15.394
Designing and Leading the Entrepreneurial Organization

MIT Sloan School of Management
Agenda

- Class Cards, Resumes, Learning Objectives
- HUMAX Assessment
- Zaplet Case Discussion
  - Initial Organization
  - Initial Leadership
  - Alan Baratz, Professional CEO
- Going Forward
- Update
- Social Capital Synthesis
Case Discussion

Zaplet
Case Summary

Strategic Alignment

What is strategy?

- What is the firm’s value proposition?
- How does the firm create value?
- Why is the value appropriable/sustainable?
Zaplet Timeline vs. Nasdaq Composite

- Axe develops idea for Zaplet
- Presentation to Khosla
- CEO search begins in earnest
- Khosla first calls Baratz
- Baratz joins as CEO
- Corporate strategy change
- Layoffs occur
### Mentor Capitalists

<table>
<thead>
<tr>
<th>Role</th>
<th>Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sculptor</td>
<td>Set strategic direction, shape prototypes, get early market feedback</td>
</tr>
<tr>
<td>Psychologist</td>
<td>Maintain perspective, calm proteges and boost their confidence</td>
</tr>
<tr>
<td>Diplomat</td>
<td>Mediate conflicts among team members</td>
</tr>
<tr>
<td>Kingmaker</td>
<td>Coach neophyte executives</td>
</tr>
<tr>
<td>Talent Magnet</td>
<td>Recruit key employees</td>
</tr>
<tr>
<td>Process Engineer</td>
<td>Put efficient structures in place</td>
</tr>
<tr>
<td>Rainmaker</td>
<td>Raise money</td>
</tr>
</tbody>
</table>

Congruence

- Strategy
- Critical Tasks
- Leadership
- People
- Formal Organization
- Culture
- Performance
Case Summary

Social Networks

- What is a network?
  - *Nodes (actors)*
  - *Ties (relationships)*

- Network properties:
  - *Structure*
    - Size
    - Density
    - Redundancy
  - *Composition*
  - *Focus*
The Leader’s Network

- Superiors
- Peers
- Subordinates
- Government Press Public
- Professional Contacts
- Customers Suppliers Competitors

General Manager
Social Networks

- What is Social Capital?
- How do firms benefit?
- How are networks cultivated and maintained?
- How do networks relate to entrepreneurial opportunity?
- What about your network?

Baker textbook
Zaplet
Heidi Roizen
Jerry Sanders
HUMAX Assessment
HUMAX Assessment
Instructions

Completing the Assessment:

- Allow 60-90 minutes to complete the assessment.
- Plan to complete it in at least two sittings.
- Use **representative sample** of your network.
  - Don’t overemphasize your current Sloan network.
  - Don’t go through your address book and enter everyone you find.
- Print the long version of the report.