



Expertise

Operational Excellence

Information Integrity

Quality of Service

Brown Forum for Enterprise

Organizing the Business Enterprise

Notes from the Frontier

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Smile and you will feel better

Your organization is what it behaves like.





Some Personal Experience

Distributed Data Systems, Inc. (1993-1998)

- Founder, CEO
- Grew from revenue, no external funding
- Started with a Board of Directors, corporate counsel and CPA in place. Directors and key employees granted shares.
- Hired controller as third employee
- Operated in accordance with GAAP, had CPA do reviewed financials annually
- When it came time to negotiate the sale of the company, there were no delays in due diligence. Price was negotiated as a multiple of 12 month trailing revenue.



Experience (continued)

Simpli.com (2000)

- Founder, board member
- Started as a fundable enterprise
- Informal advisors in earliest phase
- Quickly retained high-profile, high-skill counsel
- Established a Board of Directors, with required minimum investment
- Used options as payment for a wide variety of professional services
- Sought a variety of financing opportunities in parallel
- Sold company 9-months post-incorporation



Experience (Continued)

Local Software Development Company (2002-)

- Board of Advisors
- Company formed to provide a wide array of internet-related development services
- Formalized Board of Advisors, using stock options
- Solid local business involvement – financial, technical, managerial, marketing experience on board
- Broad development services model led to focused, productized service model
- Company survived difficult business environment, in part because it both runs lean and benefits from a valued advisory board without any cash-flow drain.



Observations

- Only you can decide what you want
- Establishing a network of advisors is critical; formalizing them into a board of directors or advisory board is useful to cement the relationship and ensure “mind-share” of advisors.
- Seek balance from among the professionals you will need in your board of advisors
- Consider a Technical Advisory Board, as well as a business Advisory Board
- Legal, Accounting and Finance Professionals might not help you develop your product; they will help you develop your company.



Your organization is what it behaves like.

Start early and model the behaviors you will need to succeed.