Lecture 2: Entrepreneurial Mindset
Thursday, June 27, 2012
University of Lagos
Today’s Agenda

- Recap of Last Class
- Who is an Entrepreneur
- The Entrepreneurs Mindset
- A Founders Journey
Entrepreneurs

- Definition
- Successful Entrepreneurs, Why are they successful?
- Characteristics of an Entrepreneur
Who is an Entrepreneur

- Simple Definition
  - An Entrepreneur makes things people want to use.
One Example: Micheal Dell

- At age 15, he tore up a computer and put it back together
- Started selling computer parts to his friends and then grew the business
- Founded the largest PC maker in the world out of his college dormitory.
- Built a personal wealth of more than $20 Billion US and inspired millions of entrepreneurs.
Entrepreneurs are...

- Visionary leaders
- Risk-taking
- Ethical
- Confident
- Ambitious
- Problem-solvers
- Curious
- Crazy
- Forward Thinkers

- Driven
- Passionate
- Optimists
- Strategists
- Articulate
- Resilient
- Diligent
- Imaginative
Exercise # 3: Are you an Entrepreneur?

- Write 5 of the characteristics mentioned that you have
- Write 3 that you do not have
- Improve your strengths and overcome your weaknesses e.g. pick partners that complement you.
A founder’s journey

Idea
- Team: 1
- Concept: Vague
- Product: None
- Customers: None
- Revenue: None

Start-up
- Team: 2-10
- Concept: Fluid
- Product: Simple
- Customers: A few
- Revenue: Minimal

Company
- Team: 15+
- Concept: Solid
- Product: Marketable
- Customers: Many
- Revenue: Consistent
## Milestones in a founders journey

<table>
<thead>
<tr>
<th></th>
<th>Idea Phase</th>
<th>Prototype Phase</th>
<th>Market Phase</th>
<th>Growth Phase</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Concept</strong></td>
<td>- Problem selected</td>
<td>- Refined solution</td>
<td>- Refined solution</td>
<td>- Expanding solutions</td>
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<tr>
<td></td>
<td>- Vision for solution</td>
<td>- Business Plan</td>
<td>- Business Plan</td>
<td>- Adding Features</td>
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<tr>
<td></td>
<td>- Hypothesis for $$</td>
<td>- Additional non paid staff e.g. Lawyer, Assistant, CFO.</td>
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<tr>
<td><strong>Team</strong></td>
<td>- Team of co-founders</td>
<td></td>
<td></td>
<td>- Many more Employees</td>
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<td></td>
<td>- Rough drawings</td>
<td></td>
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<tr>
<td><strong>Product</strong></td>
<td>- None</td>
<td>- Proof of concept/ Working prototype</td>
<td>- Proof of concept/ Working prototype</td>
<td>- Product on Shelves!</td>
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<tr>
<td></td>
<td>- None</td>
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<tr>
<td><strong>Customers</strong></td>
<td>- None</td>
<td>- None paying customers / Freemium</td>
<td>- First paying customers / partners</td>
<td>- Multiple customers</td>
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<td></td>
<td></td>
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<tr>
<td><strong>Revenue</strong></td>
<td>- None</td>
<td>- None</td>
<td>- Reliable Cash Inflows</td>
<td>- Increasing Cash Inflows</td>
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<tr>
<td></td>
<td>- Info. for projections</td>
<td>- None</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Investors</strong></td>
<td>- Your savings</td>
<td>- Rich Uncle</td>
<td>- Award $$$$</td>
<td>- Debt</td>
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<tr>
<td></td>
<td>- Friends &amp; family</td>
<td></td>
<td>- NGO, Grant, Venture Capital</td>
<td>- Internal Cashflows</td>
</tr>
</tbody>
</table>
Questions and Feedback
Assignment

- Research different tech entrepreneurs/start-ups over the weekend (We all know about Facebook)
- Helpful site www.crunchbase.com
- You will tell us about the entrepreneur/start-up you researched next week.
- Some ideas: Pandora, Youtube, Justdial, Peddl, Paypal, Shopify, Yammer, Linkedin, Dealdey, Encipher, Bandeka.
Additional Resources

- MIT OpenCourseware: 15.390 New Enterprises, MIT Sloan School of Management
Announcements

- Team Idea Assignment is due at beginning of class on Friday (tomorrow)
- Team link on AITI website, you’ll be assigned a team if you haven’t formed one
- Next Class: Business Plans
- Include a short bio and appropriate picture on website
- Check your emails and aiti website regularly
- Post lab assignments to aitinigeria2012@gmail.com