

Technology Entrepreneur Center

Wed., April 13
2:00-5:00pm

I-HOTEL & CONFERENCE CENTER
GRAND BALLROOM A



COZAD

NEW VENTURE
CHALLENGE 2022

Demo Showcase

Come see the latest student startups!

Join us as University of Illinois startup teams showcase their innovative ideas at the Cozad New Venture Challenge Demo Showcase!



TE 250: Week 9 Building Teams & Business Formation

Mark Karassek
mkarasek@illinois.edu




Agenda

- • Assignments – Past/Present/Future
- Final Teams Presentations – Critical Analysis
- Building a Team
- Business Formation

New Individual Assignment

- Building out the plan for your team.
- Template will be provided.
- Will be posted tomorrow.
- Looking for why you make the selections and how they complement the current team members.



Assignment #5 – Individual Assignment

- Build a Customer Interview Plan Template
- Use the provided Customer Interview Plan Template as a guide
- Completing it as a guide for your first 2-3 team interviews
- In subsequent weeks, your team will "divide and conquer" to complete more interviews.
- At this point, use the template individually to prepare for your own personal interviews.

Case Study; Due March 22, Individual Assignment

Wind Turbine Blade Bridges

- 3 stakeholders
 - Value Proposition Canvas
 - Business Thesis

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I HAVE A GREAT
IDEA FOR A START-
UP COMPANY.



Dilbert.com DilbertCartoonist@gmail.com

ALL I NEED IS A
SEED INVESTOR AND
AN ENGINEER TO DO
ALL THE WORK.



9-11-15 © 2015 Scott Adams, Inc. /Dist. by Universal Uclick

I BELIEVE THE
ECONOMIC TERM FOR
WHAT YOU HAVE IS
"NOTHING."



Assembling A Team

- Honest and Critical evaluation of oneself is key to wise team building
- Diverse skills are required for diverse roles
- Complementary personalities
- Character counts
- It's a matter of respect
- Build relationships slowly, and when the time comes act swiftly.

Components of the Team

1. Founders, Co-Founders
2. First Employees, Key Managers
3. Service Providers
4. Board of Directors/Advisors
5. Mentors
6. Investors

1. Founders/Co-Founders

- Founder implies single person who launched the business
- Co-Founder implies multiple founders or individuals brought on as partners at the outset of the business
- Co-Founders typically have complementary skill sets

1. Founders/Co-Founders

- Responsible for vision
- Must articulate vision and get buy-in from others
- Founder/Co-Founder is your most important title

2. First Employees, Key Managers

- Working in a startup is not for everyone
- It takes a strong will and stronger stomach
- Buy-in to the vision is key,
it's more than just another job
- Be forthright about risks
- Ultimately, it's not about the size of the slice, it's about the size of the pie.

2. Evaluating Employees/Managers

- Would Mother approve?
- Can this person become my best?
- The top prospect scenario:
 - Does it instill panic or relief?

2. Recruiting the Best

- Finding and signing the best is one of your earliest and most important sales calls
- Be willing to share the rewards and power to get the right people
- Be careful about becoming “top-heavy”
- Beware of people unwilling to share early risks.

2. Building Out the Team

- Add to the mix as needs arise and time & funds permit
- Consider creative use of outside champions, part-time help and compensation packages when getting started
- Utilize your network to find the right people.

3. Service Providers

- Outsourcing is NOT a dirty word
 - leave it to the experts!!!
- Ask about reduced rates or deferred payment options for start-ups
- Providers validate your concepts and provide a sense of confidence for potential investors
- Providers include:
 - Attorneys
 - Accountants
 - Consultants
 - Bankers.

3. Service Providers – Corporate Attorneys

- Early assistance in establishing legal form
- Later help with wide variety of business needs:
 - Contracts of all kinds
 - Alliances with other companies
 - Employment law.

3. Service Providers – IP Attorneys

- Early help in deciding what form of protection, if any, is appropriate
- Ongoing assistance obtaining and maintaining protection or negotiating licenses.

3. Service Providers – Accountants

- Help with initial business plan financials
- Ensure roll-outs are on target
- Act as or recommend CFO
- Introduce you to investors
- Produce audited statements.

3. Service Providers – Consultants/Agencies

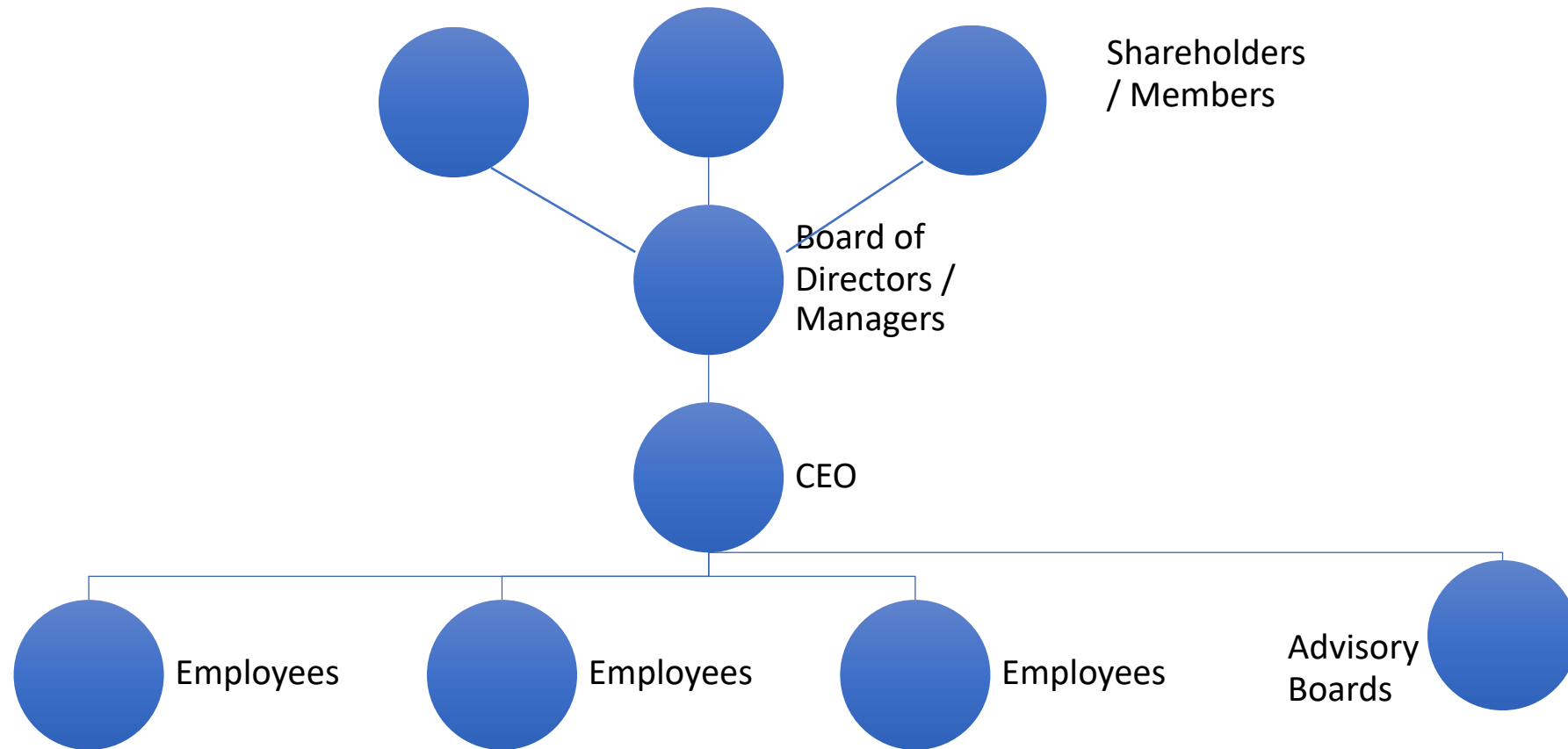
- Market research
- Business plan preparation
- Technical assistance
- Product prototyping & development
- Business development
- Marketing plan development
- Sales implementation
- Recruiting

Provide value and leverage for founders.

4. Board of Directors / Advisors

- Directors and Advisors are concerned with the global view and direction of the company
 - Director is a fiduciary role and comes with certain legal obligations
 - Advisors provide expertise in a specific area, but have no legal role
 - Business Advisory Board
 - Scientific Advisory Board
 - Clinical Advisory Board
- Directors and Advisors are both part of building your brand
- Generally compensated in some way.

4. Board of Directors / Advisors



4. Filling Boards

- Investors will often require a seat on the Board of Directors
- Each member should bring specific expertise to the table
- Boards are part of building your brand ID
- Look for the ability and willingness to devote time
- Your Boards are more than just a formality – use them!

5. Mentors

- Mentors are the most loosely defined, but often most influential component of your team
- Finding the right mentor involves chance
- Mentors might be angel investors, successful entrepreneurs, faculty members...
and not necessarily from your field
- Often motivated by passion or a sense of altruism, wanting to give back.

5. Mentors – defining the role

- Mentors act as a sounding board for all likes of issues and challenges
- There's a fine line between advising and running the show
 - Remember: it's still *your* company!

6. Investors

- Wide array of sources:
 - Friends, Family & Fools
 - Angels
 - Foundations, Specialty Funds
 - Government Initiatives (incl. non-dilutive)
 - Venture Capital
 - Strategics
 - Private Equity
- All money comes with strings attached
- Zero in on the “smart money.”

6. Investors – Smart Money

- Early round investors validate the concept and pave the way for later round investors
- Value can be found in the experience of early round investors
- Ability to support the company in future rounds
 - Syndicate
 - Contacts
- “Dumb” money that follows “smart” money is good

5. Investors – Points to Remember

- The earlier the investment, the greater the risk, therefore greater returns are expected
- \$\$\$ is the primary motivation
- Investors *always* look for the exit strategy.

Termination

- You should know about personality, style, values, etc. within the early weeks
- Reduce liabilities early