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START-UP CRITICAL SUCCESS POINTS

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A compilation of my first hand learning experiences at start-up, small cap and large cap technology companies.

PREFACE

- Working in a startup environment can be an adrenaline packed rewarding experience, or a nightmare of struggles with no valuable outcome. Navigating a startup or small company through the obstacle course of cash burn, risk mitigation, hiring the right employees, staying focused and timely solution execution are the responsibility of EVERY member of the team.
- All too often in this environment there are misaligned expectations, poor accountability, no sense of urgency and inconsistent goals that needlessly add additional layers of risk. Large companies, small companies as well as startups suffer from these impairments.
- A toolkit based on first hand learning experiences in this environment is valuable insight into your current or next engagement. To that end I have compiled a set of take-a-ways based on what I have learned working for technology startups and big companies. I use these critical success points as a filtering mechanism and a check and balance in my daily activities. I hope you find them as useful as I do.

CLARITY OF PURPOSE

- Every employee must be able to state the company's value proposition & purpose in one sentence.

FOCUS, FOCUS, FOCUS

- Stay on the course to meet the stated objectives.
 - Be wary of distractions such as:
 - Non target customers taking an interest in your product and diverting resources off the course.
 - Feature creep- allowing additional product functionality or features into your design and production path.
 - Maintain a single clear value proposition.

CASH

- **Cash is King**
 - Spend money on execution not on fluff
- Pre revenue focus is to minimize burn rate
- Expenses should be commensurate with industry peers
- Manage to cash flow
- Preservation of capital trumps everything

EXECUTION

- Give ownership to department heads, set expectations and make accountable.
- OSTM Process
 - Each project/subproject should identify a basic and communicable Objective, Strategy, Tactics and Metrics.
 - Applies across all functional departments.

COMMUNICATION

- No one group/person is designing/producing in a vacuum.
 - No assumptions, check your interfaces.
- Do what you say you are going to do when you say you are going to do it.
 - Sounds simple but difficult in practice.

CUSTOMER

- Your customers are internal and external to the company.
 - Each group must understand the total solution that the team is presenting to the marketplace and their departments role in its success.
 - The components of a successful total solution to the market place depend on internal deliverables first.
- Customer engagements
 - 1st customer engagement is NOT “What do you need?” or “What can we do for you?”
 - 1st engagement IS “ We know your market, we know your processes, here is what we can do, here is how we can solve your point of pain.”

COMPETITION

- **Identify 1-2 silver bullet competitors.**
 - Monitor activities in the channels and ecosystem such as strategy deltas, investment shifts, restructuring and acquisitions.
 - Test assumptions periodically.
- **Closely monitor & track the competitive structure of target market for changes.**

PERSONNEL

- Hire the best skilled people you can.
 - Multidimensional skills and advanced degrees are generally greater asset than single point expert with some exceptions.
 - Enthusiasm, commitment, ownership, accountability, communications skills are as important as subject matter experience.
 - Hire someone with a natural sense of urgency.

MARKETING

- **Critical to understand customer point of pain and address in timely and cost effective manner.**
 - **External customers perspective includes the entire value chain/eco-system.**
 - **Your perspective should take this into account.**
 - **Ensure the target market value chain has a high awareness of your company/product.**
 - **Helps cross sell, leverage sell, partner development and acquisition.**

PRODUCT

- The tech road map is full of pot holes where companies are buried when they:
 - Designed a compelling product in a vacuum and failed to see the total solution.
 - Designed a compelling total solution but failed to deliver the product.
- Right message, right timing, right value props mean nothing if you cant put a product in the customers hands in a timely way.

MANUFACTURING

- **Critical component lead time can kill a launch.**
 - Design for contingencies
- **Adjacent mature market demand can corner critical components needed for applications.**
 - Displays, GOBI, flash, duplexer
 - Secure supplies, plan needs

AUTHORITY

- If you give me the responsibility then give me the authority.



By Department Lessons Learned

BOD/VC

- **Critical that BOD/VC have industry background commensurate with the technology funded.**
 - **Semiconductor capitalization needs a cost understanding of masks, engineering tools, multiple tape outs, testing, yields, market risks.**
- **Expectations need to be managed by CEO & CxO.**
- **Shoot for tier 1 VC funding. Micro VCs have shallow pockets for follow-on investments.**

CEO

- **Ensure that CEO goals are aligned with broader company goals and are not self serving.**
 - **Leads to conflicting allocation of resources and inefficient execution.**

CTO

- **Critical to spend majority of the time overseeing all aspects of the design, block to block & in system and customer input to minimize design time.**
 - **Must have vested interest and goal of seeing design through to production/cash generation.**
 - **Design is NOT complete until STAC, Apps, BD, customers have vetted and qualified part for mass production.**
 - **No next project until first one is complete.**
 - **Owns checks & balances process to tape out such that all risks are minimized towards a saleable product.**
 - **Doesn't mean there can't be impairments that are manageable and not hindering sell-ability.**

DESIGN ENGINEERING

- **Critical that chip is designed in context of the system it will operate in, including behavior influenced by the implementation in a total solution, ie with baseband, RFFE.**
 - **Designing for chip bench performance only is not an option.**
 - **Design verification processes must be in place and adhered to insure design goals are met before tape out.**
 - **Need constant reminder that venture is for profit production company not perpetual R&D facility.**

SALES & BUSINESS DEVELOPMENT

- Critical to have a voice/insight into the design process to act as a customer advocate and insure the end product substantially meets the Market Requirements Document.
 - Selling in a vacuum and consistently resetting expectations for customers erodes confidence and credibility.
- Utilize best tools available to monitor track, adjust your daily business flow.
 - Dashboards, top 10, losses, new ops etc., eg SFDC
- Sales need to have skin in the game.

ALL

- **Critical that a stakeholders operate in manner consistent with a sense of urgency, problem ownership and accountability.**
 - **VC funded days are finite.**
 - **Efficient management of time and task required.**
 - **Problems need advocates who can efficiently and effective create resolution consistent with company goals.**
 - **Needs to be penalties for failure.**

MUTUAL EXPECTATIONS

- What do I expect from employer?
- What does employer expect from me?