

CS 175: Execution and Operational issues

“Plan deliberately, Act urgently” anonymous

“It requires money, men of Athens, and without it nothing can be accomplished” Demosthenes 340 BC

Bootstrapping: surviving on a limited or no resources

1. Money issues:

Understanding and planning expenses

Minding the cash flow:

Doing realistic forecasts:

a. Building financial model bottom up

b. Having a realist in the team (enthusiasm and vision meets reality and experience)

1) when can you ship, 2) what are the costs, 3) Pipeline and revenue estimates

4) how you compare with competition, 5) evaluate your team and yourself

2. Making the first sales:

The infinite distance between zero and one in terms of sales.

Balancing time to market (and revenue) versus quality of product

Going direct vs through a partner

3. Bootstrapping ideas:

Leveraging consulting services: cash, connections and understanding the problem

4. Finding the expertise you need:

Engaging hiring the right people

Board of Advisors (contrast to Board of Directors)

Outsourcing non-critical staff (beware of caveats)

5. Executing:

1) Set, prioritize and communicate goals, 2) Assess progress of business

3) Have clear accountability 4) Manage employees (monitor, reward, lay off),

5) Establish a culture of execution (plan, complete tasks, follow process, be systematic)

6. Being effective practical tips:

1) Have an **Annual Operation Plan** and use it

2) Keep written logs of meetings (paper -> legal proof)

3) Have focused meetings with the right people

4) Creating a personal weekly plan

5) Use a **task buddy**: passive “auditor” of your weekly plan

7. **Annual Operating Plan**: plan to execute on the company strategy

Ideally: a 1-2 day event

Bring all key people together (valuable in its own right)

Key elements:

1) status, 2) what worked well, 3) what did not,

4) actions and milestones for the next year (specific and measurable)

The key dimensions of the company:

1) Biz development, 2) product development, 3) financials, 4) legal and IP,

5) structural (internal communication, management, hiring, operations)

Nice short reading: 15 classic mistakes: <http://paulgraham.com/startupmistakes.html>