

ENTREPRENEURIAL THINKING

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Part 1

Good morning everybody, after that introduction I think I should go home because who lives up to that kind of a build-up? As John said Catherine Goodman's the name and I work with the Irish Management Institute and my role in the Irish Management Institute is to help small businesses to grow. You see up there on the screen a word - S.M.E. Programme Director. Those of you who don't know S.M.E. stands for Small and Medium Enterprises. So most of my work is working with the owners of small and medium sized businesses, that is business that employ up to 250 people, just to give you some idea. The idea for this talk, and talking about entrepreneurial thinking has come from - I have a great passion around working with small businesses and business owners and helping them to achieve their goals. But also recognizing when I see large businesses, that small businesses and small business owners or entrepreneurs have a lot to teach large business managers, because the way they do business tend to lead to faster growth than large businesses are capable of. So it's a little bit of a passion of mine saying we spend a lot of time trying to take lessons from large businesses and bring them into other businesses, successful businesses, but there's a lot to be learned in the other way as well, from smaller businesses and entrepreneurs who achieve growth, large businesses have a lot to learn from those. So this morning in my talk what I hope to do is to show you how entrepreneurship is very important to all businesses. Even to the public sector as well. I suppose I don't need to tell you that economically the whole world has become a global economy and change is incredible rapid and as a result of that we need to adopt strategies in business to help us to flexibly move and adapt to those changes. I am going to refer to a book which was called 'The Entrepreneurial Mindset' and I think you have had some pre-reading which has been a book review of this book. But the authors of this book - basically one of the things that they say is that for business success future strategies will exploit an entrepreneurial mindset, melding the best of strategic models with the ability to rapidly sense, act and mobilize even under very uncertain conditions. That's a quotation from Rita McGraw who is one of the authors of the book.

Part 2

So this morning what I hope to do is to give you some idea of the characteristics of an entrepreneur. What's different about entrepreneurs compared to managers in business? So what's different about them, what is it that characterizes the entrepreneur? We'll do that by looking at specific entrepreneurs, some of whom you may have heard of, some of whom you may not have heard of. We'll then look at the question of why we need more entrepreneurs, why business, and nations need more entrepreneurs and more thinking in an entrepreneurial way.

Then we'll focus on some of the ways and strategies that businesses can adopt quite easily in order to be more entrepreneurial. How does that sound? O.K., O.K.

So, let me start. What is an entrepreneur? The very first mention in literature and academia of the word 'entrepreneur' comes from this guy, Richard Cantillon in 1755. He said an entrepreneur is *someone who exercises business judgement in the face of uncertainty*. Today we commonly talk about entrepreneurship, and entrepreneurs as those people who take ideas, new ideas or ideas from other places, but commercialise those ideas. So the entrepreneur is somebody, not an inventor who comes up with smart ideas, or an innovator who creates new, perhaps pharmaceutical formulae, but the person who takes those ideas and commercialises them, makes a profit, creates a business from those opportunities and those ideas. That's what we're talking about when we are talking about the entrepreneur.

O.K. – so let's look at a couple of entrepreneurs. Richard Branson, have you heard of Richard Branson? Richard Branson is a very famous entrepreneur who is U.K. born, he's also a very flamboyant individual and you probably have seen him a lot on T.V. flying balloons, racing very fast, speedboats and all that kind of good stuff. But he's a tremendously successful entrepreneur and he's what we would call a 'serial' entrepreneur. He has founded a number of different businesses one after the other. He is the founder of the Virgin music label from scratch. In his early 20's he set up the Virgin music label. He set up Virgin Atlantic Airways which is a major player globally in the airline industry, and he also then founded Virgin Cola. He's an unorthodox kind of a guy, and he's a fun sort of person. Lots of ideas, lots of fun about how he goes about business. Here's a couple of quotes from him 'business opportunities are like buses, there's always another one coming'. So a couple of the things that are going to come through – the entrepreneurs that I'm going to talk to you about. There will be key words that you will see popping up again and again. Opportunities, entrepreneurs see opportunities where most of us don't see an opportunity. They see a crisis or a change in a market place, not as a crisis because competition has got severe, but as an opportunity to do something different. His second quote there is 'I want Virgin to be as well known around the world as Coca Cola'. What does that tell us? This guy has very high aims, he just doesn't want to be a 'me too' player. He wants to be right up there with the best brands in the world. So there's a sense of having a focus and a very strong goal.

This woman, I'd be surprised if many of you have heard of this woman, Moya Doherty, but you might recognise the picture at the bottom, the dancers, the Irish dancers. There is a competition, which I think is now a European competition may be a world-wide competition which is to find the 'entrepreneur of the year'. This woman won the Irish entrepreneur of the year award, for her achievement in taking an idea which was something like a 7- minute music and dance performance during a Eurovision Song Contest, and taking that and commercialising it and bringing it global. This show became a full-length show and travelled the world, and became a huge commercial success. So taking an idea from art and dance and making it a business, that was the reason she won.

Part 3

Another unknown to you guys is Pádraig Ó Ceidhe is an Irish entrepreneur who took what was a small airline based in the west of Ireland. Ireland, as you probably know, is a small island on the periphery of Europe. The airline he took over operated on the periphery of Ireland, on islands, bringing people from islands off back onto the mainland. This guy took the concept and has developed the airline. He bought the airline in 1994 when the turnover of the business was one hundred thousand euro, O.K., not very big for a business. A hundred thousand euro. The business now turns over more than 10 million and takes 625,000 passengers a year. So he has taken a tiny little airline and made it into a European regional airline of the year. Smaller scale than Richard Branson, but none the less a fantastic achievement. The words that are underlined there are again resonant of the words we were talking about earlier. Opportunity – he saw a new market space, he developed a new business model. He took what was an unprofitable small turnover airline and made it into a very profitable operation.

Another chap again, the predominance of Irish here for the moment, but we will come back to some international and global entrepreneurs. This individual was chosen as Entrepreneur of the Year for his drive, perseverance and tenacity. Again, strong themes that come out when we talk about entrepreneurs, when we examine the lives and the activities of entrepreneurs. Drive, perseverance, determination are common themes. This guy, his business interests – again another serial, habitual entrepreneur. He set up back in the 80's and bought a radio licence. He bought a local radio licence in Dublin. He subsequently bought and owns about 25 radio stations across Eastern Europe. He then became the first competitor to the national landline telephone company of Ireland. He got the first, he became the first competitor and built that business. He then became the first business to get a mobile telephone license in Ireland and he bought that, or ran that business for 10 years and sold the business then to British Telecom, a U.K. based telephony company for 2.9 billion euro. Big business. You will also find with a lot of these entrepreneurs, they do make a lot of money, a lot of money. He's out of that business at the moment in the Irish context, in the European context, but he has actually set up mobile telephony companies in the Caribbean. He was also the chairman of the 2003 Special Olympics committee, where the Special Olympics for the first time ever was run in Ireland having been run in the United States since its inception. So he became the chairman of that.

So I like that there – his never-say-die attitude and his refusal to take 'No' for an answer. He would just keep going back. Can you imagine how difficult it is to actually go into competition in a country where you have a monopoly that has been there since the foundation of the state. This is the type of drive and perseverance we're talking about. Another one, you might know this woman – Oprah Winfrey – yeh? You've seen that face before. In a recent online survey she was voted the most admired entrepreneur in the world, over people like Bill Gates and Richard Branson. She is perceived as being a pioneer on many, many fronts. At the age of 17 she went into broadcasting, and at 19 she was the youngest ever, and the first black female to anchor a news broadcast programme in the United States. She subsequently set up her talk show. How many of you have seen the Oprah Winfrey Show? I would say pretty much most of you. She, within a year of taking an ailing talk show she had turned it around, branded it

the 'Oprah Winfrey' and for 18 straight years became the No.1 talk show across the United States.

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She's also an entertainment entrepreneur. 'Harpo' is the name of her business, so she wasn't happy to provide her services for others to make all the money so she set up her own broadcasting and publishing company which is called 'Harpo'. Which is involved in making movies, broadcasting shows and publishing, and 'O' magazine would have been one of the most recent publications which is available pretty much on the bookshelves or in the magazine racks in most of the major stores. She also became the first black American woman to become a billionaire 'though again a seriously wealthy individual. One of the words that comes to mind when you think about Oprah Winfrey is the word integrity. She demonstrates incredible integrity, ambition and drive so again the same themes coming across.

I am just going to give you a couple of quotations now about entrepreneurs and entrepreneurship. Some of these are actually from entrepreneurs, Mary Kay Ashe and founder of May Kay Cosmetics, an American cosmetics company said - *'When you reach an obstacle turn it into an opportunity, refuse to throw in the towel, refuse to give up. Go that extra mile that failures refuse to travel. It is far better to be exhausted from success than to be rested from failure.* Again perseverance, determination coming through.

On innovation Peter Drucker is probably one of the leading gurus in management thinking. What he says is that innovation, new ideas, is the specific tool of entrepreneurs. It's the means by which they exploit change as an opportunity for a different business or a different service. Bill Gates you may have heard of, the founder of Microsoft Corporation, he says we were young but we had good advice and good ideas and a lot of enthusiasm. Again another word that comes across is that word 'enthusiasm' another word for it 'energy'. When you look at entrepreneurs and you look at their lives and look at the way they behave and the way they do business, there is always a tremendous energy around.

O.K. So I have given you a flavour for a number of entrepreneurs. The types of common characteristics that are coming through. What do they have in common? And the interesting thing is that any of us can actually just look at these entrepreneurs, watch how they do business, and we can actually come up with the same list of characteristics that research has shown. This list looks something like this. The common characteristics, and you'll have heard these words as I was talking about specific entrepreneurs and their achievements. They have drive, determination. They use innovation, new ideas. They have self-confidence. They don't care if the whole world is going in the other direction. They are focused and confident about their own way. Determination, high energy, the one I just mentioned, optimism - they believe there is always a way through. They capitalize on opportunities, so opportunities are constantly coming up as well. They have leadership skills; they are terrific at engaging and energising others and helping them to see 'the big picture', and leading them in the direction of success. And as individuals they are very much self-directed, they

are not waiting for somebody else to tell them what to do next. So that kind of encapsulates the characteristics of entrepreneurs from the examples I have given, but also these type of characteristics were also seen in a research study which I mentioned by the Hay Group in 2001. They would have come up with the same, or a similar type of list.

O.K. -referring now back again to the entrepreneurial mindset and the book which I referred to earlier. Some of the things and characteristics, again furthered by research, by Rita McGraw and Ian Macmillan in the writing of the book. I am going to outline a number of characteristics that they show to be common to entrepreneurs. The first one is that entrepreneurs passionately seek new opportunities. They are not happy to live with what they have achieved already, they are constantly looking for the next idea that's going that's going to help them achieve greater success and profit. They are constantly on the alert. If something changes they will be looking for an opportunity from that change.

Part 5

And they design new business models. When I talk about business models - I am not sure how many of you are management or business students - when I am talking about a business model I am simply talking about the way that they make profits. So in the existing business that they operate, for example if they were in a trade, the electronic sector, software sector, one would expect that the profitability of a business in the software sector might be in the high teens, 15% to 20% net profit say. O.K.? They're constantly looking for ways to change that, to find ways of finding a higher profitability model. So they want to shift when they are looking for new business opportunities, they want to shift from a 15% profitability margin to perhaps 20%. They are looking for more profitability. Now that's a simplistic look at it because it's not all about net profit. We might also be looking at return on investment, and those things. But just to give you an idea, that's what I mean when I talk about the business model. I'm talking about the financial profitability however that is measured. They pursue opportunities with discipline.

Now this is very important because they don't just go off harebrained following every idea that they come up with. They don't have unlimited resources. The resources they have to play with be they people resources, financial resources as in cash, or physical assets, they don't have unlimited resources. So they keep a register of opportunities that they haven't yet exploited and they select from this list. And they move projects along incrementally, little by little, step by step until they are able to achieve the potential of that particular opportunity. But they always have a stock of ideas and opportunities that have not yet been commercialised and then they selectively invest in the opportunities by using specific criteria that allows them to make a decision of when it is right to invest more.

They only pursue the best opportunities, so they are constantly evaluating the opportunities that they have to hand. They check on a regular basis to see if those opportunities are not paying off. They have, as I said, a stock or a portfolio of opportunities or projects that they have at different stages of development. So one of the things that is very disciplined about entrepreneurs as well is that they

don't only just start and select projects to work on, but they also regularly drop ones that are not paying off. So they have this constant group of ideas which are at different stages and if one is not meeting the profitability criteria or the investment criteria they drop it, they get rid of it before it becomes too expensive. So they're focused because they have limited resources. They also focus very much and make sure that the opportunities they pursue are consistent with the overall strategy for the business.

For example in the case of the Nokia Corporation they have clear divisions within their organisation. They actually pursue this type of strategy of opportunity portfolios and they have what they call a Corporate Venturing Division. It's a Division where people are allowed to develop new and whacky ideas but all the time being monitored at each stage of development. But they also try and make sure that there is a link to those ideas from their strategy. The overall strategy within Nokia around, for example, their mobile telephony. They will have ideas and opportunities that will eventually fit in to that whole space, that market space. So they keep focussed on areas that are of interest to the business. They are not doing random projects in different industries that are unrelated to the core business and the core strategy for the growth of the business. The last line on that slide says 'They use discovery driven planning'

Part 6

This is described very well in the book; it's a process where if I'm starting to look or exploit an opportunity in an area where there isn't a lot of knowledge so you might think of, say in pharmaceuticals, in electronics, where there's brand new ideas where you don't know how feasible the invention or idea is, O.K.? Then you've got to use a technique that allows you to discover more without investing an enormous amount of money. You don't want to invest heavily too early in an idea that isn't proven, that it can be successful. So discovery driven planning if you like is a stage gate process of planning where we take an idea, where we really don't know if it's going to work. We make assumptions about what might happen and we use time and experience to convert those assumptions into real knowledge. Once we have the real knowledge and it meets our criteria, we then take the project to the next stage.

A good example that we can probably all identify is; if you think back to the 60's when President Kennedy, I think it was at the time, basically came out in the early 60's and said 'we're going to land a man on the moon within 10 years'. The NASA people got extremely scared. Because at that point in time they hadn't even put a man into orbit. So they didn't know how to get a man into orbit never mind travelling to the moon, landing on the moon, walking on the moon and getting back safely. So what they did was they took stages of the project and they took the first task as discovering 'what are the variables around trying to get a manned spaceship into orbit first of all?' Once they had that knowledge they were able to take the next step and convert the assumptions that they made into knowledge about the behaviour in space, the behaviour of aircraft in space and how space would affect humans. Does that make sense? So you take things step by step and you discover as you go along knowledge which converts your assumptions into real knowledge which you can then use going forward.

Entrepreneurs focus on 'doing', they don't spend a lot of time analysing the data and re-analysing the data. They see opportunities that are fleeting, but they take the information and knowledge they have and they get 'doing', get acting. In large businesses quite often we see managers paralysed by analysis. Analysis paralysis - they keep running the numbers again and again and again and again until they can get a 100% sure that whatever they are going to do is going to work. Entrepreneurs take a small amount of information, try things out, they get 'doing', they act because they know it's much more costly to be slow than to be wrong. That make sense? It's more costly when you've got a fleeting opportunity, market opportunity, it's more costly to be slow than to be wrong. So they also then, using this process of discovery-driven planning, they adapt and change direction very quickly when they learn more about the environment and about what's going on.

Entrepreneurs engage the energies, they involve people within and outside the business, they are fantastic at creating networks. I work a lot with small businesses and it is absolutely fantastic to see how much they can get done in the early stages of their business growth when they have very few employees. They have friends who are lawyers, they have family members who are accountants and they get all of these people working for them for free. They use their social capital, they absolutely use every contact that they have and capitalize on it. They create very wide networks through their customers, through their suppliers and stakeholders in general. So they're fantastic at that. In terms of engaging the energies internally they tend to be quite visionary people so they have this ability to create 'a big picture' of how the future's going to look, how success is going to look, and they really get people excited about what they're trying to do. That in turn leads to huge energy within the company and a lot of very positive productivity from employees.

Part 7

O.K. I am quickly going to go through a few little pieces here because I am just looking at the clock. They do these things well, they capitalize on uncertainty, they create simplicity - the vision. They embrace learning from taking calculated risks. They are not, you know, risk-takers in a very broad sense, they're very calculating in how they take risks. They recognise fleeting opportunities, they find solutions that are roughly right, and they use their insight and experience to learn more and to move forward. So, the next question that I posed at the beginning is 'why do we need more entrepreneurs?' So maybe you can already answer that question for me. But simply we need more entrepreneurs to deal with change. Change across our whole society, and it's not just in private industry that we need this. We need it in our public service. The changes are dramatic, one for example, the challenge that faces, probably Europe within the next 15 to 20 years, is the ageing population - the greying of Europe. We will have so many people at a retirement age, that the implications for health services and for the working population are huge. To fund and pay for the services that people will need after they retire, will take more than has currently or is currently being invested into pension schemes, for example. So public servants, the public sector, as well as the private sector needs to embrace entrepreneurship, to think in a more creative way about solutions to those

changes. At the moment we have a little bit of time, but I'm not sure if the public service right now is quite entrepreneurial enough to handle it.

So to deal with change and uncertainty, to increase the bottom line. In other words to get better profitability, to increase innovation for opportunity seeking, and for energy there's nothing better than actually working with a group of people who have energy and excitement every day they go into work. It makes for a fantastic atmosphere and a better society in general.

O.K. - globally, now this is a very busy slide though I don't expect you to be able to read this but I don't know if you have heard of, there is a survey that's done annually that's called *The Global Entrepreneurship Monitor* which looks at how entrepreneurial nations are, countries are. This one is just a little bit older, its 2003 and I've pointed an arrow there, Ireland was in 9th position among a group of 32 countries. The most entrepreneurial country over here, in this survey was Uganda, followed by Venezuela, Argentina, New Zealand, Chile, Australia, Iceland, the United States. And down here at the bottom we had France, Croatia, Japan, were the low-lying countries in terms of entrepreneurial activity. And how they measure how entrepreneurial a country is - is they do a survey and find out how many people, per 100 of population, are thinking about setting up a business, or are managing a business that was set up in the last 3 years. So that's how they measure it. The number of people per 100 of the population who have set up, or thinking about setting up, or have set up within the last 3 years. The statistics and the number of countries involved in this survey changes from year to year. I think in the current one Ireland has slipped to 12th place on the whole rating scale. You can see the United Kingdom is in here about 18th position on that particular scale.

O.K. just how important entrepreneurial and entrepreneurial activity, entrepreneurship is in the Irish context. In 2004 we did a complete review of our economic, industrial and economic strategy going forward. So this is a diagram of the Irish strategy for building sustainable businesses for the future, O.K. Recognising that manufacturing is moving east to countries like China, India and so on. Ireland has had in the past a huge manufacturing base but that, like the U.K. is moving to lower cost locations. So with that in mind we are trying to figure out in Ireland 'how do we build more sustainable enterprises?' - and you'll see there at the bottom, entrepreneurship and innovation are seen as essential conditions for the future. We cannot go anywhere if we do not have that as the ground rock to build on, so this is critically important here for Ireland.

Part 8

O.K. I am going to move a little bit quicker because I am just looking at the clock and I want to allow a little bit of time for questions. To be more entrepreneurial a company needs to create a framework or a vision. So everybody needs to know where we're going. You create a vision, a set of goals for the business and you translate those into understandable language that everybody in the organisation understands. That every department understands, so that everybody knows what their role is and everybody in the company knows what I have to do next Monday in order that the company will achieve that big goal. Does that make sense?

The second thing is to gather the opportunities. You need a way of actually systematically keeping track of the business market opportunities that exist for the company. The next thing you need to do is to provide a focus on which are the best opportunities which ones are we going to pursue, and then the key part of any strategy is execute, put it into practice. Implement the plan - go and do it.

I've explained these briefly, so the framework, establishing the framework involves, and I am reiterating some of what I've said already, involves defining the criteria, setting a specific measurable challenge, making sure that that goal is a challenging one. That's an example of a framework as I said, the framework tends to be around financial numbers but that gives you a very good idea of the criteria. So if you are evaluating an opportunity, if it doesn't meet the profitability criteria or hurdles, you know immediately to drop it, but the framework is very important. Equally, if not more important, is the environment within the organisation for entrepreneurial activity. We sometimes call that the culture - the way we do things around here, in a business, that's the culture. In entrepreneurial companies you find a number of key themes keep coming up again and again in terms of the climate. There are incentives and rewards that are linked with behaviour, entrepreneurial behaviour. Taking risks, you get rid of what's sometimes called 'the blame culture'. Trying something out is rewarded, failure is not rewarded, but if there is learning from the failure it is acknowledged and recognised. So people in organisations that are entrepreneurial go to work, they feel that they can try things out, they feel that they can contribute fully of themselves all day, every day, and that they will be rewarded for contributing in that way.

Experimentation and being creative. I'll give you an example. The 3M Corporation, have you heard of the 3M Corporation? All I need to do is to show you that and you probably know the 3M Corporation the post-it note. In 3M they set goals which are linked to innovation and entrepreneurial behaviour so their key goal - one of the key goals I should say is that 40% of revenue, of sales must come from new products that were invented and brought into play within the last 3 years. So that's real commitment, right, the goal is there.

The other thing that they do is they allow all of their researchers, 8,000 of them, to spend 15% of their time, on projects that they are interested in. Whatever they are, it doesn't matter. So free time, 15% to do whatever they feel like and it was in one of those projects that the post-it note came from. A researcher playing around with different glues in 3M and came up with, somebody else actually figured out that this would be a really good use for it. But that's where it came from, what they call a scope works type of activity. They allow research to happen on an on-going basis. The other thing that's common in the environment is the investment in R and D. Companies who are entrepreneurial do invest in innovation and R and D. Another thing that is also very common within entrepreneurial companies is that they are very close to their customers. They understand very clearly (the context in which the customer works).

Part 9

The context within which the customer works. How the customer uses the product. What else they use in and around the product they are using. But they understand the needs of their customers intimately by staying very, very close to them. So they know when a change is coming.

The opportunity register idea, I'm not going to go into it in detail. You can get some more information on this, from my slides at a later stage, if you like. But basically it's just a systematic register of all opportunities, it's a database. So you systematically keep records of what opportunities exist in the market place. Closeness to the customer is critical in this. So if a customer talks to a sales person, tells them that they are interested in or changing the way we do business, that comes back into the opportunity register - is this an idea commercially viable for us to work on in the future? So it's just really a database.

There are different types of opportunity for re-designing your product or services. For example Nokia mobile phones. A mobile phone was a phone device. They then started to introduce new features because they recognised that young people using mobile phones have a lot of desires, and they integrated a camera into the phone. There's lots of examples from mobile phones.

Differentiating your products or services - from making standard candles, another company created very neat products by differentiating themselves. By saying, O.K. we now have the festive candle, we have the outdoor candle that keeps the bugs away, getting very specialized, differentiating the product ranges. Segmenting the market in a different way, like using the behaviour of people to segment rather than typically the way we segment markets, or marketers segment markets. They'll say we'll go by age profile or we'll go by gender or by geography and the products are geared around that. It's now getting much more sophisticated, you need to start thinking about behaviour and for example insurance, on-line insurance availability for execs compared to the bureaucratic set of paperwork that you would have to go and be interviewed for and so on.

Reconfiguring the market, changing the rules of the game. Usually only a possibility open to only the very large players, big companies. But we saw that when Dell came in with their product offering. What did they do? They cut the whole middleman out of the market, and from manufacturing they went directly into the home, directly to the consumer. Cutting out the retail stores, the agents in the middle, the consultants, chop, gone. The rules of the game completely and utterly changed. The developing breakthrough competencies is developing skills and capabilities that nobody else has. That's another way of creating opportunities. O.K.

I'm going to wrap up now, - that's just an idea of a database, and I'm going to go to a final slide which is a summary, the second but last slide, which is a summary of tips on entrepreneurial thinking and being more entrepreneurial in business. Focus on growth and goals. As we said the framework is critical to entrepreneurial activity. You've got to know what the boundaries are, and what the end vision/goal is. Everybody in the organisation needs to understand that.

Continuously scan the environment and the market place. So constantly watching for changes and opportunities from customers, from markets and so on. Staying close to the customer, living within the customers' context and understanding what customers need at all times and how that is going to change. Staying close to employees, providing the climate and the culture, and a critical thing that I didn't mention within entrepreneurial companies, is the whole ethos of trust. You can imagine in 3M if they are saying to somebody, O.K. 15% of your time you just go away and do whatever you like - there has to be an enormous level of trust because it's those people taking 15% of time, the cost - 8,000 of them, there's an enormous level of trust needed so the whole concept of culture climate and the incentives and rewards that you provide for employees in the business is critical.

Part 10

Maintain low or variable overheads. This is linked very much to the idea of discovery-driven planning. You want to keep lean and fit as a business so that you can adapt and be flexible, that you can change quickly. So maintaining lower variable overheads is critical. Design systems that are not cast in stone so you want again to have systems that will grow with the business, or can be changed. So they're flexible systems. An example of a company which had very entrepreneurial people in it but lost them because they had a process of evaluating new ideas. Which took two years. By which time of course the market opportunity had long since disappeared. So you need to make sure that you don't introduce bureaucratic systems and processes in decision making because that will completely stifle innovation and entrepreneurship. Make sure that there are few decision makers at the top. An example of a company called Intuit Software Company, they made a software product, super product, financial software called 'Quicken' and 'Quick Books'. They started to grow enormously. They started to suffer from the bureaucracy of having a centralised functional system, marketing was central, finance was central and all the divisions were waiting for a lot of time for decisions, so they decided to actually separate all of the businesses and only keep some core services at the middle but all decision making went out to the individual business units that managed the different product ranges. So you weren't waiting for a board to make a decision. You could make a decision locally for your products, for your markets which was necessary to keep that entrepreneurial spirit alive. Finally you will be delighted to hear. In successful entrepreneurs we see not flashes of inspiration and great fortune, but a set of conscientiously applied disciplines that ensure a maximum possible return for the minimum possible investment.