15.394
Designing and Leading the Entrepreneurial Organization

MIT Sloan School of Management
Agenda

- Project Proposals
- HUMAX Assessment
- Jerry Sanders Case
  - Medical Device Industry Context
  - X-Cardia
    - Networks
    - Influence Tactics
  - San Francisco Science
Social Networks

- Cultivating and maintaining networks
- Using networks to create entrepreneurial opportunity
- Analyzing your network

QUESTION:
Are “social networks” and “social capital” the same thing?
Case Discussion

Jerry Sanders
Network Structure

- institutional investors
- private investors
- physicians
- scientific community
- prototype manufacturers
- corporate buyers

"hook investors"

Sanders

Shmulewitz

McHenry
# Sources of Power

<table>
<thead>
<tr>
<th>Positional Power</th>
<th>Personal Power</th>
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</thead>
<tbody>
<tr>
<td>✖ Information</td>
<td>✖ Attractive</td>
</tr>
<tr>
<td>✖ Access</td>
<td>✖ Energetic</td>
</tr>
<tr>
<td>✖ Resources</td>
<td>✖ Socially skilled</td>
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<tr>
<td>✖ Brokerage</td>
<td>✖ Articulate</td>
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<td>✖ Niche</td>
<td>✖ Astute</td>
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<td>✖ Effective</td>
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</table>
Six Principles of Influence
Robert Cialdini

- Friendship
- Reciprocity
- Authority
- Social Validation
- Commitment
- Scarcity

Robert B. Cialdini
(2001) Allyn and Bacon
Six Principles of Influence
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Similarity
Attractiveness

Tupperware Parties
Six Principles of Influence
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- **Reciprocity**
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Exchange Obligation

Spare Change
Six Principles of Influence
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Obedience
Deference

Milgram
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Contagion
Uncertainty

Good Samaritan
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Consistency
Identity

Fraternity Hazing
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- **Scarcity**

Rare = Valuable

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