UBIQUITY UNIVERSITY

PDF Supplement: UU – Integral Entrepreneurship – Operations

Summary: IE – Operations – Lesson 1 – Defining first key milestone 1 – Video

Establishing a key milestone: 2 biases:

- Bias toward action. It is better to act and to learn quickly than try to think through every contingency and stall out. Where is the balance? Do you tend towards thorough and sometimes delayed planning, or towards spontaneous and sometimes premature action?
- Bias toward customer focus. The quicker your business establishes connection with customers or prospective customers, the better. One caveat: you need to deliver a 'good enough' customer experience. If you are still in the getting-things-together phase, start with customers who are not powerful influencers who can kill your brand before you get started.

Businesses have to get buy-in from external stakeholders, such as customers, investors, partners and employees.

- Two core kinds of entrepreneurs: Introspective strategists versus extraverted sales professionals. Both qualities are needed in most businesses, and often form the core of good partnerships.

Kinds of key milestones

- Proof of concept: Something tangible that works in the marketplace.
- Launch of the offering: Something for sale.
- External capital: Attracting others who believe in you.
- First revenue: This is a MAJOR milestone. There is a big difference between pre-revenue and post-revenue stages of development.
- First operating profit: The moment that the revenue is greater than the production sales and delivery costs. The overall business may not be profitable because of overhead costs, but showing profit on the particulars of a transaction means that, with enough sales, you can generate enough operating profit to cover overhead expenses and be profitable. The questions become:
  - How many sales do you need to reach this?
  - Is this realistic?
  - How can it be done?
- Positive cash flow: If revenue is the primary first milestone, positive cash flow is often the next critical milestone. You want to avoid urgently needing additional capital.

Achieving milestones builds confidence in yourself and your team and builds credibility with others. Tangible success strengthens belief in what you're doing.

- Succeeding and being perceived as succeeding are both important, and not always the same thing.
- Objective success: when you clearly define a milestone and accomplish it.
- Perception of success is the result of achieving milestones and communicating your successes to others who accept the validity of your business results. Setting realistic expectations is a part of this process.
- The interplay between the objective and subjective components of your progress is important. Demonstrable success helps to build your own confidence and foster a culture of trust and credibility with external stakeholders.

Key milestones to consider:

- Proof of concept: Something tangible that works in the marketplace.
- Launch of the offering: Something for sale.
- External capital: Attracting others who believe in you.
- First revenue: This is a MAJOR milestone.
- First operating profit: Revenue greater than the production sales and delivery costs.
- Positive cash flow: Another MAJOR milestone.