The Wrap comes to Hanover

John Pepper D ’91, TU’97, is not known for following the path most traveled. After graduating from Tuck in 1997, Pepper was all set to begin a secure job in Investment banking on the West Coast when he realized instead he had to follow his passion: the business that he had begun as an e-ship project in his second year at school - “The Wrap” restaurants. Leaving the security of a regular pay check was certainly not the easy path. “The first year was bad, but the second year was worse!” explains Pepper, but, as with any entrepreneurial venture, there were even more ups and downs to follow. By their fourth year they had grown from 1 to 4 restaurants, but in their fifth year Pepper found The Wrap was in a slump. It was time to refocus. They knew they had a great product but they felt it was imperative that they began to invest more in their people. Traditionally, retail work is low paid and staff are transient so the Wrap set about changing this. They began educating their predominately immigrant team members in English in addition to teaching Spanish to the English speakers. Team members were also paid above the average and included in the business decision making. Pepper strongly believes this culture has fostered pride in customer service, and this philosophy’s success has grown the company to 8 stores and to nearly $7M in revenues.

The Wrap comes to Hanover

The restaurant chain has now just opened their 9th store on the main street of Hanover and Pepper is taking his staff-focused mission one step further. The Wrap has employed three Dartmouth ’05’s as Team Leaders for their new store. As Pepper explained, “I want to be able to give these students an intensive entrepreneurial experience in learning what it is actually like to run a business.” The three students: Kyle Oberle, Morgan Brown and Becka Duvall, have already gone through some rigorous training. They spent their first two days concentrating on The Wrap’s philosophy on customer service and looking critically at the Hanover competitive landscape. The new Team Leaders then went through the Profit and Loss statement line by line so that they could get a full appreciation of how small changes can make a huge difference to the bottom line. “They are given the authority and flexibility to build a model of service that they create and can implement.” Pepper emphasized. Oberle, Brown and Duvall were then treated to a week in Boston where they worked alongside other Wrap workers to learn how to actually serve the product and learn more about the company culture. Oberle encapsulated the experience, “The idea at The Wrap is not just hands-on but that you are making the product something special, extraordinary. There was a real solidarity amongst the workers that they were doing more than just making food, and a real chemistry that they LOVE working for The Wrap.”

Kurt Stahl, who rounds out the Hanover Team as the ‘Full Back’ and with 19 years of experience in the food industry echoed this sentiment. “There was a genuine excitement about working at the Wrap. I think this is because of John’s personality and his trust in his people. It’s a fun place to work, and unlike other restaurants you are not killed with hours.”

The three undergrads clearly see using this off-term to work as a Team Leader at The Wrap as excellent career experience. “I have always been interested in restaurant management and this gives me a chance to see behind the door.” Becka explained. “It will answer lot’s of questions for me.” Morgan actually turned down a part-time internship at a law firm in favor of the hands-on business experience he can get at The Wrap. Soon after he met Pepper, Oberle, already a food service veteran, could see that he could learn a lot from the process. “I had an amazing first impression of John. It wasn’t really an interview. It was a completely candid discussion. You could tell that he would’ve liked this type of experience when he was in college. I am impressed by how much trust and investment John has put in us.”

After this term the team still expects to work part-time at the new store, but the Team Leader positions will be open for new highly motivated Dartmouth students to enjoy the same excellent learning opportunity!
GE’s Immelt ’78 to deliver GV2004 Keynote

W

e are very pleased to announce that Jeffrey Immelt ’78, Chairman and CEO of
General Electric, has agreed to keynote Greener Ventures on April 24th, 2004.

Greener Ventures is an annual conference on entrepreneurship for students, faculty, researchers, alumni, and staff at Dartmouth and the Dartmouth-Hitchcock Medical Center. Aimed at encouraging entrepreneurial activity among members of the Dartmouth community, this day-long event brings nationally-recognized entre-
preneurial leaders (many of whom are Dartmouth alumni) to discuss pertinent topics and issues involved with entre-
preneurial initiatives.

This year Greener Ventures 2004 will focus on understanding trends and ex-
tracting the relevant opportunities they present in all kinds of business environ-
ments – from the earliest stage startup to the largest, most mature companies. The panels will explore questions such as,
“How do you identify a relevant trend?” and
“How do you define and realize an opportunity presented by a new trend?”
The conference will also include a $5,000 business plan competition among three Dartmouth-based startups, workshops, a fireside chat with Mr. Immelt, and network-
ing events. Each winner from past Greener Venture business competitions has been subsequently funded.

President James Wright will open Greener Ventures and introduce Mr. Immelt. The 9th Chairman in GE’s 125-year history, Mr. Immelt had been President and CEO of GE Medical Systems, an $8 billion segment of the General Electric Company and the global leader in medical diagnostic technology and information systems. He began his GE career in 1982, and following a brief assignment with Corporate Market-
ing, held a series of leadership roles with GE Plastics in sales, marketing and global product management.

Premier sponsors for Greener Ventures 2004 Advanced Technology Ventures, Bain Capital, Borealis Ventures, Polaris Ven-
tures, and Prism Ventures. Workshops sponsors include Devine Millimet. Mike Gonnerman, Inc. is also a sponsor of Greener Ventures.

History of Greener Ventures

The inaugural conference in 2002 fo-
cused on entrepreneurial behavior, and attracted more than 350 attendees. High-
lights of the day included a keynote ad-
dress by Brent Frei ’88, CEO and co-
founder of Onyx Software, as well as panel discussions with founders from such firms as Flagship Ventures, Freemarxks, Village Ventures, South Beach Beverage Company, and Experience.com.

In 2003, Greener Ventures focused on commercialization of research innovations, and attracted more than 450 people. Ms.Sherri Oberg ’82, T’86, CEO and co-
founder of Acusphere, a venture-backed drug-delivery company in Watertown, Massa-

cusett, was the keynote speaker. Gover-
or Craig Benson of New Hampshire, a co-
founder of Cabletron Systems, opened the conference. Other speakers at Greener Ven-
tures 2003 included Paul Ferri, DP’95 co-
founder and partner, Matrix Partners; David Mott ’86, CEO, MedImmune; Terry McGuire TH’82, Polaris Ventures; Lita Nelsen, MIT, Director of Technology Licensing; Mike Carusi, T’93, Advanced Technology Partners; Mike Krupeka ’87, Bain Capital; and Robert Fleming ’79, co-founder and partner, Prism Venture Partners. Companies represented at Greener Ventures 2003 were Dartmouth alumni and friends from IBM, Hewlett-

Packard, Sun, Cisco, and Pfizer.

In addition to the Dartmouth Entrepreneur-

tial Network, organizers of the conference include the Tuck School of Business (Center for Private Equity & Entrepreneurship), the Thayer School of Engineering, and the Dart-
mouth Medical School/DHMC (Norris Cotton Cancer Center).

Upcoming Events : MARK YOUR CALENDERS

BUSINESS TAX BASICS

Tuesday, February 24
9:00 a.m. - noon
Business & Industry Assoc. (BIA), Concord
This Business Tax Basics workshop will provide the Basic IRS Requirements.
Presented by: Scott McKnight, NH Small Business Development Center
For workshop registration contact: Rose-
mary McMillan at 603-897-8587 or rmcmillan@rivier.edu
Fee: $15

ABC’S OF FREE PUBLICITY II

Friday, February 27
12:30 - 3:00 p.m.
Rivier College, Nashua
This workshop/clinic will take an in-depth look at the writing of a release teaching you techniques to write eye catching headlines and lead sentences that get noticed.
Presented by: Casey Crane, Crane & Cooper Communications
For workshop registration contact: Becky Lawrence at 603-897-8237 or blaw-
rence@rivier.edu
Fee: $49

ENTREPRENEURIAL RESOURCE EXPO

Thursday, March 5, 2004 Noon - 7pm
Rivier College
This unique event is especially designed to provide existing small business owners and aspiring entrepreneurs with the neces-

sary resources to succeed. Workshops include Hiring, Motivating and Retaining Employees, Listening to Your Business: Take Charge of Your Growth, No or Low Budget Marketing: Marketing Your Business Ferociously, Marketing Your Website to Search Engines, along with Business Start-Up Basics, Basic Employment Tax, Franchising and much more.
For more information please visit the web-
site next week at www.eresourceexpo.com

SECOND ANNUAL CONFERENCE ON BUSINESS SUSTAINABILITY

Friday, February 27, 2004 9:00am to 5:00pm
Reception 4:00pm to 5:00pm
Tuck School of Business at Dartmouth, NH
At its core, the conference promotes the belief that the alignment of economic profit, environ-
mental preservation and social values is nec-

essary for long-term, sustainable competitive advantage.

The Second Annual event will bring together business and technology leaders from a wide range of fields to discuss the important role they play in creating a more sustainable world.

ADDITIONAL INFORMATION AND REGISTRATION:
Visit this website to register:
http://www.tuckbsi.org
Contact:
Tuck.business.sustainability@dartmouth.edu
The event is open to the Dartmouth Commu-
nity and we are looking forward to your participation!
Due Diligence Workshop

On Tuesday, 24th February 2004, DEN and the Tuck Center for Private Equity and Entrepreneurship will host their winter term entrepreneurship workshop.

"Moot Court - Demonstrating A Due Diligence Grilling of an Entrepreneur."
7 to 9pm
Byrne Rosenwald Room at Tuck.

Dartmouth Medical School's intrepid device entrepreneur, Dr. Aaron Kaplan, will submit his currently active early stage device company, Magenta Medical Corporation, to a withering barrage of due diligence scrutiny at the hands of three experienced due-diligence private equity players. Guest due-diligence inquisitors will be:

Phil Ferneau '84, TU'96, is a co-founder and managing director of Borealis Ventures, a Hanover-based venture capital limited partnership that invests in early stage, high-growth businesses in Northern New England and the greater Dartmouth community.

Steve Bernstein is a partner in the Health Law Department of McDermott, Will & Emery’s Boston office. He specializes in e-health, health related matters impacted by the Internet, and HIPAA, as well as mergers, acquisitions, affiliations and joint ventures in the hospital and physician areas; fraud and abuse and Stark issues; and related licensing and regulatory matters.

Pam Weagraff, founder, Acelera Consulting, North Reading, MA. Pam brings experience from a 25 year career in medical device commercialization, including line and executive level responsibility for of regulatory pathways, market development, manufacturing and product management.

Aaron Kaplan’s Magenta Medical Corporation is an early stage device development company which raised a first round of private equity funding in 2003 and is currently testing prototype devices for use in open heart surgery. During the workshop, the guest panel will drill down to the critical details of Dr. Kaplan’s company as if they were acting under the term sheet interest of a venture investor. All four of these participants have extensive personal experience with the due diligence process in early stage venture investments, so this promises to be an inside look at the way it actually happens. Audience participation will be encouraged.

WWF has never seen it like this!

This workshop is open to members of the Dartmouth Community; alums, staff, faculty, students and friends and family.

Register by email at: Dartmouth.Entrepreneurial.Net@Dartmouth.EDU

Learning Entrepreneurship?

It is often said that entrepreneurship is a skill that is learned by doing. What, then, is the entrepreneurship mini-course offered collectively by Tuck, DHMC, DMS and the DEN actually teaching people?

“Throughout my career I have worked in several startups.” said Bill Brown, D’71, TU’78 and Exercise Project Manager at ISTS. “It is wonderful for me to see it organized in the course. It fills in a lot of holes in my experience and explains a lot of things I’ve observed. I really appreciate the insight it gives me into the process here at Dartmouth as faculty and staff work through problems of commercializing ideas generated on campus and at DHMC.”

The course, now into its seventh week (9 classes in total), has covered a wide variety of topics including: financing, market validation, selecting a team, legal considerations and how to write a business plan. A number of invited entrepreneurial guest speakers have applied these concepts using examples and case studies from their experiences.

The 65 class students come from across the campus; 1 Alum, 6 Faculty, 8 Medical faculty/clinicians, 7 Staff, 22 Dartmouth Students (4 Graduates, 18 Undergrads), 5 Thayer students, 16 Tuck students. “One of our goals for the course was to attract participants from all areas of the Dartmouth Community” said Gregg Fairbrothers, Executive Director of DEN. “This ‘cross-pollination’ enriches the learning experience by providing a variety of viewpoints and leads to interesting and well researched pitches”.

The final deliverable for the course is an elevator pitch where each team presents its business idea to experienced venture capitalists and business judges.

Mukund Bhaskar ‘06 explains: “As undergraduates at Dartmouth we’re fortunate to receive an excellent liberal arts education. The Entrepreneurship course, taught by experienced entrepreneurs, provides us with the knowledge, skills and experience we need to succeed as entrepreneurs and business owners. The class project provides a valuable opportunity to actually apply what we learn in the classroom to develop a business plan.”
$130,000 for the winner of the ‘Start-up New Hampshire’ Business Plan!

March 31, 2004 is the submission deadline for the biggest business plan competition to be held in New England!

Public Service Company of New Hampshire has joined with Governor Craig Benson to launch this first Competition under the theme of “Start Up New Hampshire”. The competition is being funded solely by PSNH with cash prizes totaling $250,000 going to the winners in several competition categories with potential of one business plan winning a total of $210,000 in cash. As well as $130,000 for the overall winner there will be additional prizes of $40,000 in each of three categories: best biomedical/life sciences, financial/financial services, and New Hampshire North Country business plan.

The contest is open to any student, team or company presently located in New Hampshire or willing to locate its business in New Hampshire. So get writing!

The winners will be announced and the prizes awarded at an event in early May, 2004. For contest rules go to:

A steering committee will oversee the competition and coordinate events associated with the competition. Professor Julian Lange of Babson College will Chair the committee, other committee members will include: Warren Lackstrom of the University of New Hampshire; Gregg Fairbrothers of Dartmouth College; Phil Ferneau of Borealis Ventures; Dick Green from the Grafton County Economic Development Council; Laura Monica of High Point Communications; James McKim of ISRG, Inc.; Patrick McDermott of the PSNH; and Doug Porter representing Governor Benson.

For more information, call 1-800-852-3456 or contact Doug Porter at (603) 271-7679 or doug.porter@nh.gov.

E-Ship On-Stage

Entrepreneurship skills are important in many technical and service fields and, as we learned recently, even in the theater arts. Ronni Stewart-Laughton, a professor in the Dartmouth theater department, recently asked the DEN to organize a session for her Theater 92 Senior Colloquium, “Miscellaneous Topics and Practical Applications.” Her objective was to expose her students to some of the important real-world issues they’ll likely encounter sometime in their future careers when starting a theatrical company or enterprise. On February 16, Gregg Fairbrothers from the DEN, with invited guests Dick Green (D75, former theater company board member) and Dan Yates (SVP and senior lending officer, Ledyard Bank), joined the Dartmouth theater majors for an exercise in theater company formation. In teams of 2 or 3, the students presented funding pitches for startup plans they had developed in advance. The panelists and remaining students then interactively dissected the plans and explored some of the key real-world constraints facing startup enterprises in the performing arts. Leaving the room afterwards, the panelists had the impression the students weren’t entirely happy with some of what they learned, but Stewart-Laughton commented afterwards – “This is what the students needed to hear. It’s tough out there, and they’re always so unprepared for what it’s like. At rehearsal last night they were still talking about how much they had learned!” Which all goes to show that the principles of initiative and entrepreneurship can be important in some of the most unexpected places!

TEIP & Forum

The project options below are beginning on-campus over the next two terms. They are excellent win-win opportunities for both founders and students.

Tuck Forum Projects:

Tuck Leadership Forum Projects are an opportunity for teams of 5 or 6 students to work on a personal entrepreneurial idea, faculty-assigned consulting project, or a venture referred by an outside party. The projects run for ten weeks and allow the students to apply and reinforce the business skills learned during their first year at Tuck. The projects culminate with a presentation to Tuck faculty as well as a group of consultants or venture capitalists. If you are interested in being a host company contact Sian Muir by email (sian.e.muir@dartmouth.edu) as soon as possible. Students are in the process of picking their projects now.

Tuck Entrepreneurship Internship Program:

If you manage an early stage company that could benefit from an experienced MBA intern, the TEIP can help you finance part of the costs of employment. TEIP combines summer employment and a faculty workshop to provide MBA students the opportunity to contribute to the success of entrepreneurial ventures. Designed to complement Tuck’s classroom-based entrepreneurship courses, TEIP targets the practical, experience-based learning that comes only from working with real startups to solve real strategic and operational challenges.

What kinds of companies are involved in TEIP?

Companies under consideration should be U.S. based and should have less than $50 million annual revenue and/or fewer than 200 employees. Each host company will receive $4,500 toward the intern’s base total stipend of $9,000 for the ten-week summer period.

How do I apply to be a TEIP host company?

If you are interested, please contact Melissa Carlson at Tuck’s Office of Career Services by email (melissa.carlson@dartmouth.edu).
The Dartmouth Regional Technology Center (DRTC)

Plans for the 40,000 sq ft incubator space at Centerra (DRTC) continued to move forward when David Sampson (Head of the Economic Development Administration) presented a $2.6 million check at the end of January to local New Hampshire grantees, the North Country Council and the Grafton County Economic Development Council. “Our top priority is technology-led and university-based development” said Dr. Sampson.

“This is a critical portion of the project’s funding” said Gregg Fairbrothers, Executive Director of the DEN, “The federal government is only allowed to provide 60 percent of the required funding”. In addition to the $2.6 million, $1 million worth of tax credits has been donated from the New Hampshire Community Development Finance Authority, and an application for a $500,000 State Community Development Block Grant is in process. Dartmouth will donate two lots of land on which the building will sit. The building is estimated to cost around $4 million to build and is now scheduled to break ground in Spring 2005 and open late in the same year.

The incubator will have bio-tech and high-technology machining infrastructure, but any fledgling businesses will be considered for tenancy. “A board of directors will be appointed to oversee the development of the building and develop an admissions policy” said Fairbrothers. It is envisaged a manager will be employed to handle the day to day operation of the building and to actively recruit suitable tenants.

Senator Judd Gregg, Stuart Arnett (GCEDC), Mike King (NCC) and David Sampson (EDA)

If you are a New Hampshire Business and are interested in purchasing Tax Credits that support this initiative please contact Sian Muir (sian.e.muir@dartmouth.edu, 646-0295)

Woodlark Enterprises by Ari Rosenblum D’01

Several years ago, right out of college, I started a real estate investment fund with a few bucks from friends and family. The idea was to invest in student housing complexes and off campus apartments at major colleges and universities up and down the east coast. The first complex we purchased did well and as I gained some momentum, investors told their associates, friends and colleagues. Investors were getting checks in the mail every quarter (income is distributed quarterly) and they loved using the cash to reinvest in their kids’ college fund or to buy something extra for their spouses.

It was not easy at the start. I did the first deal pretty much for free because I had no real world real estate experience and needed to attract investor dollars. I was initially able to raise about $320,000, helped by the stock market slump and the impressive projected returns of my deal. However, I spent almost a year struggling to pay the rent and the phone bills and telling the landlord that the check was in the mail. Three years later I have 320 apartments and about $3.3 million dollars under management.

The value strategy is simple but extremely effective: Make purchases in "C" markets with "A" occupancy and stability.

An "A" market, like New York City, is never going to go vacant, but the prices are so high you can’t buy a building and get more than a 1% annual return. In a "C" market, such as Huntington, West Virginia, or Rochester NY, you can get a apartment complexes at a good price, and then can operate the building for a high yearly return. However, the downside of this market is that if the local factory goes out of business, (for example, Kodak in Rochester), it can be difficult keeping a building fully occupied.

I have managed for the most part to maintain this "A" market stability and occupancy because I focus on properties that are located directly next to a college with 15-35,000 students who need somewhere to live. There is a waiting list to get in to all of our properties as most of these colleges do not have adequate housing for their growing populations. Last year, our rent rolls increased by over 5%, and we now own property in:

- Amherst, MA catering to UMASS Amherst
- Rochester, NY, catering to University of Rochester
- Huntington, WV catering to Marshall University, and Fredonia
- NY catering to SUNY Fredonia

Paying the bills has become much easier now, but I am not content to stay where I am. My goal is to triple in size by next year, and I am aggressively pursuing bigger deals and more investor dollars. Now that I have a track record it has become easier to attract investment, but reaching every new level is still a struggle. Once you raise a million dollars it seems like it should be easy to raise two, three and four, but it takes time, patience and persistence to expand your investor base. We have high returns and are a very low risk allocation for a portion of someone’s portfolio. Just because someone should invest, however, does not mean they will, a factor which I have been dealing with from day one and will continue to deal with as I try to reach each new level of deal size. Still, it is nice knowing that if I shoot for a new level and come up short...I can still pay the bills.

arosenblum@woodlarkenterprises.com
(914) 235-3930.
Laurie Weber Designs

For the past few years, Laurie Higginbotham has been creating unique gifts such as belts, bags, skirts, and tops for her friends and family. In the spring of 2002, she brought a handful of belts to Boston to show her friend, and now partner Rebecca Trachsel. The belts were displayed at a party in Boston and were instantly snatched up by friends. Rebecca and Laurie saw the demand for this type of simple, fun product and LAURIE WEBER was formed in May 2002.

The mission of LAURIE WEBER is to offer a quality product that’s fresh and new, at a competitive price. The company currently has a line of distinctive fabric belts. LAURIE WEBER’s primary target is women, ages 22-35. These women are in the medium to high income bracket ($40,000 - $100,000) and they are typically more urban than rural. Trends show that women are often buying multiple accessories rather than just one, high-cost item when they shop. Sales at major department stores have been declining and women with disposable income are focusing on how to more effectively spend their money. Accessories offer the perfect solution, as women can accessorize one outfit in several different ways. In this market sector there is a constant need for a fresh, distinctive look at a competitive price. LAURIE WEBER fills this need with their line of fun, funky belts.

Laurie and Rebecca bring a great deal of business and design experience to the company. Laurie is currently attending Tuck Business School and has also attended the New York Fashion Institute of Technology, where she took sewing classes to expand her understanding of production and her knowledge of various fashion styles and trends. Upon graduation from Business School, Laurie will be able to dedicate both her business and fashion experience full-time to LAURIE WEBER. Rebecca brings her client service, organizational and management skills to the business. She has worked in client service and production roles for several marketing consulting firms over the past 4 years, including Organic Interactive and SF Interactive, Inc. Rebecca has worked with clients such as Barnes and Noble, Starbucks and Red Envelope to build web sites and launch advertising campaigns, experience which helps in building the LAURIE WEBER brand.

Laurie has also teamed up with some of her Tuck classmates to work on the business. Katie Gore Tu’04 joined Laurie to work on the business plan and strategy for their Tuck Leadership Forum project during their first year. Laurie and Katie continued their work into their second year through their Entrepreneurship class and Tuck’s Incubator program. Katie has primarily focused on understanding and analyzing the industry, competition, and market trends to provide a big picture perspective that is useful for potential investors. With a background in project management and strategic consulting, Katie brings solid business experience to the LAURIE WEBER team. Upon graduation from Tuck, Katie will be moving to New York City and plans to remain involved with the company.

LAURIE WEBER plans to gross $500,000 by the end of 2004 compared to $100,000 in 2003. The company has developed a presence in over 80 stores, meeting and surpassing their goals for 2003. Their next benchmark this winter is a launch of their spring/summer line and introduction of a men’s belt line at “Accessories The Show” in New York City. Potential buyers come to this show to shop for their spring and summer boutique collections. This show will help to determine whether LAURIE WEBER will be able to expand their presence in the market for the rest of 2004. Their goal is increased market size by partnering with new stores and department stores at this show. If they are able to do this, the increased income will enable them to dedicate themselves full time to the company and will set the stage for fast-paced expansion.

www.laurieweber.com
Ask Mike

QUESTION

What's a fair cash payment for an advisory board? “I'm trying to set up a board of advisors for my company, but I don't want to give out stock for their participation. Is there a rule of thumb for how much I should pay?”

ANSWER

Most companies prefer to pay their outside advisors and board members with stock, but it's unlikely that the stock will become successful. Typically, advisors are paid about $5-$10,000 a year for their services. If you ask them to perform tasks (research, detailed analysis, recruiting) that you'd usually pay your own employees or outside contractors to handle, you may want to pay your advisors annually, like a bonus. However, if you hold regular advisory board meetings—for instance, once a quarter—it's wise to hand out checks at the end of the meeting, along with a personal thank-you for their contribution.

Is it the Business Plan, or is it You?

The leader of one of the oldest and most experienced angel investor groups in the United States recently told me, “We don’t look at business plans. They’re full of lies! It’s all about the CEO. We don’t let companies do PowerPoint presentations. We invite the CEO to breakfast and ask a lot of questions. If the CEO and business concept can’t stand up to that kind of pressure, we don’t invest.”

This is not the model used by most angel investor groups, and certainly not the model used by most venture capital firms. But it does underscore the most important element of success: you. Experience shows that the abilities and character of the leader are the single most important determining factors in any organization, from businesses right up to the national government.

It’s inevitable that the character of a company will reflect the personality of the CEO. If the CEO is arrogant, shrill and curt, you can bet customer support isn’t very helpful! That doesn’t mean success isn’t possible unless the CEO is a nice person. On the contrary, there are many high-profile examples of rather nasty people heading up great companies. In those cases, however, the CEO’s drive to succeed and smash the competition permeates the company. To some degree, every employee imitates or reflects the CEO’s desire and ability to win. With everyone pulling that direction, the business will tend to behave much like the CEO. If the CEO is a winner, the company will succeed. If the CEO isn’t a winner, the company will be mediocre or fail.

Large public companies are greatly affected by their leaders, but many are so big that they have enough resources to weather the storm of a bad CEO. This is almost never the case for startups and early-stage companies because they tend to be thin on resources and quite vulnerable to changes in the market. Under these circumstances, a strong and capable CEO will spell the difference between survival and closing the doors.

This isn’t to say that the business plan is not important. Creating the business plan is an important step in validating the basic concepts on which a business is going to be built. If the economic proposition isn’t sound, then even a superb CEO won’t succeed. Equally important, the process of building a business plan forces managers to think through the key strategies and tactics on the road to success.

But the longer I work with startups and early-stage companies, the more I have come to assess a business in terms of the top executive. How does the CEO come across? Is the CEO arrogant, confused, untrustworthy, inarticulate, shy, unhonored, poorly dressed, badly groomed? Or is the CEO bold, smart, trustworthy, competent, humble, professional, good with words, charismatic? How would this person be perceived by customers? Can the CEO sell me? Will the CEO be able to sell customers and recruit first-rate team members? What happens when I press hard on some weak aspect of the plan? Does the CEO have the answers or does the CEO fold? Is the CEO telling the truth about the status of product development, or is the CEO giving me a bunch of double-talk?

As a founder, you may be shocked by this kind of evaluation process. Isn’t the idea good enough to stand on its own? You may recall an earlier column of mine titled, “Ideas are a Dime a Dozen”. The answer is that it takes a lot of work and brains to develop an idea into a viable business, and this effort comes directly from the CEO and his/her ability to inspire and motivate the team. If you want to give your business the best chance to succeed, honestly consider your own abilities and personality, make improvements where you can, or recruit someone else to play the role of CEO.
Dartmouth Entrepreneurial Network

In 1946, when C. Everett Koop ’37 began working at Children’s Hospital in Philadelphia, surgery in newborns was nearly unknown – only two surgeons in the country specialized in children. Koop helped change all that, bringing pediatric surgery to prominence by urging the development of safer anesthesia for infants and children and by tackling cases other physicians dismissed as impossible.

During his 34-year surgical career Koop made it routine to operate on newborns with congenital defects such as spina bifida, cleft palate, and deformed limbs. By the time he became Surgeon General of the United States, Koop had separated a dozen sets of Siamese twins (including the first successful separation of twins who shared a single heart) and performed more than 17,000 hernia operations.

C. Everett Koop with separated twins – Clara & Alta