

Startup Versus Big Company

By Bob Norton



Helping You Break Through Barriers You Can't See

This is a Sample Chapter From a Book In the Secrets of a Serial Entrepreneur™ Series

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**Startup Versus Big Company A Comparison of
Operations Modes**

This table compares the two extremes, of the five stages of corporate development, that should be considered when selecting a management mode or style for your company. This is, of course, a spectrum, not just two modes, but several levels between startup and large company. Today any company using an inappropriate management mode will be at a significant disadvantage and could easily fail.



Big Company

Startup



Hires ahead of the curve, against quarterly and annual plans

Hires just-in-time, or even too late when pain reaches an intolerable level, or some sales target is met.

Does everything "right", spending whatever it takes to produce high-quality results.

Does an 80-90% job at less than ½ the cost, knowing that they'll have to do it over soon when they learn more (next month!). Always attempting to build a flexible platform to build on. Remaining fast and flexible to alter course on a dime.

**Start-up Versus Big Company –
A Comparison of Operations Modes**

Big Company	Startup
Job descriptions are narrow and the phrase “not my job” is heard a lot	EVERYONE wears several hats with very broad job descriptions. People with “not my job” attitudes or the capability to do only one thing should NEVER be hired.
Strategy is driven by very large markets and competitive dynamics and changes rarely. Big fish in a big pond.	Strategy must be more flexible and focused on a narrow, niche market entry. Small fish in a small pond.
Software development: 100 Developers with narrow job descriptions, product managers, project managers, focus groups, qualitative and quantitative research, lots of customer input to use in design etc., etc., etc.	10 developers – Mythical man month. We will create a better product, cheaper and faster than 10X our staff. Product management is one person with help from anyone who has valid inputs and lots of creative vision from spending time with customers.
Studies at great cost because changes are costly, slow and hard = Oil tanker that needs 3 miles to stop and change course	Best guess, then adjust, adjust, adjust = heat seeking missile or speedboat. Change is easy, constant and inevitable.
Narrow functions and job responsibilities Narrow value added at many levels, limited authority, big process management (committee to cover your butt)	Everyone wears many hats. Roll up the sleeves. Generally DO, not manage. Lots of responsibility, authority and accountability
Slow decisions. Hierarchy. Four approvals and signatures needed on everything.	Flat, flat, flat organization = TEAM. Fast, instant decisions (24 hour maximum if data is in and on imperfect data). One person with experience and domain expertise takes a small risk every day that can be changed tomorrow.
Meetings rarely result in decisions, but are part of a long decision process.	Meetings should almost always result in actual decisions.

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Big Company	Startup
<p>Every decision error costs millions of dollars because the whole organization needs a plan, budget and commits to huge expenses and plans.</p>	<p>Change course on a dime, so the cost of errors is generally very low and changes are relatively cheap to make. ‘This month’s plan’ is different every month, while on a sharp learning curve as you iterate towards the best solution.</p>
<p>A year is a long time and often results are measured over this time frame. Three to five year plans are updated annually.</p>	<p>A week is a long time, and must result in progress against every key goal. 95% of organizational efforts must go towards short-term objectives needed within 3-months.</p>
<p>\$100,000 is a big expense</p>	<p>\$1,000 is a big expense</p>
<p>Everything has a "policy". Decisions set for the masses by upper management and the fear that "everyone" will want everything everyone else gets. Time invested in setting a policy is at a relatively infinitesimal cost and often creates an "everyone is equal" feel, at least within organizational levels. Superstars should be rewarded super pay, though most big companies do not do this well.</p>	<p>Pragmatic day-to-day decisions on a case-by-case basis that make sense in the context of that month. Often driven by the cost of existing day-to-day or the current burn rate. Cost of setting a policy can exceed the cost of the wrong decision due to smaller scale. Superstars must be cultivated and treated as such. Anything that can cut time to break-even should have its cost compared against the burn rate to decide.</p>
<p>Lots of time spent on politics and other activities that do not create value for customers</p>	<p>Minimum overhead, everyone works on creating value for customers</p>
<p>6 to 14 Layers of management, many people with narrow knowledge and skill sets must participate in every decision. Drives creation of "committees" to make decisions.</p>	<p>Flat organization where everyone is on a team, everyone talks to everyone to get things done quicker. This requires broader scope of knowledge about business issues. The buck stops at the CEO for all decisions.</p>

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Big Company	Startup
<p>Priorities are set as a result of long-term organizational goals and markets. They are often top down from upper management who can be isolated from customers, markets and segment realities.</p>	<p>Priorities are set based on individual customer needs with a view towards a vision of where the company needs to be in a year or less. Customer contact is a requirement for virtually all employees</p>
<p>Costs and sales are fairly predictable month to month based on my historical data</p>	<p>Costs are set by restricted and expensive capital. Sales are highly unpredictable until a track record is established</p>
<p>No one can know 5% of what is going on, though they often believe they know much more</p>	<p>The management team MUST know everything that happens as input into rapidly evolving strategies and day-to-day tactics.</p>
<p>9am to 5pm job? Maybe not today?</p>	<p>Overtime expected to make deadlines. Always!</p>
<p>SAFETY? NOT REALLY TODAY?</p> 	<p>RISKY?</p> 
<p>SALARY AND NO REAL UPSIDE BORING! COG IN A WHEEL OFTEN FRUSTRATING</p>	<p>BIG UPSIDE EXCITEMENT BIG IMPACT FROM YOUR CONTRIBUTION VERY FULFILLING</p>

Big Company Disease is Most Often Fatal For Startup Companies

The Top Ten Signs Showing That A Company Has "Big Company Disease"

Some early-stage companies act like this
=>





Easy access to capital and not adjusting to the new world after leaving a big company or another industry are some major reasons for "big company disease". This was very common in the bubble when huge 'Series A' and 'B' venture capital rounds were easy to get without a real business plan or vision that showed how a company would make a profit. Many companies would have survived easily on so much capital if they did not contract this disease.

Unfortunately, it was common to see a large company CEO placed in startups and looking like 'fish out of water'. It was also common to see recent college grads acting as CEOs. Some investors made quick money this way flipping the "companies" to IPOs that had no real or sustainable revenue- stream and before anyone realized there was no path to profitability. Some knew this and therefore were acting unethically, others got sucked in by all the hype.

Well it is time to "get real" again - We are really just back to "normal" in many ways.

**Start-up Versus Big Company –
A Comparison of Operations Modes**

**Early stage companies
need to act like this!**



Or Like This ==>



[For More on What Startup
CEOs
Need To Know Click Here](#)

Early-stage companies need to generate 70% to 80% targeted solutions, which cost a small fraction of "complete" solutions - Never 100%, or perfect solutions (if there is such a thing). In the early days everything was way too dynamic to invest in "ideal" products, documents, plans or anything.

Top 10 Signs Your Startup Has Big Company Disease

**Sign Up For Our FREE
Newsletter
For Senior Executives**

1. You have a service to water your plants.
2. You actually think someone's job is just management and anyone can spend time not actually doing stuff.
3. It takes more than 24-hours for a decision that might hold people up.
4. You and everyone else do not perform at least 2-3 different job functions as compared to a large company. (see Job Scope)
5. Anyone has extra time on their hands or is trying to look busy.
6. There are multiple layers of decision making, instead of everyone in the same room.
7. The CEO does NOT sign ALL checks (figuratively speaking, though literally is preferred).
8. You have a COO, separate President (not the CEO) or a "Chief Strategy" Officer or any other "Chief" not involved in doing sales or product development)
9. Your employees do not think of the customer as the number one priority and are more concerned with internal politics.
10. Everyone does not know each other on a first name basis, or is afraid to talk to anyone, including the CEO.

Appendix
Other Available Products to Help Your Business Grow More Rapidly

**Appendix - Other Products For CEOs, Entrepreneurs and
C-Level Executives To Help Grow Your Business More
Rapidly**

C-Level Enterprises, Inc. offers a series of unique books as part of titled “The Secrets of a Serial Entrepreneur™”. These books are all written by Bob Norton and are designed to be used at key points in a company’s development life cycle, and throughout the development of the company. They are a great alternative to high-price consulting services from business launch experts and will greatly increase any entrepreneur’s chances of success. They provide proven frameworks for success, developed by Bob Norton over 15 years as a CEO and 25 years as a serial entrepreneur, to help break through some of the most common and practical traps that growing businesses fall in to virtually all the time; if they have not grown a business before to this size.

The entire series can be seen at <http://www.CLevelEnterprises.com/products.htm> if you are online go there for the most up-to-date information now. Otherwise you can read below. The Books cover the business development steps: Design, Launch, Hire and Manage. And ideally should all be read in that order.

Appendix
Other Available Products to Help Your Business Grow More Rapidly

**Books and Tapes For CEOs, Entrepreneurs and C-Level Executives To
Help Grow Your Businesses More Rapidly and Develop Long-term
Competitive Advantage**

These books are all written by Bob Norton, a serial entrepreneur for over 25 years and a CEO for more than 15 years. Mr. Norton is one of the leading authorities in the world on entrepreneurship, intrapreneurship and growing businesses rapidly. He has participated in eight startup companies, grown two to over \$100 million in sales and several have dominated their respective markets. He has also worked for two multi-billion dollar corporations running product development efforts. His experience goes across all size companies, and many types of businesses in various industries. During his career Mr. Norton has helped created over \$1 billion in new shareholder value just while at those companies. Mr. Norton provides expertise on growing small and medium size companies more rapidly using eleven different proprietary tools and methodologies for business design, development and optimization, which he has developed over the last fifteen years. Many ideas are also contributed from over 1,000 business books in his personal library. He also runs the premier CEO and Entrepreneur Boot Camp in the U.S. today, which is design to cut years off the learning curve of CEOs and entrepreneurs and turn them into world-class CEOs. This exclusive event teaches practical business design and optimization systems in an intensive 3-day training program for any CEO or entrepreneur.

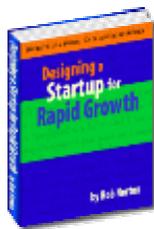
Mr. Norton has appeared on CNBC, Good Morning America and many other regional and national media like Inc. magazine. He provides advice to entrepreneurs and CEOs through consulting, speaking, writing and seminars. He frequently speaks at corporations, associations, and universities on business topics.

These books are targeted at particular problems and stages of development where early-stage ventures commonly encounter critical issues while moving from raw startup

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with an idea to becoming an established company. They are guaranteed to improve any business's chances of success dramatically. They can be downloaded immediately and the ideas and systems put into action the same day. Unlike hardcover books, that need to be a certain size to justify the printing, distribution and retail markups, these books will not have lots of redundant information, essentially showcasing the same basic ideas five different ways. They are packed with totally unique content that comes from the experience of a real serial entrepreneur, not just an author who did some academic research, but practical advice and systems for CEOs and entrepreneurs proven to work over two decades. The philosophies and systems used in each are compatible so that, as a set, they will create a framework for successful and rapid business growth.

You can click on each book icon below for more complete information.



DESIGNING



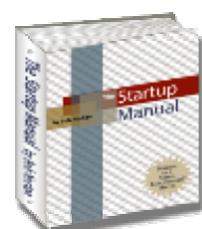
LAUNCHING



HIRING



MANAGING



**ALL FOURS
BOOKS**

The Startup Manual includes all four books plus our proprietary business design tools CD-ROM.

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Other Available Products to Help Your Business Grow More Rapidly

Books and Tapes Order Form

(Click on Titles For Complete Information and online ordering)

Books & eBooks These are provided as PDF files. Add \$8.95 shipping and handling for each book <u>only</u> if you want a physical hard copy printed and shipped to you.	Unit Price	Printing & Shipping (eBooks Free)	Quantity	Total
<u>Designing a Startup For Rapid Growth and Profit</u>	\$39.00	\$8.95		
<u>Roadmap To Launching A Successful Company</u>	\$39.00	\$8.95		
<u>Hiring The Best People At Early Stage Companies</u>	\$27.00	\$8.95		
<u>How to Manage a Business For Rapid Growth</u>	\$34.00	\$8.95		
<u>The Startup Manual</u> Set Of All 4 books above in 3-ring binder. Save \$10 When all are purchased together	\$129.00	\$10.95		
Audio Taped Seminars With Slides				
<u>Raising Angel Financing (2 CDs + Slides)</u>	\$39.00	\$6.95		
<u>Bootstrapping (2 CDs + Slides)</u>	\$39.00	\$6.95		
<u>The Ultimate Startup Manual</u> All 4 of the above books plus both audiotape programs. This product comes in a three ring binder with over three hours of audio on Raising Angel Financing and Bootstrapping. It is a complete system for starting an early	\$189	\$11.95		

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Other Available Products to Help Your Business Grow More Rapidly

stage company from original idea to first outside financing. It should save or make you many thousands of dollars.				
(You may deduct \$1.00 for each shipping and handling charge after the first item)				
TOTAL CHARGES:				-

[Click Here To Go To Our Complete online catalog of products for CEOs, entrepreneurs and Senior Executives.](#)

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Other Available Products to Help Your Business Grow More Rapidly

Entrepreneur and CEO Boot Camp DVD Order Form

Available 8/1/2004

This is the premier training program for entrepreneurs and CEOs in the U.S. today. Almost 12 hours of video documenting a complete CEO and Entrepreneur Boot Camp weekend available by subject, or as a complete set. This is some of the best advice available today on launching and growing businesses from someone who has done it many times. You can replay them and share them with your entire team, which multiplies the power and impact on your company many fold. [See video testimonials by clicking here.](#)

The CEO Boot Camp DVDs The Art and Science of Business Design™	Unit Price	Shipping and Handling (eBooks Free)	Quantity	Total
1. Roadmap to a Successful Vision – Included free with any other DVD ordered. Included free with any other DVD. Plus our Risk Management tool and Boot Camp Preview.	\$44.95	\$5.95		
2. Market Research – Marketing Steers The Enterprise	\$89.95	\$5.95		
3. Competitive Positioning (also includes Risk Management and business optimization system)	\$89.95	\$5.95		
4. Entrepreneurial and Intrapreneurial Marketing	\$89.95	\$5.95		
5. Rapid and Efficient Product and Service Development	\$89.95	\$5.95		
6. Managing The Sales Process	\$89.95	\$5.95		
7. Finance, Financing and The Financial Plan	\$89.95	\$5.95		
8. Developing Your Team - The Skill Set Matrix, Management Methods and the Employee Development Ladder	\$89.95	\$5.95		
9. Operations and Customer Service – The Corporate Dashboard	\$89.95	\$5.95		

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Other Available Products to Help Your Business Grow More Rapidly

10. Hiring Sales Winners	\$89.95	\$5.95		
11. Everybody Needs a Branding Strategy	\$89.95	\$5.95		
The complete CEO and Entrepreneur Boot Camp DVD Set Contains All DVDs Listed Above. Over 11 hours of the most valuable video you will ever watch. This package also includes the full 300 page manual with all slides, articles, our proprietary business design tools CD-ROM and plus a Rapid Growth By Design™ system wall poster that pulls it all together after you have listened to the entire set.	\$799.00	FREE		
		TOTAL: _____		

[Click Here or Call For CEO and Entrepreneur 3- Day Boot Camp Seminar Dates and Locations in October, December, January \(7 Day Caribbean Cruise\) and March 2004](#)

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Other Available Products to Help Your Business Grow More Rapidly

Shipping and Billing Information	
Card Type	Circle one: Visa Master Card Discover
Cardholders Name:	<input style="width: 95%;" type="text"/>
Credit Card Number:	<input style="width: 95%;" type="text"/>
Expiration Date:	<input style="width: 45%;" type="text"/> MM/YY
Cardholders Signature:	<input style="width: 95%;" type="text"/>
Ship To:	<input style="width: 95%;" type="text"/>
Street Address, Apt. #	<input style="width: 95%;" type="text"/>
City/State/ Zip Code	<input style="width: 95%;" type="text"/>
Country (if outside US)	<input style="width: 95%;" type="text"/>
Daytime Phone	<input style="width: 60%;" type="text"/>
E-Mail Address	<input style="width: 70%;" type="text"/> (Please print clearly)

FAX To: (801) 672-9640 Or Call (508) 381-1450

Note: All orders outside of the United States: Add five dollars for each video, nine dollars for each physical book, above regular shipping costs.

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Other Available Products to Help Your Business Grow More Rapidly**

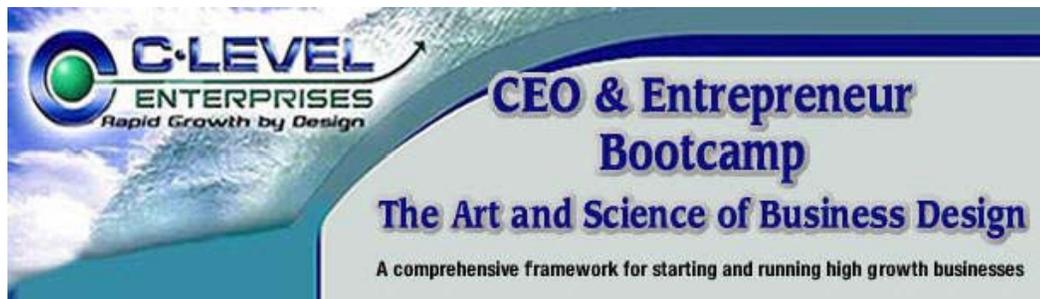
This complete collection of four eBooks is also available as a package at 30% off, with over 300 secrets of a serial entrepreneur and hundreds of pages of valuable "How To" content from someone who has done it before.

**Sign-up for No Charge Mini-course on Raising Angel Financing just by
clicking here to send an email to this address:**

<mailto:bob3-66436@autocontactor.com>

This free mini-course on raising angel financing will help you understand why today angel financing is far more important than institutional venture capital financing and far more accessible.

**The Art and Science of Business Design CEO and Entrepreneur
Boot Camp**



**The Premier CEO and Entrepreneur Boot Camp
in the World Today.**

**Developed and Delivered by a successful serial
entrepreneur and 15 Year CEO who has grow two
businesses from \$0 to over \$100 million in revenue
and generated over \$1 billion in shareholder value.**

**Two Days That Will Change Your Life, Accelerate Your Business,
and Accelerate Your Career**

Appendix
Other Available Products to Help Your Business Grow More Rapidly

***Learn How To Turn Any Enterprise Into A
High-Growth \$100 Million Business***

In this intensive seminar, you will learn how to design and run businesses for high growth and profit from very successful, “been there, done that” experts. It is a complete integrated system for designing and running businesses compiled over 15 years from over 1,000 business books and field-tested. Experts offer you the most important systems, tips and techniques for success that they’ve learned during their distinguished careers, while also letting you know how to avoid many common business missteps by employing systems using the latest research, techniques and best practices available today.

[Click Here For More Information If You are Online, or read more below.](#)

Call (508) 381-1450 or email <mailto:Seminars@ClevelEnterprises.com>

What is The CEO and Entrepreneur Boot Camp About?

Join Bob Norton, a serial entrepreneur who has grown two businesses to over \$100 million in sales, for an intense two-day Boot Camp filled with 312 secrets on starting and running companies for fast growth. Learn to greatly improve your strategy, vision, business design, and management skills using a complete system developed over 15 years as a CEO incorporating some of the best ideas from 1,000 business books. You will learn to use 11 proprietary tools that will radically improve any business in any industry.

Nothing ever fully prepares you for stepping into the role of a CEO or Entrepreneur.

The Art and Science of Business Design details how to design, plan and manage each of any enterprise's key disciplines - Sales, Marketing, Finance, Operation and Product Development. As a CEO and Entrepreneur, you need to know how these departments interact and even compete. You need to know how to recruit, hire, motivate and manage the best people in each discipline. You must also know how to get them to work together so that everybody is on the same page.

In "The Art and Science of Business Design" you will learn to:

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Other Available Products to Help Your Business Grow More Rapidly

1. Design and position a business for more sustainable competitive advantage and higher barriers to entry.
2. Optimize your business model for minimum risk and capital investment.
3. Better define the exact skills you need on your team and learn how to select people and interview for skills you do not have yourself.
4. Raise capital in any market from the best sources without giving the company away.
5. Inject entrepreneurial spirit into ANY organization, large or small, and improve product development productivity by a factor of FIVE times the average or more.
6. Develop a marketing, communications and messaging plan, and a marketing department, that is accountable to a return on investment.
7. Develop and improve your corporate vision to better attract investors, employees and customers.
8. Plan, design and manage a sales department and select strategies, tactics and channels that will work for your business.
9. Hire the best people in every area and understand what personality types work best in each business area to create superior results.
10. Adjust your management style, risk, appetite and executive decisions based on your company's stage of development as it grows from a raw startup to a significant business.
11. Manage employees and develop them into more valuable assets for your company's benefit and theirs.
12. And much, much more than what we can list here.

If you are an entrepreneur intent on growing your business to \$50 million or more in sales, you really can't afford to miss this unique event.

Admission includes:

- A sure-fire business and career-booster that is not available anywhere else. The skills developed in this seminar will allow managers to move up in any organization
- A complete system that will bring high-growth to any business
- More cutting edge, how-to content than you'll find in some 3 to 5 day seminars
- Reference materials you'll use over and over again, including a complete 350+ page manual that includes all the slides, handouts and tools presented in the seminar

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Other Available Products to Help Your Business Grow More Rapidly

- A BONUS CD-ROM containing the key tools, forms and templates that could save thousands of dollars in expenses. (This is a \$499 value sold separately)
- Each attendee will receive one hour of consulting from our President and Founder, Bob Norton, at our offices in Milford Massachusetts. This is a \$400 value
- An e-book from our "Secrets of a Serial Entrepreneur Series". Four titles all written by Mr. Norton- even more will be available shortly
- Breakfast, lunch and snack break both days
- A 100% money-back guarantee (see web site for details)
- Free parking.