



Colorado Technology Ventures, LLC

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Here is an-going, every-green accumulation of CTV Twitters, Blog postings, and more sorted by topic.

Customers, Quality:

- Reluctant founder listens to customers! Reveals quality problems, customers leaving; audit result: >15% inventory reject rate, changed processes, worked with suppliers; customers happy we listened & happy we acted; revenues up, margins up! (MosaicHub, November, 2012)

Due-Diligence:

- Regarding due-diligence and HP: DD is hard to do well; competing objectives, hidden data, what the boss wants, & more all factor in; I take 6 months to clean the closets, I WANT to say "Yes", and, yet, I MUST be agnostic to the answer; not easy...believe me (MosaicHub, November, 2012)
- #startup founder completes market research; finds small market & no compelling advantage, stops #investment; good discipline, well done! (Twitter, November, 2012)
- #entrepreneurs, answer these: what need are you addressing, who r your #customers & do they care, & will they repeatedly pay your prices (Twitter, February, 2013)

Financials, Comparisons:

- Your financial numbers: Robert Morris Associates (RMA) Annual Statement Studies - great source for financial comparisons by NAICS code; metrics sorted by company assets and sales w/ historical trend; many measures include quartiles; good sanity check (MosaicHub, November 2012)
- Tech entrepreneurs: for a better cost heading than SG&A (Selling, General and Administrative Expenses), consider "SAR" (Sales, Admin, and Research); does a better job recognizing R&D – often a significant portion of your cost and investment. Good luck! (MosaicHub, December, 2012)

Investors:

- Reply to Question: "When and how do you approach angel investors for your startup?" (MosaicHub, November, 2012)

"Huge question! When? 1) When you're able to articulate and support, with a decent set of credible evidence, an exciting proposition for the customers, you and your team, AND the investors; 2) when you can articulate what you want and need to do, and; 3) when you are ready and absolutely committed, no joke, to delivering a success. How? 1) Show-up and network; 2) listen and be willing to adjust; 3) be generous and focus on delivering your proposition. Good luck!"

Launching Your Venture:

- Reply to Question: "Do's and Don'ts in Your First Year" (MosaicHub, November, 2012)

"Great answers; here're mine to add

Do: build a great team, listen to customers and confirm your target market, refine your product/service idea, model it...raise funds (if needed), delegate, have fun, be generous, share the success, and work hard!

Don't: run out of cash, destroy your chances for IP, grow too fast & beyond your means, think you're God, be stingy, and yes, like others said...don't burn out and don't give up!

Best wishes and good luck! (btw, 3 is my max for "!" marks)!"

- 2 launch #venture: start w/ idea, confirm mrkt, set price & cost targets, define specs, confirm, revise?, THEN build prototype - Good Luck! (Twitter, November, 2012)
- Great 1st mtg w/ #angel #investor! Good 1st steps: asking 4 help, validating idea, not yet spending \$ on prototypes & overhead - Well done!

Leadership:

- Entrepreneurs, teamwork is critical. Each team member brings a set of skills, experience, attitude, and energy that will affect your chances for success. You need a team, so work hard to attract the best; be a leader with a compelling vision and message! (MosaicHub, November, 2012)
- Reply to Question: "What should a technical startup co-founder know about business?" (MosaicHub, November, 2012)
 - "Good answers; here are my 5:
 1. It's all about the team; have true, deep respect for all functions and everyone's contributions
 2. Must articulate: the need are you addressing, the market you are targeting, and the degree to which your customers are *really* willing and able to pay
 3. Trust and relationships matter
 4. Perceptions often trump data
 5. End of day, your customers are the only ones to decide if your product/service is compelling"

Marketing:

- **Focus Groups:**

Customers' needs extend beyond your product; customer focus groups are a great way to capture a full spectrum of their needs; you'll learn, you'll discover new ideas, and you'll be ahead of your competition; try to do 3, with about ~5 customers per group. (MosaicHub, November, 2012)

- **Listening to Customers:**

Customers aren't always right. True, but listen to them as perceptions run deep. Know their beliefs, their needs, & their priorities. Do a great job with this information: deliver value. Then, in parallel if possible, amaze them with something new. (MosaicHub, December, 2012)

- **Comment re. Hostess in NYT:**

"Dear Readers,

I'm surprised by the emphasis on labor and private equity and a lack of attention to basic marketing principles. I don't have the company's financials available, so I can't comment on

operating costs, margins, etc. Yet, I know that my family and I aren't Hostess customers. It's not because we're anti-sugar and hyped on our nation's obesity epidemic. It's simply because we have and make other choices.

I teach marketing and new product development. I remember looking into Hostess and seeing that they had filed for bankruptcy. Not surprised as I saw no evidence that the company was evolving. Also, as part of my little analysis, I bought a box of Twinkies, and my kids and I ate them. Simply put, we weren't impressed. It's that simple.

What a shame. I don't wish this experience on anyone at Hostess. Yet, I do know that in today's world, sustained success requires leadership, unity of vision, and hard work by all. At the top it requires flexibility, innovation, and having the right resources available. At the line level, it requires being healthy, learning new skills, driving productivity improvements, and more. Everyone must make daily contributions.

The actions at Ripplewood didn't help. However, my quick sense is that the troubles have been fermenting for years, that all sides share responsibility, and even with all the preservatives used in these products, this one's shelf-life finally expired.

Regards" (November, 2012)

Metrics (Performance):

- A good performance metric to use is "% of returning customers"; recently, analysis of low scores found customers use the founder's tech for lab work & others for production; strategy & product changes are resulting in more repeat orders & larger profits! (MosaicHub, November, 2012)

Mistakes Entrepreneurs Make:

- In response to a website question on MosaicHub:
"...from multiple startup experiences, here are 5:
 1. Inability to adequately answer the top-3 marketing questions
 - a. What deep, deep need is being addressed
 - b. Do customers really, really care? Prove it.
 - c. Will customers pay your prices, again and again...even with competition
 2. Not building a great team
 - a. Does it work hard and well together...on good AND bad days
 - b. Is it playing off the same game plan, and does it deliver
 - c. And, is it convinced they too will share in the success
 3. Inadequate, up-front market/customer research; walk in their shoes before incurring costs (70%-80% of product cost is locked-in at design)
 4. Lack of honest, personal goal setting by founder(s) and investor(s), and not sharing success; read Founder's Dilemma...HBR
 5. Inadequate cash management (not just spending, but also taking in investments)" (November 2012)

Product Development:

- Marketing & product design: know your market's top ~15 needs; then document the "no worse than", "target", & "delight" levels of performance for each; add the competition, consider your resources, then set your deliverables w/ 1-3 delights – good luck! (Mosaichub, December 2012)

- Entrepreneurs, engineers, & marketing pros, if you are delivering a breakthrough innovation, something that is likely to change the way things are used, standards, etc., then you should be very clear as to how, why, & when customers will make the leap (Mosaichub, January 2013)

Suppliers:

- Entrepreneurs: along w/ drawings, I give suppliers cost, quality, & delivery targets (CQDs). Start with YOUR system profile, BOM, & cost targets. Then drill down & work w/ the best. Be calibrated, include credible stretch, & celebrate success. Best luck! (Mosaichub, Dec 2012)

Value Proposition:

- Validate your #venture w/ customer interviews; keep simple & learn; measure interest w/ 1-5 score; practice, revise, then do ≥ 30 ; good luck! (Twitter, November 2012)
- Entrepreneurs and innovators: every need and want we have has been here from the beginning of time – long ago, to get from point A to B, we would walk, today we can ALSO take a plane...the need is getting from A to B; our mission is to understand these needs, know the competitive landscape, and apply new technologies to deliver better solutions. (Mosaichub, Mar 2013)

About Colorado Technology Ventures, LLC

Colorado Technology Ventures, LLC, is a growing, Colorado operating and investment company, founded in 2009 by Eben Johnson, chartered to commercialize new, product-related technologies, and to help entrepreneurs, early-stage ventures, and investors launch, build, and grow successful companies. Please feel free to contact the company via any of the means shown below.

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