

## UCI BPC Workshop

# "Attributes of Successful teams in Venture Enterprises"

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# Objective of BPC Teams

- “Take an idea, add a Team and develop a coherent Plan which convinces Investors that you are the Team to fund which has best chance for Success around this Plan. “
  - This is the essence of success in “Venture” Enterprises.
  - After the BPC is long over, you will repeat some version of this exercise (in large and small Companies) for the balance of your business career.
  - The better you are at this type of “Advocacy” the more successful you will be in your business career.

# My background

- Western Digital Corporation (5 years):
  - Corporate, treasury and operations finance – Public Company
- MTIC (2 years):
  - Corporate, treasury and operations finance - Private Company.
  - IPO in 1994
- CFO for 6 Venture backed start-ups (16 years):
  - Who: Elemental SW, Copper Mountain Networks, VSK Photonics, Active Network, ID Analytics, PowerGenix Systems.
  - What: Web development SW, professional services, telecommunications equipment, semiconductors/photonics, SAAS, energy storage.
  - The environment: constant change, resource constrained, operate in competitive markets, product and business model diversity, constantly fund raising.
  - Fundraising: Over \$300mm raised, 1.5 IPO's, venture/private equity, traditional / asset based lending and venture debt.

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# Current Profile

- Founder / SVP / CFO RainTree Oncology Services:
  - Private-Equity backed provider of services for community oncologists.
  - Six months of vetting, funded July 1, 2011, \$33.0mm of committed capital.
  - 20+ employees, key services launched in late 2011.
- Advisory and Non-Profit
  - Beall Center Advisor.
  - SD Venture Group Advisor.
  - Board Member, New Children's Museum in San Diego.
- Personal
  - Married, two children, one black Labrador.

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# Attributes of Successful teams in Venture Enterprises

1. The team has a designated leader and is on the same page.
2. The team has a credible blend of skills to succeed.
3. The team fosters constructive internal debate.
4. The team modifies and tailors the message to fit the audience.
5. The team adapts and changes over time.

# Key Attribute #1

- The team has a designated leader and is on the same page.
  - Being the team leader is probably the hardest job. Think hard before raising your hand.
  - The team makes a conscious decision to anoint a leader and follow his/her lead. No turning back.
  - Democracy works well in politics but not in start-ups. While you need internal debate, ultimately someone has to be tasked with making the hard decisions.
  - Internal consistency between value proposition, strategy, channels, operations, execution and the financial plan essential.
  - Do the hard things up front:
    - Agree upon roles and essential competencies.
    - Structure the ownership / equity / compensation.
    - Agreeing what you won't do is also important. Focus, focus, focus.....

## Key Attribute #2

- The team has a credible blend of skills to succeed.
  - If the investor thinks an enterprise lacks the right complement of skills then they will not fund even the best ideas.
  - Identifying the essential skills for an organization is situational.
  - Some skills can be provided by advisors and Board members.
  - Titles matter.
  - Don't apologize for what your organization lacks, acknowledge gaps and have a plan to address them.

# Key Attribute #3

- The team fosters constructive internal debate.
  - Core values here are critical:
    - Intellectual honesty.
    - Respect.
    - Listening.
    - Humility.
  - Even the “Smartest boy in the room” can be wrong.
  - Recognize when it gets dysfunctional. There are boundaries.

# Key Attribute #4

- The team modifies and tailors the message to fit the audience.
  - You are always “pitching” even when you don’t realize it.
  - Ask each other the right questions:
    - Who is my audience, what is their objective?
    - What are our objectives?
    - If they say no, then what is your “ask”?
    - What happens if they say “YES”?
  - Know when to experiment (all audiences are not created equal).

# Key Attribute #5

- The team adapts and changes over time.
  - This is a dynamic process it starts on “day one”. I call it the “jigsaw puzzle”.
  - The faster the pace of the enterprise the more essential this is.
  - Supplement internal team with advisors, technical advisors and Board of Directors.
  - This involves changing peoples roles.
  - Adaptation also involves changes in organization structure, process, systems and tools.

# Conclusion

1. Select a leader and when in doubt, follow his/her lead.
2. Initially, focus on the essential skills for your team.
3. Challenge one another and be respectful
4. Ask the key question: “who is my audience”.
5. Whether you succeed or falter look to do things differently and stay “ahead of the curve”.