Growth Leadership: A Passion for Two Worlds

Robert E Wiltbank, Ph.D.
Professor of Strategy, Willamette University
Partner, Montlake Capital

Wiltbank@Willamette.edu
A Passion for Two Worlds

Isn’t in Ironic?

» Entrepreneurs wish they were the incumbent.

» Incumbents wish they were more entrepreneurial.

» What is it about corporations that entrepreneurs desire?

» What is it about new ventures/entrepreneurship that corporate leaders desire?

Growth Leaders live at the intersection of these two worlds

....and love it.
The Best of Both Worlds

YES
The Best of Both Worlds

**Entrepreneurial World**
- Co-Create with Early Yes’s
  - Direct Customer Relationships
  - Reframe the value you create
- Small Bets, Fast
  - Don’t Over Analyze
  - Early Yes’s for FREE
  - Adapt: you will be wrong
- Pragmatic Leadership
  - Heavily Utilitarian
  - Teams change over time

**Corporate World**
- Leverage your Organization
  - Across organizational boundaries
  - Progressive Engagement
- Design for Scale
  - Milestones to proceed
  - It’s about the cash *machine*
    - Recurring revenue, $'s for time, Talent
- Enter with Competitive Intent
  - Identify/develop barriers to entry
  - Technology/fads/regulation are tough competitors

*And They Love It*
Co-Create with Early Yes’s

So What?
• Leverages your most unique assets
  • experience, talent, & relationships.
• Creates Traction
  • Reduces Uncertainty Objectively
  • Enables Action with less analysis/prediction
• Co-Creation leads to novelty that both parties value from the start.

Now What?
» Develop & Maintain Relationships
  • Rise up & OUT with each promotion
» NO Type II errors
  • Raise the bar on ‘potential’
  • Pre-commitments to proceed
» Take on the Market, not the Organization
  • This is not an internal debate

A Corvette without traction is not a fast car.
Small Bets, Fast

So What?

» Maintains flexibility as you create real opportunities.
  • You ARE wrong, avoid lock in early on.

» Big Bets are justified by predictions that are wrong.

» Big bets discourage early yes’s.

» Good enough is usually good enough

Now What?

» Do Not Overanalyze
  • Prediction slows & disconnects the opportunity from right now.
  • Unit economics & conditioning assumptions are critical.

» Identify your affordable loss $
  • Work up from FREE to more $$’s
  • Sell >> Develop >> Systematize

» Re-design & Change
  • Design to manage capital needs and facilitate early yes’s.
  • The answer is RARELY more $$.

Angel Investors fail less than VC’s, yet invest in earlier stages.
Pragmatic Leadership

So What?

» Utilitarian view keeps the focus on growth over all else.
  • Results, quickly.

» Teams will change.
  • Critical quick changes upfront, and additional changes over time.

» You need to motivate intense engagement to push the ball forward. It is personal.

Now What?

» Test Ideas Not People
  • Capitalize on talent, experience, relationships from the start.
  • Bring people in and out as needed.

» Direct, Forthright, Timely
  • Listen & give feedback
  • Sometimes your baby is ugly

» Identify Donna & Chester
  • DISC Personality dynamics
  • This is a team sport.

Effort does not count
Leverage Your Organization

Now What?

» Look across Org Boundaries
  - Create new relationships
  - Identify resources & capabilities

» Ask what COULD you do, not what SHOULD you do

» Identify R&C at the other end of your network connections
  - They are looking for new ways to use them. Help.

So What?

» #1 advantage that corporations have over entrepreneurs.
  » You know more, can do more, and are known by many more people.

EXAPT Find NEW ways to use them
  » Many people are not in their best role.
  » Many things are not in their best use.

» Moving 1 or 2 key people/pieces can solidify action in a new direction.
Design for Scale

Now What?

» Set milestones for growth specific to the opportunity
  • If it doesn’t grow, you’re not interested.
  • Invest to buy the next milestone
  • Make stopping the default

» You must find a way to drive increases in $ / head

» Piggyback on existing operations
  • Overhead is still your enemy
  • Begin to rationalize within your Org.

So What?

» It’s about the Cash MACHINE
  • $’s for Time is very hard to scale
  • Recruiting talent is critical
  • Operations competes with Marketing

The first couple Million$ aren’t the hardest part
  • Recurring revenue is very very helpful
  • Market positioning matters

» Now taking into consideration TAM and other predictive analysis

Only 4% of new ventures increase revenue by 10X in first 5 years.
Enter with Competitive Intent

**Now What?**

» **Identify who could & who would compete for your cash machine**
  - What fights do you want to avoid?
  - Are there cooperative options that you value?

» **Evaluate the incentives & habits of those players**
  - 2nd / 4th / 6th
  - Categorize players and plays

» **Identify strategic value for potential acquirers**
  - Create options for corporate rationalization

**So What?**

» **1st / 3rd / 5th**
  - Price is not a good entry wedge
  - What gets you there, won’t keep you there

» **Create Barriers to Entry**
  - Relationships
  - Switching costs
  - Pace

» **Technology / Fads / Regulation are really tough competitors**

If you don’t have a 3rd don’t play your 1st
The success of an initiative is 99% contingent on execution.

The success of a strategy is 99% contingent on the reaction of others.
The Best of Both Worlds

Entrepreneurial World

Co-Create with Early Yes’s
Small Bets, Fast
Pragmatic Leadership

Corporate World

Leverage Your Organization
Design for Scale
Enter with Competitive Intent

Growth Leaders live at the intersection of two worlds, and love it
For the flight home

» Buy ONLY your next milestone

» 1 / 3 / 5

» Eliminate Type II errors

» Identify R&C at the other end of your connections

» Identify Donna and Chester

» What next steps can you take justified only by affordable loss?
Your Work Sheet

**Early Yes** (who/what):

*Demonstrate traction (prove it?):*

**Next Bet:**

*#1 Capital Driver (eliminate it?):*

**Great Talent:**

*Elephant in the room (shoot it?):*

**Change in Use:**

*Networks’ Resources (borrow it?):*

**Times 1 Million?** (impediments to growth?)

*Team up? Circumvent?:

**As I win I will...** (who will respond? How?)

*No 3rd? No 1st. How will you finish?*