

Entrepreneurship Speech to Montgomery College

I would like to sincerely thank Steve Lang and Elana Lippa for inviting me to speak to you to-day. Topic of my speech is “Entrepreneurship and Leadership”.

What is Entrepreneurship?

Entrepreneurship is a way of life. It's a powerful force deep down inside, driving you to achieve your dreams, despite dubious odds and the doubts of others.

I'm sure many of you here today have the desire, the drive and the dreams to become entrepreneurs. Dreams give us the strength that carries us through. Indeed, I've often thought that perhaps it is not we who carry the dream, but **the dream that carries us**.

I love entrepreneurship. There is nothing like the excitement, glory, fun and sheer thrill of starting something from scratch and watching it grow into a large enterprise of astonishing proportions. If you have the opportunity to be an entrepreneur, grab it. Find passionate and driven people and lead them. Give them all the necessary resources, and then give them some oxygen to breathe.

I can't stress strongly enough how determined you must be, for the road to success is neither short nor easy, as the following statistics so starkly reveal:

1. Only 1 in 6 million high-tech business ideas become an IPO
2. Venture capitalists fund fewer than 1% of the business plans they receive
3. Founding CEOs of high-tech firms typically own less than 4% after an IPO
4. 60% of high-tech companies funded by VCs eventually go bankrupt
5. It takes 3-5 years after their IPO for most high-tech companies to finally succeed₁

Clearly, it's not easy to be a successful technology entrepreneur. Many will fail at some point, and you must learn to overcome heavy doses of frustration, burnout and disappointment along the way.

So Why Become an Entrepreneur?

For the true entrepreneur, this is a rhetorical question. For the emerging entrepreneur, there are at least three major motivations:

The **FIRST** motivation is a yearning to create something novel and useful. “To be on the cutting edge” is a necessary mantra. The technology entrepreneur strives to fill a need in the marketplace and then develop a solution -- perhaps a better communication tool, an improved optical switch or a faster bioinformatics system.

Too many people confuse this creative problem-solving by genuine entrepreneurs with the process of merely finding hot technology companies in the market and building new companies

that mimic them. Remember, the hot technology companies are hot because they seek to solve a problem. The copiers have neither identified a problem nor created a solution. They simply jumped on the latest bandwagon coming down the road.

The **SECOND** motivation of the technology entrepreneur is build something that will last forever. The entrepreneur must always keep ahead of the competition to sustain the enterprise as a profitable concern.

Risk-taking is absolutely crucial because it yields the innovation that sustains your competitive edge, in a world where competitors constantly catch up to and overtake stagnant firms. That's why being on the cutting edge is paramount. We have to get out of our comfort zone, venture into new horizons and experience new environments. We must not be afraid of taking chances. If we fail, we must simply get up and try again. Perhaps we will fail further... but nevertheless, we must try yet again. Success teaches you how to move forward, but failure teaches you to never go backwards. Thus, failure is the first step to success.

The **THIRD** motivation of the entrepreneur is to have freedom. Being your own boss has definite appeal. Glass ceilings cease to exist and achievement is limited only by imagination. Entrepreneurs are motivated by having control over their work and the flexibility to pursue their dreams. But freedom always has a price. With greater personal freedom, comes greater uncertainty about the future, particularly in relation to finances. Greater personal freedom also means a less structured environment, in which greater self-discipline is required in order to thrive. Entrepreneurs are willing to accept these risks, however, because of their absolute conviction that they have what it takes to overcome any odds.

If these three ideals do not motivate you, then the very thought of becoming an entrepreneur should be extinguished. If a big personal cash payout seems to be glaringly missing from the list of major objectives, it is because it is not a primary motivating factor. These three major goals are not shared by all and are inappropriate for many. Only those that find these objectives to be self-evident should embrace entrepreneurship.

What Characteristics Make an Entrepreneur Special?

Passion is what entrepreneurs must have, first, and foremost. They must live and breathe for their business enterprise. They are zealots about their business models and evangelists for their products or services. They have to be. If they weren't, the stress and financial pressures of running a fledgling business would completely wipe them out. The sheer magnitude of the odds that are stacked against entrepreneurs requires a special kind of irrational exuberance to overcome. Without passion, resources will never be enough and they will quickly dissipate into thin air. But your passion will always find a way, even when probabilities conspire against your dream. Entrepreneurs have unshakable confidence in and enthusiasm for their business ventures that contagiously spreads to their business team.

Laser focus is another hallmark of entrepreneurs. Many people are creative, but lack discipline. Entrepreneurs, however, have both qualities. When a company does not focus, it is planting seeds for future problems. An entrepreneur identifies a path towards a solution and follows that path, notwithstanding the frequent temptation to take sideroads leading to seemingly newer, more exciting destinations. The entrepreneur knows that most of the journey down the chosen path is checkered with drudgery, yet continues down the path unswervingly, confident that there will be a reward at the end. The entrepreneur also knows that the side roads along the way may appear appealing at first glance, but will quickly become as checkered with drudgery as the originally chosen path and likely lead to a dead end.

Focus is power. It creates a powerful perception of resolve in the minds of your customers,

employees and competitors.

Courage is a defining trait of entrepreneurs. To understand the odds against success and still forge ahead, knowing many battles will be lost en route, requires a certain amount of fearlessness. Entrepreneurs are purposeful in their tactics and can think on their feet. Yet they regularly face daunting challenges whose failure to overcome will spell certain disaster for their business ventures. Their ability to face these challenges without fear enables entrepreneurs to succeed where others cannot.

Entrepreneurs also are **leaders**. Contrary to the popular belief that entrepreneurs are mavericks who prefer to be lone wolves, entrepreneurs are visionaries that can inspire and lead their colleagues. There are few things more compelling than people who are passionate about their work, have the discipline to achieve success, and are fearless in their outlook. An entrepreneur builds teams and instills confidence in others.

And, of course, an entrepreneur always is thinking ahead, perpetually in motion towards well-defined goals. Diligent pursuit of progress is a hallmark.

How Can a Student Get on The Path of Entrepreneurship?

As discussed, the fundamentals of entrepreneurship can be learned. But like anything else, it takes discipline and practice. That means training your mind to consider the various problems you face as a student and instead of focusing on the downside, identify the opportunity that lies within.

For example, if predicting test questions accurately is a problem, consider developing a system that makes this easier. Perhaps a database of all prior test questions with the best answers could be developed, with a subscription fee business model. Perhaps the database could be expanded to all colleges so that it will be more comprehensive and can appeal to a large subscriber base.

Chances are, the problems you face will also be faced by others and the more people impacted, the greater the opportunity. This is how new entrepreneurial businesses are formed -- by searching for pandemic problems that currently lack solutions. Keep in mind that *Google* was founded by students; *Facebook* was founded by a student; and even *Microsoft* was formed by Bill Gates as a student. The opportunities to be an entrepreneur are all around you right now, if you take time to examine the challenges you face and filter them through the prism of business.

Leadership

Once you have established a business and grabbed the available opportunities by the horns, naturally, you have to manage it effectively. And that means drawing upon your capabilities to lead – a defining characteristic of an entrepreneur, as already discussed. So, what does it take to be a good leader, besides the obvious traits of being passionate, disciplined and courageous? In today's world, it also means being compassionate, transparent, objective, and humble.

It used to be that companies were evaluated solely on two metrics: (1) their ability to produce cash flow; and (ii) their ability to innovate. But now, companies are also evaluated on how they perform as corporate citizens. A company's willingness to do things for the public good and be socially responsible is a core element of performance. Compassion is important. As an example, ExxonMobil is producing record profits and is churning out new technologies as fast as ever. Yet they are being vilified in the marketplace because of a perception that they are being greedy

and failing to have compassion for the middle class's predicament of having a difficult time paying for fill-ups at the gas station. Certainly, this is not good for sustaining corporate value. Young entrepreneurs need to consider the need to be socially responsible if they are to lead the way to the future.

Transparency is also critically important. Both investors and the market make their decisions related to your business partly because of trust. People are always willing to pay a premium for peace of mind and integrity. To build trust, an entrepreneur needs to be transparent. Anything hidden from view will cause suspicion and undermine trust. That means that corporate decision-making, financing, and operations need to be visible to key stakeholders. Sometimes it's hard to be transparent, as this can make you feel vulnerable. But good leaders are straightforward and willing to be placed under the microscope as needed.

A corollary to transparency is objectivity. A good leader makes decisions based on facts and a well-thought out and plainly articulated strategy. The rationale for all decisions must be clear to viewers and fully defensible based on objective criteria. Trust isn't just based on being able to see everything that happens – it is ultimately based on the objectivity of decisions.

Of course, if you do get things right and are able to grow an excellent business by being a true leader, humility is important to maintain your following. Customers, investors and employees stick with you not just out of respect for your accomplishments, but because they have become loyal friends. Your ability to share credit with others, provide a helping hand, and support others is what creates your personal and corporate brand. It is not a coincidence that most of the most revered business leaders are also philanthropists. Warren Buffet, despite being the richest man in the world, is quick to give credit to others and still lives in the same middle-class house that he purchased decades ago. Humility, rather than taking away from your accomplishments, helps build them.

Before you can become a leader, you must first focus on growing yourself. **After becoming a leader, success is all about growing others.** Here are some of the other elements of a successful leader:

- * Leaders have a clear vision and ensure that others not only see the vision, but also live and breathe it.
- * Leaders create environments where people can be truly committed.
- * Leaders relentlessly upgrade their team, using every encounter as an opportunity to evaluate, coach, and build self-confidence.
- * Leaders exude positive energy and optimism that gets under everyone's skin.
- * Leaders have respect for all people.
- * Leaders give credit to others... and often take the blame when something goes wrong.
- * Leaders establish trust with candor, transparency and credit-giving
- * Leaders act with integrity in spite of the difficulty.
- * Leaders have the courage to make unpopular decisions and gut calls.

- * Leaders probe and push with a curiosity that borders on skepticism, making sure their questions are answered with action.
- * Leaders balance risk and reward.
- * Leaders see mistakes as learning opportunities.
- * Leaders are firm but fair.
- * Leaders are enthusiastic.
- * Leaders get everyone involved.
- * Leaders are tough...yet tender.
- * Leaders inspire learning by setting the example.
- * Leaders celebrate.

My Experiences

I'd like to say a few words about my own experience as a CEO. I cultivated a very vision-driven organization into a tightly-focused company whose employees all knew precisely what was expected of them, and always delivered exactly what they promised. I gave people at all levels specific tools and metrics, and enforced fact-based decision-making. Managers at all levels in my company honored these commitments, engaged in disciplined meetings, focused on decisions and measured progress against stated objectives. I surrounded myself with some great performers who delivered results.

Thank you for giving me the opportunity to speak with you today. Thank you for your time, and for your commitment to make a difference in the lives of others through entrepreneurship. I wish all of you continued success in the future, and look forward to when our paths cross again. I am confident you will achieve your goals. I am sure you will rise to the challenge, and transform your passion into profits.

Always remember, that no matter how steep the pass, or how discouraging the pace, I implore you to never give up on your goals.

So there are many facets of leadership that you must embrace as a young entrepreneur, in addition to the hard work of living the life of an entrepreneur. This is not an easy path, but almost anything worth having is worth fighting for. I encourage all of you to consider entrepreneurship and show that Montgomery College can continue producing the great companies of tomorrow. I hope for some of you, the path begins today.