

Seminário Internacional de Empreendedorismo Empreende/Elsevier

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“I have never visited a country more suited for economic vitality. It may take 100 years, but Brazil will be a world economic power.”

- Roger W. Babson, 1915

“The Future of South America”

Agenda

❑ Establishing the Framework for teaching the entrepreneurial process

- ✓ Timmons Model
- ✓ Perfect Deal

❑ Building an entrepreneurship curriculum

- ✓ Courses
- ✓ Curriculum
- ✓ Cases

❑ “World Record” contest (if time)



Mapping the Entrepreneurial Territory

Stephen Spinelli, Jr., PhD.
President,
Philadelphia University

Former Vice Provost for Entrepreneurship and Global
Management, Babson College,

Co-founder, Jiffy Lube

Investor, VC Board, Management Investment Company
Board

Signals both a
Broad view and a
series of anchors...
Suggesting
disciplined
exploration



José Dornelas

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Stephen Spinelli



ADAPTAÇÃO DA 8ª EDIÇÃO AMERICANA

CRIAÇÃO DE NOVOS NEGÓCIOS

Empreendedorismo para o século 21



O maior best-seller americano
de Empreendedorismo

This is not a text.
It is a curriculum.

Post-It exercise

- Inspire
- Remind
- Benchmark

Professor definition

- Outline of the process
- Broad expectations
- Commitment “I believe”

Entrepreneurship is...?

Spinelli and Dornelas say:

“A way of thinking and acting that is opportunity obsessed, holistic in approach and leadership balanced.”

WHY?

Thinking means...

Discipline!

“Due diligence”

- Know the experts in your field
 - Find them
 - Know them
 - Learn from them
- Know your customer
 - Listen to them, Talk to them, Work with them, Serve them
- Know your competitors
 - Strengths and Weaknesses
 - Market
- Know yourself

Back

Acting means...

Taking a risk...do something even though you don't have all the facts

- Smart assumptions
- Balanced with reward

Being nimble in reaction to market needs and changes

Having an “options” mentality

Back

Doesn't mean recklessness!

Opportunity Obsessed...

Your plan is old as soon as it comes out of
the printer

Shaping is a way of life not a single exercise

Balancing discipline and flexibility

Introducing entrepreneurship as a way o life.

[Back](#)

Holistic means...

“Trans-disciplinary” decision making

Shaping the opportunity changes

Team

Resources

A change in resources affects

Opportunity

Team

The mix of TEAM members influences

Opportunity

Resources

[Back](#)

Taking personal responsibility. Leadership means...

Whatever goes wrong is my fault.

Whatever goes right is our success.

Being a good listener and follower.

Being a great servant to the team and to
the nature of the opportunity.

[Back](#)

For the purpose of value creation and capture

Principle and a market or better return in an agreed upon period of time.

WHY?

- Value vs. greed
- Stakeholders
- Risk & Return

- Stakeholders
- Customers
- Investors
- Suppliers
- Employees
- Communities
- Founding management
- The Entrepreneur

Entrepreneurship: The New Management Paradigm

Entrepreneurial thinking and action
throughout all areas of commercial enterprise

Traditional

1. Resource allocation model
2. General management
3. Cost-oriented
4. Embraces stability
5. Bound by resources
6. Local focus

New

1. Opportunity-driven model
2. Entrepreneurial leadership
3. Growth-oriented
4. Embraces innovation & risk
5. Framed by creativity
6. Global perspective

Anonymous Brazilian Saying

“Vision without action is a
daydream.

Action without vision is a
nightmare. “

Remember, entrepreneurship
is a full contact sport. The
value comes in the “collision”.





“Untutored courage is
useless
in the face of educated
bullets.”

- General George Patton

The Entrepreneurial Process

OPPORTUNITY Driven

- ① Market demand is a key ingredient to measuring an opportunity

Market share & Growth potential =

20%+, 20%+ annual growth, and durable?

Is the customer reachable?

Customer payback < 1 year

Market
Readiness

Service/Product
Concept

Service/Product
Delivery
System

Entrepreneurial Alertness

Opportunity

market segments

Take “FIVE”

Myopic customer
facing behavior

Describe
the **P**rimary **T**arget **A**udience
for your deal.

The Entrepreneurial Process

OPPORTUNITY Driven

② Market size & structure

Emerging and or fragmented?

Proprietary barriers to entry?

\$50million+ with a \$1billion+ potential?



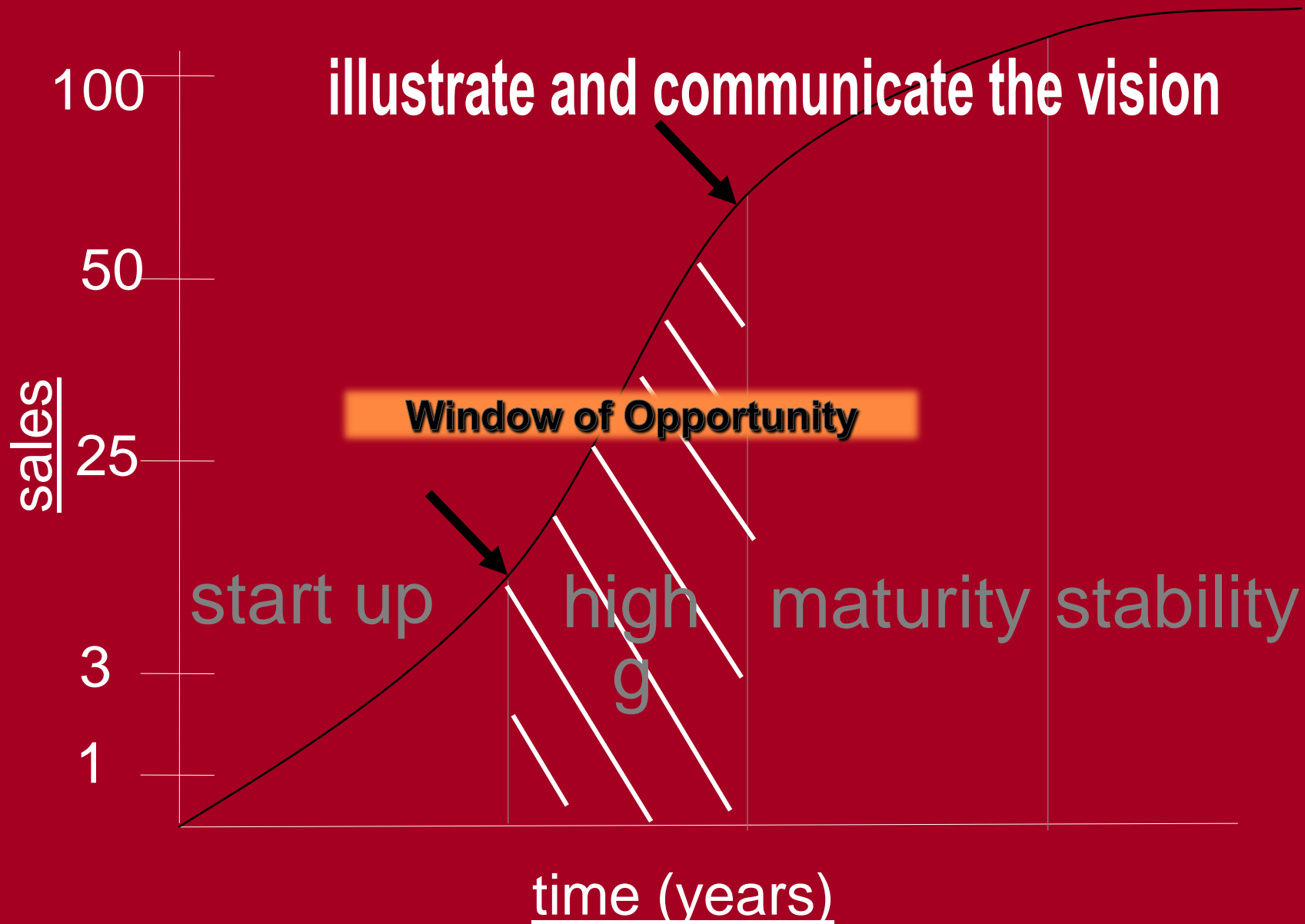
Opportunity

market metrics
competitive environ.

Take “FIVE”

Describe the spending habits of your PTA.

Life Cycle



Take “FIVE”

Not a single event

Draw a life cycle S-curve for the industry into which you will enter.

Mark the place on the curve which illustrates the current status of the industry.

The Entrepreneurial Process

OPPORTUNITY Driven

- ③ Margin analysis helps differentiate an opportunity from an idea

Low cost provider? (40% gross margin)

Low capital requirement versus the comp.?

Break-even in 1-2 years?

Value added increase of overall corporate P/E?



Take “FIVE”

What benefits and attributes
do you think will be valued
most by your customer?

This forces students to
talk to potential customers.

The Entrepreneurial Process

OPPORTUNITY Driven

- ③ Margin analysis helps differentiate an opportunity from an idea

What are the financial manifestations of your competitive advantage(s)?



Opportunity

Entrepreneurial Math

"If everything is uncertain,
then anything is possible."

-John Mullaly, Executive in charge of
IBM's new Corp Entrepreneurship initiative

Introducing “shaping” behavior.

The Entrepreneurial Process

Opportunity = “The 3 M’s”

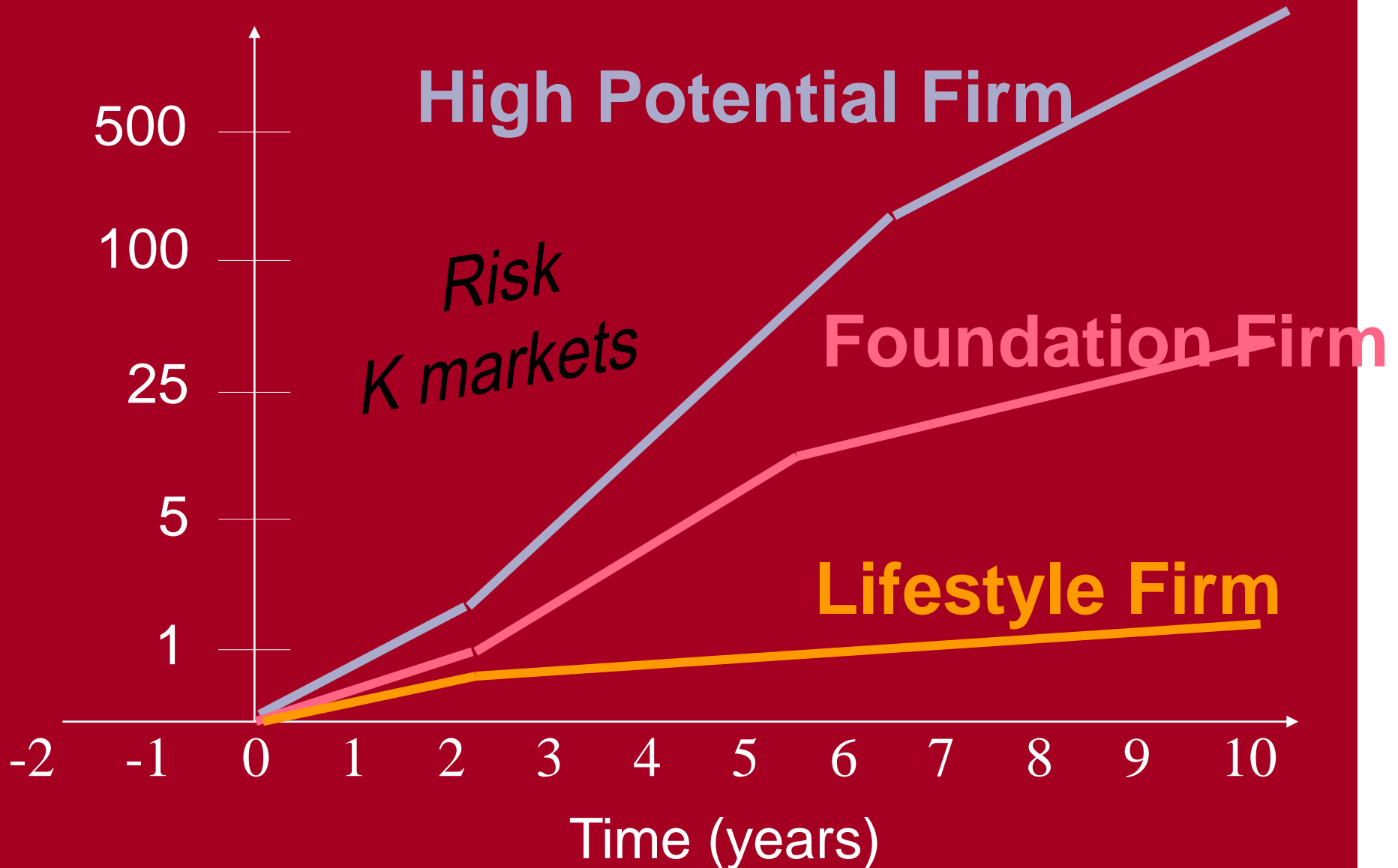
1. Market demand
2. Market size & structure
3. Margin analysis



Opportunity

This becomes the curricular foundation.

Three Classic Life Cycles



Understand and use Resources

Don't be driven by them

Minimize and Control

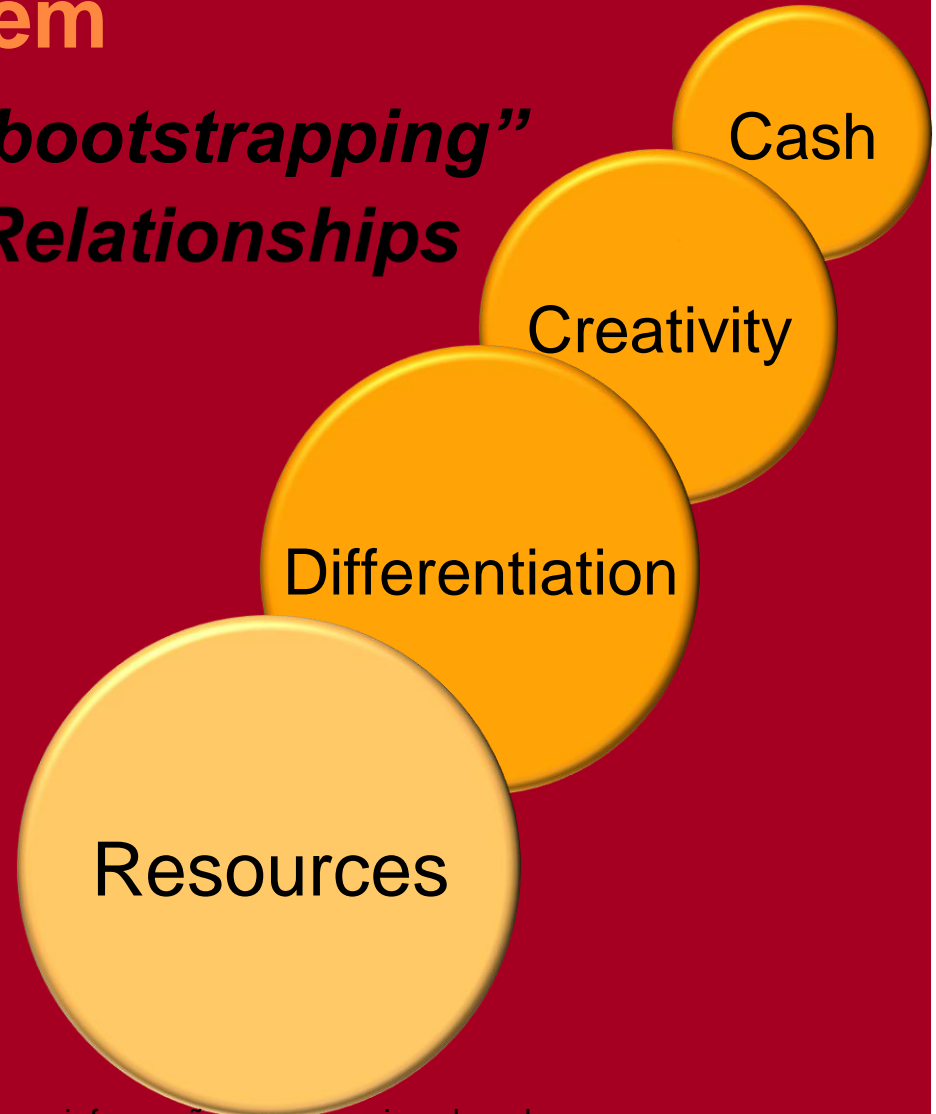
***“bootstrapping”
Relationships***

vs.

Maximize and Own

Unleashing Creativity

Think Cash Last!



Understand and use Resources

Don't be driven by them

How can resources be shaped and integrated into proprietary assets?

Introduce “milestones”

- FFFF
- Angel financing
- Venture Capital
- IPO and beyond





The Secret of an entrepreneurial team?

"Heart on fire,
Brain on ice."

-Michael Mucci, Longmeadow, MA High School orchestra
conductor 2X Grammy Award winner

An Entrepreneurial Team

The Key Ingredient for success!

The “lead” entrepreneur - quality of the team

Relevant experience

Motivation to excel

Commitment & Determination

Tolerance of risk, ambiguity & uncertainty

Creativity

Team locus of control

Adaptability

Opportunity obsession

Leadership

Communication

Characteristics exercise

Personal
Characteristics

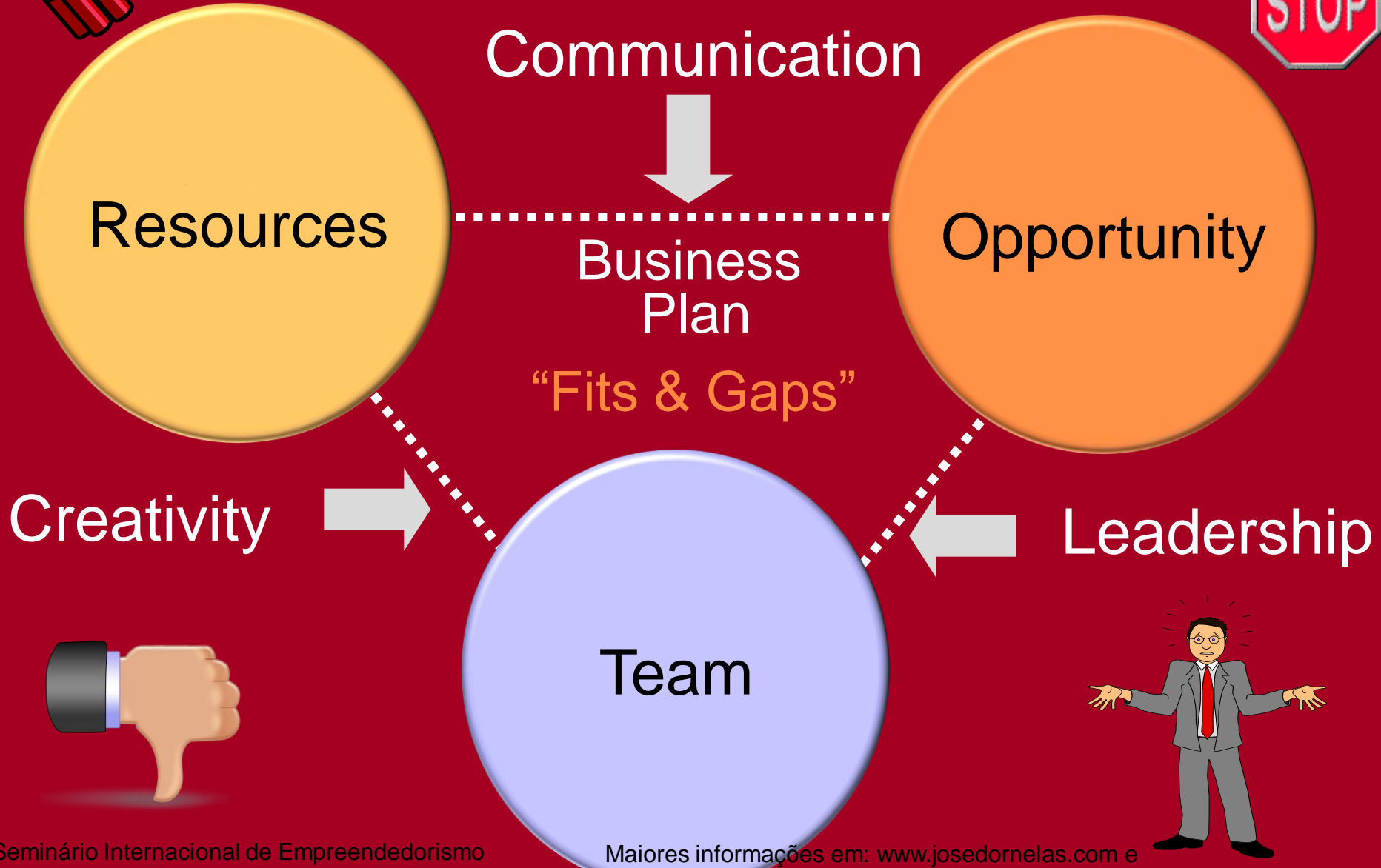
Interpersonal

Team

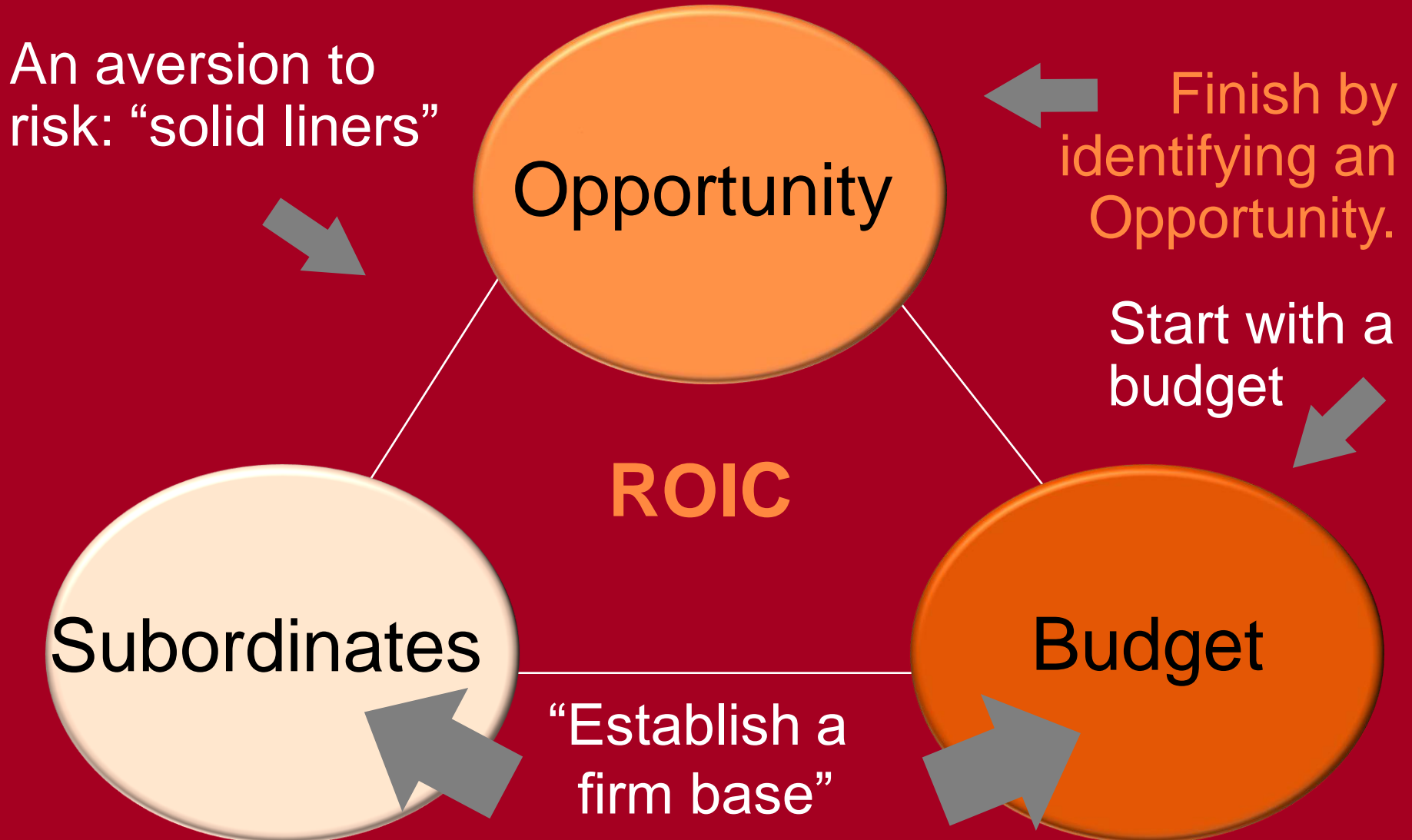
A Personal Assessment

Write a brief description
of something
you've done that
demonstrates one or
more entrepreneurial
characteristics.

The Timmons' Model of the Entrepreneurial Process



Same components, different attitude.





“Many people dream.

Professors turn dreams into plans.

Entrepreneurs turn plans into reality.

Entrepreneurs are more important.”

- Steve Spinelli

Macro Trends

Increased demand for cleaner energy and water

Growth and aging of population

Worldwide growth in middle class

Increase in demand for healthcare & restructuring of business model in U.S.

Rising expectations of health and safety in both developed and emerging markets

Industrial growth in emerging markets

Increased investment in global infrastructure

Key Acquisition Criteria

Fragmented industry with long term growth prospects in > GDP

Non-discretionary spending, less cyclical than economy

Strong market position in defendable niche – already achieved critical mass/scalable business model

High gross margin (~40%) & EBITDA margin (~20%)

Sells into diverse end markets and geographic regions (global)

Engineered component or intermediate/enabling product – fragmented product line

Self funding – including capex

Consumable product and/or one with replacement demand opportunities

Potential for bolt-ons in addition to organic growth

Identified Sectors Levered to Trends

Med Tech / Life Sciences

Specialty Filtration

Test and Measurement

Flow Control

Sensors, Controls and Other Electrical Components

Water Treatment

Clean Technologies

***Seek opportunity,
create value,
have fun.***

Thank you!!!

Stephen Spinelli, Jr., PhD.
President

