

The Big Company View on Start-Up Ventures

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Why use Entrepreneurial Companies?

Unique Software

Lower Cost

Faster response time

Easier to deal with (more leverage)

Supplier diversity

Attitude

“They Save Us Money”

THE 3 INGREDIENTS

Good idea/product

Money

Management

WHAT IS MANAGEMENT?

Cost Management

People Management

Understanding how to do business

Spending money to make money

Focus

Customer Management

WHAT IS CUSTOMER MANAGEMENT?

Customer Interface

Have more than one customer

Think for your customers (not just follow them)

Do more than required

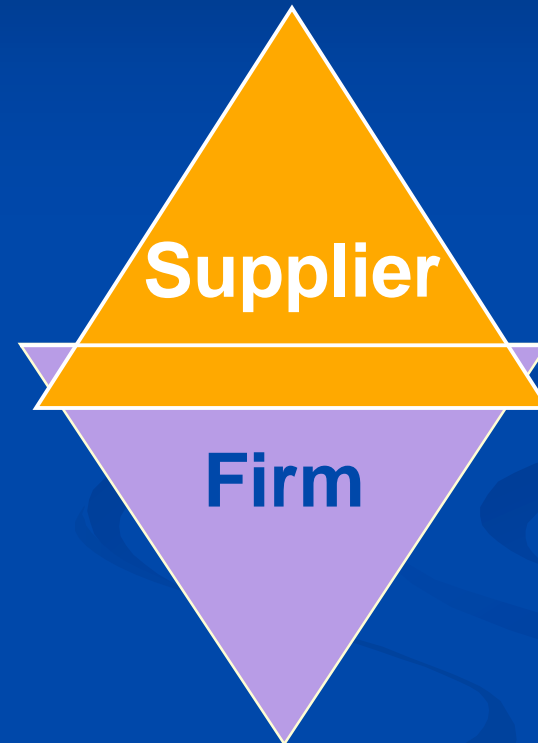
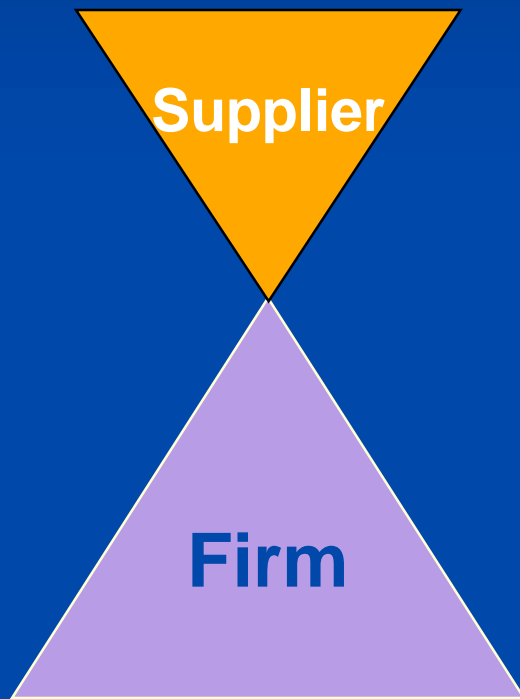
Exceed Expectations

Creating Cost Advantage

Traditional



Collaboration



Develop the Supplier & Manage the Interfaces

Example

Good Idea

Good Management

Not enough money

Example

Good Product

Enough Money

So-So Management

Minority Business

Investments:

Manpower & travel \$65K

Savings:

Additional sales :	\$1,600K
EBIT increase:	\$300K
Payback:	10 weeks

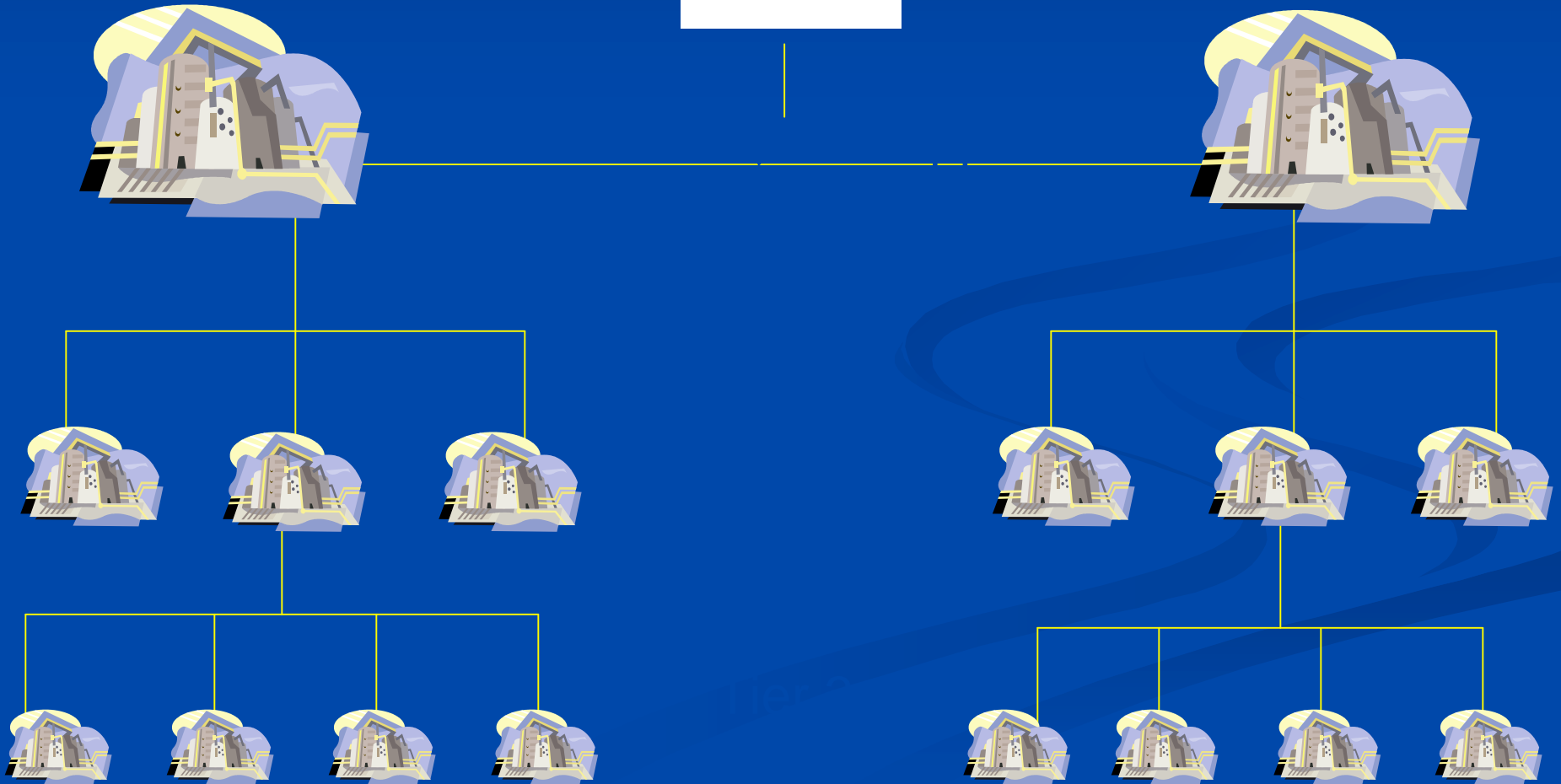
Other Benefits:

- 68% increase in capacity
- Avoided dual source qualification: \$500K
- 2005 Sales increase: \$5M
- Delivery improved
- Supplier is financially stable

Problem-Managing Supply Chain Complexity

Tier 1 is only part of the problem identification story ...

Firm



Example

Good Idea

Plenty of Money

Bad Management

Example

So-So Idea

Good Management

Plenty of Money

The Solution To Problem Identification



If they need you, Customers will
help you find the money

If they need you, Customers
will help to fix your idea

Even if they need you, Customers
will abandon bad management

Conclusions

Small

- Businesses can grow very quickly
=Huge Opportunity
- Need all 3 ingredients
 - idea
 - money
 - management

The Customer is not just giving you business.
Can also be a Mentor

What to do?

Technical competency/seamless to customer

Look at new ways to deliver product/service

Behave like customer

- Outsource non-core competencies
- Become global
- Become collaborative
- Constantly upgrade skill base

Don't fight it