High-Tech Business Development

Success Through Relationships

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Agenda

- Introduction
- Tech market cycles
- Leadership through alliances
- The role of business development
- Basics of strategic partnerships
- Risk assessment and reduction
- Winning relationships
- Personal communication and political awareness
- A day in the life
My Background

20 years in high-tech markets
- PC software, client server software, Internet technologies, wireless software
- MicroPro, PacTel InfoSystems, Borland, WebAnswers, Starfish Software (Motorola)

Multiple perspectives
- Start-up and established companies
- Operations and strategic positions
  - Founder, CEO, business development, customer support
- Supplier, customer, partner, products, services
- International and domestic markets
Starfish Software

- Developer of connectivity software for wireless market
- Device and server side products
- Wholly-owned subsidiary of Motorola
- New company, new technology, new market

Challenges
- Build market, gain market share, establish identity, credibility, generate revenue
Examples of Tech Cycles

- Mainframe and mini-computers
- The Personal Computer
- Notebook Computers
- Client-server computing
- Non-PC “convergent” devices
- The Internet Dot Com market
- Peer-to-peer technology
- Nanomachine technology
- Biotech/nanocomputing convergence
How the Tech Cycle Plays Out

Expansion Phase
- Rapid introduction of new technology and business models
- Easy funding for new ventures
- Strong productivity growth
- Capital investment soars as companies try to keep up with new technology
- Inflation is held down by rising productivity, intense competition from new companies, and falling prices for new technology
- Buoyant stock markets

Contraction Phase
- Technological stagnation
- Difficult for new competitors to emerge in the market
- Weak productivity growth
- Technology spending flattens out, while overall investment falls
- Inflation rebounds as productivity growth slows and new startups become less common
- Depressed stock markets

Business Week
Customer Adoption Curve

Volume

Time

Innovators

Early Adopters

Early Majority

Late Majority

Laggards
Establish Leadership Quickly

The illusion of momentum leads to...

The perception of momentum which leads to...

The Reality of momentum
And the Wheel Goes Round

- Customer response
- Technical innovation
- Competitive response
- Market conditions
The Role of Business Development

- Strategic alliances and partnerships
- License necessary technology
- Industry standards
- New revenue streams
- Gain marketshare
Intra-company Relationships

- Senior management
- R&D
- Sales
- Marketing
- Product Management
- Legal
- Finance
Reporting Structures

- Direct report to CEO
- Reporting to Marketing
- Recent trend reporting to Sales
Assessing Risk

New Company

High Risk Outcome

1 2

New Technology

New Customer Market

3 4

New Category
Reducing Risk Through Alliances

Partner A
New Technology

Partner C

New Company
1
High Risk Outcome
2
4
New Customer Market
3

Partner B
New Category

Partner D
Create Your Partnering Strategy

- Who can help you reach your goals
- Who will pay you
- Who can protect you
- Who gains if you win
- Who suffers if you lose

Partnerships are perishable
Successful Partnerships

- Clear objectives
- Real value for each party
- Top management involvement/buy-off
- Interdepartmental participation
- Plan for next stage of relationship
The Standards Battles

SyncML  GSM  802.x
WCCC  CDMA  OEBs
ODBC  X.509  XML
MPEG-4  LDAP
Importance of Standards

- Grow markets
- Gain from “shared” effort
- Control the game
- Know the landscape
- Visibility and credibility
A Web of Alliances

Core Strategy

- Standards Partner
- Applications Partner
- Wireless Partner
- OS Partner
- Infrastructure Partner
- Servers Partner
- Internet Partner
- HW Partner
Negotiating the Relationship

Prepare
- Clear set of objectives
- Set your limits beforehand
- Do your homework
- Work with those who share your values
- Anticipate

Negotiation is a process

Negotiate with integrity

Focus on relationship, not just the deal
Negotiating the Relations

- Create an atmosphere of cooperation
- Listen
- Silence is okay
- Minimize other party’s concessions
- Go for the WIN-win
- Show no fear
A Day in the Life

- Strategize and plan
- Research
- Meetings: internal and external
- Phone calls and email
- Reading, writing, reviewing contracts
- On the road
Business Development Profile

- Technically astute
- Ability to think strategically
- Organizational and political intelligence
- Expert at prioritization of complex issues
- Excellent communication skills
  - Written, oral and presentation
- People skills
Personal Communication and Political Awareness

- The best technology doesn’t always win
- Who are the stake holders?
- What is the political dynamics?
- Maintain your integrity
Thank You