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
- The importance of standards
- Winning relationships
- A day in the life
- Final tips
My Background

- Corporate and Business Development, Satori Labs, Inc., Scotts Valley, CA (www.satorilabs.com)
- 23+ years in software industry sales, product marketing and business development
- 4 start-ups, 2 IPOs and 2 public companies within the software business, encompassing: database and spreadsheet technologies, digital rights management and consumer software services
- Supplier, customer, partner, products, services
Satori Labs, Inc.

- Digital pen and paper solutions for healthcare forms automation
- Transparent Computing
- Founder and Angel funded
- New company, new technology, new market

Challenges:
- Establish position in fast growing market by establishing company identity, credibility, generating reference customers and sales revenue, evolving from “validation” to “exploitation” of market
Examples of Tech Cycles

- Mainframe and mini-computers
- Client-server computing
- The Personal Computer
- Notebook Computers
- Ultra-mobile, convergent devices
- The Internet Dot Com market
- Peer-to-peer technology
- Nano technology
- Biotech/nanocomputing convergence
- Web 2.0 – Social networking, super-search, etc.
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

- Innovators
- Early Adopters
- Early Majority
- Late Majority
- Laggards

Volume vs. Time
And the Wheel Goes Round

Launch  
Re-invent  
Assess  
Adjust

Customer response  
Technical innovation  
Competitive response  
Market conditions
Establish Leadership Quickly

The illusion of momentum leads to...

The perception of momentum which leads to...

The Reality of momentum
The Role of Business Development

- Creating strategic alliances and business partnerships
- Licensing new technology - outbound and inbound
- Building industry standards
- Developing new revenue streams
- Gaining marketshare
- Aligning interests
Intra-company Relationships

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

- Direct report to CEO
- Reporting to Marketing
- Recent trend reporting to Sales
- Sometimes reporting to Legal
- Occasionally reporting to Business Units
Assessing Risk

New Company

High Risk Outcome

New Technology

New Category

New Customer Market
Reducing Risk Through Alliances

New Company

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

Partner A
Partner B
Partner C
Partner D
Create Your Partnering Strategy

- Who can help you reach your goals?
- Who will pay you and why?
- Who can protect you?
- Who gains if you win?
- Who suffers if you lose?
- Partnerships are perishable; how will you sustain and maintain the strategy?
What Are Your Currencies?

- PR
- Sales referrals
- Technology licenses
- Money
- Stock
- Personnel
- R&D
- Management
- Brand
- Alliances
- Other
Successful Partnerships

- Clear objectives
- Real value for each party
- Top management buy-off
- Top management on-going involvement
- Inter-departmental participation
- Planning for future stages of relationship
The Standards Battles
Importance of Standards

- A faster win for customers because “It’s safe to buy”
- Grow markets and marketshare
- Gain from “shared” effort
- Control the game
- Know the landscape
- Visibility and credibility
A Web of Alliances

Standards Partner

Infrastructure Partner

Applications Partner

Servers Partner

Wireless Partner

Internet Partner

OS Partner

HW Partner

Core Strategy
Negotiating the Relationship

- Prepare
  - Do your homework
  - Set clear objectives
  - Know your limits beforehand
  - Work with those who share your values
  - Anticipate problems and issues
  - Leave enough on the table for everyone

- Negotiation is a process, not a destination
- Negotiating with integrity saves time/effort
- Focus on relationship, not just the deal
Negotiating the Relationship

- Create an atmosphere of cooperation and shared vision for the business goals
- Make sure the other side can be “heroes”
- Listen closely and they will too
- It’s all in their head...NOT yours
- Show no fear, show no greed
- Always be gracious – win, lose or draw
- Go for the WIN-win
Business Development Profile

- Become technically astute, know the trends
- Develop an ability to think strategically
- Gain organizational and political intelligence
- Become expert at prioritizing issues
- Develop communication skills
  - Written, oral, presentation and demo
- Learn people and organization skills
- Become adaptable, flexible and always positive
A Day in the Life

- Strategy and planning
- Researching competition
- Aligning interests - internal and external
- Phone calls, email, presentations
- Reading, writing, negotiating contracts
- Selling your vision, company and product
Final Tips

- Get in any way you can
- Watch, listen and learn
- Identify and recruit a mentor
- Volunteer for assignments, look for ways to learn more
- Think like an owner/entrepreneur - “What if this was MY money and my company?”
- Always remember to share or give credit to others
- Think of you’re a career as a stock portfolio - *always* be ready to “rebalance” by changing positions for better ones
- Life is too short for turnarounds
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Thank You