

# Every Startup Can Succeed !

## An empirically verified Method

Conference Presentation

[miltonchang@incubic.com](mailto:miltonchang@incubic.com)

[www.incubic.com](http://www.incubic.com)

[www.miltonchang.com](http://www.miltonchang.com)

# Startup Failure Rate Is High

---

- **A company can fail for one of many reasons: product, strategy, team, investor, execution...**
- **Courage to take the plunge is never really the reason why an entrepreneur succeed**
- **Set goals consistent with means: Out of money = out of business**
- **It is a nonstarter if you are unable to raise the required capital**
- **“Raise some money to get going” is a trap**

# Keep The Fundamentals In Mind, Always

---

- **The first principle of entrepreneurship is to use capital to create value efficiently**
- **First-mover advantage is *not* a necessary condition for success**
- **Proceed thoughtfully; haste makes waste**
- **First develop a “prototype business” to verify assumptions as you would prototyping a product**

# Start With A Sprint If You Have All These Ingredients

---

- Useful product with a huge market
- Technological advantages
- Readily addressable market
- Experienced team
- Appropriate business model
- Flawless execution...
- *Deep-pocket investors with long arms!*

Even then, only a very small % succeed

# **Learn to Crawl Before You Run If You Are Less Blessed**

---

**Develop your business stepwise, capitalizing on your strengths & use available resources to create value efficiently – to be capital efficient**

- Use your expertise to serve a niche in an industry in which you are an industry insider**
- And you can grow the business over time to significant size if you are committed to a grand long-term vision**

# **It is almost risk-free if you Start In A Niche You Know**

---

- **Products are likely to serve a real need, and customers can be narrowly targeted**
- **Capital is easy to raise when the amount is modest**
- **You can manage by using common sense in the beginning**
- **You'll get product ideas from customers & make effective use of existing infrastructure to grow**
- **You can raise money at an attractive valuation when rapid expansion is justifiable**
- ***You are in the game!***



# The Viability Of This Approach Has Been Empirically Verified

---

100% success using this method

1971 **Newport** (Research Equipment, IPO), Uniphase (OEM lasers, IPO and later JDSU), Cyonics (OEM argon lasers, a sister company of Uniphase), CyberOptics (robotic vision systems, IPO), Questek (excimer lasers, acquired), Laser Power Optics (infrared optical components, IPO), and Lightwave Electronics (argon lasers, acquired). Euphonix (audio mixer, IPO), Iridex (laser ophthalmic systems, IPO), and Gadzoox (storage area networks, IPO), **New Focus** (laser equipment, IPO), Greystripe (Mobile Advertising, Acquired), Precision Photonics (Optics, Acquired).

40% success co-investing with VC; **Now** back to this model  
MBio Diagnostics (Medical), Aurrion (Silicon photonics),  
YesVideo (Video sharing), ThinGap (Motors)

# Valuable Insight On Every Topic!

**This book is an easy read, fine-tuned by 40 years of entrepreneurial experience.**

**Preparing  
Starting  
Managing  
Exiting  
Re-tiring...**

[www.miltonchang.com](http://www.miltonchang.com)





# Sound Career Advice

---

- **Gain Expertise in one area**
  - **Then broaden into multiple technologies**
  - **Take interest in business & management for job performance & career options**
- **Work for a professionally managed company**
- **Engage executive/manager as mentors**
- **Take on project management responsibilities and build a reputation as the go-to person**
- **Expand your Rolodex & reach out into the community**

# **If You Do Plan To Start A Business!**

---

- **Poke holes in your own idea & clearly define the reasons why you can succeed, leaving no room for assumption**
- **Find partners who share a common goal and have complementary skills**
- **Get adequate funding to reach a significant milestone**
- **Develop a long-term vision, write a thorough business plan, find a good investor, and go for it!**

# Takeaways For Entrepreneurs

---

- You are more likely to succeed if you capitalize on your expertise to serve a niche market where you are an industry insider
- A modest successful start is better than a big flop
- Keep a grand vision in your peripheral vision; focus on meeting milestone goals
- Never overlook that capital efficiency is the foundation of *entrepreneurship*
- Your transformation to entrepreneur begins now!

I have managed to transition from a practicing engineer without prior business experience to become an entrepreneur...so can you!

Milton Chang  
Incubic Management LLC

[miltonchang@incubic.com](mailto:miltonchang@incubic.com)

[www.incubic.com](http://www.incubic.com)

[www.miltonchang.com](http://www.miltonchang.com)