The long and winding road...

from Inspiration to Perspiration

Laurie Yoler
The Cocktail Party Intro…

Joanna Bloor, The Amplify Lab
I love Connecting with PEOPLE…

AND MACHINES
Why Am I Here?

I ♥ Engineers and Scientists
# Mom and Dad were both right (mostly)

<table>
<thead>
<tr>
<th>Dad</th>
<th>Mom</th>
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<tr>
<td>• Strive for excellence; never settle for mediocrity</td>
<td>• Be kind to others, and learn how to get along in groups</td>
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<tr>
<td>• Don’t be afraid to compete, win, and lead; but always lead with integrity</td>
<td>• Build strong friendships; maintain an active social life and entertain often</td>
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<td>• Be a lifelong learner; immerse in books</td>
<td>• Marry well, and be an exemplary parent</td>
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<td>• Value science, engineering and medicine</td>
<td>• Always look your best; stay active and healthy</td>
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<td>• Surround yourself with the smartest people you can find</td>
<td>• Read the news and stay up-to-date on current events</td>
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<td>• Work hard; do the extra credit</td>
<td>• Use proper grammar and spelling</td>
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<td>• Take time to appreciate art and music</td>
<td>• Send thank-you notes</td>
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<td>• Give back to your community</td>
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An Unconventional Career Progression

**Internal** focus: Product Development

- **Software Engineer**
- **Systems Designer**
- **Product Manager**
- **Market Development Manager**
- **International Sales Director**

**External** focus: Ensure Products appeal to Customers

- **Venture Capitalist**
- **Corporate Development**
- **Business Development**
- **Investment Banker**
- **Board Member Strategic Advisor Investor**

**External**: Pick Winners outside; understand financial, legal, IP

**Internal and External**: Grow in unconventional organic and inorganic ways

**Portfolio**: Assess financial, technical, legal, organization, product, sales, and strategic options for multiple companies
My Products & Companies

- Accenture
- Interactive Investor
- Visa Check Card
- Vernier Networks
- Sun Microsystems
- Packet Design
- Java
- Precision I/O
- Qualcomm
- Tesla
- Broadway Angels
- Bose
- Zoom
Some Steps from Inspiration to Perspiration

Idea
- Inspiration
- Creativity
- Imagination
- Curiosity

Invention
- Useful
- Novel
- Non-Obvious

Prototype
- Document
- Describe
- Protect ideas
- Share

Product
- Commercialize
- Develop
- Market
- Sell

Universities
Solo Inventors/Scientists
Engineers in Big Companies
Government Research Labs

Start-Ups
Venture Capitalists
Large Companies

Invention
Compensation

Science and Engineering Land
Spend Money

Business Development Land
Make Money
How do investors evaluate start-ups?
Evaluating start-ups

• What problem does this solve? Does anyone care?
• Is this a cool feature, a product or a company?
• Is this unique? Patentable?
• Can this attract funding from other investors? Is it in a “hot” sector?
• Can it attract a stellar team to work for mostly equity?
• How big is the potential market? Who will pay for it? Can it command a premium?
• Are there many large and small competitors? Is anyone approaching this with a better solution?
• How much time and money will need to be spent to prove that this is valuable?
• What is the best first potential application?
Case Study: Tesla Motors 2003

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Raising Capital for Tesla Motors: Reactions from “experts”

- “The American consumer will never care about energy efficient cars. Energy efficiency is only of interest to Birkenstock-wearing hippies from Berkeley”
- “A bunch of Silicon Valley engineers could never build a car company. It’s much too complicated and requires decades of experience in the auto industry.”
- “You will fail. The incumbents will do everything they can to crush you”
- “There is no way you can build a new car company for under a billion dollars!”
- “The last American car company to go public was Ford Motor Co -- in 1956!”
- “You will ruin your reputation by being part of this project. There is just no way it can succeed. You should get out now before anyone finds out you were part of this team.”
Zoox: Imagining and Building What Comes After the Car
Zoox’s early fundraising was a little easier than Tesla’s

<table>
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<tr>
<th></th>
<th>Seed</th>
<th>Series A</th>
<th>Series B</th>
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<tbody>
<tr>
<td></td>
<td>N/A</td>
<td>$8M</td>
<td>$500M</td>
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<tr>
<td>Tesla</td>
<td></td>
<td>2004</td>
<td>2005</td>
</tr>
<tr>
<td>Zoox</td>
<td>$40M</td>
<td>2015</td>
<td>2016</td>
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<td></td>
<td></td>
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<td>$13M</td>
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<td>2018</td>
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Timing and Persistence
Selecting and Engaging Advisors

Know how to benefit from this incredible asset
## Working With Advisors & Independent Board Members

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<th>Advisors get great satisfaction from helping a new company succeed</th>
<th>Build a strong bond of mutual respect – be open and honest</th>
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<td>Advisors can fill gaps in knowledge and expertise to avoid potholes</td>
<td>Engage with advisors regularly and ask for continual feedback</td>
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<td>Founders need independent thought partners and strategic sounding boards</td>
<td>Give regular updates - think of them as ambassadors</td>
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<td>Advisors can make introductions to investors, partners, customers, potential employees, suppliers</td>
<td>Invite advisors to company events and operations reviews – make them part of extended team</td>
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Cheerleader or Critic?

Which is more useful?
How do established companies evaluate a potential new project?
Many ways to kill projects in big companies

• Is this a core, adjacent or disruptive to our current business?
• Is this worth allocating budget for? Are there better projects? Is this financially viable? Does it create new risks?
• Will this give us advantage/bargaining power over competitors?
• Does this fit an identified feature/product/market gap? What is the build vs. buy analysis?
• When announced, how will this be perceived by the market? Will this add value to our stock price?
• Do we have an internal team that is passionate about advancing this project? Is this really the best use of their time?
• Are customers/partners/market asking for something like this?
• How many months/dollars are we willing to invest to prove that this is valuable? What is the cost/benefit analysis?
• What are all of the potential applications?
• What does our sales team think? Will they sell it?
SRI’s NABC Method

- **N** for Need. N is the most important factor in the method. An idea without a practical need for it remains just what it is: a good idea and nothing more.
- **A** for Approach.
- **B** for Benefit. B stands for the innovative elements of an idea, in other words that which constitutes its uniqueness.
- **C** for Competition.
Role of Business Development

- Senior executive role responsible for helping the company grow through:
  - New customers, which may generate new product requirements, and lead to better products
  - New markets or industries
  - New partners, which may uncover potential acquisition/investment targets
  - New channels
  - New geographies

- To be effective, key skills are:
  - Strong with numbers and in-depth knowledge of the industry, business and technology
  - Good understanding of legal and regulatory frameworks, boundaries, and players; good negotiator
  - Good communicator internally (across the company) and externally
  - Able to triage and prioritize many inbound and outbound requests, and evaluate opportunities
  - Socially adept – good at networking
Understand the role of other functions

R&D    Engineering    Legal    Finance    Sales & Marketing    People & Places
Diverse teams accomplish more

Progress and innovation may depend less on lone thinkers with enormous IQs than on diverse people working together and capitalizing on their individuality
Scott E. Page “The Difference”
Some take-aways

• Surround yourself with the smartest people you can find – in many disciplines
• See the big picture: don’t lose sight of politics, world affairs and regulatory environment
• Your integrity and your reputation are core long-term assets. Remember your personal values.
• Ensure you care about the mission and culture of your company
• Embrace your fears – and ask for what you want
• Stay curious. Be a lifelong learner.
• Find your tribe, but learn to work with diverse styles
• Get involved with the community at large – your network is your net worth
• Discover joy and humor in the often circuitous journey