



Entrepreneurs see change as the norm and as healthy. Usually they do not bring about change themselves. But- and this defines entrepreneur and entrepreneurship-the entrepreneur always searches for change, responds to it and exploits it as an opportunity.

Peter Drucker

Creating Successful Entrepreneurs IEEE Entrepreneurs Network September 8th

Derby Management, LLC 399 Boylston Street Boston, MA 02116 www.derbymanagement.com

Jack Derby jack@derbymanagement.com 617-504-4222

George Simmons george@derbymanagement.com (508) 789-7246

Jack Derby



- 17 year successful track record of coaching over 400 companies.
- 19 year successful track record in medical devices as Executive Vice President of Becton Dickinson Medical Systems, CEO of Datamedix Corporation and President of Litton Medical Systems.
- 3 years as President of CB Sports
- Co-founded 9 companies; Current director of 7
- Raised over \$645 million in venture and private equity
- Ex General Partner, Kestrel Ventures
- Director: AMS, Beacon, Brainshark, Hybricon, Rome, Ntirety, Alliance
- Activities...
 - Chairman, Association of Corporate Growth
 - Director Emeritus, Associated Industries of Massachusetts
 - Ex Chair, MIT Enterprise Forum- *Distinguished Service Award*
 - Ex Vice Chair, SBANE- *Pro Bono Publico Award*
 - Member & Director of Common Angels
 - Lecturer, MIT, Business Planning; Sales & Marketing
 - Lecturer, Green Mountain College, Entrepreneurship
 - Professor, Tufts, Entrepreneurship-Sales & Marketing



A Business Planning Architecture



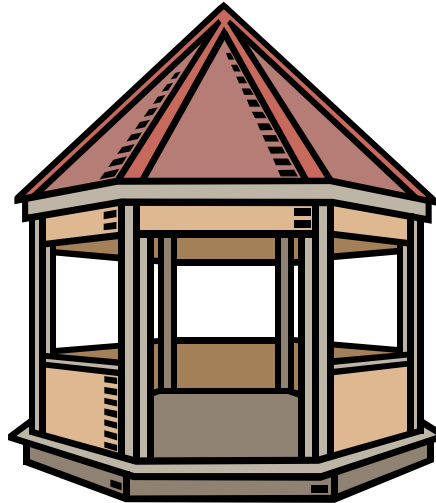
The Importance of Business & Sales Plans...

The general who wins a battle makes many calculations in his temple before the battle is fought. The general who loses a battle makes but few calculations beforehand. Thus do many calculations lead to victory, and few calculations to defeat; how many more do no calculations at all! It is by attention to this point that I can foresee who is likely to win or lose.

- General Sun Tzu
The Art of War

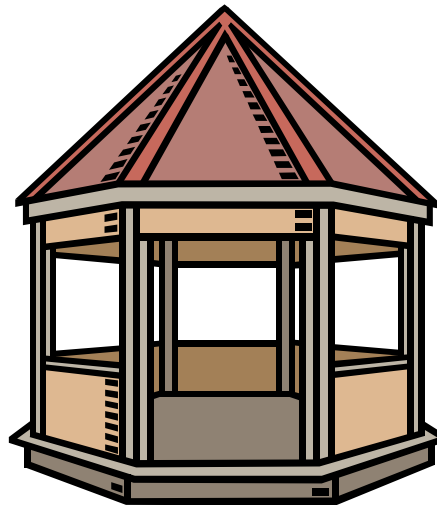
simple

A Business Planning Architecture



not so simple

A Business Planning Architecture





Planning Terms & Timelines

Vision: *Future State* in 24-36 plus months

Strategies: *Primary Directions* in 1-18 months

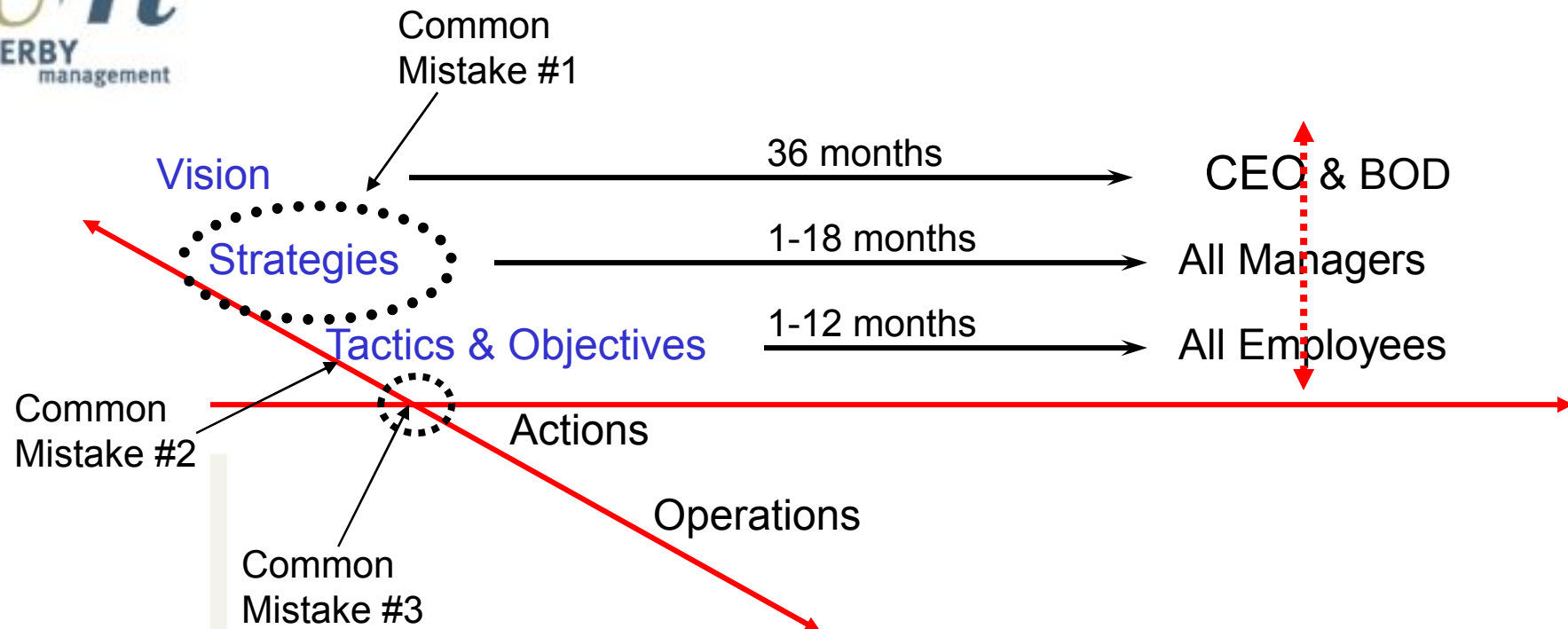
Tactics: *Operating Plans* in 1-6-12 months
Every Tactic has Objectives

Objectives: *Measurements* in 1-6-12 months.



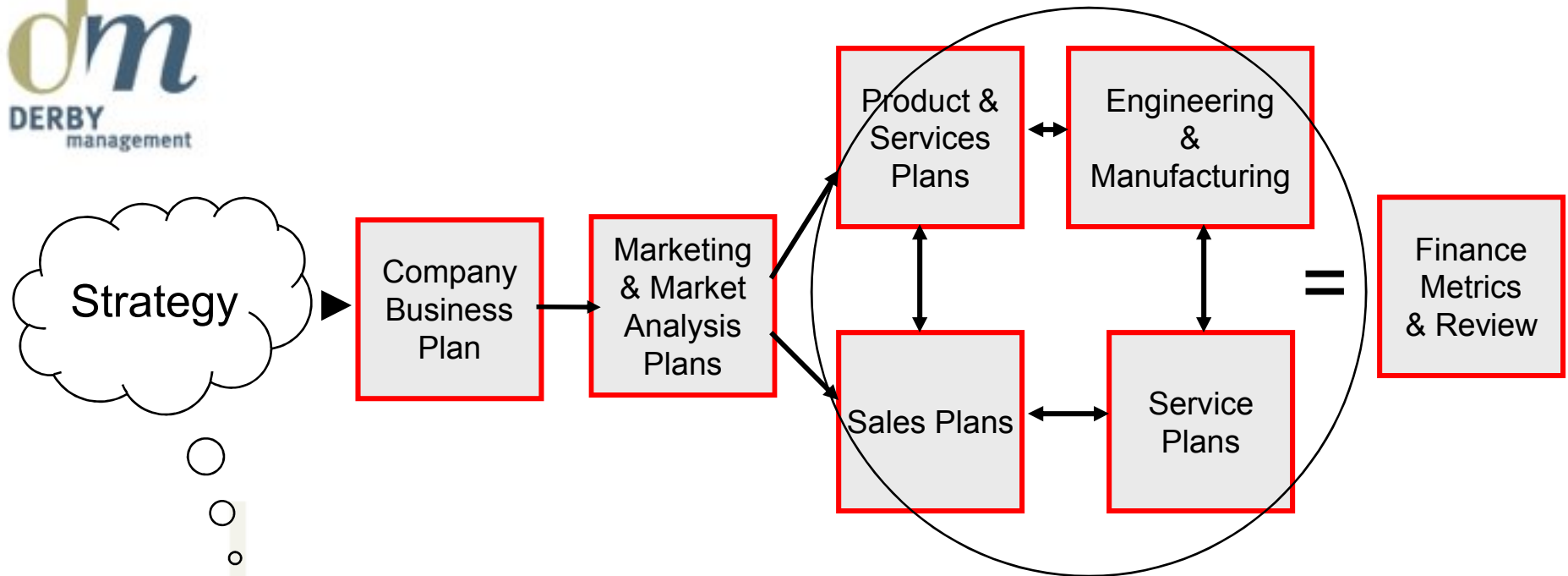
“Vision without action is hallucination”
jack derby

Business Planning Architecture



A Business Planning Architecture

(Everything needs to fit)



Management's Job is One Simple Thing:
Create Highly Scaleable Growth



Planning Architecture...

Common Business Planning Mistakes...

- Terminology is not understood and shifts back and forth
- A lack of process consistency
- A lack of timely follow up & review
 - Even understanding the most timelines will be late

The biggest mistake is always...

- A lack of consistency on the part of the CEO



What does this process look like?

Two components...

- Your own planning
- Your planning for your new business

Somewhat the same in concept...

But very different in impact and importance...

What does this process look like?

My own plan...



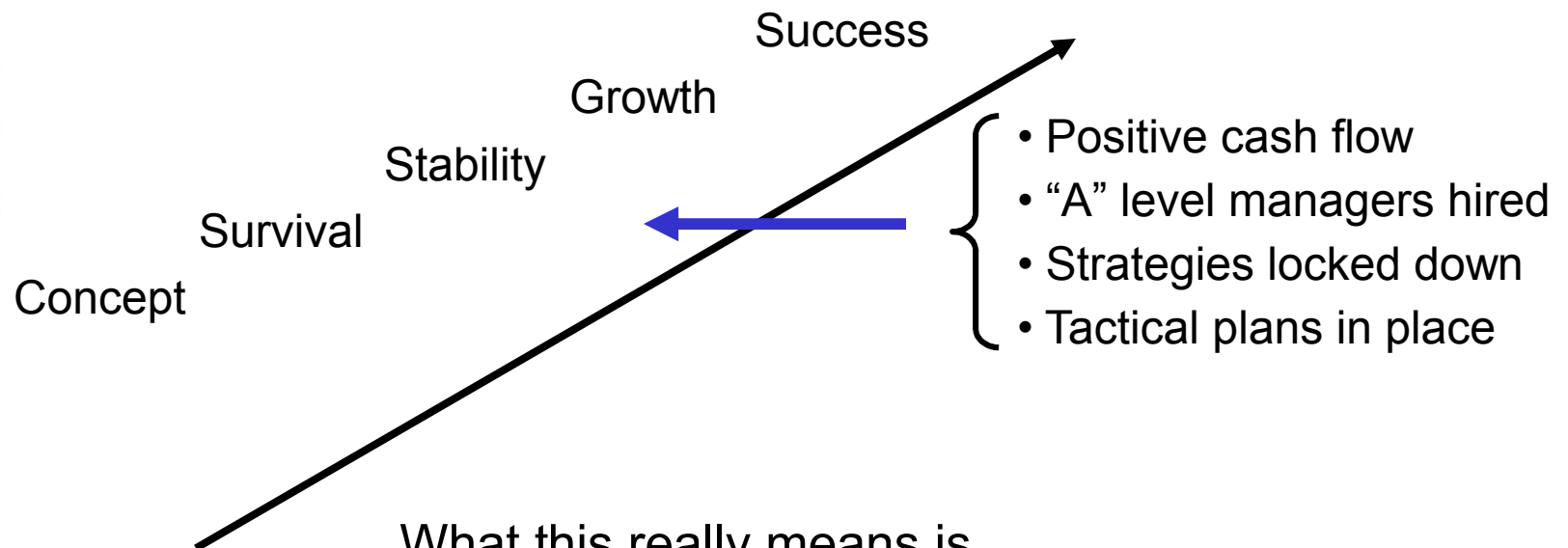
- **A Personal Business Plan**
- You owe it to yourself to develop one
 - It's written out once a year typically in January
 - It's typically just for you
 - It defines...
 - **Personal Success Measures**
 - Critical timelines: 5 years & 1 year.
 - **Critical Improvement Factors**
 - You review it every six months



The Five Stages of Growth



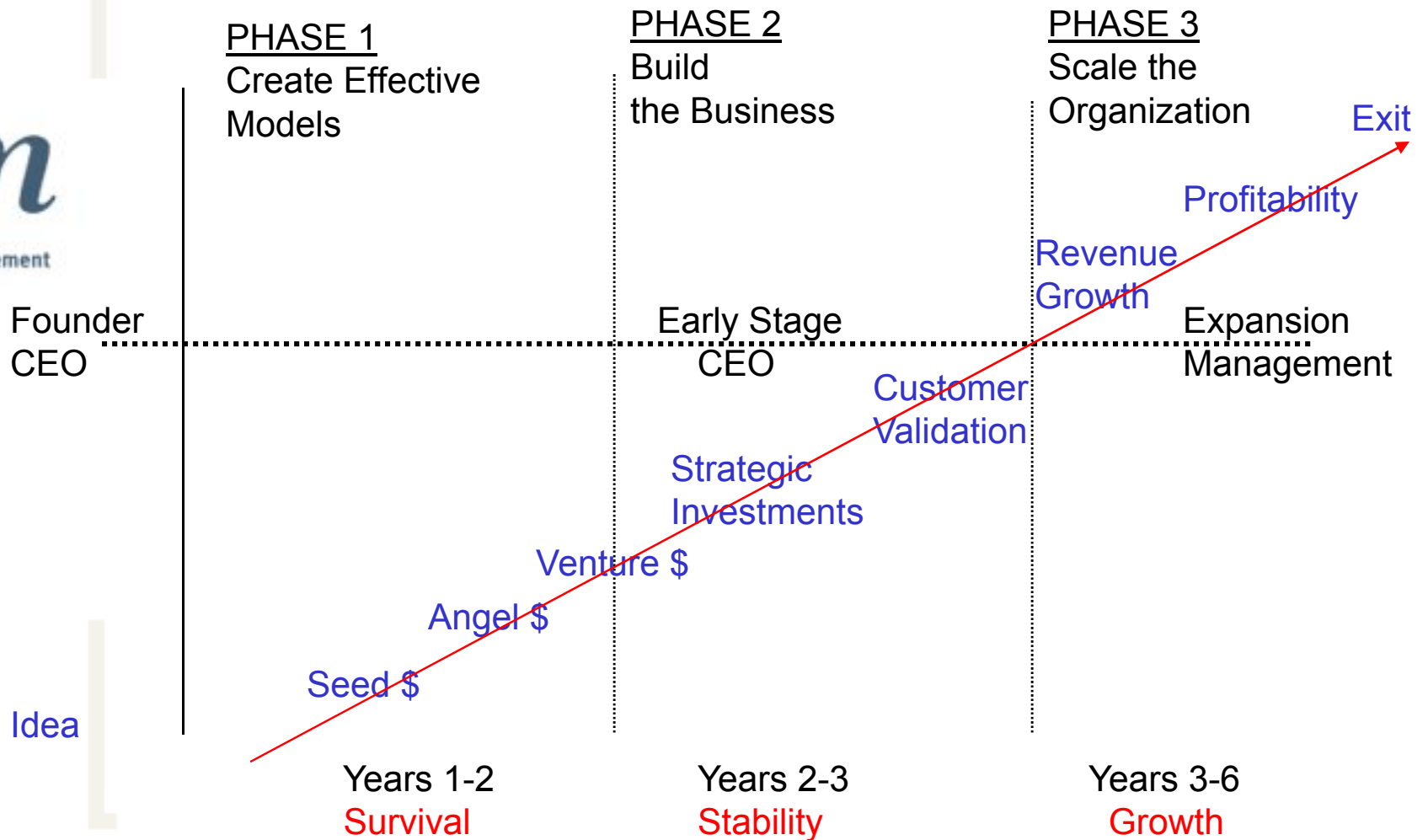
The Five Stages of Growth



What this really means is...

- There must be metrics at every stage
- Businesses must reach Stability at a minimum
- In order to succeed every business must grow

Early Stage Value Creation Cycle



Early Stage Value Creation Cycle



Founder
CEO

PHASE 1
Create Effective
Models

Early Market
Strategies & Initial
Tactics

Sales Channel
Decisions

PHASE 2
Build
the Business

Formal Marketing
Plan-Products,
Tactics, Leads

Early Stage
CEO & Team

Strategic
Investments

Formal Sales Plans-
Processes, Tactics, &
People

PHASE 3
Scale the
Organization

Revenue
Growth

Expansion
Management

Revised & Expanded
Marketing & Sales
Processes & Plans

Exit

Profitability

Customer
Validation

Venture \$

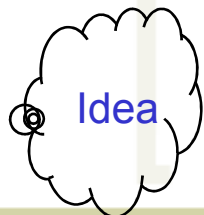
Angel \$

Seed \$

Years 1-2
Survival

Years 2-5
Stability

Years 5 to ?
Growth





The Art of Creating...

The Winning Business Plan