

Quote by Paul Graham:

"if feeling like you will succeed will make you work harder, you probably will succeed. But if feeling like you will fail makes you stop working, that practically guarantees that you will fail."

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Rules of Businesses:

1. Ingenuity
2. Don't be cheap be efficient with spending
3. Smile
4. Focused
5. Committed
6. Optimistic
7. Always prepare a business plan
8. Gather yourself with smart people and especially people who are smarter than you
9. In any settings especially a tech setting have a clear and focused Specification Document.  
As  
the name implies the spec docs will serve as the road map for the project. It should indicate the requirements (e.g. what language will u develop the app in and what are the possibilities), the current situation at hand, the tools in place and in need and most of all the time line for the project.
10. Long term partnerships
11. Global Reach networks, Handango, Online markets!!!
12. Failure is part of the process:
  - There will be pain
  - "Thank you for what you have taught me"
  - Easy to say hard to do.
13. Have a high tolerance for feeling like a moron
  - Can you handle permanently residing outside your comfort zone?
14. Accept you are occupying an extreme niche
  - You are a loser until you're a hero:- you will spend much of your professional career as a huge loser.
15. Be stubborn/Be Flexible:
  - Stubborn: You will be told you are inexperienced, late, clueless, etc.
  - You will have dark days and nights.
  - If it was easy, everyone would do it.
  - Flexible: "No battle plan survives contact with the enemy"
  - Both Stubbornness and flexibility require courage.
16. Optimize your context:
  - People
  - Locale
  - Culture
  - Ideas
17. Streamline and structure your processes:
  - A proper traceable format should be in place for all projects
  - spec sheets
  - customer relations
  - QA

- Development

18. The Management team; the Eddie Singh and Prabhir Mohanty Effect;  
People are everything, may they be the geeky developers or the well dressed Biz Dev Hunchos.

The critical element to the success of any business is getting the right people. People that build legitimacy and contacts for the company. People who provide technical and business knowledge.

19. Define Peoples roles

20. Define what technologically - in terms of transportation and communication - can be traded internationally or not

21. Economists divide all international goods into two bins: tradable and non-tradable.

22. "To live an extraordinary life, you have to lose the fear of being wrong"

23. The future will be services that can be delivered electronically and those that cannot.

24. Note down any and every activity; responsibility is critical; tracking is very important; if a certain action, not part of the norm is taken, it has to be accounted for and explained;

eg. creating user accounts on smobile backend for customers who have paid but the system wasnt able to create an account for them, it was not noted why these customers were given an account and that they had paid. This caused a problem while auditing since there were accounts but no money was able to be traced back to them!!!

eg. #2; avanquest changes pricing on products, why??

25. Protect your brand: Brand identity protection is very very important, the price and the placement is very important. Think about it deeply before you venture out and sell the product. Case in point, does it help or hurt SMobile's image by entering the Mexico market? Does it help or hurt SMobile's image by being placed in Walmart? Then again its Sept'06 and Smobile is desperate for revenues.

26. EACH PERSON INVOLVED IN THE PROJECT SHOULD, I REPEAT, SHOULD FEEL THEY ARE GROWING!!! GROWTH IN TERMS OF FINANCIAL, RESPONSIBILITY AND AUTHORITY. GROWTH IN THE FIRM ENTAILS BRINGING THE RIGHT AMOUNT OF PEOPLE AT THE RIGHT TIME.

NEVER FORGET: DONT TAKE BUSINESS YOU CANNOT FULFILL (SMOBILE!!!)

27. Before setting up any process, buying new servers, buying an IP, new laptops and etc. dissect it and weed through the possible problems:

- example:

- SMobile T1 connection was under Profitline's account, had problems transferring the account

- Even after the account was transferred, the IP was under the FB-4 account, controlled by Profitline. They went ahead and turned it off.

Problem, we cant get the same IP back once its cancelled, why is that a problem M1 client is hardcoded with that IP. Will have to build new clients and send them to M1 and ask them to tell all their users to update their clients.

28. Use the Google method. When a new idea is brought to the table, dissect it, all the pros and cons about the functionality and its business case.

29. Building trust and confidence. Most business and contracts are done on confidence. The key to a sale is building trust and confidence that doesn't exist.

30. Reading the conversation. Understanding where the conversation is going. Is the other person being offensive or defensive. Adding reasoning to the pitch - make logical reasoning to the discussion in order to achieve the goal.

31. Keep costs low

32. Make the product for the customer - make sure the customer can access the product

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### **Three things you need if you want more customers**

If you want to grow, you need new customers. And if you want new customers, you need three things:

1. A group of possible customers you can identify and reach.
2. A group with a problem they want to solve using your solution.
3. A group with the desire and ability to spend money to solve that problem.

You'd be amazed at how often new businesses or new ventures have none of these. The first one is critical, because if you don't have permission, or knowledge, or word of mouth, you're invisible.

The Zune didn't have #2.

A service aimed at creating videos for bestselling authors doesn't have #1.

And a counseling service helping people cut back on Big Mac consumption doesn't have #3.

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Hemant Taneja and Michael Skok

17. Customer Centric
18. Customer Centric
19. Technical Developed/Advanced team
20. Passion
21. Innovation
22. Drive
23. BUSINESS MODEL
24. Innovation
25. Customer Centric
26. Knowing the void and knowing how to fill it up
27. ROAD MAP
28. Innovation
29. Customer Centric
30. HAVE FUN

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Tech project issues:

1. testing, testing and more testing
2. clear and detailed spec sheets
3. Ample development time
4. Convey to customer that every change to the specs will delay the project
5. Long term partnership issues: how will it effect me and how will it add value for the future
6. Make regional competition commitments, not to sell in my territory
7. Setup test servers for development and production servers for sale purposes.
8. If the application has to juggle between 2 servers, the server development needs to be perfect.
9. (M1 and US)
  - Have a means of tracking where and when a break in the system occurs
  - Create logs to track connections between both systems

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## 10 Lessons from Frank:

1. Pay Attention
2. Take a chance
3. Do ordinary things extraordinarily well
4. "You" make the difference = > not the company, not the brand, not the process, not the product
5. Personalize your service and understand the big picture
6. Make sure your customer understands their choices
7. Take ownership
8. Under promise and over deliver
9. Have humility
10. Provide thrilling service => customer loyalty => fiscal reward!

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Questions to be answered before starting your business

Please list your company's name, url (if any) and phone number (preferably cell).

What is your company going to make?

For each founder, please list: name; age; year, school, degree, and subject for each degree; email address; personal url (if any); and present employer and title (if any). Put unfinished degrees in parens. List the main contact first. Put an asterisk before the name of anyone \*not\* able to move to our location for the duration of the program.

Please tell us in one or two sentences something about each founder that shows a high level of ability.

What's new about what you're doing?

What do you understand about your business that other companies in it just don't get?

How will you make money?

Who are your competitors, and who might become competitors? Who do you fear most?

For founders who are hackers: what cool things have you built? (Include urls if possible.)

How long have the founders known one another and how did you meet?

If your project is software, what tools will you use?

If you've already started working on it, how long have you been working and how many lines of code (if applicable) have you written?

If you have an online demo, what's the url?

How long will it take before you have a prototype? A beta? A version you can charge for?

Which companies are most likely to buy you?

If one wanted to buy you three months in (March 2006), what's the lowest offer you'd take?

Why would your project be hard for someone else to duplicate?

Do you have any ideas you consider patentable?

What might go wrong? (This is a test of imagination, not confidence.)

If you're already incorporated, when were you? Who are the shareholders and what percent does each own? If you've had funding, how much, at what valuation(s)?

If you're not incorporated yet, please list the percent of the company you plan to give each founder, and anyone else you plan to give stock to. (This question is more for you than us.)

If you'll have any major expenses beyond the living costs of your founders, Internet access, and servers, what will they be?

If by March 2006 your startup seems to have a good chance of making you rich, which of the founders would commit to working on it full-time for the next several years?

Do any founders have other commitments between January and March 2006 inclusive?

Do any founders have commitments in the future (e.g. have been

accepted to grad school), and if so what?

Are any of the founders covered by noncompetes or intellectual property agreements that overlap with your project? Will any be working as employees or consultants for anyone else?

Was any of your code written by someone who is not one of your founders? If so, how can you safely use it? (Open source is ok of course.)

Please tell us something surprising or amusing that one of you has discovered. (The answer need not be related to your project.)

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More important questions to ask before you start a business:

1. do a feasibility study of how much will it cost you to run operations for a year!! Be as conservative as possible
2. what are ur alternatives; u should have a plan B, plan C and etc.
3. have the talk with ur co-founders about expectations
4. shares should be divided up based on who is putting in what and taking what kind of risk
5. DO MARKET RESEARCH!!! IS THERE A MARKET FOR UR PRODUCT
6. You need to know ur customer, if u dont then hire someone who does!!! Knowing the local market is beyond essential
7. Have a source of customers!!!

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Financing Steps:

1. Seed:
  - Strategy and Market Research
  - Build business plan
2. First Round:
  - Build initial product
  - Build initial team
3. Second round:
  - Bring product to market
  - Initial customer deployment
  - Complete team
4. Third round:
  - Expand sales and marketing
  - Significant risk taken out of Business
5. Fourth round:
  - Working capital needed for liquidity event

## Types of Investment/Equity:

### 1. Common stock:

- Founders
- Employees

### 2. Preferred Stock:

- Investors
- Preference over common:
- Broad representation
- liquidity
- participating preferred
- dividends
- redemption
- anti-dilution
- weighted-average

### 3. Goal Get current Market Terms

### 4. CONVERTIBLE DEBT

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Hugh Macleod who draws cartoons on the backs of business cards, explains how to be creative:

So you want to be more creative, in art, in business, whatever. Here are some tips that have worked for me over the years:

1. Ignore everybody.
2. Creativity is its own reward.
3. Put the hours in.
4. If your biz plan depends on you suddenly being “discovered” by some big shot, your plan will probably fail.
5. You are responsible for your own experience.
6. Everyone is born creative; everyone is given a box of crayons in kindergarten.
7. Keep your day job.
8. Companies that squelch creativity can no longer compete with companies that champion creativity.
9. Everybody has their own private Mount Everest they were put on this earth to climb.
10. The more talented somebody is, the less they need the props.
11. Don't try to stand out from the crowd; avoid crowds altogether.
12. If you accept the pain, it cannot hurt you.
13. Never compare your inside with somebody else's outside.
14. Dying young is overrated.
15. The most important thing a creative person can learn professionally is where to draw the red line that separates what you are willing to do, and what you are not.
16. The world is changing.
17. Merit can be bought. Passion can't.
18. Avoid the Watercooler Gang.

19. Sing in your own voice.
20. The choice of media is irrelevant.
21. Selling out is harder than it looks.
22. Nobody cares. Do it for yourself.
23. Worrying about "Commercial vs. Artistic" is a complete waste of time.
24. Don't worry about finding inspiration. It comes eventually.
25. You have to find your own schtick.
26. Write from the heart.
27. The best way to get approval is not to need it.
28. Power is never given. Power is taken.
29. Whatever choice you make, The Devil gets his due eventually.
30. The hardest part of being creative is getting used to it.

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#### Investment Criteria

We concentrate our investment focus on opportunities that, in our view, demonstrate the following characteristics:

- \* Experienced management team
- \* Large and growing target markets
- \* Proprietary intellectual property / defensible market position
- \* Sustainable, scalable business model
- \* Viable exit opportunities within four to six years

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#### Resources:

<http://www.entreworld.org/Content/EntreByline.cfm?ColumnID=198>

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The first and easily the most common sin is the worship of high profit margins and of "premium pricing."

The prime example of what this leads to is the near-collapse of Xerox in the 1970s. Having invented the copier -- and few products in industrial history have had greater success faster -- Xerox soon began to add feature after feature to the machine, each priced to yield the maximum profit margin and each driving up the machine's price. Xerox profits soared and so did the stock price. But the vast majority of consumers who need only a simple machine became increasingly ready to buy from a competitor. And when Japan's Canon brought out such a machine it immediately took over the U.S.

market -- Xerox barely survived.

Closely related to this first sin is the second one: mispricing a new product by charging "what the market will bear."

This, too, creates risk-free opportunity for the competition. It is the wrong policy even if the product has patent protection. Given enough incentive, a potential competitor will find a way around the strongest patent.

The third deadly sin is cost-driven pricing.

The only thing that works is price-driven costing. Most American and practically all European companies arrive at their prices by adding up costs and then putting a profit margin on top. And then, as soon as they have introduced the product, they have to start cutting the price, have to redesign the product at enormous expense, have to take losses -- and, often, have to drop a perfectly good product because it is priced incorrectly. Their argument? "We have to recover our costs and make a profit."

This is true but irrelevant: Customers do not see it as their job to ensure manufacturers a profit.

The only sound way to price is to start out with what the market is willing to pay -- and thus, it must be assumed, what the competition will charge and design to that price specification.

Cost-driven pricing is the reason there is no American consumer-electronics industry anymore. It had the technology and the products. But it operated on cost-led pricing -- and the Japanese practiced price-led costing. Cost-led pricing also nearly destroyed the U.S. machine-tool industry and gave the Japanese, who again used price-led costing, their leadership in the world market. The U.S. industry's recent (and still quite modest) comeback is the result of the U.S. industry's finally having switched to price-led costing.

The fourth of the deadly business sins is slaughtering tomorrow's opportunity on the altar of yesterday.

It is what derailed IBM. IBM's downfall was paradoxically caused by unique success: IBM's catching up, almost overnight, when Apple brought out the first PC in the mid-1970s. This feat actually contradicts everything everybody now says about the company's "stodginess" and its "bureaucracy."

But then when IBM had gained leadership in the new PC market, it subordinated this new and growing business to the old cash cow, the mainframe computer.

Top management practically forbade the PC people to sell to potential mainframe customers. This did not help the mainframe business -- it never does. But it stunted the PC business. All it did was create sales for the IBM "clones" and thereby guarantee that IBM would not reap the fruits of its achievement.

This is actually the second time that IBM has committed this sin. Forty years ago, when IBM first had a computer, top management decreed that it must not be offered where it might interfere with the possible sale of punch cards, then the company's cash cow. Then, the company was saved by the Justice Department's bringing an antitrust suit against IBM's domination of the punch-card market, which forced management to abandon the cards -- and saved the fledgling computer. The second time providence did not come to IBM's rescue, however.

The last of the deadly sins is feeding problems and starving opportunities.

For many years I have been asking new clients to tell me who their best-performing people are. And then I ask: "What are they assigned to?" Almost without exception, the performers are assigned to problems -- to the old business that is sinking faster than had been forecast; to the old product that is being outflanked by a competitor's new offering; to the old technology -- e.g., analog switches, when the market has already switched to digital. Then I ask: "And who takes care of the opportunities?" Almost invariably, the opportunities are left to fend for themselves.

All one can get by "problem-solving" is damage-containment. Only opportunities produce results and growth. And opportunities are actually every bit as difficult and demanding as problems are. First draw up a list of the opportunities facing the business and make sure that each is adequately staffed (and adequately supported). Only then should you draw up a list of the problems and worry about staffing them.

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FB-4 Chronicles "management evolution":

1. Jan 05;  
Individuals working on different products on different platforms  
- me on sms guard for windows mobile  
- shan vg for s60 and etc

2. Combine work
  - Senne and me on VG plus
3. Matt P. head of development
4. Shantanu Lead product manager
5. Deepaks transition into R&D exclusively. Entails writing papers and developing new algorithm for the engine
6. Restructuring teams based on Products:
  - VG team
  - Firewall team
  - SMS Guard team
  - DeepScan team
  - Customization team
  - QA team
7. VCs!!!!!! Decemeber 05
8. VCs dropped and Prabhir brought on board Jan 06; Angel Investors (Bob Book and crew) add \$10 million into the company
9. Feb 06, major pay raises for almost everyone
10. March 06, Ceasar is struck, the Shantanu mutiny meeting
11. April 06, The Coup!!
 

Monday April 3rd 2006, Mike fires George in the morning at 7am. Announces to the team that its a matter of money, stock and people from NY

Wednesday April 5th 2006, Geo and Neil Book arrive, Mike sets up a meeting to clarify misunderstandings between Geo and himself. Neil Book, Geo and Mike assure the crew that the company is not going to be sold. Speculations rise, confusions consume, Myself am distured. Some speculations:

  - 1."Geo teams up with the Books and sets up SMobile for sale to Vodafone. By teaming up with the books and the other investors, Geo is able to buy out Mike's share and offer the company to Vodafone."
  2. "Geo gathers shares from investors and tries to buyout Mike's share. Replaces Mike as CEO and offers the company for sale to Vodafone."
  3. Mike's Words "If I cant rasie the money, then I will be forced to sell."

What ignited the whole event: On Friday the 31st of March, Paul transfers everyone's email from SMobile to Gmail and puts a common password. Mike checks Geo's emails and discovers the attempted coup.

Geo is losing ground, word is spreading that Mike has bought out Bob Book's share and now Neil and George are left. Geo tries to raise the sympathy vote from Marla, Scott and Lena, trying to bring them over to his side. And the bitching starts, more information becomes public, gossiping starts, Marla flip-flops and on Wednesday, April 5th, Geo is able to gain some interest and support. Employees are distracted, productivity hits a new low.

Monday April 10th 2006: Company Meeting; Mike announces to the rest of the organization that he had gone to General Catalyst and North Bridge. The VCs offered a deal for 10million in return for 50% of controlling interest and 25% of the stocks to be converted into an employee stock option pool. The remaining 25% is now under the control of the existing shareholders. Informs the team about a "Bed & Breakfast" deal, where the VC will make the offer to the rouge investors on thursday night and have till firday morning to accept or reject the offer.

Wednesday April 12th 3:30pm; Mike informs Paul that the deal has gone sour, the books turned down the offer. Paul takes a stand, prepares a letter stating that the following employees will not work for Geo or the books. Believing that if the case goes to court, the letter would indicate that the books investment is under threat and that they should accept the offer. (My personal take, the letter would prove nothing, it will assist Mike in no shape and form).

Thursday 13th April, Shan calls me at 8am "My reverse thinking solution came through, the VC deal is a lie, Mike is broke and in debt to the Books." Neil calls Shan and tells him that Mike has never had a successful company and that he is indebt to the books for the amount of \$300k. 9am, the word has spread in the office that Mike has informed Geo and the Books that he is shutting down the company on monday if they don't accept the offer. Geo and Niel start calling people individually to discuss with them his side of the story.

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Excerpts from : "The Great Intimidators" by Roderick M. Kramer;  
published in the HBReview  
Feb'06

But make no mistake—the great intimidators are not your typical bullies. If you're just a bully, it's all about humiliating others in an effort to make yourself feel good. Something very different is going on with the great intimidators. To be sure, they aren't above engaging in a little bullying to get their way. With them, however, the motivating factor isn't ego or gratuitous humiliation; it's vision. The great intimidators see a possible path through the thicket, and they're impatient to clear it. They chafe at impediments, even those that are human. They don't suffer from doubt or timidity. They've got a disdain for constraints imposed by others.

Beneath their tough exteriors and sharp edges, however, are some genuine, deep insights into human motivation and organizational behavior. Indeed, these leaders possess what I call political intelligence, a distinctive and powerful form of leader intelligence that's been largely ignored by management theorists and practitioners. In all our recent enchantment with social intelligence and soft power, we've overlooked the kinds of skills leaders need to bring about transformation in cases of tremendous resistance or inertia. It's precisely in such situations, I'd like to propose, that the political intelligence of the intimidating leader is called for.

Over the past decade, management theorists and practitioners alike have come to appreciate the roles that different forms of human intelligence play in effective leadership. Psychologist Howard Gardner—who first articulated the theory of multiple

intelligences—suggested, for example, that social intelligence is what makes some leaders so adept at getting others to follow them and at extracting maximum performance from subordinates. Gardner defined social intelligence in terms of leaders' interpersonal skills, such as empathy and the ability to influence others on the basis of that understanding.

There's no question that it's important for all leaders to have these skills. Indeed, social intelligence is the sort of competency leaders rely on every day to accomplish the routine work of an organization. However, it's not the only kind of intelligence they need. What's more, in some settings (a rigidly hierarchical organization, for example), other forms of intelligence may be more useful. That's when the application of political intelligence, the hallmark of great intimidators, can make the difference between paralysis and successful—if sometimes wrenching—organizational change.

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Excerpts from "Offshoring the next industrial revolution":

Countries trade with one another for the same reasons that individuals, businesses, and regions do: to exploit their comparative advantages.

But in modern economies, nature's whimsy is far less important than it was in the past. Today, much comparative advantage derives from human effort rather than natural conditions. The concentration of computer companies around Silicon Valley, for example, has nothing to do with bountiful natural deposits of silicon; it has to do with Xerox's fabled Palo Alto Research Center, the proximity of Stanford University, and the arrival of two young men named Hewlett and Packard. Silicon Valley could have sprouted up elsewhere.

One important aspect of this modern reality is that patterns of man-made comparative advantage can and do change over time. The economist Jagdish Bhagwati has labeled this phenomenon "kaleidoscopic comparative advantage," and it is critical to understanding offshoring. Once upon a time, the United Kingdom had a comparative advantage in textile manufacturing. Then that advantage shifted to New England, and so jobs were moved from the United Kingdom to the United States. Then the comparative advantage shifted once again—this time to the Carolinas—and jobs migrated south within the United States. Now the comparative advantage in textile manufacturing resides in China and other low-wage countries, and what many are wont to call "American jobs" have been moved there as a result.

The old assumption that if you cannot put it in a box, you cannot trade it is thus hopelessly obsolete. Because packets of digitized information play the role that boxes used to play, many more services are now tradable and many more will surely become so. In the future, and to a great extent already, the key distinction will no longer be between things that can be put in a box and things that cannot. Rather, it will be between services that can be delivered electronically and those that cannot.

But the problem with relying on education as the remedy

for potential job losses is that “other things” are not remotely close to equal. The critical divide in the future may instead be between those types of work that are easily deliverable through a wire (or via wireless connections) with little or no diminution in quality and those that are not. And this unconventional divide does not correspond well to traditional distinctions between jobs that require high levels of education and jobs that do not.

A few disparate examples will illustrate just how complex—or, rather, how untraditional—the new divide is. It is unlikely that the services of either taxi drivers or airline pilots will ever be delivered electronically over long distances. The first is a “bad job” with negligible educational requirements; the second is quite the reverse. On the other hand, typing services (a low-skill job) and security analysis (a high-skill job) are already being delivered electronically from India—albeit on a small scale so far.

In short, the dividing line between the jobs that produce services that are suitable for electronic delivery (and are thus threatened by offshoring) and those that do not does not correspond to traditional distinctions between high-end and low-end work.

There is currently not even a vocabulary, much less any systematic data, to help society come to grips with the coming labor-market reality. So here is some suggested nomenclature. Services that cannot be delivered electronically, or that are notably inferior when so delivered, have one essential characteristic: personal, face-to-face contact is either imperative or highly desirable. Think of the waiter who serves you dinner, the doctor who gives you your annual physical, or the cop on the beat. Now think of any of those tasks being performed by robots controlled from India—not quite the same. But such face-to-face human contact is not necessary in the relationship you have with the telephone operator who arranges your conference call or the clerk who takes your airline reservation over the phone. He or she may be in India already.

The first group of tasks can be called personally delivered services, or simply personal services, and the second group impersonally delivered services, or impersonal services. In the brave new world of globalized electronic commerce, impersonal services have more in common with manufactured goods that can be put in boxes than they do with personal services. Thus, many impersonal services are destined to become tradable and therefore vulnerable to offshoring. By contrast, most personal services have attributes that cannot be transmitted through a wire. Some require face-to-face contact (child care), some are inherently “high-touch” (nursing), some involve high levels of personal trust (psychotherapy), and some depend on location-specific attributes (lobbying).

The health sector is currently about five times as large as the educational sector, and the vast majority of services in the health sector seem destined to be delivered in person for a very long time (if not

forever). But there are exceptions, such as radiology. More generally, laboratory tests are already outsourced by most physicians. Why not out of the country rather than just out of town? And with a little imagination, one can envision other medical procedures being performed by doctors who are thousands of miles away. Indeed, some surgery has already been performed by robots controlled by doctors via fiber-optic links.

Financial services, a sector that includes many highly paid jobs, is another area where the future may look very different from the present. Today, the United States “onshores” more financial jobs (by selling financial services to foreigners) than it offshores. Perhaps that will remain true for years. But improvements in telecommunications and rising educational levels in countries such as China and, especially, India (where many people speak English) may change the status quo dramatically.

The overall picture defies generalization, but a rough estimate, based on the preceding numbers, is that the total number of current U.S. service-sector jobs that will be susceptible to offshoring in the electronic future is two to three times the total number of current manufacturing jobs (which is about 14 million). That said, large swaths of the U.S. labor market look to be immune. But, of course, no one knows exactly what technological changes the future will bring.

a disease without a cure

One additional piece of economic analysis will complete the story, and in a somewhat worrisome way. Economists refer to the “cost disease” of the personal services as Baumol’s disease, after the economist who discovered it, William Baumol. The problem stems from the fact that in many personal services, productivity improvements are either impossible or highly undesirable. In the “impossible” category, think of how many musician hours it took to play one of Mozart’s string quartets in 1790 versus in 1990, or how many bus drivers it takes to get children to school today versus a generation ago. In the “undesirable” category, think of school teachers. Their productivity can be increased rather easily: by raising class size, which squeezes more student output from the same teacher input. But most people view such “productivity improvements” as deteriorations in educational quality, a view that is well supported by research findings.

With little room for genuine productivity improvements, and with the general level of real wages rising all the time, personal services are condemned to grow ever more expensive (relative to other items) over time. That is the essence of Baumol’s disease.

No such problem besets manufacturing. Over the years, automakers, to take one example, have drastically reduced the number of labor hours it takes to build a car—a gain in productivity that has not come at the expense of quality. Here once again, impersonal services are more like manufactured goods than personal services. Thanks to stunning advances in telecommunications technology, for example,

your telephone company now handles vastly more calls with many fewer human operators than it needed a generation ago. And the quality of telephony has improved, not declined, as its relative price has plummeted.

The prediction of Baumol's disease—that the prices of personal services (such as education and entertainment) will rise relative to the prices of manufactured goods and impersonal services (such as cars and telephone calls)—is borne out by history. For example, the theory goes a long way toward explaining why the prices of health care and college tuition have risen faster than the consumer price index for decades.

Baumol's disease connects to the offshoring problem in a rather disconcerting way. Changing trade patterns will keep most personal-service jobs at home while many jobs producing goods and impersonal services migrate to the developing world. When you add to that the likelihood that the demand for many of the increasingly costly personal services is destined to shrink relative to the demand for ever-cheaper impersonal services and manufactured goods, rich countries are likely to have some major readjustments to make. One of the adjustments will involve reallocating labor from one industry to another. But another will show up in real wages.

As more and more rich-country workers seek employment in personal services, real wages for those jobs are likely to decline, unless the offset from rising demand is strong enough. Thus, the wage prognosis is brighter for luxury personal-service jobs (such as plastic surgery and chauffeur-ing) than for ordinary personal-service jobs (such as cutting hair and teaching elementary school).

In the first place, rich countries such as the United States will have to reorganize the nature of work to exploit their big advantage in nontradable services: that they are close to where the money is. That will mean, in part, specializing more in the delivery of services where personal presence is either imperative or highly beneficial. Thus, the U.S. work force of the future will likely have more divorce lawyers and fewer attorneys who write routine contracts, more internists and fewer radiologists, more salespeople and fewer typists. The market system is very good at making adjustments like these, even massive ones. It has done so before and will do so again. But it takes time and can move in unpredictable ways. Furthermore, massive transformations in the nature of work tend to bring wrenching social changes in their wake.

In the second place, the United States and other rich nations will have to transform their educational systems so as to prepare workers for the jobs that will actually exist in their societies. Basically, that requires training more workers for personal services and fewer for many impersonal services and manufacturing. But what does that mean, concretely, for how children should be educated? Simply providing more education is probably a good thing on balance, especially if a more educated labor force is a more flexible labor force, one that can cope more readily with nonroutine tasks and occupational change. However,

education is far from a panacea, and the examples given earlier show that the rich countries will retain many jobs that require little education. In the future, how children are educated may prove to be more important than how much. But educational specialists have not even begun to think about this problem. They should start right now.

Contrary to what many have come to believe in recent years, people skills may become more valuable than computer skills. The geeks may not inherit the earth after all—at least not the highly paid geeks in the rich countries. Creativity will be prized. Thomas Friedman has rightly emphasized that it is necessary to steer youth away from tasks that are routine or prone to routinization into work that requires real imagination. Unfortunately, creativity and imagination are notoriously difficult to teach in schools. Although, in this respect, the United States does seem to have a leg up on countries such as Germany and Japan. Moreover, it is hard to imagine that truly creative positions will ever constitute anything close to the majority of jobs. What will everyone else do?

One other important step for rich countries is to rethink the currently inadequate programs for trade adjustment assistance. Up to now, the performance of trade adjustment assistance has been disappointing. As more and more Americans—and Britons, and Germans, and Japanese—are faced with the necessity of adjusting to the dislocations caused by offshoring, these programs must become both bigger and better.

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Preparing the BPlan for SocialCell:

- Presentation

Sell the Benefit

Steve Jobs does not sell bits of metal; he sells an experience.

Instead of focusing on mind-numbing statistics, as most technologists tend to do, Jobs sells the benefit. For example, when introducing a 30 GB iPod, he clearly explains what it means to the consumer -- users can carry 7,500 songs, 25,000 photos, or up to 75 hours of video. In January when Jobs introduced the first Intel (INTC)-based Mac notebook he began by saying, "What does this mean?"

He went on to explain the notebook had two processors, making the new product four to five times faster than the Powerbook G4, a "screamer" as he called it. He said it was Apple's thinnest notebook and comes packed with "amazing" new features like a brighter wide-screen display and a built-in camera for video conferencing. It's not about the technology, but what the technology can do for you.

Practice, Practice, and Practice Some More

Jobs takes nothing for granted during product launches. He reviews and rehearses his material. According to a Business Week article on February 6, 2006, "Jobs unveils Apple's latest products as if he were a particularly hip and plugged-in friend showing off inventions in

your living room. Truth is, the sense of informality comes only after grueling hours of practice." The article goes on to say that it's not unusual for Jobs to prepare for four hours as he reviews every slide and demonstration

### Keep It Visual

Speaking of slides, there are very few bullet points in a Jobs presentation. Each slide is highly visual. If he's discussing the new chip inside a computer, a slide in the background will show a colorful image of the chip itself alongside the product. That's it. Simple and visual.

Apple's presentations are not created on PowerPoint, as the vast majority of presentations are. But PowerPoint slides can be made visual as well. It's a matter of thinking about the content visually instead of falling into the habit of creating slide after slide with headlines and bullet points. I once worked with the vice-president of a public company who planned to show more than 80 data-heavy slides in a 40-minute presentation. Imagine how quickly his audience would have tuned out.

After I showed him just how visual his message could be, he went back to the drawing board, dismantled his existing presentation, and reduced it to about 10 image-rich slides. The next day a newspaper reporter wrote that my client had "wowed" analysts and investors. The stock rose 17% in the days that followed. Take a cue from Jobs and help your listeners visualize the message.

### Exude Passion, Energy, and Enthusiasm

Jobs has an infectious enthusiasm. When launching the video iPod, Jobs said, "It's the best music player we've made," "It has a gorgeous screen," "The color is fantastic," and "The video quality is amazing."

The first time I watch my clients present, I often have to stop them to ask if they are sincerely passionate about their message. They usually assure me they are, but they tend to lose energy and enthusiasm when they fall into "presentation mode." Jobs carries his enthusiasm into his presentations.

There is no better example of Jobs' passion than the famous story of how he convinced John Sculley to lead Apple in the mid '80s by asking him, "Do you want to sell sugared water all your life or do you want to change the world?" The former Pepsi executive chose the latter and, although the pairing ultimately failed to work out, it reflects Jobs' sense of mission -- a mission that he conveyed consistently in the early years of Apple and continues to today.

### "And One More Thing..."

At the end of each presentation Jobs adds to the drama by saying, "and one more thing." He then adds a new product, new feature, or sometimes introduces a band. He approaches each presentation as an event, a production with a strong opening, product demonstrations in the middle, a strong conclusion, and an encore -- that "one more thing!"

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Steve Jobs presentation:

**1. Set the theme.** "There is something in the air today." With those words, Jobs opened Macworld. By doing so, he set the theme for [his presentation](#) (BusinessWeek.com, 1/15/08) and hinted at the key product announcement—the ultrathin MacBook Air laptop. Every presentation needs a theme, but you don't have to deliver it at the start. Last year, Jobs delivered the theme about 20 minutes into his presentation: "Today Apple reinvents the phone." Once you identify your theme, make sure you deliver it several times throughout your presentation.

**2. Demonstrate enthusiasm.** Jobs shows his passion for computer design. During his presentation he used words like "extraordinary," "amazing," and "cool." When demonstrating a new location feature for the iPhone, Jobs said, "It works pretty doggone well." Most speakers have room to add some flair to their presentations. Remember, your audience wants to be wowed, not put to sleep. Next time you're crafting or delivering a presentation, think about injecting your own personality into it. If you think a particular feature of your product is "awesome," say it. Most speakers get into presentation mode and feel as though they have to strip the talk of any fun. If you are not enthusiastic about your own products or services, how do you expect your audience to be?

**3. Provide an outline.** Jobs outlined the presentation by saying, "There are four things I want to talk about today. So let's get started..." Jobs followed his outline by verbally opening and closing each of the four sections and making clear transitions in between. For example, after revealing several new iPhone features, he said, "The iPhone is not standing still. We keep making it better and better and better. That was the second thing I wanted to talk about today. No. 3 is about iTunes." Make lists and provide your audience with guideposts along the way.

**4. Make numbers meaningful.** When Jobs announced that Apple had sold 4 million iPhones to date, he didn't simply leave the number out of context. Instead, he put it in perspective by adding, "That's 20,000 iPhones every day, on average." Jobs went on to say, "What does that mean to the overall market?" Jobs detailed the breakdown of the U.S smartphone market and Apple's share of it to demonstrate just how impressive the number actually is. Jobs also pointed out that Apple's market share equals the share of its top three competitors combined. Numbers don't mean much unless they are placed in context. Connect the dots for your listeners.

**5. Try for an unforgettable moment.** This is the moment in your presentation that everyone will be talking about. Every Steve Jobs presentation builds up to one big scene. In this year's Macworld keynote, it was the announcement of MacBook Air. To demonstrate just how thin it is, Jobs said it would fit in an envelope.

Jobs drew cheers by opening a manila interoffice envelope and holding the laptop for everyone to see. What is the one memorable moment of your presentation? Identify it ahead of time and build up to it.

**6. Create visual slides.** While most speakers fill their slides with data, text, and charts, Jobs does the opposite. There is very little text on a Steve Jobs slide. Most of the slides simply show one image. For example, his phrase "The first thing I want to talk to you about today..." was accompanied by a slide with the numeral 1. That's it. Just the number. When Jobs discussed a specific product like the iPhone, the audience saw a slide with an image of the product. When text was introduced, it was often revealed as short sentences (three or four words) to the right of the image. Sometimes, there were no images at all on the slide but a sentence that Jobs had delivered such as "There is something in the air." There is a trend in public speaking to paint a picture for audiences by creating more visual graphics. Inspiring presenters are short on bullet points and big on graphics.

**7. Give 'em a show.** A Jobs presentation has ebbs and flows, themes and transitions. Since he's giving his audience a show instead of simply delivering information, Jobs includes video clips, demonstrations, and guests he shares the stage with. In his latest keynote, the

audience heard from Jim Gianopulos, CEO and chairman of [Fox Filmed Entertainment](#), and [Paul Otellini](#), CEO of Intel ([INTC](#)). Enhance your presentations by incorporating multimedia, product demonstrations, or giving others the chance to say a few words.

**8. Don't sweat the small stuff.** Despite your best preparation, something might go wrong as it did during the keynote. Jobs was about to show some photographs from a live Web site, and the screen went black while Jobs waited for the image to appear. It never did. Jobs smiled and said, "Well, I guess Flickr isn't serving up the photos today." He then recapped the new features he had just introduced. That's it. It was no big deal. I have seen presenters get flustered over minor glitches. Don't sweat minor mishaps. Have fun. Few will remember a glitch unless you call attention to it.

**9. Sell the benefit.** While most presenters promote product features, Jobs sells benefits. When introducing iTunes movie rentals, Jobs said, "We think there is a better way to deliver movie content to our customers." Jobs explained the benefit by saying, "We've never offered a rental model in music because people want to own their music. You listen to your favorite song thousands of times in your life. But most of us watch movies once, maybe a few times. And renting is a great way to do it. It's less expensive, doesn't take up space on our hard drive..." Your listeners are always asking themselves, "What's in it for me?" Answer the question. Don't make them guess. Clearly state the benefit of every service, feature, or product.

**10. Rehearse, rehearse, rehearse.** Steve Jobs cannot pull off an intricate presentation with video clips, demonstrations, and outside speakers without hours of rehearsal. I have spoken to people within Apple who tell me that Jobs rehearses the entire presentation aloud for many hours. Nothing is taken for granted. You can see he rehearsed the Macworld presentation because his words were often perfectly synchronized with the images and text on the slides. When Jobs was showing examples of the films that are available on the new iTunes movie rental service, one poster of a particular film appeared at the exact moment he began to talk about it. The entire presentation was coordinated. A Steve Jobs presentation looks effortless because it is well-rehearsed.

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## Marketing strategy in the digital world

? It is the art of advertising

? Marketing relies on the availability of data/info.

? Taking advantage of digital media is essential

? Consumers life – explosion of media options.

- consumers overwhelmed by time allocations.

- 35% say more time over more money is important.

- In marketing time allocation is necessary

- 2 way conversation between customer and brand. Consumer audience is failing to listen to us.

? Meaningful discussion with clients is more important than casual conversation.

? Pay-per click advertisement (Google, Menlo) : a more personal link between business and the customer. Cost effective, efficient, it helps the customer find the business they are looking for.

? Accountability: surveys, measuring data,

- concern: how to understand marketing data??

? Pampers.com: example of personal relationship between existing company and mothers.

o It is an example of facilitator of keeping in touch with their main customer: mothers, even pregnant women.

? Determining the ROI is very important for the marketers. Too much consumer

engagement needs to be incorporated when calculating the ROI .

? What is the best strategy of engagement?

o Lean manufacturing technique. Planning, execution is very important. Too much money is one magazine has high risk. Online ad is cheaper and more flexible. Competing ads can help improve your business plans and marketing. You can always test the different words users may search which may be relevant to your product. Capture track (online ads).

o Advance modeling : modeling against a customers response is important. Give them what they don't have and not give them what they don't want. Just click through is not enough. What follows after that is needed to build on the business.

? Monetary value in public entities(Yahoo, youtube): its all about advertising. Banner ads.

? Not a big financial model present for social networking sites. Eg: sixdegrees.com like facebook.com and friendster. Content adjacencies are critical to determine if placing ad on the website is suitable eg: obscenity, immorality. Yahoo has 500 million users per month. Mail, movies, user ratings. Need to connect audience connection to create awareness.

? Study NIKE plus case study: useful for internship interviews.

? Text and mobile marketing is going mainstream and fast.

Failure marketing experience and lessons: Wal-Mart website, the hub. For COOL KIDS who like shopping at Wal-Mart!! (LOL) lasted on 10 weeks. Trying to find who he really is and connect with other kids. A very inauthentic audience.

**- Need to connect inside perception with outside reality**

- Companies are not linking the relation between customer acquisition with customer retention. Once u grab a customer they fail to connect the relationship with old customers and lose touch with them in the future. Businesses fail to offer value for the time these customers offer. A good example of personal relationship: 'ONSTAR' in GM cars. The car knows who u are and talks to u.

- There needs to be a limit to the personal relationship. Privacy is a concern: example Gmail scans your email, facebook. User trust is a valuable asset.

- popular media influences/controls business.

- Rewards programs linking with other websites. Eg: open id, announced by YAHOO. One id needed to log on to any website that belongs to this network of websites.

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Crowdsourcing: Wisdom of the commons?

? Teach the people: online learning concept.

? reddit.com: just like youlicit.com since it came before youlicit it took over the market. It's the users who do the job. It's a rating links website.

? folding@home.com : simulating molecular motion. Software download, utilizes other pc power to run powerful computations.

? What makes people to contribute to these sites? How does the user benefit?

o Teach the people: its your content, the user has the right on the content, unlike facebook, everything is owned by facebook. Generate revenue by

online classes.

o Reddit : user incentive is the karma points. Every time you a site or a link or add a link you earn a point. Points mean nothing outside the site, it gives the user to compare his/her stats with other users.

o folding@home: users who are interested in science. People who like to build communities for interactions. People who enjoy competition. Also provide points. Its about building reputations.

? Any privacy issues?

o Teach the people: want to learn about Nazism or sexuality for learning purposes, but don't want to share with others. Facbook pictures, bars and parties. Over the years it will become acceptable, mentality will change.

o Reddit : not much info. Required.

o folding@home: user data not required, but will be needed for record purposes.

-- starting strategy?

- compatability for users, easy , facebook group community. Word of mouth.

Google toolbar, some PS3 had (foldin@home) software.

-- How do you generate revenue?

- mainly advertisement (It helps to pay more ramen noodles if you live off poorly, like its founder Alexis Ohanian ). Also licensing if there are users who have certain preferences with a certain website.

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## Some of the Best Speaking Advice Ever

MIT Professor Harry Winston every year gives a famed lecture on "The Art of Speaking". Cal Newport attended the lecture this year [and posted the notes](#). They're awesome - some of the best advice on speaking I've read. Read the whole thing, excerpted below are my favorite parts. In particular, I found the advice "don't thank your audience at the end" pretty interesting.

### How to Start

Some advice for starting your talk.

1. **Don't start with a joke.** The audience is not accustomed to you or your speaking style yet. Humor will be difficult at this point.
2. **Do start with a menu.** Tell them exactly what you'll be speaking about and in what order.
3. **Do provide an empowerment promise.** Explain why your audience will come away from the talk better than when they entered.

### The Big Four

A collection of four heuristics that make a talk work.

1. **Cycling.** Deliver ideas first in brief, then in detail, then in summary. To use the lingo of artificial intelligence: let your audience load the schema, then fill in the details, then let them know what's worth indexing for future reference.
2. **Verbal Punctuation.** Provide a mechanism to help people who "fogged out" to easily rejoin the talk. For example: *"We have just finished talking about the first heuristic, cycling, I am now going to talk about the second heuristic for helping to make your talks more interesting..."*

3. **Near Miss.** When explaining an idea, also describe other ideas that are close but not quite the same. This will help people understand what the important points are that define your idea.
4. **Ask Rhetorical Questions.** Don't make them too easy. Don't make them too hard. Wait 6 seconds for an answer.

### The Tools

Four tools that can make or break your presentation.

1. **Time and Place.** If it's in your control: mid-morning is the best time. Choose a location that will look full with your expected audience size. Make sure it is well-lit. Don't let them turn down the lights. (*"It's easier to see slides in a light room than to seem them through closed eyelids."*)
2. **Slides.** Don't use anything less than 24-point type. If you can't fit the information at this font size then you have too much. Follow these four rules:
  1. **Don't read the slides!** *"A special circle in hell for those who..."*
  2. **Don't stand far away from the screen.** This requires divided attention from your audience.
  3. **Have one meaningful picture per slide.** If it's found in Microsoft's clip art gallery, it's not meaningful.
  4. **No pointers.** Laser or otherwise. These are distractions. You'll play with them. They're annoying. Stand by the screen and point with your hand or refer to visual anchors on the slide.

### How to Stop

Some things to keep in mind about concluding a talk:

1. **Deliver on your promise made at the beginning.** Remind them what it was and summarize how you satisfied it.
2. **Tell a joke.** They know you now. And if they leave happy they will assume the entire talk made them happy.
3. **Call for questions.**
4. **Don't thank the audience.** It makes it seem like they did you a favor by listening to your boring babble.
5. **End with a salute.** Compliment without thanking. (i.e., *"You've been a great audience, I hope you learned a lot about how to give a great talk."*)

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### Powerpoint presentations and cognitive thinking:

Harvard cognitive scientist [Stephen M. Kosslyn](#), who studies how brains process images,

wants to improve the world with his cutting-edge research. And he's starting with four ways to make your PowerPoint presentations more human brain-compliant. This morning at the American Association for the Advancement of Science annual meeting in Boston, Kosslyn spoke in a symposium devoted to the visualization of data, explaining how breakthroughs in cognitive science have revealed the best way to present information in the PowerPoint format. It was one of the most interesting examples of applied science I've ever seen.

Jumping off from ideas he raises in his recent book, *Clear and to the Point*, Kosslyn explained that the four rules of PowerPoint are: The Goldilocks Rule, The Rudolph Rule, The Rule of Four, and the Birds of a Feather Rule. Here's how they work.

The Goldilocks Rule refers to presenting the "just right" amount of data. Never include more information than your audience needs in a visual image. As an example, Kosslyn showed two graphs of real estate prices over time. One included ten different numbers, one for each year. The other included two numbers: a peak price, and the current price. For the purposes of a presentation about today's prices relative to peak price, those numbers were the only ones necessary.

The Rudolph Rule refers to simple ways you can make information stand out and guide your audience to important details -- the way Rudolph the reindeer's red nose stood out from the other reindeers' and led them. If you're presenting a piece of relevant data in a list, why not make the data of interest a different color from the list? Or circle it in red? "The human brain is a difference detector," Kosslyn noted. The eye is immediately drawn to any object that looks different in an image, whether that's due to color, size, or separation from a group. He showed us a pizza with one piece pulled out slightly, noting that our eyes would immediately go to the piece that was pulled out (which was true). Even small differences guide your audience to what's important.

The Rule of Four is a simple but powerful tool that grows out of the fact that the brain can generally hold only four pieces of visual information simultaneously. So don't ever present your audience with more than four things at once. This is a really important piece of information for people who tend to pack their PowerPoint slides with dense reams of data. Never give more than four pieces of information at once. It's not that people can't think beyond four ideas -- it's that when we take in the visual information on a slide we start to get overwhelmed when we reach four items.

The Birds of a Feather Rule is another good rule for how to organize information when you want to show things in groups. "We think of things in groups when they look similar or in proximity to each other," Kosslyn pointed out. Translation into PowerPoint? If you want to indicate to your audience that five things belong in a group, make them similar by giving them the same color or shape. Or group them very close together. This sounds basic, but it often means taking your data apart and reorganizing it. Kosslyn's co-panelist, Stanford psychologist [Barbara Tversky](#), explained that one of the fundamental principles of data visualization is, ironically, misrepresentation in order to get at the truth.

Even these goofy names for each rule of PowerPoint follow a principle from cognitive science: it's always easier to remember an unfamiliar idea if it's named after something familiar.

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## [5 Traits You Will Need on Your Way to Becoming a Leader](#)

Posted on 3/06/2008

***A leader has the vision and conviction that a dream can be achieved. He inspires the power and energy to get it done.*** -Ralph Lauren

A leader is seen as someone with a can-do attitude, the person whose glass is always half full. Hurdles in the road are not obstacles that prevent him from achieving his goal. Rather, they are challenges to be faced, to be overcome, and to be learned from. A leader believes that failures present the opportunity for self-improvement, and that performance on the next go-round will only be enhanced through the lessons previously learned.

A leader does not point to a location, tell his followers to go there, then tell them how to accomplish a goal. Rather, the leader is at the front of the pack, forging ahead of the rest and blazing a trail. The leader demonstrates to everyone else how things should be done, and works harder at accomplishing his goals than anyone else.

Whether you are striving to be a leader in your career, or simply want to be a leader in your own private life, there are many lessons and characteristics that will serve you well in either of these endeavors.

Consider these traits and then give thought to your own style. Are you a leader? Can you become one?

1. **A Leader Must Have a Vision:** This could be your grandest goal, or an overall sense of accomplishment. Either way, the leader must be able to visualize where he wants to be, where he wants his company to be, or where he wants his family to be.

Everything begins with a worthy vision that provides a goal to work towards.

2. **A Leader Must be Able to Develop Relationships:** Great interpersonal skills are necessary for any leader to possess. The hermit will not achieve greatness, no matter how adept, because the world will not notice him. The leader builds quality relationships based upon trust, respect, cooperation, and teamwork. The leader does not ask what others can do for him, but rather what he can be doing to help others. A leader inspires others to join him in his quest for success.
3. **A Leader Must be Able to Strategize:** Successful leaders not only have a great vision, but they are able to develop a plan to reach their goal successfully. The leader knows what accomplishments need to be made, what obstacles must be overcome, and what resources will be needed in order to realize his vision.
4. **A Leader Must be Able to Resolve Conflict:** A good leader will examine conflict from all angles and be able to determine its root cause. In addition to realizing the feelings and perspectives of others, the leader will also recognize and acknowledge his own role in the conflict. He will then work collaboratively with other involved parties in order to successfully resolve the conflict issue while keeping important relationships intact.
5. **A Leader Must be a Good Problem Solver:** No matter how well thought out, the road to realizing a vision will be full of potholes. Thorough planning can help smooth out the road, but there will be some ruts in the road that threaten to rip the wheels off of the car. A good leader will recognize this ahead of time and plan accordingly, offering a backup plan when the original one goes awry. A leader is able to think on his feet, gather all available information, decipher the facts, and use some good common sense to come up with a workable solution.

**In life, leaders are not necessarily the highest ranking person, or the one who holds the most impressive job title, or the one who claims to be the keeper of the home. A leader is someone whose actions have placed them in a position of trust and authority among their peers. A leader is someone whose advice is sought frequently, but never forcefully pushed onto others. A leader is someone whose spirit and desire for excellence eclipses that of everyone else around him. A leader sees the value in others, and inspires each person to perform their best, many times allowing them to exceed even their own expectations. A leader is also able to teach, to convey both physical skills and moral characteristics to those around him, and inspires those people to mimic him in his behaviors and attitudes.**

**Anyone can be a leader – after all, it is all in the manner and attitude with which one chooses to carry himself.**

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From Toufique (on discussion about Fangea and its technology)

- What VCs look for is either your current user base and their loyalty or your technology!!!
- How do you retain customers and keep them engaged?
- Is your focus marketing or developing breakthrough technology!!

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BPlan Presentation Tips:

# Organization & Preparation Tips

[Delivery Tips](#) [Slide Tips](#)

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## 1. Start with the end in mind

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**Before you even open up PowerPoint**, sit down and really think about the day of your presentation. What is the real purpose of your talk? Why is it that you were asked to speak? What does the audience expect? In your opinion, what are the most important parts of your topic for the audience to take away from your, say, 50-minute presentation? Remember, even if you've been asked to share information, rarely is the mere transfer of information a satisfactory objective from the point of view of the audience. After all, the audience could always just read your book (or article, handout, etc.) if information transfer were the only purpose of the meeting, seminar, or formal presentation.

## 2. Know your audience as well as possible

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Before you begin to formulate the content of your presentation, you need to ask yourself many basic questions with an eye to becoming the best possible presenter for that particular audience. At the very least, you need to answer the basic "W questions."

- **Who is the audience?** What are their backgrounds? How much background information about your topic can you assume they bring to the presentation?
- **What is the purpose of the event?** Is it to inspire? Are they looking for concrete practical information? Do they want more concepts and theory rather than advice?
- **Why were you asked to speak?** What are their expectations of you?
- **Where is it?** Find out everything you can about the location and logistics of the venue.
- **When is it?** Do you have enough time to prepare? What time of the day? If there are other presenters, what is the order (always volunteer to go first or last, by the way). What day of the week? All of this matters.

### 3. Content, content, content

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No matter how great your delivery, or how professional and beautiful your supporting visuals, if your presentation is not based on solid content, you can not succeed. Don't get me wrong, I am not saying that great content alone will carry the day. It almost never does. Great content is a necessary condition, but not a sufficient one. But your presentation preparation starts with solid content (appropriate for your audience) which you then build into a winning story that you'll use to connect with your audience.

**A word of caution:** Though I am emphasizing how important content is, I also am begging you to spare your audience a "data dump." A data dump — all too common unfortunately — is when a presenter crams too much information into the talk without making the effort to make the information or data applicable to the members of the audience. A data dump also occurs when data and information do not seem to build on the information that came earlier in the presentation. Sometimes it almost seems that the presenter is either showing off, or more likely, is simply afraid that if he does not tell the "whole story" by giving reams of data, the audience will not understand his message.

Do not fall into the trap of thinking that in order for your audience to understand anything, you must tell them everything. Which brings us to the idea of simplicity.

### 4. Keep it simple

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**Simple does not mean stupid.** Frankly, thinking that the notion of simplifying is stupid is just plain, well, "stupid." Simple can be hard for the presenter, but it will be appreciated by the audience. Simplicity takes more forethought and planning on your part because you have to think very hard about what to include and what can be left out. What is the essence of your message? This is the ultimate question you need to ask yourself during the preparation of your presentation. Here's a simple exercise:

EXERCISE:

If your audience could remember only three things about your presentation, what would you want it to be?

(1) \_\_\_\_\_

(2) \_\_\_\_\_

(3) \_\_\_\_\_

## 5. Outlining your content

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I suggest you start your planning in "analog mode." That is, rather than diving right into PowerPoint (or Keynote), the best presenters often scratch out their ideas and objectives with a pen and paper. Personally, I use a large whiteboard in my office to sketch out my ideas (when I was at Apple, I had one entire wall turned into a whiteboard!). The whiteboard works for me as I feel uninhibited and freer to be creative. I can also step back (literally) from what I have sketched out and imagine how it might flow logically when PowerPoint is added later. Also, as I write down key points and assemble an outline and structure, I can draw quick ideas for visuals such as charts or photos that will later appear in the PowerPoint. Though you may be using digital technology when you deliver your presentation, the act of speaking and connecting to an audience — to persuade, sell, or inform — is very much analog.

Cliff Atkinson in his 2005 book, ["Beyond Bullet Points."](#) smartly states that starting to create your presentation in PowerPoint before you have your key points and logical flow first worked out (on paper or a white board in my case) is like a movie director hiring actors and starting to film before there is a script in hand.

### **More on "planning analog"**

I usually use a legal pad and pen (or a whiteboard if there is enough space) to create a rough kind of storyboard. I find the analog approach stimulates my creativity a bit more as I said. No software to get in my way and I can easily see how the flow will go. I draw sample images that I can use to support a particular point, say, a pie chart here, a photo there, perhaps a line graph in this section and so on. You may be thinking that this is a waste of time: why not just go into PowerPoint and create your images there so you do not have to do it twice? Well, the fact is, if I tried to create a storyboard in PowerPoint, it would actually take longer as I would constantly have to go from normal view to slide sorter view to see the "whole picture." The analog approach (paper or whiteboard) to sketch out my ideas and create a rough storyboard really helps solidify and simplify my message in my own head. I then have a far easier time laying out those ideas in PowerPoint. I usually do not even have to look at the whiteboard or legal pad when I am in PowerPoint, because the analog process alone gave a clear visual image of how I want the content to flow. I glance at my notes to remind me of what visuals I thought of using at certain points and then go to [iStockphoto.com](#) or to my own extensive library of high-quality stock images to find the perfect image.

## 6. Have a sound, clear structure

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Take a page out of the McKinsey presentation handbook: presentation structure is paramount. Without it, your wonderful style, delivery and great supporting visuals will fall flat. If you took the time in the first step to outline your ideas and set them up in a logical fashion, then your thinking should be very clear. You can visualize the logic of your content and the flow of the presentation. If your ideas are not clear first, it will be impossible to design the proper structure later when you create visuals and/or supporting documents. Your audience needs to see where you are going. And it is not enough to simply have an "agenda" or "road map" slide in the beginning that illustrates the organization of your talk. If you do not actually have a solid road of logic and structure, then an outline slide will be of no use. In fact, the audience may become even more irritated since you made the promise of organization in the beginning, but then failed to deliver the promise with a presentation which is muddled and lacks focus.

## 7. Dakara nani? (so what?)

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In Japanese I often say to myself, "dakara nani?" or "sore de...?" which translate roughly as "so what?!" or "your point being...?" I say this often while I am preparing my material. When building the content of your presentation always put yourself in the shoes of the audience and ask "so what?" Really ask yourself the tough questions throughout the planning process. For example, is your point relevant? It may be cool, but is it important or help your story in a very important way...or is it fluff? Surely you have been in an audience and wondered how what the presenter was talking about was relevant or supported his point. "So what?" you probably said to yourself. "So what?" — always be asking yourself this very important, simple question. If you can't really answer that question, then cut that bit of content out of your talk.

## 8. Can you pass the "elevator test"?

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Check the clarity of your message with the elevator test. This exercise forces you to "sell" your message in 30-45 seconds. Imagine this is the situation: You have been scheduled to pitch a new idea to the head of product marketing at your company, one of the leading technology manufactures in the world. Both schedules and budgets are tight; this is an extremely important opportunity for you if you are to succeed at getting the OK from the executive team. When you arrive at the Admin desk outside the vice-president's office, suddenly she comes out with her coat and briefcase in hand and barks, "...sorry, something's come up, give me your pitch as we go down to the lobby..." Imagine such a scenario. Could you sell your idea in the elevator ride and a walk to the parking lot? Sure, the scenario is unlikely, but possible. What is very possible, however, is for you to be asked without notice to shorten your talk down, from, say, 20 minutes, to 10 minutes (or from a scheduled one hour to 30 minutes), could you do it? True, you may never have to, but practicing what you might do in such a case forces you to get your message down and make your overall content tighter and clearer.

Author, Ron Hoff (["I Can See You Naked"](#)) reminds us that your presentation should be able to pass the David Belasco test while you're in the planning stages. David Belasco was a producer who insisted that the core idea for every successful play he produced could be written as a simple sentence on the back of a business card. Try it. Can you crystallize the essence of your presentation content and write it on the back of a business card? If the task is impossible for you, then you may want to think again and get your message down pat in your mind. This too is certainly something you do before you ever begin to open up PowerPoint (Keynote).

## 9. The art of story telling

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Good presentations include stories. The best presenters illustrate their points with the use of stories, most often personal ones. The easiest way to explain complicated ideas is through examples or by sharing a story that underscores the point. Stories are easy to remember for your audience. If you want your audience to remember your content, then find a way to make it relevant and memorable to them. You should try to come up with good, short, interesting stories or examples to support your major points.

In addition, it is useful to think of your entire 30 minute presentation as an opportunity to "tell a story." Good stories have interesting, clear beginnings, provocative, engaging content in the middle, and a clear, logical conclusion. I have seen pretty good (though not great) presentations that had very average delivery and average graphics, but were relatively effective because the speaker told relevant stories in a clear, concise manner to support his points. Rambling streams of consciousness will not get it done; audiences need to hear (and see) your points illustrated.

## 10. Confidence — How to get it

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The more you are on top of your material the less nervous you will be. If you have taken the time to build the logical flow of your presentation, designed supporting materials that are professional and appropriate, there is much less to be nervous about. And, if you have then actually rehearsed with an actual computer and projector (assuming you are using slideware) several times, your nervousness will all but melt away. We fear what we do not know. If we know our material well and have rehearsed the flow, know what slide is next in the deck, and have anticipated questions, then we have eliminated much (but not all) of the unknown. When you remove the unknown and reduce anxiety and nervousness, then confidence is something that will naturally take the place of your anxiety.

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Habits of successful people...

1. They look for and find opportunities where others see nothing.
2. They find a lesson while others only see a problem.
3. They are solution focused.
4. They consciously and methodically create their own success, while others hope success will find them.
5. They are fearful like everyone else, but they are not controlled or limited by fear.
6. They ask the right questions - the ones which put them in a productive, creative, positive mindset and emotional state.
7. They rarely complain (waste of energy). All complaining does is put the complainer in a negative and unproductive state.
8. They don't blame (what's the point?). They take complete responsibility for their actions and outcomes (or lack thereof).
9. While they are not necessarily more talented than the majority, they always find a way to maximise their potential. They get more out of themselves. They use what they have more effectively.
10. They are busy, productive and proactive. While most are laying on the couch, planning, over-thinking, sitting on their hands and generally going around in circles, they are out there getting the job done.
11. They align themselves with like-minded people. They understand the importance of being part of a team. They create win-win relationships.
12. They are ambitious; they want amazing - and why shouldn't they? They consciously choose to live their best life rather than spending it on auto-pilot.
13. They have clarity and certainty about what they want (and don't want) for their life. They actually visualise and plan their best reality while others are merely spectators of life.
14. They innovate rather than imitate.
15. They don't procrastinate and they don't spend their life waiting for the 'right time'.
16. They are life-long learners. They constantly work at educating themselves, either formally (academically), informally (watching, listening, asking, reading, student of life) or experientially (doing, trying)... or all three.

17. They are glass half full people - while still being practical and down-to-earth. They have an ability to find the good.
18. They consistently do what they need to do, irrespective of how they are feeling on a given day. They don't spend their life stopping and starting.
19. They take calculated risks - financial, emotional, professional, psychological.
20. They deal with problems and challenges quickly and effectively, they don't put their head in the sand. They face their challenges and use them to improve themselves.
21. They don't believe in, or wait for fate, destiny, chance or luck to determine or shape their future. They believe in, and are committed to actively and consciously creating their own best life.
22. While many people are reactive, they are proactive. They take action before they have to.
23. They are more effective than most at managing their emotions. They feel like we all do but they are not slaves to their emotions.
24. They are good communicators and they consciously work at it.
25. They have a plan for their life and they work methodically at turning that plan into a reality. Their life is not a clumsy series of unplanned events and outcomes.
26. Their desire to be exceptional means that they typically do things that most won't. They become exceptional by choice. We're all faced with live-shaping decisions almost daily. Successful people make the decisions that most won't and don't.
27. While many people are pleasure junkies and avoid pain and discomfort at all costs, successful people understand the value and benefits of working through the tough stuff that most would avoid.
28. They have identified their core values (what is important to them) and they do their best to live a life which is reflective of those values.
29. They have balance. While they may be financially successful, they know that the terms money and success are not interchangeable. They understand that people who are successful on a financial level only, are not successful at all. Unfortunately we live in a society which teaches that money equals success. Like many other things, money is a tool. It's certainly not a bad thing but ultimately, it's just another resource. Unfortunately, too many people worship it.
30. They understand the importance of discipline and self-control. They are strong. They are happy to take the road less travelled.
31. They are secure. They do not derive their sense of worth of self from what they own, who they know, where they live or what they look like.
32. They are generous and kind. They take pleasure in helping others achieve.
33. They are humble and they are happy to admit mistakes and to apologise. They are confident in their ability, but not arrogant. They are happy to learn from others. They are happy to make others look good rather than seek their own personal glory.
34. They are adaptable and embrace change, while the majority are creatures of comfort and habit. They are comfortable with, and embrace, the new and the unfamiliar.
35. They keep themselves in shape physically, not to be mistaken with training for the Olympics or being obsessed with their body. They understand the importance of being physically well. They are not all about looks, they are more concerned with function and health. Their body is not who they are, it's where they live.
36. They have a big engine. They work hard and are not lazy.
37. They are resilient. When most would throw in the towel, they're just warming up.
38. They are open to, and more likely to act upon, feedback.
39. They don't hang out with toxic people.
40. They don't invest time or emotional energy into things which they have no control of.
41. They are happy to swim against the tide, to do what most won't. They are not people pleasers and they don't need constant approval.
42. They are more comfortable with their own company than most.

43. They set higher standards for themselves (a choice we can all make), which in turn produces greater commitment, more momentum, a better work ethic and of course, better results.
44. They don't rationalise failure. While many are talking about their age, their sore back, their lack of time, their poor genetics, their 'bad luck', their nasty boss and their lack of opportunities (all good reasons to fail), they are finding a way to succeed despite all their challenges.
45. They have an off switch. They know how to relax, enjoy what they have in their life and to have fun.
46. Their career is not their identity, it's their job. It's not who they are, it's what they do.
47. They are more interested in effective than they are in easy. While the majority look for the quickest, easiest way (the shortcut), they look for the course of action which will produce the best results over the long term.
48. They finish what they start. While so many spend their life starting things that they never finish, successful people get the job done - even when the excitement and the novelty have worn off. Even when it ain't fun.
49. They are multi-dimensional, amazing, wonderful complex creatures (as we all are). They realise that not only are they physical and psychological beings, but emotional and spiritual creatures as well. They consciously work at being healthy and productive on all levels.
50. They practice what they preach. They don't talk about the theory, they live the reality.

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Notes on: How To Win Friends And Influence People by [Dale Carnegie](#)

## Major sections and points

The book has four major sections. The core principles of each section are quoted below.

### [\[edit\]](#) Fundamental Techniques in Handling People

- "Don't criticize, condemn or complain."
- "Give honest and sincere appreciation."
- "Arouse in the other person an eager want."

### [\[edit\]](#) Six Ways to Make People Like You

- "Become genuinely interested in other people."
- "Smile."
- "Remember that a man's name is to him the sweetest and most important sound in any language."
- "Be a good listener. Encourage others to talk about themselves."
- "Talk in the terms of the other man's interest."
- "Make the other person feel important and do it sincerely."

## **[edit] Twelve Ways to Win People to Your Way of Thinking**

- "Avoid arguments."
- "Show respect for the other person's opinions. Never tell someone they are wrong."
- "If you're wrong, admit it quickly and emphatically."
- "Begin in a friendly way."
- "Start with questions the other person will answer yes to."
- "Let the other person do the talking."
- "Let the other person feel the idea is his/hers."
- "Try honestly to see things from the other person's point of view."
- "Sympathize with the other person."
- "Appeal to noble motives."
- "Dramatize your ideas."
- "Throw down a challenge."

## **[edit] Nine Ways to Change People Without Giving Offense or Arousing Resentment**

- "Begin with praise and honest appreciation."
- "Call attention to other people's mistakes indirectly."
- "Talk about your own mistakes first."
- "Ask questions instead of giving direct orders."
- "Let the other person save face."
- "Praise every improvement."
- "Give them a fine reputation to live up to."
- "Encourage them by making their faults seem easy to correct."
- "Make the other person happy about doing what you suggest."

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In 1999 [John Osher](#) started Dr. John's SpinBrush to sell a \$5 electric toothbrush. In 2001, he sold the company to Procter & Gamble for \$475 million. Here are his ["17 mistakes startups make"](#) in 100 words.

- Failing to spend enough time researching the business idea to see if it's viable.
- Miscalculating market size. Entrepreneurs say, 'The market size is 50 million people. If I only sell to 2 percent, I'd be selling a million.' But most products sell less than 1 percent.
- Making a commitment on sales projections that were wrong. Created costs that require those projections to be met. Run out of money.
- Overprojecting sales prospects.
- Making cost projections that are too low.
- Hiring too many people and spending too much.
- Lacking a contingency plans.
- Bringing in unnecessary partners.
- Hiring for convenience rather than skill requirements.
- Spending half their time doing something that represents 5 percent of their business.
- Accepting that it's "not possible" too easily.
- Focusing too much on volume and company size rather than profit.

- Looking for somebody to tell you you're right.
- Lacking simplicity.
- Lacking clarity of your long-term aim and business purpose.
- Going after too many targets at once.
- Lacking an exit strategy.

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### **Part I: Work Background**

What is your background?

- Engineering (add 5 points)
- Sales (add 5 points)
- Management consulting (subtract 5 points)
- Investment banking (subtract 5 points)
- Accounting (subtract 5 points)
- MBA (subtract 5 points)

The ideal venture capitalist has an engineering or a sales background. Engineering is useful because it helps you understand the technology that you're investing in—for example, is the entrepreneur trying to defy the laws of physics? Sales is useful because every entrepreneur has to introduce a product and sell it. For the third time in this blog, let me say, "Sales fixes everything."

The three worst backgrounds for a venture capitalist are management consulting, investment banking, and accounting. Management consulting is bad because it leads you to believe that implementation is easy and insights are hard when the opposite is true in startups. Investment banking is bad because it leads you to believe that everything can be reduced to cells on a spreadsheet and that companies should be built for Wall Street, not customers. Moreover, investment bankers are oriented towards doing deals, not building companies. Accounting is bad because it leads you to believe that history not only repeats itself, it predicts the future.

Finally, there is the issue of the pertinence of an MBA to venture capital. The upside is that such a degree can provide additional tools and knowledge (such as calculating that 25% of \$1.6 billion is \$400 million) to help you make investment decisions and to assist entrepreneurs. The downside is that earning this degree (and I have one) causes most people to develop the hollow arrogance of someone who's never been tested. All told, the downside of an MBA outweighs the upside.

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### **Part II: First-Hand Experiences**

You may have been in the right places, but you also need the right experiences in those places. Specifically, have you gone through these?

- Been kicked in the groin by a major, long-lasting economic downturn, so that you know how powerless you are. (add 1 point)
- Worked at a successful startup, so that you can speak first-hand about the ecstasy of entrepreneurship. (add 1 point)
- Worked at a failed startup, so that you understand three things: first, how hard it is to achieve success; second, that the world doesn't owe you a thing; and third, what it's like to be fired or laid off. (add 3 points)
- Worked at a public company, so that you know what the end goal looks like, warts and all. (add 1 point)

- Held a CEO position, so that you have this fantasy experience out of your system and will not try to run the startup from a board position. (add 2 points)
  - Been an angel investor with your own money, so that you understand the fiduciary responsibility of investing other people's money. (add 2 points)
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### **Part III: Necessary Knowledge**

Finally, can you answer these questions for entrepreneurs? Because this is the kind of advice that entrepreneurs need. (Don't worry: many current venture capitalists would fail this part.)

- How do I introduce a product with no budget? (add 2 points)
  - How do I determine whether there's really a market demand for my product? (add 1 point)
  - What do I do if customers hate our first product? (add 1 point)
  - How do I get Walt Mossberg to return my call? (add 2 points)
  - How do I get to the folks who run Demo? (add 1 point)
  - How do I get a plug in TechCrunch? (add 1 point)
  - How do I get the folks at Fox Interactive to return my call? (add 1 point)
  - How do I dominate a segment when there are five other companies doing essentially the same thing? (add 2 points)
  - How much time, energy, and money should I spend on patent protection? (add 1 point)
  - We bet on the wrong architecture for our product; what do I do now? (add 2 points)
  - What kind of people should I hire: young, old, unproven, proven, cheap, expensive, local, remote? (add 1 point)
  - How do I get them to leave their current jobs without throwing a lot of money at them? (add 2 points)
  - How do I tell my best friend that he can't be chief technical officer just because he was a cofounder? (add 2 points)
  - How do I get to the buyer at BestBuy to return my call? (add 1 point)
  - How do I handle a customer who wants to send back his purchase for a full refund? (add 1 point)
  - How do I fire people? (add 2 points)
  - How do I lay people off? (add 2 points)
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### **Results**

Here's how to assess your readiness to become a venture capitalist:

- 40 or more points: Call CalPERS and tell them you're raising a new fund.
  - 35 to 39 points: Call Sequoia and Kleiner, Perkins and tell them that you're available.
  - 25 to 34 points: Send your resume to 2,000 venture capitalists and pray.
  - 24 points or less: Work until you can score higher and keep flying on Southwest Airlines.
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Here's the bottom line: You should become a venture capitalist after you've had the shiitake kicked out of you. This will yield at least two positive results: First, you'll stand out from the full-of-shiitake artists who entered the business when they were young. Second, you'll really be able to help your portfolio companies—which is what venture capital should be all about. See you in ten or twenty years.

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