in Singapore back then was virtually non-existent; hence my business may not have ever taken off.

This is an important trait of the entrepreneur...having the awareness that the world is your oyster, but that you need to be where the money and action is. At the same time, have the awareness of if your product is currently hot or not.

Dream where you want to be, and be where you need to be to make that dream happen.

Seize Your Opportunities

You need to take your chances and seize your opportunities. Remember the IT industry moves faster than others. If you hesitate or procrastinate, there is a good chance that someone else is going to pounce on the opportunity. And if you are not willing to take a risk, then the opportunity will not last long.

When I was at SCS, I saw the market opportunity. Normally as a new recruit in his first year, no one is going to approach the CEO and say, "Hey boss, I have this great idea and see this fantastic opportunity for our company. Would you give me the time, money and resources to start this initiative?"

But I did it, and in hindsight it even sounds crazy to me today that my boss actually trusted me and gave me the opportunity to go ahead with my idea. I guess very few people see the opportunity and are willing to take the risk to seize it.

While SCS was doing well at the time, my CEO had the vision to see that they were merely resellers and distributors of other people's software and products. He actually liked the idea of the company developing software of our own that we could sell. Strangely enough, I was the only one with the guts to go and approach him to sell him my idea. There were many other senior guys around, and I'm sure

many of them saw profitable opportunities in this fast-emerging field of IT, yet no one else approached him with their ideas.

Of course I risked my new career and being labeled as an outcast or a 'smart Alec'. The CEO could have thought I was too much of a maverick and put me in the mail room where I could do the least possible damage. Worse still, if the idea didn't take off I would have been risking my job in the company. But to me, I was bonded to the company at that time, and I just couldn't bear the thought of working on mundane stuff every day. Once I was given the green light, it dawned on me that I would likely be fired if I didn't deliver - I just had to do it.

And that's the thing, are you willing to take calculated risk? Have you thought of the worst-case scenario and are you prepared to live with that? Are you willing to 'just do it' even if you know the risks?

Be willing to take immediate action and a leap of faith to seize your opportunity by its neck. Hesitation and procrastination may result in a lost opportunity that you'll live to regret.

Strategic Thinking

Creating a prototype requires creativity and problem solving. But running a tech start-up successfully requires strategic thinking. By strategic thinking, I mean you need to be able to daydream about your business on a longer-term basis. Where do you see your business in the next 5 to 10 years? What is the roadmap to achieve your goals? What are the potential roadblocks in your business and how can you overcome them?

It's critical to have flexibility in your strategic thinking. Back in SCS I had a big debate with the Chief Technology Officer at that time. I was pushing for our software to have graphic user interface (GUI) to work with Windows 2, but the whole world was running on DOS at that time. So it seemingly made no sense to be developing something that only a very small fraction of computers were using at that time. But I saw that GUI was the way to go, that it was the future. I guess you can call it intuition or a gut feeling. I definitely did not have the statistics on my side and Windows 2 was a failure. But when Windows 3 came out my point of view was justified and it was the launch pad for further success for the business.

While you cannot rely on intuition all the time, it is helpful to have it. But in your strategic thinking you need to be considering all possible scenarios and developments in your industry. How you will react to mitigate risk and how you can ride those possible trends to success? Strategic thinking requires that you take time out from working in the business to daydream, to feel and to foresee where things are going, and how your business and idea can innovate to take advantage and profit from them.

Most entrepreneurs are so busy in the doing - fiddling with new gadgets or in front of their computers. My experience however tells me that the more time you spend simply daydreaming about your business, the more you will be able to come up with better strategies and breakthroughs for your business. Conviction and Tenacity

When I was a rookie entrepreneur, in hindsight I may not have had the best ideas. I definitely could not write good business plans either. I definitely had no track record of successful start-ups; neither did I do the best and most comprehensive market research reports. So how did I convince people to invest their time and money to support my ventures? One word: conviction.

At the start, no one is going to believe in your idea except you and your dog. In order to convince other people to buy into your idea, you need to have conviction. It means that you believe in your mind, in fact to the very core of your being, that your idea will succeed. When you believe it, naturally your belief, enthusiasm and energy will be picked up by others, and they will want to join you on your entrepreneurial journey.

Some people might call it good luck or good timing, but if you don't have conviction then no matter how much luck or great timing you might have, you are going to have a hard time convincing anyone apart from your dog that your idea is going to work. Without conviction, you are not going to take that step of faith on your ideas. You are not even going to take the next step to make your idea reality. Your idea is going to wither and die at the first signs of difficulty and hardship. In essence, without conviction you might as well forget about being an entrepreneur, stay at your day job and play with your idea as a weekend hobby.

I know that may sound harsh, but it is going to be much harsher if you quit your job, jump into your start-up and crash just after the starting line.

How did I have the conviction that my ideas would work? Yes, you guessed it! By daydreaming. The thing is, most entrepreneurs never spend enough time daydreaming about their ideas, so when they present their ideas it lacks conviction because the entrepreneur himself is not fully convinced in his own mind that his idea will work.

By daydreaming, I have run through dozens of alternatives to find the best version of the product. I have imagined all the potential roadblocks to my product and how I can handle them. I have imagined how the customer would be using my system and how they would feel about it. So by the time I am in front of potential investors, I am 100% convinced in my being and in my mind about my product. There is not a hint of doubt and others can sense that, which makes it easy for them to buy in.

What goes hand in hand with conviction is tenacity. Having the tenacity to keep going on despite various setbacks, and despite the financial and social costs, is not easy. Having the tenacity to continue as an entrepreneur if your first start-up crashes, that's the ultimate test of your conviction and tenacity as an entrepreneur.

One of the toughest things I've had to do as an entrepreneur was to close down my business intelligence company. It was a tough decision to make at that time and due to a variety of factors, many beyond our control, we decided to wind up the business. It was tough as I had spent 3 years in North America to get this business going. It was like losing your very old child and baby. But having the conviction and tenacity meant that I was getting my next venture incubated a few months afterwards, starting up a content integration software business for the B2B marketplace, to aggregate big data. This became a successful business that I sold off years later.

Leadership and Vision

As an entrepreneur, one of your key roles is to be the visionary of your business - to have that clear vision of where you want your business to be, and what it's going to look like in the next 5 to 10 years. Subsequently, your role is to dream up ideas and innovations for the company, to continuously develop

and improve your ideas so that your business can come up with the solutions that the market is looking for.

Generally, as an entrepreneur, you are not the type who is good at operating a business; you are more likely good at dreaming up new ideas. But ideas and innovation alone are not going to be sufficient if you want a truly successful business. There are a whole lot of other considerations in place that could kill your business if neglected. Considerations such as finance, investor relations, marketing, sales, management, operations, administration...any of these, if not run properly by the right people, could be detrimental to the very survival of your business.

That's why you need a team, and you need to be the leader of that team. As a leader, you need many of the traits I have mentioned before. Traits you need to possess include conviction, tenacity, vision, and strategic thinking. You will also need to be the person who provides direction to your team. As a leader you need to communicate and inspire them to perform at their best. You need to be the general who rallies the troops and charges in front ahead of your army. You need to keep morale high when times are tough. And you need to know when to cut your losses and make the hard decisions. Once you lose team morale, you lose the business.

With my content integration business, I decided it was time to sell the business when my board was not willing to take further risks and they were contented to get paid good dividends each year. We stopped innovating. I wanted to change the world and create more innovative products. In fact, I was talking to the likes of Google, Yahoo and Microsoft about selling a new idea.

I ended up having an interested party from Europe wanting to partner with us on the deal. But the rest of the partners, understandably, were not willing to risk the golden goose, as it meant risking a substantial amount of money to develop this new software. I felt there was no point to simply maintain the business and collect dividends as I stopped enjoying it and we had lost the spirit of innovation and invention. We sold the business and parted amicably.

There will be tough decisions like these you will have to make as a leader, and sometimes your stakeholders may not agree with you. But you are responsible for the business, the staff, shareholders and yourself. You have to be willing to make decisions that are sometimes unpopular.

Hopefully this chapter has given you some insight into what it takes as a person to be a good entrepreneur. In the next chapter I will move on to cover another critical part of your start-up: your team.

Chapter 6: : The Three Most Important People in Your Business

“The way a team plays as a whole determines its success. You may have the greatest bunch of individual stars in the world, but if they don't play together, the club won't be worth a dime.” - Babe Ruth

Normally when a business starts off, there is one person, the entrepreneur. As a serial entrepreneur in the tech-space, I like finding problems and daydreaming up solutions to tackle them, then dreaming up a business from that solution. Without the entrepreneur, there will be no spark in your business. There is no one to create.

As an entrepreneur, I loved creating things I dreamt up that solved problems for people. The other powerful thing an entrepreneur possesses is vision. I was able to dream up a big dream of where I could see the company in 3, 5 and 10 years. While the entrepreneur is normally a fabulous visionary and a very good problem solver, they are normally not detailed people. As an entrepreneur, I was weak at details and I definitely got bored quickly once a product was created and launched. Managing a small team is okay, but once the team got too big it would sap my energy.

As mentioned earlier in this book, I personally believe you shouldn't waste time trying to rectify your weaknesses. I believe you should focus on your strengths and get other people to come in to complement you where you are weak. Work to your strengths and find people who have other strengths to help you; and that's where the second important person comes in - the manager.

I know from my experience that while my strength as an entrepreneur is to come up with good ideas, the manager is the person who comes in and makes things happen. They provide details to the idea that the entrepreneur comes up with. The manager also plans out the roadmap and what needs to happen in order for the entrepreneur to fulfil his 5-year or 10-year vision for the business. You need someone who has the traits of a manager, to ensure that people carry out your ideas. A manager will help you lay out details for your plans and your vision and make sure your team members will carry out the plans to fruition. They will keep track of the finances and bring a dose of realism to your sometimes over-ambitious ideas.

While a pure entrepreneurial business is usually ad-hoc, the manager comes in and designs systems to make sure that the business runs smoothly, and ensures that the team is doing what they are supposed to do. The manager brings discipline to the business. A good manager will ensure that operations run smoothly, and the day to day functioning of the business is at an optimised level. A good manager is usually very calm and collected under pressure; they are able to deal with unforeseen events and people and resolve issues without getting overly emotional and stressed. Therefore, they are more likely to be able to handle teams of hundreds and possibly thousands of people, whereas the entrepreneur normally gets drained managing teams of more than 20 people.

Of course, there are exceptions to this rule, such as Jack Ma of Alibaba who is a balanced entrepreneur and manager. But that is the exception rather than the norm. If you stop enjoying your business as an entrepreneur because you have to spend lots of time managing people, then you may have hit that ceiling.

At the creation stage, the manager also plays a pivotal role in the creation of your new IT invention. Because managers are generally detailed oriented, their input at the creation and invention stage will generally result in a more robust, better product as they are able to work out more details of the product. Once your product has reached a stage of market readiness, then you will need the third person - the marketer.

The marketer is the one who will help you build the business by finding and attracting for you the right people that will buy your product. A good marketer will be able to help you to systemise your business to develop a sales and marketing system. They will be able to scale the business up for you.

Without the marketer, you are not going to get sales in your business. Without sales, your start-up can end up as another business failure statistic. That is why the marketer is absolutely critical for your business.

The marketer can play an important part by providing valuable input at your product development phase too. The Marketer's input will help your product to be developed in a way that is more acceptable for the marketplace. In fact, they are able to see things more from an end-user's perspective and provide you with information that will help your product stand out and be unique from the existing solutions in the marketplace. While the entrepreneur and manager might be more product-oriented, the marketer is more market-oriented and their input could help the product become more appealing.

Now I'm fully aware that at the start of your business, you are not going to have the budget and the resources to employ a manager and a marketer for your business. So you will have to play all three roles at the start. A useful way is to think, "If I were a manager/marketer, what would I do in this situation?" Then as your business grows and funding becomes available, get a good manager in place to balance you as the visionary of the business. Finally, add your marketer when you are ready to commercialise.

Remember, the last thing you want in your business is three entrepreneurs, where nothing actually gets to the market. If you lack a manager your business will be chaotic and unable to grow beyond a certain size, and your team will get frustrated because you'll go nowhere fast. If you don't have a marketer your business will not get the sales it needs to grow and become sustainable.

Make sure you have plans to have all three key people in place.

The Challenge of the Three

As an innovative-type entrepreneur who has this grandiose vision, I can guarantee that you will often be frustrated at this person who plays the manager role. But you must be aware of this person's very important role in the business that helps balance you and helps bring things to fruition.

Naturally, because of the detailed orientation of the manager and the big picture orientation of the entrepreneur, the two may end up frustrating one another. To top it off, you have the marketer's input from a market-orientation which will place further friction between the three of you. You need to be

willing not to take things personally, because they too will be frustrated with your constant innovations and seemingly endless change of plans in pursuit of creating the better product.

All three of you need to be aware of each other's roles, and know that the three of you play a critical role in ensuring that the business is a success. So make sure you create a good environment and protocols for exchanging ideas and for discussion so that you don't end up clashing with each other.

You need the manager type because I can guarantee that you will get bored after two or three system installations. You will be looking for ways to innovate again in no time, looking for new problems to solve. You need someone to be taking over things like these, such as installing products for your customers. You need a manager to observe you and systemise processes so that others can be trained and taught to take over this role, while you are creating new things to improve your product. This is an essential part of scaling your business for growth.

Having a manager can ensure that your product delivery is consistent and replicable. Without these elements it is very difficult for your business to scale up for growth.

If you keep on innovating, your team will get very frustrated with you. The manager will need to keep changing his plans and the marketer will need to keep changing their marketing message or get frustrated because they have nothing to bring to the market to sell.

That is why it is important to have clear roles and responsibilities in the business. You need to define the various responsibilities in the business and assign a leader to each role. Otherwise you could well be stepping on each other's toes all the time and duplicating work. By being clear on each others' roles and responsibilities, it will help the three of you working together.

Don't Mess with the Original

This is what I generally did with my businesses to ensure that everyone, including myself as the entrepreneur, was happy in the business. After creating and launching a product to the marketplace, what many entrepreneurs do is they continue meddling and tweaking their original software or product. This can frustrate the rest of the team to no end.

What would be a better idea is for the entrepreneur to focus on a second solution, a second version or an additional piece to the original solution. In this way, the original product can still be sold. The manager is happy because they are able to plan and develop systems and processes around the original product. The marketer is happy because they can continue selling the original product and improve the marketing system to get more customers. The entrepreneur is also happy because they are able to tinker around and develop new solutions for problems.

By doing this, my businesses were able to have good systems and processes, good marketing and good innovation. All these factors have combined to create many successful start-ups for me. This was the key to generating good cashflow, deliver consistent value to customers, have an efficient operation and remain innovative.

Timing is Everything

As I mentioned previously, the entrepreneur, as a general rule of thumb, is able to manage up to 20 people. Beyond that, the entrepreneur gets frustrated and tired, and wants to go back to their laboratory to create new things.

While you may have the manager in the business before you hit 20 people, you will have to decide at some point in time to relinquish your control of your business to the manager as soon as you are getting bored with the day to day running of the business.

I suppose a good question to regularly ask yourself is, 'Will the manager be better at doing the things I am doing now on a daily basis?'. If yes, then it is perhaps time to hand over the 'CEO' function to your manager and step down from your business.

I always tell my mentees, "When your start-up starts to look like a business then it's time to let go." When your business is ready to be repeat and scale its products, then it is time to hand the reins over to your manager. Of course it would be prudent for you to still play an advisory role in the business from that point in time. For many, it is better that you play a visionary, strategic and innovation role as the entrepreneur.

Just because you step aside doesn't mean you have to sell your shares in the business. You can still retain your majority shareholding, but the captain of the ship is your manager.

For me it was difficult to relinquish control over the very business that I had started to someone else, but I knew that each time I did it, it was essential and important for the growth of the business. If I continued doing the role as a CEO I would end up being stressed and the business would never realise its full potential. There is always a temptation to interfere, but you need to empower your new CEO and support their decisions, even though you may not always agree with them.

As for your marketer, it is usually not a good idea to get them in on a full-time basis while you are in product development. It's best to engage them on a part-time advisory basis at the start. Getting them in too early in the business with nothing to sell will cause enormous dissatisfaction on their part. I would suggest it would be towards the end of your product development that you engage a marketer on a full-time basis. Their input will be invaluable for you to add the final touch to your product and they will be able to start doing the groundwork for your product.

They will be able to conduct some market research and testing, and at the same time work on your marketing and sales system. Ultimately, this will lead to scaling of your business rapidly once your product is launched. Mission, Vision and Values

I know you are probably thinking now, what is going to stop my manager from ruining my business as the CEO? That's where your mission, values and vision come into play.

For my businesses, our mission was always to process data and aggregate information for our customers. So no matter who was running the company, we never strayed from the mission of aggregating data for certain markets. If it wasn't anything to do with data processing, we would stay out of it. For me as the entrepreneur, I would constantly refine and seek ways to improve data processing. For the manager, they would put processes, systems and manage resources so that we are delivering on

our promise of data processing. Finally, our marketer would never stray from our brand as a data processing company, and marketed the business as such.

Secondly, as the founder and entrepreneur, you set the vision of the company. The clearer you are with your vision and the better you communicate your vision, the more likely your CEO and marketer will be able to work towards that alongside you. Remember your CEO is the person who can help you develop the necessary plans and direct the required resources to help your business move towards your vision.

Your vision will guide your CEO in their decision-making and be able to adapt to changes in the fast-changing IT environment.

For example, if you are a software development company, the landscape is constantly changing. It used to be that computer software applications were the platform, and that you had to buy a piece of software, download it and install it to your PC. With the advent of the Web Browser, that game has changed significantly, with most applications running on a browser and using cloud computers.

If you have a strong vision, your CEO and company should be able to quickly adapt to this. And in some cases, your vision can even help your CEO and company spot opportunities on the horizon and capitalise on them.

Your marketer will also be able to get feedback from customers relevant to hastening your efforts towards your vision. At the same time, you as the entrepreneur can continue developing solutions towards making your vision a reality.

A clear vision will help the three of your key team members work together towards a common ideal.

Finally, values are important for your team to work together. If you can agree to the values of your company from the start, you will have less potential for friction. It also provides a framework for where decisions are made in your business. For instance, if your CEO wants to cut cost to increase profits, and at the same time your marketer has identified a prime opportunity that the company could profit from, but requires a significant investment, which path should the company take?

That's where your company values are able to guide your business. If you have agreed that security of profits is more important than risking capital for the sake of growth, then the CEO will have the final say. But if you place a higher value is on risk-taking and fast growth, then the marketer's idea may be the one your team moves forward with.

Your company values, mission and vision are like the constitution of a country; they will guide your team and make sure your business does not get distracted and loses its essence. Be sure to invest the time and effort to get clear on it during your daydreaming sessions. **The Final Word on Your Team**

No man is an island. Don't be fooled by the glamorous 'one man did it all and reached the top' stories that the media portrays as the way to success. Creating a successful start-up business is all about

teamwork. It requires careful planning of who you need in the business, what skills and experience they have, and when you are going to hire them.

It also requires succession planning. Remember, because someone is good at marketing or managing a start-up may not mean that they have the experience and ability to market or manage a \$50M company. Plan for the succession of each of those team members, as well as you as the entrepreneur. Dream of what the future might be like and dream what traits, experience and characteristics you'd like your key team members to have.

Remember, this is for the good of your business and its future. Don't let your emotional attachments or your ego get in the way of your company rising up to its full potential. Do what you enjoy doing as an entrepreneur, and let other people with different strengths work with you to grow your business.

Chapter 7: Your Startup External Friends: Your Start-Up's External Friends

You know, you do need mentors, but in the end, you really just need to believe in yourself. -
Diana Ross

In this chapter I'd like to touch upon a very important set of people who will have a big say on how far your business can go.

No man is an island; an entrepreneur will need external help from people outside of his organisation in order to grow. This is simply because for any start-up, it is impossible for your small team to know and have all the right experiences to help your company grow. Too many entrepreneurs waste time figuring things out instead of getting some external professional help that will help your daydreams come to fruition.

In most cases, especially where you have funds, it is good to pay someone with the right experience and expertise to help you get things done properly the first time around. This can save you a whole lot of pain and headaches down the track.

So what external people do you need to help your business grow? I believe there are 3 categories of people your start-up should engage and each play a different yet important role in helping your start-up flourish.

Category #1: Knowledge and Regulatory Advisors

These are people like lawyers and accountants who have very specialised knowledge. You need them to help you with things you are not familiar with and to avoid getting in trouble with the law and for tax issues.

You need these advisors to ensure that you set up your corporate structure properly, make sure that you are minimising tax as best as you can, and to ensure that your agreements are done properly. You want to make sure they have a decent understanding of your industry where possible, otherwise they might miss out on certain things to your detriment.

Generally, I would not take their advice on your strategic business decision-making processes. They should help with regulatory and tax things that you are not familiar with and make sure they act on your instructions.

I wouldn't go for the top-end of town with these advisors when you are just starting off; you want someone who is competent and affordable. Get references from other clients of theirs who are in a similar industry to yours, where possible. At the same time, don't just use the cheapest guy in town; if you get the wrong advice that could lead to improper structures, problems with the tax office, and possible legal lawsuits if your contracts are not done properly.

As you grow, be aware that there is a good chance one day that you will outgrow these advisors of yours and move on to more experienced and competent people. All in all, they are not that important in your day-to-day running of your business and your decision making.

Category #2: Advisors

The second group of people are advisors, who are more important than the first group of people. Their main role is to help you think through alternatives or other options for your business. They generally have real-life experience in various aspects of business and they can act as a good sounding board for you to consider other perspectives in your business to help you make better decisions.

They will also become an invaluable tool for you in determining the pros and cons of each course of action before you take them. For example, a marketing advisor can help you think through the various market alternatives for you. Would it be better to target IT managers or HR managers with your product? Would it be better to launch your product locally or in a foreign market? Would it be better to reach prospects via direct mail or a PR campaign? Would it be better to launch your product now or wait till you develop the new feature for your product?

Their experience will give you invaluable shortcuts and help you make better decisions that will help grow your business faster. They could potentially save you from a lot of mistakes and help you see things from different angles, so that you can make much more informed decisions.

However, a word of caution here; it is absolutely important that you use this category of advisors as a sounding board to help you see all the possibilities, but do not delegate your business decision-making to them. As the founder and leader of the business, you have to take ultimate responsibility for the decisions that your business makes.

Another aspect to this is that you must be aware that the advice that they give you is based on their background and experiences. As such, while they have more insight than you in their area of expertise, they may still give you the wrong advice. So you must weigh the advice of your various advisers and not take it as infallible.

A good example of this is when I started BIGIGontheNet in 2001. In 2004, we launched a new product called ZOOM at the DEMO 2004 Conference in Arizona. ZOOM was an application that acted as a plugin to Google. This application worked in a way that you could see 10 pages of Google's search results on one page without clicking forward to each page. It even helped you to tag and categorise the results so it made for easier finding of the information.

DEMO conferences at that time were and probably still are the places to go for new inventions (not just a trade or technology show). You can find out more at www.demo.com. Of course, there's TechCrunch and a whole bunch of other tech shows for fundraising nowadays but DEMO is for real inventions getting showcased for the first time. At this event, all the movers and shakers in the VC and media were present. So if you gain a successful launch, your product is virtually guaranteed commercial success. It was our next big thing since we had spent all our earnings developing ZOOM.

After the initial demonstration to the event organisers, we received a lot of good feedback and we were approved to showcase our product at the event. In the meantime, we showed it to our some of our advisors, one of which had a legal background. He was of the opinion that we might violate copyright with Google given our fonts and colours looked and matched that of Google. Our original idea for this

was so that our application worked seamlessly with Google. We decided to take his advice and changed the font and colours so that we would be protected from copyright issues and potential lawsuits that might occur with Google.

In hindsight, this was not good advice. Because of this change the whole 'wow' factor was lost. It would have been better if we kept the original look and feel, and risk getting sued by Google. The thing that got people the first time round was the fact that it integrated so seamlessly with Google in its look and feel that people felt that was part of the Google experience. By changing the look and feel to protect ourselves legally we ended up losing the 'wow' factor and people quickly lost interest in our application.

So you need to be clear about your goal. If we were clear that our goal was to have the 'wow' factor, we would have just taken that risk of getting sued and gone ahead with the original design. The actual risk of getting sued by Google was actually not that high anyway; Google probably would not have bothered with us.

The funny part is that, if we had got sued, the publicity we would have received from a lawsuit with Google would have far outweighed any legal costs we might have had to pay.

While at the end of the day we didn't sell a lot of product, we still got a good outcome at the tradeshow by getting some big players interested in our project, such as the former 'FAST search engine' people who wanted to form a JV to sell ZOOM in Europe. But our product fell way short of its full potential because we took the wrong advice in this case.

After making the changes and presenting at the conference in Arizona, the organisers actually came to ask us why we made those changes because the product has lost its impressiveness. We explained our reasoning only to be told by the organisers that our product would have become famous had Google decided to take legal action. Sadly, the opportunity had then passed and we didn't really have a second chance at it. We had one chance and we squandered it. This is a good example of how you should not take heed of every single piece of advice coming from your advisers.

I suggest to always come back to your vision, and use that to evaluate if the advice is bringing you closer to fulfilling your vision or moving you further away from your vision. That is a good yardstick to measure the quality of advice that you receive. Spend time daydreaming the possible scenarios as well, and the pros and cons of each potential scenario.

The other thing is to carefully select your advisors. It's a simple fact that advisors wear their own lenses based on their experiences and their knowledge, and will give you advice based on their background. So for instance, if you have someone who has worked in a large corporation for 25 years with big budgets for product launches, they will give you very different advice from an entrepreneur who has launched multiple businesses through bootstrapping.

That's why you need to select advisors who are closest to your startup's values and vision, and make sure they come from the right background and experience to give you good advice. In an ideal world, your advisors would have been in your position in the past so they can advise appropriately.

In another scenario, I had a business where I was in a deadlock with my shareholders whereby I felt we should sell the business, whereas other shareholders wanted to just keep the business and the dividends. In this case we got advisors to give us all the options and their perspectives. Some concurred

with the other shareholders and told us to hire a manager to run the business; others believed that the best outcome was to sell the business and realise its maximum value.

By seeking external advice, it helped us to see different perspectives. It also helped the other shareholders see things in a non-biased way and be open to more possibilities. In the end the majority of shareholders in the business saw that the best outcome was indeed to sell the business to realise its full value.

An additional benefit was that the advisors gave us good advice in relation to many aspects of the sale, and helped us get a better value for the business sale. At the same time, they facilitated a much smoother transaction than otherwise possible, given the differing viewpoints of the shareholders.

Category #3 Mentors and Coaches

Let's talk about coaches first and the role they play. Coaches are basically people who can help you strengthen a particular business skill. There may be certain skills that you as the leader of your start-up may be lacking, which may be essential to your business' growth.

For example, presentation skills and skills to face the media may not be easily left to someone else; the fact is that you may only have one shot at presenting to investors or facing the media that could have a big impact on the momentum of your business. The fastest way in this case will be to hire a coach to help you work through your skills and improve them quickly. You really don't want to use every investor meeting as a practice session; you want to be impressing them and getting them to invest in your business.

A presentation coach in this case will help you refine the way to speak, make gestures, and answer investor questions in the best possible way. The truth is most entrepreneurs do not have these skills and need to be trained in them; that's where a coach is useful.

When I was with Singapore Computer Systems (SCS), I was about to make my first corporate sales presentation of my new documentation software to clients. Thankfully the company hired a speaking coaching to help me out. I actually naively thought that I would have no problems to speak and sell the product from the stage. But after the first run with my speaking coach, I realised that I was stumped after 5 minutes of speaking. I actually didn't know what to say next! I was simply not organised enough.

The coach helped me with this, helped me organise and put a good story behind it. The result was a successful new launch and we actually gained some customers from the presentation. Not only did the coach save me and my company from a disaster, we actually made the launch a successful one.

Mentors

The word 'mentor' is a bit overused nowadays, but the truth is a mentor relationship is like a disciple-master type relationship. When selecting a mentor, you should find someone who has 'been there, done that'. Sometimes people select others based on the industry and businesses they have been involved with. For instance, many venture capitalists have impressive resumes with the number of hot-shot technology start-ups they have invested in. But in reality they have never run a start-up business before; so they wouldn't make a good mentor if you are a start-up entrepreneur, because they haven't actually been in your position before. They would make great advisors but may not necessarily be a good mentor for you and your business.

The one who designs and the one who builds are different people. Just because an architect has designed a house doesn't mean they know how to build it. You need a builder.

The best way to learn from mentors is by watching them do it. Make sure they are walking the path that you plan to walk along.

When I was at SCS the General Manager was my mentor. I didn't really learn the soft skills from him. When I first started off I was in a very junior position, with great ideas. However, the truth is those ideas would have never flown had I not learned from my mentor at that time; he showed me how to navigate the culture and bureaucracy within the organisation. If I didn't learn these skills, nothing would have been accomplished with my project. In fact, it would have never taken off.

I needed to understand how the organisation actually worked, and what buttons needed to be pressed. As an intrapreneur this was absolutely critical for ensuring that I got the necessary support and resources to pursue my project. The same thing was true when I was with a government organisation for a few years. If you don't understand the machinery of how things work you will never get things done. It's a very interesting skill, that is not really about politics, but it's about understanding the culture, the way things are done, the people and the decision making process in the organisation.

By watching and observing my boss, I learnt very quickly how to move things and get approvals in the organisation, and how to carry out the right conversations in the right way with various department heads to get their support on my project. My boss had spent 10 years in the organisation at that time, so he knew how to work his way around this. Without his experience and knowledge I wouldn't have been able to navigate this maze. It would have taken me years just to figure out what was going on.

Having a mentor tends to be more important when you are starting out. For example, if it is your first start-up venture, a mentor can save you lots of time and save you costly mistakes. After my first big venture at SCS, I didn't feel that I needed a mentor, but coaches and advisors then became more important to me when I needed specialist training or advice to deal with various challenges and decisions I had to make in business.

I think the other tough thing is that good and suitable mentors are not easy to come by. It's not easy to find someone who you can learn by watching them demonstrate, but if you can find one, they are worth their weight in gold.

Conclusion

If you can find a good mentor, it could be the most powerful thing that could happen in your business.

Seek advisors and coaches in areas where you need to strengthen your business. Make sure you are clear with your goals when you ask questions of your advisors.

With the knowledge and regulatory advisors, use them only as and when you need to.

One mistake many start-ups make is to lump all three categories of external people together, and that results in confusion and unclear roles for each category. You need to be clear who sits in which category and use them in your business accordingly. Otherwise you can get the wrong people and wrong advice, which could be detrimental to your business.

Now that we have covered what external people and advisors your start-up requires, the next step now is to make sure that you protect your most important asset as a start-up...your intellectual property. Let's get into that in the next chapter.

Chapter 8: Protecting Your Turf: Protecting Your Turf

Your intellectual property (IP) is the crown jewel in your start-up business. IP decides how you are different and better than everyone else out there. Therefore, I would encourage you to spend lots of time daydreaming your IP, to make it unique and valuable. Your IP is the foundation for success as a daydreaming entrepreneur.

By the same token, you need to put in every effort to make sure your IP is protected from your competitors or the wrong hands out there. Yet at the same time, maintain some common sense around it.

Many people think that IP protection is simply just registering a trademark or a patenting your processes. But the truth is that it goes beyond that.

In this chapter, I will share some of the less-known ways from my personal experiences that you can protect your IP and make sure that it helps your business to grow for many years to come.

Your IP

It is the core of your business and you need to get clear about what is your true IP. Often it may not be what you think it is, and you could spend your resources protecting the wrong thing.

Let me use a good example, which is this book. This book, at completion, will be over 150 pages of practical information. It is copyrighted and protected by copyright laws. One would think the IP is in the content and writing within these pages. But in reality, the true IP does not lie in the value of the ideas contained in this book.

People somewhere in another part of this world could well copy every single page of this book, translate it and have it sold in bookstores in some rural areas. It would be impossible for me to legally find a way to sue them for loss revenue and copyright infringement. So the true value does not really lie in the content of the book.

When I first started writing this book, I wanted to put my insights and learnings from my life into this one book. I didn't want to create yet another book about entrepreneurship; because there are thousands of books about entrepreneurship already in existence. I didn't want it to be just another guide, framework, method or model for entrepreneurship either because there are already so many out there. The market doesn't need another one to add to the noise from a certain guy named Viktor Cheng!

I spent some time asking more questions and drilling down, by spending time daydreaming. I thought, "Maybe my practical experience from about 30 years of entrepreneurship should make my book unique." But even then just my practical and unique experience is not going to be sufficient in terms of delivering unique and differentiated value to my readers. The bottom line is that there are still hundreds of books out there by other successful 'technopreneurs' that have been there and done that. So that is not different enough or good enough to have a powerful IP for this project.

So I asked myself, "How else can I differentiate myself with this book?"

Finally I nailed it. I came to the awareness that there are many successful technopreneurs out there, but not all of them are daydreamers. My unique style of entrepreneurship is based on my daydreams, dreaming out possibilities and then being able to convert my daydreams into a real business and grow it.

Going further down this line of thought, I asked myself, "Who daydreams the most?" Well apart from young children, I figured that young people who are college leavers daydream the most; young people who are just embarking on their careers have dreams about how things can be, how they would like things to turn out in their lives; young people who have not lost their ability to dream, that ability which is often drowned by the 'busyness' and realities of working in a 9-6 corporate job. They haven't lost their ability to dream because they don't have the burden of a mortgage or car loan hanging over their heads. They still have the freedom and the ability to imagine what they would like to create in their lifetime. Most importantly, they can believe in their dreams and have the energy to take action to make those dreams a reality.

It was exactly what I was doing at that age. Having the freedom to dream and then, perhaps, the naivety to act on those dreams is the hallmark of great entrepreneurs. Of course, the downside is that most young daydreamers lack the know-how to create a real business with their daydreams. While full of creative energy, many lack the wisdom, practicality and experience needed to materialise their dreams.

That's where this book comes in, that I would create the content around these people and connect with them. That is the purpose of this book, to connect to daydreamers who want to materialise their dreams of entrepreneurship. But this in itself is not sufficient to create a powerful IP that can make this project successful. So I decided to take this a step further, because a truly powerful IP is actionable and has practical usage and hence value for the customer (in this case, you, as a reader of this book).

So I thought of a creating self-assessment for daydreamers who want to be entrepreneurs. Here's what I feel is exciting, that as a reader, you can score and measure yourself as you go along the journey from a daydreamer to an entrepreneur. At the end of the day, my goal for you is that this book is merely the start of a journey. I would hate for you to simply read this book, feel good that you acquired some knowledge and walk away the next day, with no practical value gained.

That is not my intent, because if that happens, it defeats the whole purpose of your investment of time and money into this book. It will also defeat the whole mission of writing this book. That's why I am keen to set up this self-assessment quiz for anyone who has read this book. In addition, I am willing to personally comment and provide personalised advice to any reader who takes a few minutes to fill out this assessment and uploads their profile onto my website community. This will provide you with some good pointers that will help you move from just being a daydreamer to someone who realises his or her dreams.

Of course this is not compulsory in any way, but for those people who would like to know if they are really 'cut out' for being a daydreaming entrepreneur and what should be their next step, this could be an invaluable resource for you.

The great thing about this is that you can come back and re-do the assessment over the years and measure yourself to your previous self, to see if you are moving forward in becoming a good entrepreneur and what you need work on.

Going back to this IP thing, the true IP here for me becomes the community I am building with this book. I will aim to provide good valuable content to the community and foster communication with the community, so that community members get to hang out with like-minded people. Therefore, the real valuable asset that I am building for this project is the community; the book is just one of the cornerstones that I am using to build it.

At this stage, this project is not about making money, it is about me wanting to give back and contribute to young entrepreneurs who can impact and change the world for the better with technology. The book is free and you can also distribute it freely.

That said, this is a good example to illustrate how you can drill down and discover what the true IP in your project is. It's like peeling off layers of an onion until you can find the fundamental need that your project is fulfilling, which is the same need that I had 30 years ago...when I considered taking my daydreams and making them into businesses.

By drilling down to the fundamental need, you can really make your project unique, different and contribute value to its customers and stakeholders in its own very special way. To drill down to find your true IP requires time and thinking. Ask the question, "What can I do to make my IP more valuable to my market?" Remember, it may not always be the first thing that comes to mind; invest the time to uncover more ideas and to create a more valuable IP.

Protecting your IP

Once you have identified what is your true IP is, you can then go about and see how you can truly protect your IP. Because if you don't clearly identify your true IP, you wouldn't really know what you should be protecting in the first place!

In this case, I am building a community of people who are firstly daydreamers, then secondly entrepreneurs. So how do I protect this IP of mine, which is the community? It is really simple in this case - I believe that by stimulating interactions between community members themselves and with me as the community facilitator, this will be the key to sustainability of the community. In addition, the relationships and content that is generated within the community will become increasingly valuable for community members. This eventually leads to a vibrant community that members keep returning to as a valuable resource and for support.

Hence my strategy to protect my IP in this case is to ensure that relationships are built, that I provide good content and advice, and that the mechanisms and tools are in place to make it a vibrant and interactive community. The traditional ways of protecting IP in this project does not apply. Apart from perhaps the trademark and brand of the community, there is nothing legally to protect it, such as patents or contracts.

I hope you get the lesson here; once you have clearly identified your true IP, the key is to devise the right strategy in order to preserve your IP. In this case, the only way to actually protect the IP for this project is to make sure that the community is vibrant and that it flourishes. Using other forms of legal protection will be quite fruitless.

In other businesses I have previously owned, there has been the need to protect the IP in different ways. For example, in some cases the source codes may be highly confidential and encrypted with the latest security measures to avoid anyone stealing our precious code. In such cases, without the code, there would be no business.

A good example is a group that I am currently working with to develop a new method to keep the temperature of computer server farms cool with a new technology. In this case, they are spending \$1M just to develop an algorithm that supports their theory. If this algorithm does indeed support their theory then they would need to keep this algorithm under lock and key.

Yet in other cases, like with SCS, and my first business venture while still in college that created an inventory and labelling system for doctor clinics, the products I developed were best protected by having a first mover advantage. We got as many clients as possible in the markets we were operating in in the shortest possible time. The strategy here was being the first mover. Then we created improvements as we grew so that 'me-too' competitors were always left chasing our tails. Being the first mover doesn't mean you can simply launch your product and then rest on your laurels. The key to a winning first mover strategy in the IT industry is that you need to keep on innovating and improving so your competitors will find it very hard to catch up with you.

In reality, there is no 'one size fits all' strategy to protect your IP. You need to play it by ear and identify the best strategy for your unique business case.

To Protect or Not to Protect

My philosophy about IP protection is that sometimes it is better 'not to protect'. Like in the case where we were so concerned about getting sued by Google, by trying to protect ourselves, we let go a big opportunity and missed the gravy train in a big way.

There are a lot of people out there that advocate the need to protect your IP through patents and so on. Let me tell you, that process is expensive and will take you a lot of time. The other downside to that is that your IP is now available for all to see. What is to stop someone from copying it and tweaking it, then commercialising it somewhere in another territory? Even if you were aware about it, are you really going to spend the money as a start-up to go and start a lawsuit against that company in territory? To be honest, I believe unless you are doing something that is fundamental science, I would not bother with patents.

A more sustainable way is to let the world protect your IP for you. What do I mean by this? If you create your project in a sustainable fashion, that will actually help everybody and your customers, and they will defend it for you. People will rather join you than to create alternatives. Create real value. Those who survive are those who win the hearts of those who need your product. They will continue to stay with you. Most great companies in the world protect their IP in this way, by building deep relationships with their market through their brand and value, rather than through legal means.

For instance, I'm not fond of NDAs (non-disclosure agreements). I mean, if you think a piece of information or idea is really your crown jewel, then you should never reveal that in full to other people anyway. If you are willing to say it then you should be prepared that people may copy what you have and take it further.

The fact is you can't stop someone from evolving an idea in their head once you have let it out. So if you want to avoid that from happening then don't say it. Just do it and get the first mover advantage.

Please note that I'm not talking here about people copying your source code, I'm talking about protecting your IP and ideas. For software and code, of course you will need to undergo the necessary legal protection such as copyrights and, more importantly perhaps, keeping it a trade secret.

Now here's an interesting thought for you; *Ideas gets better when they get kicked around*. Usually when I start with an idea it is very raw and not very clear. It is very general. However, as I talk to other people and ponder about it, my idea becomes sharper by having others' input.

Take this book for example, which started off as a project to document my life and experiences. As I worked with my editor, we talked for months - and as we were constantly thinking about the various topics and information in this book, one day the idea of building a community of daydreamers just came about. The idea for the community certainly did not exist at the start of this book project.

Every time I am asked a question, it forces me to think through things. If I kept this book project idea to myself and never spoke to anyone about it, then this portal for daydreamers would never have come to fruition. Of course, there is the concern that my writer could take this idea and run away with it. If he did, then that's life and obviously there is nothing much I could do to stop him! But in this case since it is a not-for-profit project, the chances of that occurring are very low, I would hope! So in that sense I guess it is a calculated risk. I figured what better way to create an innovative IT start-up than to use this book as a real life demonstration?

This book has now evolved as an idea; we now have a book that embodies all the points we have talked about, and converted it into a real-life project. I don't think there's any book yet that has demonstrated 'daydreaming entrepreneurship' as a living application! This distinction further makes this book unique from everything else out there.

This has now become a live start-up project that aims to serve those daydreamers out there who are considering starting up a business to get advice, nurturing and build contacts.

In Conclusion

Firstly, remember to spend time uncovering what the 'True IP' for your business is. Spend time bouncing around the idea with your team and advisors to discover if this is truly valuable and unique for your market. Once you have this, dream up ways you can protect your IP, whether it is through a first-mover advantage, an online community, legal means or other ways.

Chapter 9:: Branding your Startup

Your Start-Up

"As an entrepreneur, one of the biggest challenges you will face will be building your brand. The ultimate goal is to set your company and your brand apart from the crowd. If you form a strategy without doing the research, your brand will barely float - and at the speed industries move at today, brands sink fast" - Ryan Holmes

As an entrepreneur and owner of many businesses, I believe 'branding' is more than what most people talk about out there. Most people will tell you that branding is about the logo and the presentation of the company and its products. That is akin to skin-deep beauty. For me, branding goes deeper than that. All that surface level stuff like appearance and image are just brand tactics that are driven by what the company chooses to represent.

Branding, the way I see it, is the heart of the company. It should guide the business as to what they stand for, and what they represent; not just to the outside world and customers, but also to the internal staff and stakeholders in the business.

So branding should influence every decision you have in your business, not just your logo, colours, packaging and website. Your brand should also influence what products you make, the staff you hire, what cups you buy for the kitchen, what tables your staff use, even what plants you choose to place in the lobby. Ultimately, you want to make sure that everything in the business represents your brand.

For example, it is well known that Google calls their offices a 'campus' and is set up accordingly with gyms, Sony Playstations, swimming pools, massage chairs and a whole bunch of other leisure activities. For them, this is their brand that represents innovation, a culture of interaction and a flat organisational structure. It's much like that of a University. The people they hire are also of a certain kin. They hire people who are smart but may not have the necessary experience. They encourage question-asking and innovation.

Most people don't realise that this is all part of their brand. They see it as more of a management philosophy rather than a brand. But Google has created this brand that attracts some of the smartest and brightest young people from across the world to their campus. All this helps to facilitate creativity and innovation that the company desires in order to keep ahead of the competition. This brand further fuels the company's image as a market-leading innovator and a 'cool' company.

For most of us, it is important that you don't fall into the trap of emulating these big businesses and their brands. Firstly, your company hasn't reached that level. Secondly, I believe your brand should be

unique to your own business. Trying to model after someone else's brand will result in confusion for both the marketplace and for your own staff.

Most people that work for Google for instance, would have a hard time fitting into any of my businesses; neither would they be likely to be attracted by my brand. See, at the end of the day, I believe the 'acid test' to branding is this: If you don't tell anyone who you are, what will people say about you? That is the essence to branding.

Dreaming up Your Brand

Personally, I believe the first step to branding is choosing who you are. 'Who Am I?' is the big question that you need to answer to create a successful brand.

In fact, I think this is one of the critical things that the founder of the business needs to get clear about. Because if the founder cannot articulate what the company is about, then no else can. In your times of daydreaming for your business, ask yourself the following questions to start getting clear about your business brand:

What do we stand for in the marketplace?

What are the most important values of our brand and business?

Who do we choose to be?

For instance, in one of my businesses that I mentioned previously, where we supplied an application for hotels to sell their last-minute beds, we were focused on a horizontal play in the marketplace. That is who we chose to be as a business.

As such, our business needed to create a brand that was more tech-savvy and sophisticated. We had to project an image that we were smart and technologically innovative. Since our customers were hotel managers and marketers, we also had to dress appropriately and have the necessary corporate-looking business cards, brochures and website.

To build our brand in the marketplace, we created white papers and gave presentations to decision-makers in the industry. We also reached out to decision-makers at industry trade shows. We positioned ourselves as a technology-enabler brand and we had to look the part. Our company also looked for a certain type of IT people who fit our culture and mould: intelligent, professional and smartly-dressed. We couldn't have a 'campus feel' like that of Google as it would have been inconsistent with our brand image. We couldn't have the pool table in the centre of our office nor could we have the massage chairs; we had to be consistent in projecting our brand image and such things would not have fitted in.

Conversely, if we had chosen to be a vertical market play and provided a portal for all hotels to sell their last-minute hotel rooms, our branding would have been very different. We could have been more casual and fun in our brand image. The colours and fonts of our logo would have been fun-looking. There's no doubt we would have also attracted a whole bunch of smart young people dressed in jeans who came to work each day. Dart boards and a foosball table would not have been out of place in the office either!

If we had chosen to use our platform to become this vertical play market for hotels, we would have used social media and mainstream media such as TV, travel magazines and radio to advertise our business;

because it is important firstly to select the media that will reach your intended audience. Secondly, such media would also have fitted into our fun, outgoing brand that we would have developed.

Then there was a third market we could have entered at the time with the same technology. We could have chosen to develop our platform as a bank account aggregator, to allow wealth managers and high net worth people to use this platform to manage all their investments from a single dashboard. If we had used our platform to enter this marketplace, our brand once again would have differed greatly from the other two. We would have packaged it a lot differently to make it look professional and trustworthy. We would have used corporate colours like blue to project trust, and the appropriate fonts and logos to give people that same impression.

In our communication we would not have emphasised technology as the main thing; we would instead have been highlighting the state-of-the-art security encryption technology. Our office address would have been in the centre of the financial district and the staff would probably have worn grey suits and ties.

In terms of promotions and advertising this business, we would have organised events and parties for financial sector and high society people to do presentations of our product. We would not have used Facebook, for example, to reach out to the high net worth clients that we were targeting, as this would be an inappropriate media. It would just not fit in our brand to have our ads appear next to an advertisement for a \$10 fast-food restaurant.

In these 3 examples that I have illustrated to you, the technology platform is exactly the same. We would have just used it to apply to different industries and different target markets; yet the branding and activities for each of these markets would have been vastly different to each other.

So that's where you need to spend time to daydream about what your company stands for, and everything that you do that can further enhance that brand. Once you are clear about your brand, it will be important for you to dream about what activities you should be doing for your company. It could be what publicist you choose to hire, what media you choose to advertise in, what furniture you buy for your business, and what type of employee you choose to employ. All these decisions should help enhance your brand, not detract from the brand you are trying to create.

Once you have a strong brand, you will have no problems attracting the customers and talent to your business because your brand will resonate with them.

The Founder's Influence on the Brand

Most start-ups begin with a handful of people. That's why the founder's influence in the brand is very profound. In fact, knowingly or unknowingly, most companies end up with brand values that represent that of the founder, or very closely represent that of the founder. That is why it is absolutely crucial that the founder gets clear about what his or her personal values are, because it will have a pass-down effect on the company.

In the start-up phase, since the founder in most cases has not really put in the time to develop the business brand, the values of the company and the founder are often blurred. That is where I believe self-awareness is important, because if you don't even know what the values are that you stand for, then don't expect others to be clear about them either. Where the founder is unclear about his values,

his brand will attract confused people to work for him, or they won't stay for long. The same will apply in the marketplace because if the market is confused, no one will buy from him.

At BIGIGoonttheNet, we started off as a bunch of fun people who liked to experiment and create applications that could change industries. Those values of fun, being radical, a bit crazy and innovative were the values that our company wanted to project. One day, we decided we actually needed some business cards. So our Chief Technology Officer (CTO) said, "Why not let me have a go at it?" We agreed. What came out was the most colourful business card I have seen in my life! I thought, "Well, it fits in with our culture and our values, and it will really help us stand out in a crowded marketplace...so why not?"

The funny thing about this is that years later I met people that I had gotten to know while working with BIGIGontheNet; many of them still remember the fancy business card we had. In fact, we had become known as 'that crazy bunch of people'!

The only thing you need to watch out for is that, as your company grows, everyone must grow with the same brand values and corporate culture so that your brand is being strengthened at all times. If you end up having different departments with different sub-cultures, that will result in conflict within your business and could also harm the brand your company has worked so hard to build over the years.

You need to choose for your brand to stand out in its own unique way, that's consistent with your vision and brand, and that appeals to the marketplace in a different way to everyone out there. That is the key to creating a powerful brand.

The point to note is here is that successful companies can have vastly different brand values and cultures. Some companies have a very authoritative culture that pushes their staff to the limit, others like Google are more laissez-faire in their approach; yet companies can be successful regardless of where they are in the spectrum.

Brands Values Can be Re-Prioritised

A point to note here is that brands can change and evolve, and sometimes it is absolutely necessary to do so as you move through different levels of business maturity.

As I mentioned, with BIGIGoonttheNet, we fostered a culture of innovation, fun and craziness in the early stages of the business. However, as we grew, it was important that the company adopted values that were more reflective of where our company was at. While we still maintained a culture of innovation and daydreaming, the value of fun and craziness slipped away a bit and was replaced with other values such as efficiency and customer service excellence. It was necessary that our brand values evolved as the company matured, otherwise we wouldn't have customers buy from us and the company might have been chaotic.

If you have studied many tech companies such as Apple, you would realise that their brand and company values also had to change as the business grew bigger. And many of those initial people who were there at the start of the business no longer felt they were a part of Apple and left the company. The same thing happened to us - as we grew the business, I had some of the founding team leave the company. My COO (Chief Operating Officer) left 2 years after the company was founded, simply because he felt that he wasn't having fun anymore. It wasn't about the money at all because the business was

indeed more structured and making more money. He just felt like there was no fun, so he quit but remained a shareholder of the company.

In fact, my CTO also left at around the same time for similar reasons. Unfortunately, as we became more established as a business, reality kicks in and we have deadlines to meet with corporate clients. That killed the fun in the business for them, yet it was a necessary evolution of our company and brand.

However, it is important to understand the distinction here was that while there was re-weighting of the brand values from 'fun' to 'professional', the company's brand of being a market disruptor and a game-changing technological company remained the same.

The distinction I want to make here is that while brand values can be re-prioritised to adapt to changes in the environment and to the stages of company growth. It is important for the company to maintain its brand essence and the unique way it creates value for the marketplace at large.

Warning: Don't Emulate the Big Boys!

A word of warning here: it is not always wise to emulate the brand and the brand values of large companies. I know you might be a big fan of people like Steve Jobs and Elon Musk and their brands. However, they are at an entirely different stage in their business; so for you to emulate them rather than find your own brand identity could result in a lot of confusion for all the stakeholders in your business.

In addition, if you look at big companies like Mercedes Benz and BMW, they have very consistent branding over a long period of time. They have spent literally millions of dollars of advertising in their brands. They both are successful and attract different types of buyers for their cars. The BMW positioning of being the 'Ultimate Driving Machine' tends to attract a younger crowd who are perhaps more savvy when it comes to car features. On the other hand, Mercedes Benz's market position of being a prestige car to show the world that 'you have made it', tends to attract a different crowd altogether.

My suggestion to you is that, as a start-up, you don't have millions of dollars to spend to build your brand. So don't try to be like the big boys and adopt their branding practices or values. Be yourself, be clear how you want to stand out in the marketplace, and take small steps to build that brand -starting with your product, your team, and your office (even if it is a garage). As you grow, then acquire more items and exposure yourself in the right media so that your brand grows.

Once you are clear about your brand and how your company is unique in the marketplace, it empowers your marketing efforts in the marketplace and helps your company to grow. Remember, without a clear brand, you will find it hard to communicate why people should buy your stuff. But once you have that brand clarity, it's time for you to get down and do your marketing and sales!

Conclusion

It is important for you to spend time dreaming up what your brand stands for now, and dream up how you want your business to be in the future. Think about how the values in your brand might change. It's also important to get clear about what your own values are, make sure that your values are not in conflict with that of the business. Finally, remember to consider your brand in each business decision that you take along the way so that your brand always remains consistent.

Chapter 10: Chapter 10: Marketing and Selling your Start-up

"As an entrepreneur, you cannot delegate the understanding of customer needs and selling till your start-up becomes a business." - Viktor Cheng

Now you have built your product, the next thing you need to do is to go and market it. Because the last thing you want as an entrepreneur is to have the world's best-kept secret hidden and gathering dust in your lab. But before you go ahead and hire an ad agency or spend thousands of dollars on social media marketing, let's start with a clear setting of the stage.

In your start-up's initial stage, your marketing and sales are inter-related. Generally the sales and marketing function are one. And here's something that you may not want to know, but is absolutely essential for the long-term success of your business: The person that handles the marketing and sales initially needs to be the founder – that's you!

The good news is that after you have made a few sales, you can hand off this function to your sales and marketing people. But initially, you as the founder needs to do the sales and marketing. Let me explain why this is important:

- a) As the founder and creator of the product, no one **knows your product at the same level** that you do. It's your baby and you have worked with it for months, possibly years. You have lived and breathed the product, so you should be able to answer all and any questions better than anyone else. **Your passion and enthusiasm** for your product will be higher than anyone else that you hire. Sometimes at the start this is essential for people to buy it, as they may not fully believe in your product, but your energy and passion could excite them enough to make them give your product a try. You need to learn to **communicate the benefits and features** of your products. This has been the key to creating a successful product for my own businesses many times. The more I speak to prospects, the more I am able to learn and address the needs they have, and improve my communication accordingly. This not only helps with training the sales and marketing people to take over at a later date, but it has also helped me refine and improve later versions of my product. In mentoring and supervising many start-ups, I have found that if the founder of the business cannot communicate the benefits and features of the product, no one else is able to do it adequately. There's always a dilution effect. **Proof of concept.** At this early stage you may have made a lot of assumptions and done a lot of research and development, but nothing speaks volumes more than when you have a few paying customers buying your product. This gives you confidence personally in your own product. It also shows your investors that you have a sellable product. This positive energy can carry through to the rest of your team and give you the momentum to get a great start.

In most cases, it is good for the founder to undergo some basic sales training from a sales coach, in order to help them improve their sales and presentation skills. This is important not only for selling to customers, but later on as the role of the founder evolves it is also an essential skill when raising funds and 'selling' the company to new employees.

In general I would advocate two stages to marketing and sales, the first stage being that of the 'Hunting Stage'. The second stage of marketing and sales is what I call the 'Farming Stage'.

The Hunting Stage

At the hunting stage of marketing and sales, this is where the founder of the business needs to take an active role in marketing and selling. The objective is to identify and sell to a few good clients that are willing to pay for your product or service.

At this stage, it is important for the founder to profile his buying clients to establish a persona for his ideal client. As mentioned earlier in this book, in marketing circles they call this a 'customer avatar'. Ideally, you will need to identify as many common traits of your ideal client as possible at this stage.

As an entrepreneur, here are some of the common questions you might have to answer on a macro-level:

Who is the User or Consumer of Your Product?

Is it the IT department or the HR department who is actually going to use your solution? Who specifically in that department is going to use your solution? Is it the manager, the technician or someone else?

In some cases, you may need to find out what systems they are using, including their development stack. Are there any technical adaptations your product needs to make in order to accommodate their platform?

In addition, a useful question to answer here is, 'What about their job keeps them awake at night?' Perhaps it is the paperwork they have to do each day; perhaps it's the worry of making a mistake in their reporting. If your product can solve the concern that is keeping them awake at night and you can communicate this to them...then you have a good chance of them accepting your product.

If you are selling a consumer product, this is a good time to find out where they live, what age they are, and other demographic information about your buyers. If possible, find out more about where they hang out, what media they consume and what hobbies they have. The clearer the picture you get of your buyer, the better and faster your marketing can scale.

Who Pays for the Product?

This could be different from the person or department that consumes your product. In a large corporation, this may mean that you will need to tailor and communicate your benefits differently to the person who is making the decision to pay for your product or otherwise. It could be the finance department or the CEO. The technician may have bought into your product 100%, but you might need the CEO to approve the purchase.

In such cases, it will be effective to tailor your communications to 'speak' to the decision-maker differently than you would speak to the user of your product. Talk in terms of how you are going to perhaps make their job easier, and get better transparency in reporting or accounting. Remember,

people are generally tuned in to the 'What's in it for me' frequency (also known as the 'WIIFM' frequency). So if you tell the accountants how it will help them quantify costs, or the CEO how it will help increase profits or reduce cost, they will be more open to your ideas.

For consumer products, you need to find out if there are other influencers or decision-makers in the buying process. For example, if the husband wants to buy your gadget, will the wife and children have a say in the decision-making process? Will the wife say there is no space in the apartment? Will the children have a positive or negative influence on whether the father buys your gadget? A good marketer will acknowledge and address these influencers' desires to facilitate the buying process.

Elements for Successful Hunting

To be successful at the hunting stage, I would suggest that you adopt the following tactics and strategies:

- 1) Be Passionate
- 2) Target Early Adopters
- 3) Handle Objections
- 4) Adapt Your Solution

Let me explain each of these items briefly.

Be Passionate

As I mentioned earlier in this chapter, often it's your passion and enthusiasm for your product that is the key to making your first few sales. Your passion and enthusiasm in your product can be the most important factor in getting someone to give your unproven product a go. Your belief and energy in the product can be the sole factor that convinces someone to give your product a try.

When I launched my documentation software with Singapore Computer Systems, it definitely wasn't my polished sales presentation or a super product that sold a product costing tens of thousands of dollars (which incidentally, was a lot of money back in those days). It was my raw enthusiasm and unwavering belief about my product that got a few companies on board.

Target Early Adopters

It is absolutely critical and important that you target the right crowd at the start. It doesn't matter whether your product is targeting businesses, corporations, government or consumers. The fact is that there is a crowd that are more willing than others to try out new products. Then there is the majority of your marketplace who will adopt a 'look and see' attitude towards any new product.

If you aim for the majority in the marketplace who are generally more cautious in adopting new products, you will end up getting very frustrated. You might even end up thinking that your product is no good. That's why you need to make sure you target the early adopters in your marketplace.

In general, the early adopters in any market are those who are willing to try out new things; they are often the opinion leaders to whom their peers look for direction. Overall, they are more on the 'cutting

edge' of things and generally are more accommodating of flaws in early products, and are willing to provide you with feedback. Identify where the early adopters in the organisation or in the market are, and hunt for these people to pitch your product to them.

With all my start-ups, I was able to find several early adopters to purchase my product, and their feedback was instrumental in helping us refine our product and processes even further. It was a learning experience because the installation of the product was slow and cumbersome at the start, and we still had a few bugs to iron out. Thankfully, the early adopter crowd are generally very accommodating. You are unlikely to find the same attitude with the later majority crowd.

A marketing tactic that may be helpful in gaining early adopters is to have 'foundation member' benefits which means they pay less of an annual fee. Most times the satisfaction of 'being ahead' of the rest is something that appeals to this market segment.

Handling Objections

Objections are often one of the hardest things for entrepreneurs to deal with. The good news is that the more objections that the potential customer brings up, the closer she is to buying your product; provided those objections are properly handled. If you take this correct perspective, rather than the perspective that objections mean your product is bad, then you have taken a giant leap towards handling objections in a better way.

A good way to handle objections is to think about all the objections your prospects might come up with beforehand, and have a strategy to handle each of them. You will need a strategy to handle common objections such as price, competing products, concerns that your product won't work and so on.

The next thing is to practice handling those objections with one of your team members; do some role plays so that you are comfortable handling the objections. Furthermore, if your budget allows, I would suggest hiring a sales coach who can help you handle objections in a professional manner.

Adapting Your Solution

At the Hunting Phase of your sales and marketing journey, you might find that certain adaptations are necessary for your clients. This is particularly important if you are providing a B2B solution where each client may have their own requirements that are slightly different from the rest.

You need to be willing to adapt and customise your solution to the client's needs. Document these processes so you can repeat them for future clients. In many cases, it has also helped me refine my core product to become better and more sellable. At the same time, this process will help you understand what is required for successful installations, and will give you the insight as to what people you need to hire and what skills they need to possess in order for you to customise and install your solution for future clients.

This comes back to the point I made about targeting early adopters. In many businesses where I provided a B2B solution, sometimes the software would not work on their computers; we would have to request them to come back 30 minutes later for the presentation. This was totally acceptable for early adopter types. On the other hand, when we were selling to companies such as Compaq, they would not allow for such events. In fact, we had to submit our software to them to install beforehand. They would then test the software to make sure it would work before we were allowed into their auditorium to

present to them. If the software failed to install, we would not have a second chance to present to them at all!

Finally, I must say that while you plan and target your customers to the best of your ability and take these 4 essential elements into account during the Hunting Stage, there is also an element of luck in meeting the right early adopters who are willing to take a chance on your new product. While that is the case, it is still important to go out, meet and greet as many prospective clients as possible, and sometimes you might just create your own luck.

Once you have acquired your first few customers, validated your product and you feel you have profiled your customers well enough, it's time to move on to the next stage: The Farming Stage.

The Farming Stage

Once you move on to the farming stage, you as the founder need to pass on the day to day sales and marketing activities to specialists in this area.

If you want your business to grow fast, you cannot afford to be stingy on your sales and marketing, because as a start-up you need sales not just for cash flow, but to give confidence to your team, your investors and your shareholders. Slow sales will demoralise everyone, whereas good sales will help boost confidence and energy in the business.

At this stage, you need to systemise your sales and marketing function based on your experiences during the Hunting Stage, so you can scale up and acquire clients at a faster rate. As with the Compaq example I provided earlier, this is when your sales and marketing function needs to adopt a more professional and systemised approach. The ad-hoc approach that you had adopted earlier during the Hunter Stage simply cannot work in the Farming Stage if you want to scale fast and grow your business.

If you had put in the hard yards and done your sales and marketing at the previous stage well, you should be able to train your new sales and marketing team properly. A few of the key things that are important to pass on to your team are:

- a) Your passion and enthusiasm for your product
- b) A clear profile of the ideal client and a clear articulation of their fears, pains and desires
- c) An outline of the sales presentation and/or demo

When I landed in the US with my business intelligence software (more commonly known as data analytics software today), my philosophy was that if we can convince US customers that our product works, we can make the business successful. I was staying there for just under 183 days per year and I was presenting our software to prospects. We made some good inroads at that time with big brands like Burlington Coat Factory, Xerox Corporation and Wells Fargo Bank adopting our software. These were known to be early adopters in their industry. This gave assurance to people who I was working with that our software was something that the market wanted. This also gave investors the confidence to inject more money into the business.

Once we had that proof of concept with the sales and marketing, I reverted back to my role in engineering. I stopped hunting and passed on the sales and marketing function to experts that we hired. But without the initial stage of doing the sales and marketing myself, it would have been a difficult task

for any expert in sales and marketing to take on the product and sell it all by himself. The expert would probably have been frustrated with the lack of information and precedence from which he could work from. I would have gotten equally frustrated with the lack of results from the expert.

So what does scaled-up marketing and sales during the Farming Stage look like compared to that of the Hunting Stage?

Firstly, sales and marketing in the Farming Stage should be systemised and professional. For example, professional sales scripts should be put into place to ensure that you address the fears, wants and desires of your market, so that more salespeople can be put into place quickly.

Secondly, marketing strategies and activities put into place are geared to rapidly acquire new customers at the least cost possible. In many of our businesses, I often used resellers and JV partners to help me expand to new markets rapidly. It is also important to measure your marketing activities and refine them.

For example, in one tradeshow you might employ the strategy of giving away trial demo software. In a second tradeshow you might not give out the trial demo software but give out a DVD explaining your software instead. In each case, you might want to measure and see which approach gets you better results.

Thirdly, marketing and sales activities need to be focused around a few or a single marketing objective. There is the tendency for many start-ups who have received a new round of funding to spend their money on unnecessary activities that don't necessarily contribute to the business's bottom line.

Extravagant lunches with clients, celebrity endorsements and a laser show at your trade show booth may all be very cool, but is it moving you closer to your marketing and sales objectives? Is it making a positive contribution to your sales figures? Get clear about your marketing and sales objectives at the start and make sure every dollar you spend on marketing and sales are going towards helping your business fulfil those objectives.

Fourthly and finally, over time your sales and marketing team should create a reliable marketing and sales system, whereby you can almost predict your sales figures based on the activities and how much you spend on it.

With a refined marketing and sales system, you should be able to predict how much each dollar you spend on various marketing and promotional activities will yield. For example, each \$1 you spend on an ad on Google might give you \$1.35 back over time. Whereas each \$1 spent on a trade magazine ad might give you \$1.58 in returns. Both activities result in a positive return on your marketing investment, but the magazine ad in this case will give you a better return. The only downside is that you might only be able to advertise in this magazine once a month, so you will need to have more than just the magazine ad to keep your company's sales growing.

Creating this measured and scientific marketing/sales system will give you the confidence to know how much to invest and what activities to conduct in your marketing, and help you plan out your marketing and sales activities. Having this knowledge can only come from experience over time. In addition, this

information can help you to scale up your marketing and sales activities as you have some certainty on your returns.

Conclusion

I hope this chapter has given you some insight as to what is required for your marketing and sales in the early stages and what is required in the latter stages as you grow. The key to success is to carefully time your exit from the Hunting Stage to the Farming Stage. If you exit too early, you will end up getting lots of frustrated and unproductive sales and marketing people in your company. Exit too late and you will stunt the growth of your business. As with many aspects of a business, timing is key to your success in marketing and sales.

Chapter 11:: Strategic Thinking for Your Daydreamer Start-up Business

“If you don’t have a competitive advantage, don’t compete.” - Jack Welch

The strategic thinking involved in a start-up business is very different to strategic thinking in a well-established company or organisation.

Too many start-up entrepreneurs get their ideas from MBAs and reading literature from well-known management gurus, or from their experience in a multinational corporation. Unfortunately, the ideas and strategic thinking from those sources are somewhat lacking and inappropriate when it comes to a technology start-up business.

Where are You Going?

In my experience, it is important to know where you are going in the first place. Spend time daydreaming to get clarity as to where you want to go with your start-up.

If you are not clear about where you are going, people will not know where you are heading. It creates uncertainty and problems for your start-up to move forward. This is not just for you personally, it is for your team to know where your start-up is going and whether they want to join with you on the journey or not.

For most start-ups, your strategy is made up and adapted along the way, because it is impossible for you to know all the variables involved to plan forward for the next 3 or 5 years. So your business needs to anchor on something at the very core.

It’s like one of those ‘What do you want to do when you grow up?’ questions you had when you were in primary school. You need to gain clarity as to what your business will become. For me, my core vision was always on ‘helping people make decisions better with data.’ That was the core vision in all my businesses and it helped anchor me against going in the wrong direction.

Yes, the strategy of getting there may be differ by technology and the people you use to get there, but the core vision remains the same. This is absolutely critical in ensuring that you continuously move your start-up in the right direction. **Have Different Stories for Different People**

From your core vision, you need to craft a different story for different people, in a way so that your core vision relates to their background. Essentially, you will need to contextualise your story so that each person buys into your vision.

The mistake most entrepreneurs make is that they get their vision printed and hung on the walls in the office. They believe this is the communication required to make sure that everyone knows where the company is headed.

However, that is not an effective way of communicating your vision to your shareholders and your team. You need to personalise your story-telling to each of them, based on their personal background and interest.

For example, what's it for the techie who is helping you build the platform? He may not care about customers making more informed decisions. But he can understand the part of the story about using technology to derive critical data. This is an example of how you need to relate your vision and create a different story for each individual.

The marketing person is another instance where they may not care about your core vision, but they are concerned about being able to sell your stuff to corporations. So again you need to tell a story that relates back to the person's interest, that is based on your core vision.

It's the same with investors and other stakeholders; you need to create a story for each one of them based on their interest, to get them enrolled in your overall vision..

How to Find Their Hot Buttons

This is an ongoing and important process as you get to know people and take notes of them as you go along. In meeting people, you need to jot down their aspirations, what stage of life they are in and create a repository of information on them.

The second thing you can do is to create something of a job description and broadcast it to other people that you know. You need to then be able to profile what your ideal member will be for each stage of your business development. For example, a tech guy that has *these* skills and is looking for *these* challenges in a job.

The job description should also be able to communicate in the right language and push the desires of the person in each role, so that they know what part they play in the context of your core vision.

As the founder of a start-up, it's not about business strategy, but the strategy of how you are going to make your vision happen. Figure out what kind people are going to help you get there and provide them with a value proposition that excites them to join you on your journey.

Remember the children's story The Wizard of Oz? Dorothy got her companions, the Cowardly Lion, the Tin Man and the Scarecrow, to join her by telling each of them what the Wizard could do for them. For the Lion it wanted courage, for the Scarecrow a brain, and the Tin Man wanted a heart. That fairy tale is a good analogy of how you need to communicate with your different stakeholders to join you on the journey.

You can't get everyone to agree with what you want to do, but you can always get them to agree what they want to do. As long as they are getting what they want out of the venture, then you will always have their attention. That is why you need to dream up stories that will help your people to buy in to

your vision. You don't need them to buy in to your full vision, but just buy into the story you tell them so they can fulfil their role in helping you achieve your vision.

I had cases where people just wanted to come and join us because they just wanted to 'have the experience of being in a startup'. Sometimes, they just wanted to have that on their resume. In such instances, we knew that the person would only be with us for a certain amount of time. Therefore, we needed to plan how to use them for the two years they were going to be with us, so that we benefited from the relationship as well as help them achieve their personal objectives.

Adjustments are Necessary

As you probably will have guessed, you have to keep adjusting and improving. You need to ask yourself, 'Do I need more of these skills or less of these skills?'

This is part of the growing pains in a start-up. 'The dream team' may bring you to a point where you realise that this is no longer your dream team, because you realise that you need a different combination of people to get you to the next level of business growth.

It's a sad thing but now you might need to create 'Dream Team 2' to achieve milestone 2. So you have to reconfigure your team. Inevitably, some people might feel that they have been used, but this is also what a founder and leader has to do. It requires forward planning and, in a worst-case scenario, the founder also needs to displace themselves. You need to find a successor to replace you.

Daydreaming has to come in from the point of the end goal. What if you have the perfect scenario? What team will get you to the end goal, and what resources and time do you need? Daydreaming helps because you will be able to anticipate what you need in terms of personnel or resources. In some quarters, they call it 'predictive analysis' nowadays. Examples of Daydreaming

Let me give you a case in point. While writing this book, 'Alpha' was developed by Google and beat the world Go! champion. It all started with a daydream that it was going to be possible for a computer to beat a Go champion. Things like that might take 5, 10 or even 20 years, but it all started with someone having a dream that one day they could come up with a program to beat the world Go champion. It became a reality, because something thought it was possible and anticipated the resources required to get there.

The method to get there, whether it was neural network machine learning or pure supercomputing, doesn't matter. It was just about someone dreaming that this could one day happen and assembling the necessary team to get there.

Another example is that we talk about robots becoming our social companions one day. This is a real need as many old people have no social companionship. So we can create a robot to talk to us. Humans are social animals, and so what happens when we get to a point where no one wants to talk to us? While it sounds funny, this is a real problem.

The dreaming part here helps because you need to have the hope that it may happen, otherwise it will be difficult to lead your team - because most people will either see you as crazy, or they will believe that

your vision might actually happen. That is how you can get people to join you on your 'entrepreneurship' journey, fraught with dangers and adventures on the high seas!

For someone to fulfil such a dream, for example, you will need to develop material that looks and feels like human skin. That is where a material scientist may need to buy into your dream, and you have to create a story for him or her. In this case, it may be the challenge of actually creating such a skin and becoming famous for it. At the same time, the whole thing about creating a robotic companion may have zero appeal to the material scientist.

There will be people who will be attracted right away and come onboard faster. There will also be many others who are sceptics. My experience is not to waste time with the sceptics. Those who instinctively think that 'This idea may not be so crazy after all' will be the ones that are more likely to join you on your journey either as a team member, investor or customer.

For example, I have recently pushed the idea that we need to use social media to promote research technologies and papers from universities to the world. There are people who are sceptical and there are others who are willing to embrace this idea right away. People who embrace don't need much work, you only need to support them. Their instinctive response will determine how much they are willing to do and the results they get will demonstrate that. Those that don't believe it and need convincing will not be willing to do it and will not get results as good as those who do.

So my general rule is not to waste time with the sceptics; but the important thing is to keep talking and communicating your ideas, because there will be others out there who will buy in. This principle applies not just to your internal team but to customers as well.

Your idea can be radical, but it cannot be unreasonable. You have to at least articulate why you think it is possible and why you think it is doable. For example, when we are talking about price comparison and documentation code it is actually doable. There is a rationale behind the idea and the technology to make it happen. It all comes back to whether the need is real. When the need is real, there is a real user, and when you can overcome the obstacles then you have a real business.

Business Planning

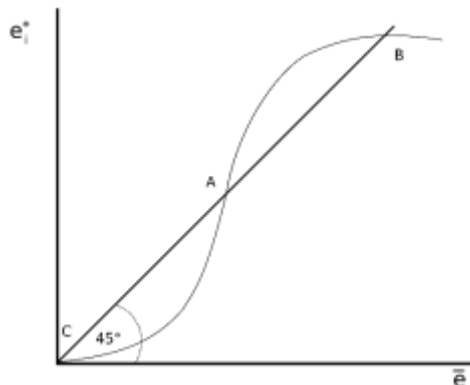
For me, a business plan is merely a document for me to articulate what you need to do. What is really important is to define and get clear about your USP, which is your unique selling proposition. Get clear about what you are selling and what you are not selling. You have to sharpen that message daily. You should keep getting clear about what you are and what you are NOT. Of course, it is not expected that you get it right the first time around. But you should continuously refine it.

Be honest as to what you can provide and what you will not provide. There is a tendency for us to say, 'I can do this and I can also do that'. At times, you might have to do other things for survival, just to pay the bills. But you cannot keep on getting side-tracked for a small pay check forever. It's like when you are a baby you cry to get what you want, but when you grow up you actually need to mature and communicate in different ways to get what you want. It is not sustainable.

That applies to your business. As you mature you cannot remain a jack-of-all-trades. You need to have a unique selling proposition and turn away business that is not in sync with what you are doing. If you want a business that can grow, you need to be able to have something unique that is repeatable and scalable; otherwise you would just become a contract manufacturer, which is a different game altogether.

You need to have a plan that focuses your team on finding the answer to what your winning product is, and once you get there you will find a formula that is like a money-printing machine because of its scalability and repeatability. You need to be focused on finding that formula, and you cannot be distracted with other odd jobs that come along your way. This is the danger that many start-ups fall into. They get into the trap of getting distracted by short-term, small shiny objects and they miss the golden mountain in the distance. These distractions can be in the form of one-off deals, partners offering you bundling deals and such things that distract you from your USP.

You started a business because you wanted to find that formula to make it happen. And you want to find that formula sooner than your competitors do. If you look at many successful start-ups, you will see an S-curve, hockey stick growth. The point where they achieve rapid growth is the point when they find the formula - and that is when the business starts achieving rapid growth.



How do you find this formula? Through struggle, trial and error, and sticking to your core vision. I have a friend who has a technology business, who really came to the end of the line in terms of their business survival. They were staring bankruptcy in the face as they did not have enough cash to pay for the coming month's salaries.

They had developed a content management system (CMS) and that month they were going down the tubes was when they were scheduled to build a version control feature. Version controlling to most companies is no big deal. All version control does is that it enables each edition of the content to be tagged with a version number, allowing easy recall of past versions. A word processor has this feature but early days CMS programs did not have this. It wasn't a major feature by any stretch of the imagination. But it was in the schedule for their product development, so they went ahead with it.

Against the odds, that turned out to be what everyone wanted in a content management system in their field. And upon releasing the version control functionality, the product sold like hot cakes. In the following year, they achieved their dreams of listing the company on Nasdaq.

I asked him, “Who gave you the idea to do that?” He simply told me, “It was just in our product development roadmap, we never would have thought it would be our lifesaver!” It was simply part of the product plan anyway, and if they were not able to raise another round of funding they were prepared to close the company.

At the end of the day, his shares in the company was worth over \$100 million in value. It was almost the proverbial “darkest time of the night” when the light came. Yet no one imagined that was the feature that would change everything for them. You will never know whether it is the feature, the timing or the market that will get you riding that S-curve growth. But you just need to be able to stick to persevering and finding your winning formula.

This example highlights the importance of sticking to finding your winning formula, rather than getting distracted by bright shiny objects; because you simply don’t know if the next feature could be the one that changes everything for your business.

I’ll be honest, there is a small dampener to this story. My friend didn’t get out when his share values were at their peak. Subsequently, when the crash happened on Nasdaq, his shares were worth just over \$10 million. But \$10 million is still way better than being bankrupt! **Luck Plays a Part**

When I was doing my documenter software, business was going alright but it wasn’t what anyone would classify as ‘fantastic’. Then the year came when I mentioned before that the EU implemented a policy for exporters from Asia to comply with ISO-9000.

This was a boon to our software because suddenly everyone required our software for documentation purposes, as part of their ISO-9000 certification. Everyone wanted our documentation and we didn’t even do much marketing, but the phone was ringing off the hook with orders!

That year ended up being the best year for our business. As the proverb goes, “Success is 99% preparation and 1% luck”, so keep working on your formula and your luck will come in time.

Keep trying... Until you Really Can’t Try Anymore

The moral of the stories that I have shared here is to keep trying until you really cannot try. Because you never know, sometimes just at the last minute, with a bit of luck, things could totally change for you.

All the research in the world would not have helped my friend or my business in the real-life examples here. I simply could not predict that the EU would change their policies and that would have a dramatic impact on my business, neither could my friend predict that a simple versioning module would transform his company from being on the verge of bankruptcy to getting listed on the Nasdaq.

We cannot predict the environmental factors that we cannot control. But if you stay true to your own mission and your unique selling proposition, then hopefully before you run out of money you can hit the

S-Curve growth. Remember, the best chance you have of hitting this S-Curve growth is by sticking to working out your formula. The world is changing all the time, and if you get distracted by shiny objects rather than focus on refining your unique selling proposition, you could miss out on your lucky break.

Stay put and focus for 2-3 years; in those 2-3 years you either get you are right or you are wrong, rather than continuously shifting. If you keep shifting goalposts then you will never score. I would encourage people to take a different paradigm if you are a start-up: keep the same goalposts and ask yourself why you are not scoring. Then after 2-3 years, if you are still not scoring then maybe it is the wrong goal and it's time to move on.

I find that spending time daydreaming on my end goals keeps me focused and refreshed even when things are not going so well. This has often helped me to stay the course for the duration and, almost without fail, it has panned out well for me. **Mental Strength**

As a start-up entrepreneur, you cannot underestimate the value of your mental strength. No matter how bad the storm is, you must be able to hold on to your ship's wheel. It is always easy to be a leader when things are going well. It's infinitely harder to be a leader when it is not. Because when things are not going well, all your people know as well. This is when the men are separated from the boys, figuratively speaking.

You need to be realistic to admit and acknowledge things are not going well, and the key thing here is to be able to keep the morale of your team up. When things are not going well, it is a challenge to keep your own morale up, not to mention that of your team. No one is going to cheer you up but you have to cheer the rest of your team up! You don't want to have your team think you are running around aimlessly; you still want them to think that what you believe in remains strong. The time just simply hasn't come yet.

The leader who keeps changing his mind and charges up different hills every day will soon not have many followers left. This is another reason to stick to focusing on your core product and vision and not get distracted. You are not always going to be right, but you have got to be firm, because you will never know whether you are going to be right or not; only the future will tell whether you are right or not.

Demonstrate to your people that you are in control even when you are nervous. Team morale is the foundation for a successful start-up, without it; your start-up is doomed. So you have to do everything within your power to make sure that morale is high. Because people who work for a start-up are not there for the money and the job. They are there because they want to believe. Once you lose the belief, you lose everything and everybody.

The power of belief is amazing; it is the reason that investors are willing to take a punt with you.

Because they see a group of people who believe, that is often the biggest reason investors choose to invest. The tough part is, you cannot fake what you believe in. So no matter what, you need to keep your belief. To reinforce this belief, daydreaming is a critical part of fuelling your belief.

Take your time to debate it, but once you have made your decision on where you are headed, do not change it easily. This is from my experience very important, and many other successful people have shared the same thing. Otherwise your troops will be scattered and demoralised. Even when it appears to be a death march, go ahead with it because if you radically change direction halfway, you will still lose anyway. Your followers will lose faith in you. Just like my friend's company, they continued on their development roadmap even though they were running out of money, and the next release was the winner.

As the entrepreneur, you need to spend time daydreaming to refocus on your core beliefs and vision for your business. This will re-energise where you are headed and, subsequently, reinvigorate your team as well.

When to Dream

As an entrepreneur you will be super busy. But thinking and dreaming time is absolutely critical. In many cases, if I have to spend time at 1 a.m. to think, then so be it. Even if you don't have to sleep, you think. Your business is what keeps you awake at night anyway, so sometimes it is good to think things through, and often when I do I sleep better anyway. Whenever you have time, you think.

Don't turn on the TV, instead spend time daydreaming and thinking. Sometimes when I am faced with an important decision and am not sure how to move ahead, I just simply sit and don't do anything. Sometimes it will even take a few days for me to think and dream. Sometimes by sitting around and letting time pass, the answers come to you. It's been my experience where, sometimes in the third day of thinking, an event happens which triggers the solution to my problem. It may seem counter-intuitive, but it's good to wait it out sometimes before jumping into a decision where you are unsure about the best course of action.

Herein lies the power of daydreaming. It is essential for your morale and for your team's morale. Keep daydreaming and once again, please consider join our community of daydreamers who could one day have a powerful impact on society.

Chapter 12:: The Common Pitfalls That Await the Entrepreneur

“Always forgive your enemies; nothing annoys them so much.” — Oscar Wilde

Before I finish this book, I'd like to give you some clear warnings about the common pitfalls that can befall your fledging start-up. It is absolutely critical that you pay heed to each of these, because they can cause you to stumble even before you have left the starting blocks.

Beware of the Enemy Inside

What's really dangerous is the infighting within your organisation and your team. Contrary to popular belief, most of the battles in business are actually lost on the inside rather than the outside. In business, we have never been fearful of the competition, because I believe there is always space where my business can fit in, and there is always a way we can fight the competition and remain profitable.

Insiders are often the ones who are more likely to undermine and destroy your business. You need to prevent infighting at all cost and put out the embers of infighting before they burn down your whole business. By insiders, it can be team members or investors.

How does this arise? Often with investors it happens with institutional investors, because they are often represented by several board members. It is not uncommon that views will differ between various people on the board. Secondly, as your start-up grows, the skillsets and people you need will evolve and change. The pace which you do things will change as well. This can introduce friction between new and old members, or people who feel things should not change. This difference in philosophy can lead to breakups and politics internally.

I cannot offer you a good answer to solve this problem despite my many years in business. You can do all the right planning and hire the right people; you can do all the education and retraining; you can practice conflict resolution techniques. Yet it is my experience that there is no real solution to this. Why? Because it all boils down to individuals, and individuals are unpredictable. Everyone has different personalities.

All I can say is that you have to watch out for this problem, and try your best to address it through communication as soon as you are aware of it. Often it may also help to bring in your advisors or mentors at this stage to play a mediation role to promote communication between the various parties.

Of course, you should also practice good governance in your business, such as having contracts with each person and with investors, and making sure that all legal and accounting issues with the various parties are dealt with adequately. But at the end of the day you are still dealing with individuals who are unpredictable.

But the main thing is to prevent insider fighting from happening by taking care of people, by addressing people issues as and when they happen, rather than sweeping it under the carpet. This is the best way

to prevent unsavoury insider fighting which could ruin your business. If people feel they are fairly treated and you are doing things equitably, then hopefully they would be mature enough to understand that things do change in start-ups. Often change can happen more rapidly than even you imagine or plan for. Just be fair and open in your communications.

For example, one of the major potential conflict points is when the founder steps aside and lets a professional manager come in to run the business. This can be a time of massive change. Changes can come in the form of performance expectations and the way things are done. If the transition is not managed well it can lead to a lot of negative energy, politics and counter-productive activities.

In theory, businesses are run by rules that have been set up. In practice, however, the truth is that the rules are influenced heavily by several individuals, even to the extent of how tables are laid out in the office and what colour furniture is bought. They can also influence how people communicate and how people treat each other, including how open they are to each other and how much trust they have between them.

The reality of the matter is that most businesses are not going to open their employee handbook when choosing who they are going to hire. But there are many 'unwritten rules' that affect the daily running of the organisation. When a professional manager comes in to take over the founder's role of running the business, many of these unwritten rules will change, therefore creating friction in the process. So be especially careful during these periods of transition to ensure your team and investors do not break down.

A Different Type of Competitor Analysis

Many times, we only have to check our competitors internal structure to see how they are operating to know if they will be a serious competitor in the long run. We can tell by the internal politics of their business whether they will remain healthy or will crumble from within.

If we see those cracks occurring within their organisation or hear it on the grapevine, we know they won't be around for long to fight with us. Because if they are weakened internally, there is no need to compete with them; the rot will start from within their organisation and they will die on their own.

Actually that is one of the things I used to do, when there was a new competitor in the marketplace or we wanted to understand who we were really fighting against. I would spend time to understand the competitor. If I find that their internal structure is strong then I know that this is going to be a tough opponent. In my experience, it is not about what they are doing today, it is about their ability and internal strength to deal with us in the long term.

Conversely, if we find out that they have a weak internal structure, based on their people and their relationships, then we know that we don't need to worry about this competitor and we are then able to refocus our energies on competing with those who are strong. Inevitably, what will happen is that they will break up from within.

You could say this is another form of competitor analysis. Study their make-up and their people and you'll know the chances of them being a serious competitor or otherwise. This is especially true when you are analysing start-ups. I can almost predict how the business will do based on the make-up of the people in the business. If you find a strong, well-knitted team, then you had better be wary of them; because if they choose to enter your space, they could give you a serious run for your money. **Getting Your USP Clear**

Apart from the team, being clear about your USP is another big piece. Like I mentioned in the previous chapter, getting clear about your USP is an important element to finding your winning formula. Decide what you are and what you are not. What business you will engage in and what you won't. Otherwise the big pitfall here is that you will get distracted and lose sight of what makes you different from everyone out there.

I have discussed this in length in chapter 11, but it bears repeating that not being clear about your USP can lead to your company never getting to its true destination. There Could be no Formula

There's a difference between running a business vs. running a start-up. A business has a proven model. If you want to follow a business based on a proven model, then if you just follow the parameters then you are likely to make some money. An MBA would be able to run that well for you.

But a start-up is about disrupting the market. It is about finding a formula that perhaps doesn't exist yet. And because you are the first to find the formula and you are the first to replicate the formula in a fast and rapid manner, you are able to make tonnes of money from it.

But the risk is because this formula is not found yet, there is a possibility that this formula doesn't exist! You could just be wasting your time and money to chase a rainbow. That's why many start-ups die, is because they thought there was a formula but actually there is no formula. So they will spend years doing it and end up with nothing.

But if you truly believe that you have the means to find that formula, then you will be rewarded handsomely. But the problem is you are against the norm; because there is already a proven and accepted way of doing things and you are trying to disrupt the old way. The truth is, you are really going up against a giant from day one.

Many entrepreneurs do not understand what they are up against. It is important for you to be going in fully aware what is against you and the risks you are taking, but yet at the same time be willing to bet that you can find that formula which will reward you to the level that others can only dream of in their lifetime.

Make no mistake, it is a high-risk, high-reward game. The chances of your start-up dying are very high. But because you've got the smarts, have a dream, have a super team behind you that can move very fast and you have a high pain threshold, you are willing to give this path a go.

If you are not willing to take the risks and endure the pain, then you might be better off getting qualified and work for a large Multinational and live a comfortable life, following a proven model. Make no mistake, it is not easy down the corporate path either; you will probably end up working like dog too.

However, everything in that world is figured out and predictable. In the start-up world, nothing is figured out and nothing is proven. But if you can create a formula, then you will get all the rewards that come from that, and no one can deny the fact that you deserve it.

That's why it is important to be a daydreamer to be in this field of starting up a business in the technology space. Because if you are not a daydreamer and believe enough in your dream to pursue it, there will never be a start-up. There will be no more dreamers who create new products that can change the industry or the world for the better and, in doing so, perhaps create a legacy that could be remembered for generations.

This is the journey of the daydreamer entrepreneur. The journey is littered with endless tombstones of failed start-ups. Yet there are many who have found a winning formula and created empires lasting generations. And there are many smaller successful stories that most of us have never heard of, yet changed the lives of people within an industry or a niche market.

If you match the profile of a daydreamer, then perhaps this life will make you happier. If happiness is important to you, then perhaps you should consider this path. In my case, if I had to live my life all over again, I would definitely choose the same path, even though I didn't end up a billionaire and perhaps I could even have been richer should I have chosen a different path. Simply because the personal satisfaction and the excitement of the journey has made my life a very happy and fulfilled life, I can truly say that I have lived with no regrets, never wondering, "What if" or "What could have been?"

Perhaps this is the journey you are considering, the journey to be happy, living a life of no regrets and perhaps changing the world at the same time.

If so, I would like you extend you my invitation once again to join our community. Our community will give you the environment to socialise with other like-minded people, so you know that you are really not that 'weird'. You are not alone.

The Odd Ball

I always felt I was the odd one out, and I know I would have had a lot of encouragement and support if I were to hang out with other daydreamers.

For instance, my dream was to become a world chess champion. So when others were studying for their Cambridge O-Level exams, I was out playing chess. Then after I realised that I would never be a world champion at chess, I discovered programming. So while others were studying to do well in all subjects for their A-levels, I only focused on programming. Then when I discovered catalogues for programmers, I thought 'This is it! If I can create programs and the world buys it, that would be my dream come true.'

Then after I made programs and advertised them in the catalogue, I didn't sell too many, so that was the end of that dream! But the beauty of programming is the ability to build something with very low capital. Compare it to property development where you'll need tens or hundreds of millions to get that dream happening. With programming, I can still be building something great, but I only need time and my laptop.

Without programming it would have been close to impossible to create and build my daydreams into a business. I didn't have tens of millions of dollars to get into property development. But I had enough

skills and knowledge to build my intellectual property for commercialisation. Programming enabled my daydreams to be materialised.

So you may be a daydreamer, dreaming of a business that will change the world or revolutionise an industry. But you are constantly told by your peers, your boss, your colleagues and your family that you are crazy and just being silly. You are told every day that you should just do what you are told to do because that is how things work. You have been told that you need to follow a template, a process or guideline.

Yet deep down inside, there's a spark that's telling you there could be something to your daydreams, that there is something more than what you have been told. That's why we set up this community for daydreamers...to keep your dreams alive, so that you don't let anyone kill your dreams. It is also to keep the flames of your daydream alive. For too long I have seen smart young people get their self-initiative and daydreaming abilities destroyed once they graduate and join the corporate world. So, this community is set up so you can take charge of your life and rekindle the dreamer within you again.

Being part of this community will also help foster your daydreams and give it support so that you can have a better chance of finding your own winning formula.

So I hope this book will merely be the first step of your daydreaming journey as an entrepreneur. I hope you can join us on this 'entrepreneur-SHIP' and hang out with other like-minded people.

History has been shaped and changed by daydreamers since the beginning of time.

The caveman who dreamt of creating fire kept us in existence. Columbus dreamt to a new trade route to India; Edison dreamt of an electric lightbulb; Steve Jobs dreamt up the Smartphone. Whether you have smaller dreams or bigger dreams, you all are welcome to join our daydreaming community, and perhaps together we can play a small part in changing the world for the better.

After all, I am allowed to have daydreams for this community, right?