



The Art of the Start

Author:

Guy Kawasaki

Guy Kawasaki is the managing director of Garage Technology Ventures, an early-stage venture capital firm for high-technology companies. Previously, he was an Apple Fellow at Apple Computer, Inc. A noted speaker and the founder of various personal computer companies, Kawasaki was one for the individuals responsible for the success of the Macintosh computer. He is also the author of seven books, including *Rules for Revolutionaries*, *How to Drive Your Competition Crazy*, *Selling the Dream*, and the *Macintosh Way*. He has a BA from Stanford University and an MBA from UCLA as well as an honorary doctorate from Babson College.

Abstract:

The Art of the Start is a short, pithy and to the point look at some of the essential knowledge that any aspiring entrepreneur should have. The eleven concise chapters cover a range of topics including positioning, pitching, and raising capital and the less common bootstrapping and rain-making (selling).

The author's experience on both sides of the road to starting up a business, as an entrepreneur and a venture capitalist, is very visible in the text and helps convey context with his advice.

The Art of Starting

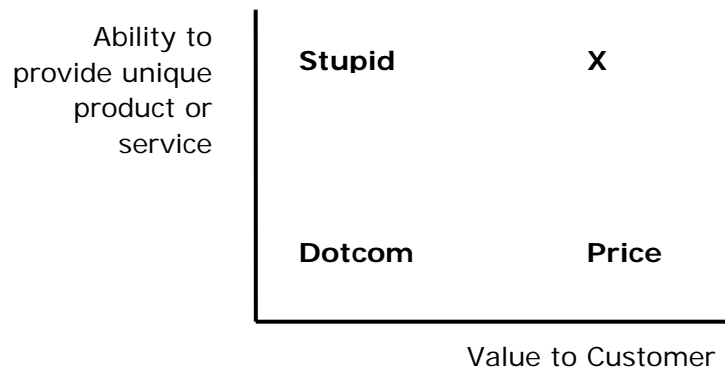
The philosophy of success resonates with how things really should be done, without all the hype baggage most 'how-to-succeed' books usually offer up. Guy Kawasaki presents a top-ten list of the most important things an entrepreneur must accomplish:

Here is the GIST (Great Ideas for Starting Things) of the book:

1. Make Meaning: How are you going to make meaning?
2. Make Mantra: Two or three words. No mission statement. Explain why the company exists. Why do you go to work? E.g. FedEx: "Peace of Mind", Target: "Democratize Design", Nike: "Authentic Athletic Performance."



3. Roll the DICEE: Your product has to be **D**eep (Fanning, Reef), **I**ntelligent (BF-104 Flashlight, Panasonic), **C**omplete (GS Hybrid, Lexus) **E**legant (e.g. iPod Nano), **E**motive (Harley Davidson)
4. Define Your Business Model: Be specific, keep it simple, if it cost a buck, sell it for a buck and expect 20% growth margin, ask women.
5. Weave a MAT: **M**ilestones ("Finish Design"), **A**ssumptions (Sales Calls/day), **T**ask ("Rent an Office")
6. Niche:



7. Follow the 10/20/30 rule: 10 slides, 20 minutes, 30 point font.
8. Hire Effective People: Ignore the irrelevant. Hire better than yourself. Apply the shopping center test.
9. Lower the barriers to adoption: Flatten the learning curve. Don't ask people to do something that you would not do. Embrace your evangelists.
10. Seed the Clouds: Let a hundred flowers blossom. Enable people to test drive. Find the influencers.
11. Don't let the bozos grind you down.

The pivotal vital motivator is the first one. Here is a quote from the first chapter: *"Do I want to make meaning? Meaning is not about money, power, or prestige. It's not even about creating a fun place to work. Among the meanings of "meaning" are to: Make the world a better place,*



increase the quality of life, right a terrible wrong or prevent the end of something good."

The Art of Pitching

The chapter on pitching gives the reader an idea of what the entrepreneur should know to ensure he/she is not working in the dark. It also shows what the VC is most likely interested in.

Guy Kawasaki presents ten points in perfecting your pitching:

1. Begin with "The End": What's the most important thing you want the VC to remember? Only 10% of your pitch will be remembered after just one week – what is the 10% that matters? If you just remember three things today: 1. Big point one, 2. Big point two, 3. Big point three. Build your "Why Us" summary slide first.
2. Be Brief: KISS (Keep It Simple Stupid) so your grandmother can understand it. Avoid geek speak. Boil it down to a sentence, e.g. "We safeguard your communications".
3. Bait the hook: Get the listener interested. Create an elevator pitch.
Simple Elevator Pitch:
 - Call to Action?
 - Why you?
 - Why now?
 - What/Who?Advanced Elevator Pitch:
 - Call to Action?
 - Mission Statement
 - Unique Differentiators
 - So What? Benefits
 - Market Opportunity
 - Burning Problem
 - Tag Line
4. Focus on customer benefits: Technical benefits and business benefits.
5. Obey the 12/20 rule: About a dozen slides in twenty minutes. See link resources for slide overview.



6. Change people's pulse: Audience, bond, communication. Ask relevant questions, the answer will tell you what to stress. What are the three most important things I could tell you about my company today? What attracted you to my business? Tell me about your last investment? What was the last partnership you struck for one of your portfolio companies? How will you help accelerate our success?
7. Tell stories that sell: Passion, energy, compelling.
8. Get a transition: Ask a rhetorical question, build upon last topic, make a statement, and say "next".
9. Practice and integrate feedback. Use a timer, videotape your team presentation.
10. Develop an "attitude" to never give up.

The Art of Rainmaking (Selling)

For startups, rainmaking is generating large quantities of business. Two factors makes rainmaking difficult: First, although entrepreneurs design a product or service for a specific purpose, they have no way of knowing who will actually buy it and what it will be used for. Second, the products and services of startups are rarely just bought, they need to be sold. Guy Kawasaki presents 10 points in rainmaking:

1. Let a hundred flowers blossom: Sow many seeds. See what takes root and then blossoms. Nurture those markets.
2. Pick the right lead generation method: Products and services of startups are sold, not bought. For selling to work, entrepreneurs need to establish credibility and develop face-to-face contact, which starts with effective lead-generation.
3. Enable test drives: The best way for a startup to attract customers is to enable them to test drive its product or service.
4. Find the influencers: Ignore titles and find the true key influencers in the company.
5. See the gorilla: Everyone is focused on the intended customers and intended uses, and they fail to see flowers blossoming in unexpected ways.



6. Go after agnostics, not atheists: Agnostics are easier to please than atheists because you're enabling them to do something they simply could not do before.
7. Provide a safe, easy first step: Offer customers a smooth, gentle, and slippery adoption curve.
8. Make prospects talk: The point is to let the prospects talk, to listen, and then to be flexible. *"If a customer tells you how to sell to them, you better listen."*
9. Learn from rejection: Two lessons from rejection. First, how to improve the rainmaking (selling).
10. Manage the process: Encourage everyone to make it rain, set goals for specific accounts, track leading indicators, recognize and reward true achievements.

Other Comments

Forget the business plan, what's your mantra? Kawasaki brings us his insight from his twenty years as an entrepreneur to distill the essence of the art. We discover the entrepreneur is not some mythical hero, but rather an ordinary citizen equipped with one basic notion: get started on something that means something. One has the urge to almost throw down the book in shame of wasting time reading and run to our desks to get started. His energy is infectious, his examples crisp and memorable, and he does not belabor himself. Be clear, be brief, be seated.

The book's premise says a lot, leading you to believe that this is know-how of starting companies and organizations - any types. And in a sense this is somewhat true. But this book is not geared for smaller companies. In fact the book is structured and designed only for those seeking venture capitalists and/or those who are already in the corporate world and want to start their own company. Basically, for those companies geared more towards technology.

Guy Kawasaki has grown in understanding and insight from his early days in 1980 at Apple Computer to becoming the founder and CEO of Garage Technology Ventures, a venture capital firm. This book is a must-read for anyone running or starting a business.



The Art of the Start - The Time-Tested, Battle-Hardened Guide for Anyone Starting Anything: Guy Kawasaki, Penguin Group, New York, First Edition, 2004. ISBN 13: 9781591840565. ISBN 10: 1591840562

Read By:

Henrik Zillmer – hez@innovationcenterdenmark.com