



The fun factor

Getting people excited about what they are doing

Vadim Kotelnikov

An important element of business strategy

As business today is about passion and winning and creating new things, fun has become a big element in the business strategy of many highly successful businesses. No one should have a job they don't enjoy. "If you don't wake up energized and excited about tackling a new set of challenges, then you might be in the wrong job," advised Jack Welch.

Things to do to make work more fun

- Make informality a way of life and infect other people with this attitude;
- Find a job that is challenging; and
- Change jobs from time to time.

Getting customers excited about the product

There are more chances of people wanting to buy a product if it is marketed in an enjoyable manner. "If you can make your customers laugh, and excite them with your vision of what life can be, they are not just going to walk into your outlets, but run to them. Running a successful business should be fun for you, and there's every reason why you should be able to communicate that sense of fun to your customers. Certainly, if you aren't having fun, you probably aren't running a successful business." (*Essinger, 1999*)

Case in point: Silicon Valley

Do you really want to know what is deep inside, at the core of Silicon Valley and what makes it tick? "The truth is ... it's a ball! Hard work combined with hard play - at every level, from executive down and back up again." People don't only work hard, but also have a lot of fun at the same time. And they are not just having fun, but planning it and making it part of their culture. This is the spirit that truly enables relentless innovation and creates an innovation-adept culture. (*Meyer, 1998*)

Case in point: IDEO

David Kelley, the founder of IDEO, the world's leading new product design company, believed that if he hired people he liked and respected, everybody would have fun and more work done. "The work was truly like child's play - they made things up as they went along. They made most of their own

furniture. They spray-printed used chairs bright green and laid discount doors from the local lumberyard over dented filing cabinets to make desks. They slapped some paint on the walls and nailed up some sheetrock dividers. The room dividers were intended to give some semblance of privacy. But Dennis Boyle promptly cut a circular hole in the wall between him and Douglas Dayton and popped in a ship's porthole. Adversity brought them together. The musty offices were so thick with flies that Yurchenco and Dayton built a funnel out of foam core to suck up the insects with a vacuum. They called themselves the Fly Group. For kicks, they built a fly the size of a pig out of foam core, painted it red, and hung it from the ceiling."

"Pranks became second nature. When Hovey left for a week's vacation, he returned to find a sheetrock wall where his door had been. Windshield cement inspired many office pranks: You'd leave your desk only to return to find everything glued down: soda cans, papers, pens. David's door was once glued shut when he was getting a pitch from a salesperson. Another office was webbed in by the sticky trails from a hot glue gun. There were rubber band wars and squirt skirmishes (similar to the pranks at Apple at the time), and plenty of water balloons dropped out of the window." (*Kelley, 2001*)

The pranks and play served a purpose - gave people a sense that they had some control over their destiny, a feeling of belonging to something larger than themselves.

Case in point: Customer service in a furniture shop

The owners of a furniture shop in Boston love what they are doing and genuinely want to make furniture shopping fun. They figured out that customers would stay longer and shop more seriously if the small children accompanying them felt happy in the shop. "So they constructed a large children's play area inside the store, with every type of game imaginable. By the way, you have to walk all the way through the store to get to the playground, so mom and dad can see the furniture before settling down to serious shopping. The kids are happy, so the parents are happy. It's simple. And one more thing. When you leave the store, your car windows have been washed! It's no wonder that this store has the highest sales of any furniture outlet in the Boston area." (*Essinger, 1999*) □

InnovAsia

To focus on the growing amount of innovation in Asia, INSEAD has recently created a new commercial research initiative called InnovAsia with a view to monitoring emerging technologies across Asia.

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Your business plan

The roadmap that guides you to success

<http://www.gcase.org>

Robert W. Price, Global Entrepreneurship Institute, USA

Your business plan acts as a reflection of you, showing that you have really thought things through. It requires advance preparation, delegation, refinement, and, most importantly, a disciplined approach. Writing a business plan forces you into disciplined thinking if you do an intellectually honest job. *An idea may sound great in your mind, but when you put down the details and numbers, it may fall apart.*

Many entrepreneurs begin business planning by incorrectly estimating the length of time and effort it takes to prepare an effective business plan. It cannot be completed in one attempt. A business plan is a living document, and business planning is a process that never ends. The plan changes, especially with most high-tech ventures, where it may change in the early stages on a weekly if not a daily basis. These are not huge changes but iterations, and the business plan becomes “someplace” where modifications are noted as the venture takes shape and more information is collected. The overall business planning effort is based on the degree of uncertainty, the degree of complexity, and the potential threat from competitors.

Most people hear “business plan” and think only “start-ups.” Yet this is not always true, because ongoing companies create business plans, project plans, new product plans, and plans for acquiring and integrating other ventures.

General Dwight D. Eisenhower once said, “Plans are nothing. Planning is everything.” Planning is a great exercise to help you think through all the business aspects and forces you to know your business. Our focus is not about whether you should plan. Our focus is about planning effectively. As the famous business guru Peter Drucker says, “Entrepreneurship is risky, mainly because so few of the so-called entrepreneurs know what they are doing. They lack the methodology. They violate elementary and well-known rules.”

Entrepreneurs, Drucker argues, need a systematic approach for putting all the pieces of the puzzle together. Business planning helps entrepreneurs work smarter, stay alert for roadblocks, test new ideas, stay motivated, help align expectations with stakeholders and investors, and even reduce stress. And if you’re starting a company, you must have a business plan. If nothing else, it’s an educational exercise to learn what you’ll need to develop your business.

A plan shows how you’ll run your business. Without a plan, you don’t know where you’re going, and you can’t measure your progress. So business planning, as it turns out, is really no more than another good management practice.

Critical elements of a business plan

The business plan is perhaps the most important written document you can ever create. It describes all critical internal and external elements and strategies for guiding the direction of your venture’s first several years as well as giving potential investors an idea of the venture’s structure, objectives, and future plans. It communicates important entrepreneurial management practices, such as how your venture will mitigate risk, and how your venture will manage uncertainty. Most importantly, new business venturing is now about focusing on creating sustainable value.

But which elements of your venture are capable of creating value? And which elements, if not properly managed, are capable of destroying value? Business planning is the process of uncovering and identifying what creates and drives value in your business; *the business plan is the document that communicates your value drivers.*

Ten value drivers we discuss in roadmaps

1. Solid opportunity and industry analysis;
2. Business strategy and sustainable competitive advantage;
3. Proven venture team and sound organization;
4. Control of critical capital resources;
5. Strategy for market entry and traction with customers;
6. Strategy for marketing and sales;
7. Strategy for managing rapid growth;
8. Strategy for managing a networked enterprise;
9. Sound financing strategy; and
10. Viable exit strategy.

Internal uses: Guiding company growth

Business planning helps you become the “value manager.” A value manager focuses on “long-run cash flow returns” while having the perspective of an “outsider’s view of the business” and “a willingness to act on opportunities to create incremental value.” The first opportunity to create incremental value is through selling. Entrepreneurship is about selling your ideas, your mind, your labour, your skills, and your teams. Your business plan will help you develop immediate “sales momentum”, what we call traction.

Most entrepreneurs were first “technologists” or engineers, and are too deeply involved with their products. They need help in selling and communicating the benefits of their products, their ideas, and their ventures. A business plan helps in focusing and communicating what the product does, who the key customers are, what the milestones are and what the timelines are. Other internal uses of a business plan include:

- Helping you set objectives;
- Managing risk and uncertainty;
- Establishing performance metrics;
- Motivating and focusing venture team;
- Attracting key employees;
- Analyzing capital budgeting decisions;
- Facilitating new product development projects;
- Leading internal projects;
- Integrating new acquisitions; and
- Facilitating and leading restructuring, turnarounds, and restarts.

So once a formal business plan is prepared, sections can be pulled out and updated or shared as needed.

External uses: Financing the growth of your company

It is very hard to have a dialogue about financing without a business plan. In today's business environment, a business plan is your most crucial business document. You cannot expect to articulate your goals or to secure financing without a well-conceived and well-presented business plan. Without a convincing business plan, no one will seriously consider your business idea. Over the last couple of years business plans have taken many shapes and forms. However, they are still the preferred mode of communication between entrepreneurs and potential investors.

Andreas Stavropoulos, a venture capital partner with Redwood City, California-based Draper Fisher Jurvetson, says that they receive some 10,000 to 12,000 business plans from entrepreneurs each year. They might meet with 250 to 300 entrepreneurs, and make a deal with twelve to fifteen of them. He says, "You need more than a great idea. You need a great business plan." Mark Gorenberg, a partner at San Francisco-based Hummer Winblad Venture Partners, says that a sound business plan will help to convince others that you are a less of a risk than the last or the next business plan.

The venture drill is the formal process that all entrepreneurs must address when raising money from outside investors. As discussed above, the three steps to the venture drill are packaging, placing, and presenting. Packaging is researching and writing an effective business plan. Placing is skillfully introducing the opportunity before the best investors. Presenting is communicating and making the deal in a formal meeting. Entrepreneurs tell us that starting a company, raising money and making deals is a constant battle and business planning helps them sort issues out. Other external uses of a business plan include communication memoranda with existing investors, arranging strategic alliances, obtaining large contracts with marquee customers, facilitating mergers and acquisitions, and securing key executives. □

Second Development Gateway Award

The Development Gateway Foundation is seeking nominations for the second Development Gateway Award. The \$ 100,000 award will recognize outstanding achievement in using information and communication technologies (ICT) to improve people's lives in developing countries.

ICT has become an increasingly important tool for development. The field is young, however, and the promise of using ICT has yet to be realized in much of the developing world. In launching the 2005 competition, the Development Gateway aims to help advance the use of ICT for development by recognizing leaders and innovative initiatives in the field.

The 2004 award, then called the Petersberg Prize, was given to Grameen Bank-Village Phone, through which women entrepreneurs could start a business providing wireless payphone services in the rural areas of Bangladesh. Grameen was chosen, from over 200 nominations, for its significant impact in creating a new class of women entrepreneurs who have raised themselves from poverty, while serving their communities.

An independent foundation launched by the World Bank, the Development Gateway operates a global web portal of development information, and it supports similar information service enterprises around the world, to advance development locally. Nominees' stories will be shared on these portals, to advance the understanding of their work and of ICT's role in development.

An international panel of independent jurors will review and select the finalists and winner, and announce the result by June. For information and rules, and to access the online nomination forms, please go to www.developmentgateway.org/award. The deadline for submission is February 28, 2005.

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