



**START-UP
ENTERPRISES**

**Are you sure you
want to do this?**

February 1,
2024

Rewarding, but not for everyone

But first: your thoughts about this course?

Was it what you expected? Did you get any value from it? How are you feeling about entrepreneurship?

Tonight's agenda

- 1** Stories
- 2** The hard stuff about entrepreneurship that is rarely talked about
- 3** Lessons: that we might learn from these anecdotes
- 4** Your turn: Q&A; Conclusions

My background

- Founder & CEO – 4 startups – MDs – Harvard Medical School
- Author: *The Start Up Starter Kit* (Amazon)
- CEO of Vitasoy USA (publicly traded, Hong Kong exchange – turnaround)
- Executive positions at Baxter, Abbott, other companies
- Princeton, MIT Sloan (MSM)
- Performing musician
- Volunteer – homeless shelters



© New Degree Press. All rights reserved. This content is excluded from our Creative Commons license. For more information, see <https://ocw.mit.edu/help/faq-fair-use/>



© Source unknown. All rights reserved. This content is excluded from our Creative Commons license. For more information, see <https://ocw.mit.edu/help/faq-fair-use/>

Mentor: MIT's Venture Mentoring Service
<https://vms.mit.edu/>



Popular myths about “boot camps”

- There’s a magic formula for success
- “If you follow the path that we will teach you, investors will shower you with \$\$\$”
- Which part of this is false?

Our choice: tell you myths or facts?

- Facts:

- It's hard

- Most start-ups fail

- Most investors believe you will probably fail

$$H = R/E$$

(Hadzima)

- More facts:

- Lots of entrepreneurs → lots of competition for talent, funding & other resources

- More entrepreneurs than resources → many will not get the talent, funding, etc.

Why I'm talking about this

- 1** When you decided to attend a high-powered school, you knew it'd be hard
- 2** You may not know how hard entrepreneurship is → disclosure
- 3** Even the smartest ones fail – a lot.
No one gets it right the first time
- 4** When you fail, know you're not alone
→ some resources you can draw on

Why I'm talking about this, 2

- 1** My view: entrepreneurs are important economic drivers
- 2** We solve problems, improve lives, drive growth, create jobs & wealth
- 3** It's a noble endeavor – but it's difficult and most fail – a few times...
- 4** This talk: less “Nuts & Bolts,” more: “Things you may need in the future”

A story: diving boards

Taking risks, failing and the crossroads

Entrepreneurship is a bit like high diving

You're trying something new – and scary

When you flop:

- It hurts – a lot
- That's not something you're accustomed to

Now what?

- Option A: Never again...
- Option B: That wasn't fatal → I'll try again

What comes with innovation?

You're doing something new

You may not have done it before

Maybe nobody's done it before

There's no established roadmap

You may not know what you're doing

Uncertainty can be stressful

You have to make decisions

Some will be wrong

Can you accept that?

Being your own boss

The Good News

No one will tell you what to do

The Bad News

No one will tell you what to do

Stories from entrepreneurs

Stuff people don't usually talk about

Trevor – in his own words

- I became an entrepreneur when I was 26. I was on the front page of the newspaper, I had a brand-new BMW, a beautiful girlfriend and I had the world by the horns.
- A year later, I lost everything. My car was repossessed, my girlfriend dumped me and I was living in my parents' basement, working as an assistant manager at Radio Shack.

Trevor – continued

- It took me a couple of years to get the taste of failure out of my mouth. I still remember it vividly – every day.
- I decided that “failure is not a fatal experience – it’s a learning experience.”
- You have to take care of yourself first. And you have to become a perpetual learner.
- The most important trait for an entrepreneur to be successful is not intelligence, and it’s not creativity. It’s adaptability.

Laura – in her own words

- I was working at [BigCo], had a great job and a big paycheck. I quit, went all in, joined Pipeline. I knew I was the smartest person in the room. You showed me I didn't have a business → tears, heartache, start over
- New idea – spent \$500K of my own money – was a bust. More tears, more heartache
- Next idea – huge real estate firm → success
- Side business blossomed – inked a big deal

Laura – continued

- When my second business was tanking, I remembered your story about the kidney failure product → my prospects are never going to use my product
- Validate, validate, validate → talk to customers
- Lessons from talking to the real estate guy:
 - Value of reaching out
 - Who wins if I win?

Let's pause

Any take-aways so far?

Some of my thoughts

**Based on their stories
And some of my own**

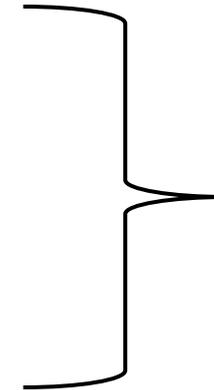
Copyright © 2025 Bob Jones

It's lonely – hard to find anyone to talk with

The parable of Jack and Jill

You will be rejected constantly

- Potential clients, potential partners
- Financing sources
- Potential employees, more



No shoulders
to cry on

If you've lived a life of accomplishment, been rewarded for being smart & hard-working...

This will be difficult for you

Not everyone has your best interests at heart



Glen's story:

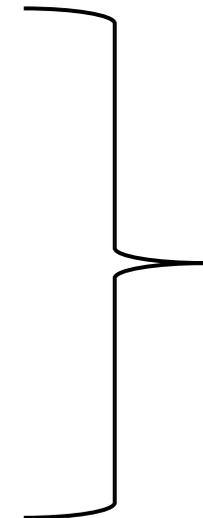
He built a good business

- Six years, lots of hard work, lost time with family
- Raised capital, secured customers
- Growing nicely

Then his investors stole his company from him

Two lessons

1. Don't raise money from the wrong people
2. Protect your Intellectual Property



This was difficult

Anxiety, self-doubt and Imposter Syndrome

Your constant companions



Lots of people are counting on you

Family, employees, customers...

When you flop

You doubt you're the right person for the job

You've presented yourself as the capable captain of the ship, but...

- You secretly worry – you're not
- Fraud? Poser?

**What can you
do about this?**

Is there hope for us?

Normal people can't help you

You're not normal

If you were, you'd work for Amazon
Your normal friends don't understand
your life choices
They can't counsel you

Find a community of fellow wackos

Stories: Pipeline, other groups
"These are my peeps!"
Seek their counsel, offer yours
That support network is a lifeline

Think like a scientist



Most of us don't get it right the first time

A failed business does not mean a failed person

You are testing hypotheses

→ rejecting the ones that don't work, searching for the winners

You are the jockey, looking for the winning horse to ride

Get a Business Advisory Board



Find experts who want you to succeed

Different from a Board of Directors –
no fiduciary responsibilities

Deep expertise that you lack {Noel}

Give them a little bit of equity

Your BAB: Attitudes that will help

They listen more than they talk

Mostly cheerleaders – encourage you

One or two – “It won’t work”

Balance their counsel

VMS, Harvard Innovation Lab, others

Take better care of yourself

Your company needs the best you



Frizzed-out entrepreneurs make lousy decisions

Obvious steps that are often ignored

Eat right, exercise, get some sleep

Go home and take care of your loved ones – they will be important long after this company

Invest time in activities that you love so you can recharge your batteries

- Running, rock climbing
- Art, playing music, whatever

The book launch party

Why would you say that?

A question that you may be asking:

Why would anyone do this?

Some of the answers

You have to

You feel a real drive to create something that is better

You want to be your own boss and will even take a pay cut to do it

You're too weird to do anything else

You want to improve the quality of life for others

Mr. X: the orphanage in Venezuela

Mike: internet in rural Nebraska

You want to correct something that needs to be fixed

A few more answers

Create wealth

For your family & for yourself

Build it, sell it, build wealth, repeat

You love the buzz

You get worked up over cool technologies that can solve problems that you're interested in

You like the mix of creativity and discipline required to make this work

Reactions?

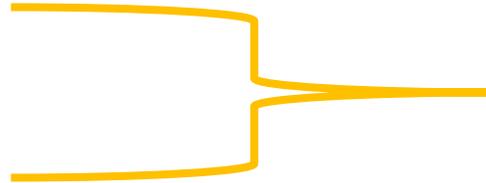
Why do most start-ups fail?

**Dismal success record:
only 10% are still around after two years**

I studied this: Answers fall into two buckets

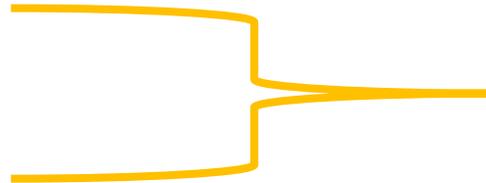


You're missing skills you didn't know you needed



Previous sessions

You need to re-engineer your mindset → think like a scientist

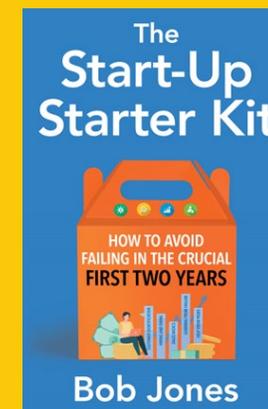


This session

Closing remarks

**It's awesome for some people,
but not for everyone**

**But first:
Any final
comments?**



Wrapping it up

Entrepreneurship has many rewards for certain kinds of people, but it's not for everyone

Support, adaptability, and resilience are critical to getting through the hard times

Tonight's talk: in case of hard times

- I hope you never need this stuff
- If you do, maybe you'll think, "Oh yeah, Bob said this would happen..." → support, adaptability and resilience → **SUCCESS**

THANK YOU

MIT OpenCourseWare
<https://ocw.mit.edu/>

15.393 Nuts and Bolts of New Ventures
IAP 2025

For information about citing these materials or our Terms of Use, visit: <https://ocw.mit.edu/terms>.