



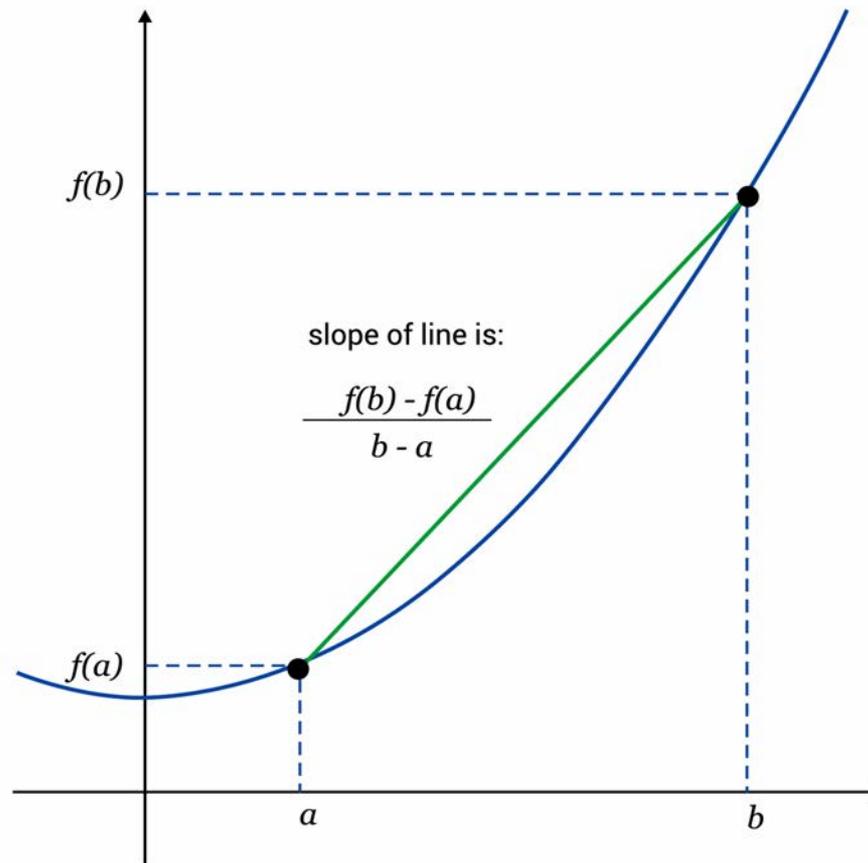
Leading Innovation – Similarities in Leadership Traits of CIO's and Entrepreneurs

Wednesday August 9, 2023

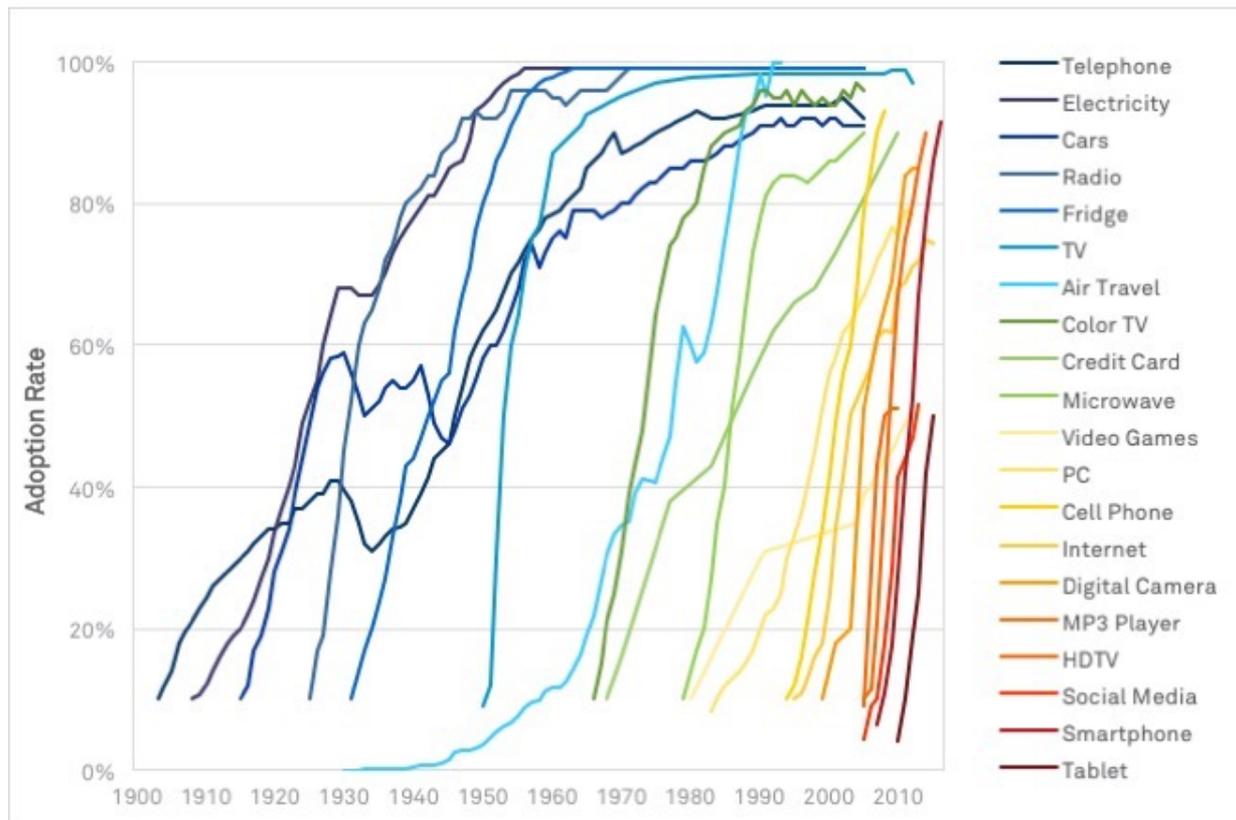
Bill Aulet

Ethernet Inventors Professor of the Practice of Entrepreneurship
Managing Director, Martin Trust Center for MIT Entrepreneurship

Rate of Change



The World Will Never Be Slower Than It is Today ... It Will Only Get Faster



Source: Asymco

BLACKROCK®

Change

- Do you see it as good or bad?

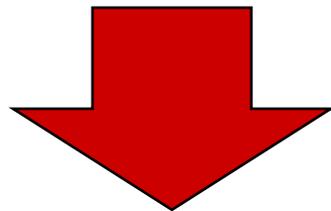
Definition of Management

1. Enable large and complex organizations to achieve order and consistency to optimize key objectives which are important to stakeholders, such as profitability or quality.
2. A group of people in formal positions where management in the sense above is expected

Comparatively, Only Relatively Recently → Interest in and analysis of management is really focused in the past 100 years, a much more recent phenomenon.

Three Core Processes of Management

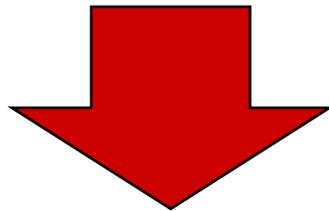
1. Planning and Budgeting
2. Organizing and Staffing
3. Controlling and Problem Solving



Consistency, Order and Predictability

Three Core Processes of Leadership

1. Establish Direction
2. Align People
3. Motivate and Inspire



Movement and Passion

Compare & Contrast Approaches

Management

Planning & Budgeting

- ↓Risk, ↑ROI, ≤ 1 year, atomization

Organizing & Staffing

- Specialization, matching

Controlling & Problem Solving

- Containment, control & predictability

Leadership

Establishing Direction

- Calculated Risk, Values, ≥ 1 year, holistic view

Aligning People

- Integration, commitment

Motivating & Inspiring

- Empowerment, expansion & energizing people

Compare & Contrast Outcomes

Management

Predictability, order
and consistency

Leadership

Producing change,
often dramatic
improvement but
almost always new
and therefore less
predictable

Entrepreneurship is a form of Leadership

More Evolved Definition Today

Entrepreneurship > Startup

Our goal is to create “Antifragile” humans

People who “grow when exposed to volatility, randomness, disorder, and stressors and love adventure, risk, and uncertainty.”

Adversity is an opportunity and makes us stronger



FRAGILE



ROBUST



ANTIFRAGILE



Purpose of this Talk

1. Yes It Can ✓
2. Yes We Can ✓
3. Here is How ←

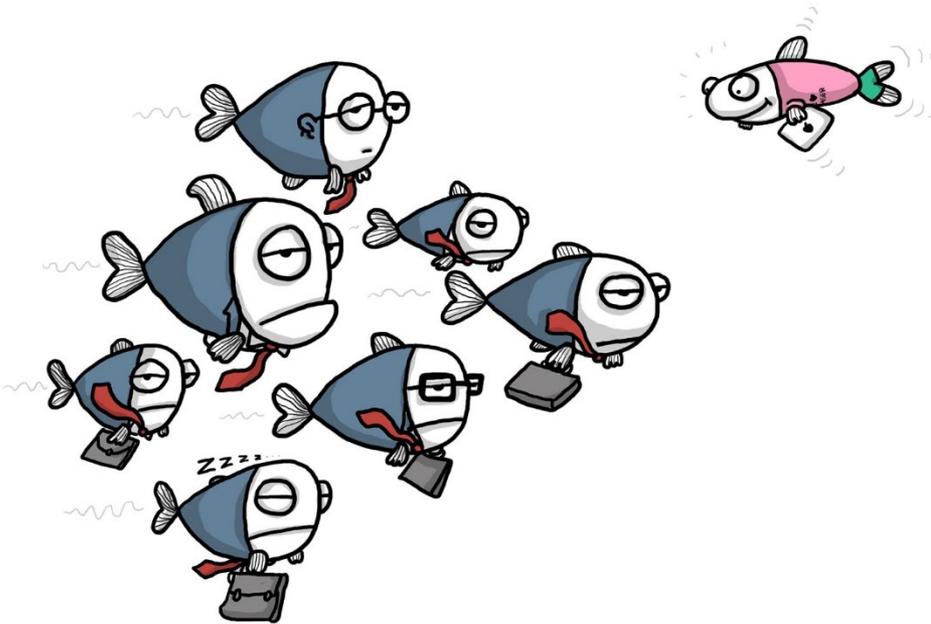
THE 4H'S OF ENTREPRENEURSHIP EDUCATION

HEART
SPIRIT



Importance of Spirit

Willingness and even joy in being different ...



**Creative
Irreverence**
(what we call “hacking”)

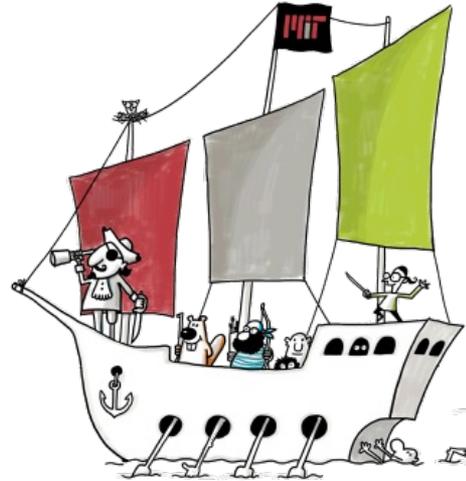
Importance of Spirit



*It's more fun to be a pirate
than to join the navy* — Steve Jobs



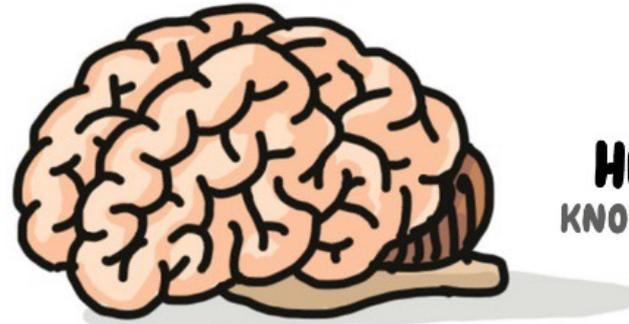
Successful Entrepreneurship



Spirit + **Skills**

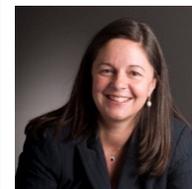
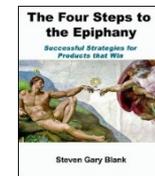
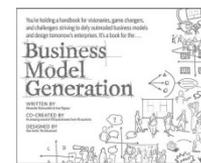
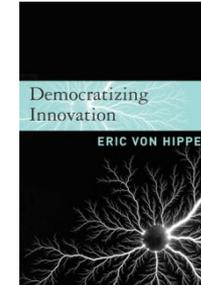
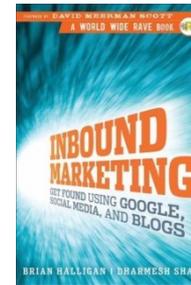
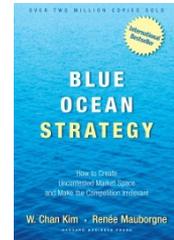
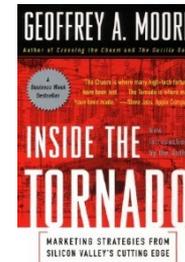
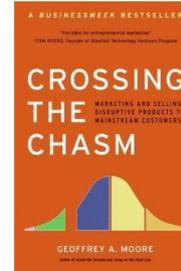
THE 4H'S OF ENTREPRENEURSHIP EDUCATION

HEART
SPIRIT



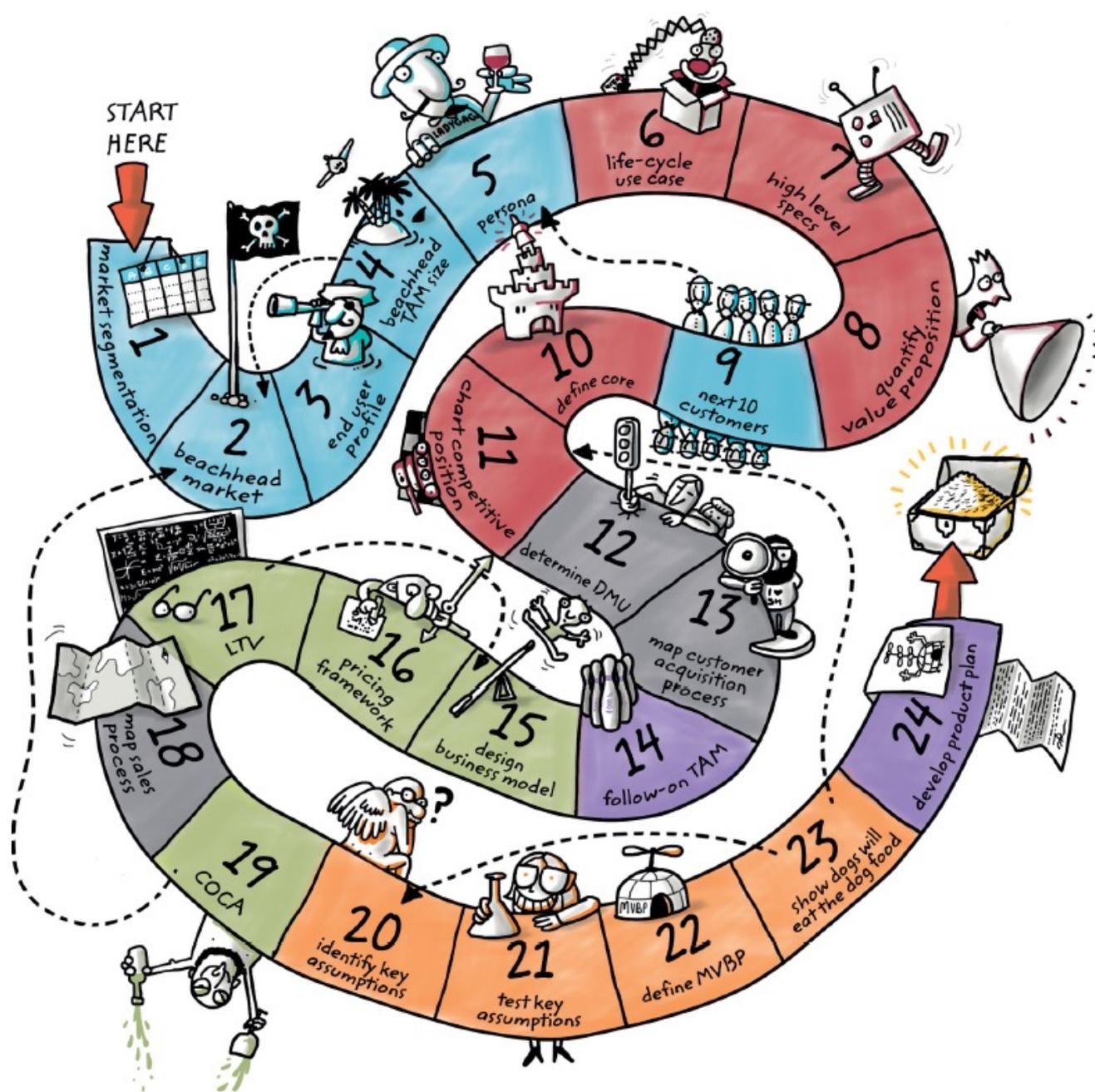
HEAD
KNOWLEDGE

How 24 Steps Was Put



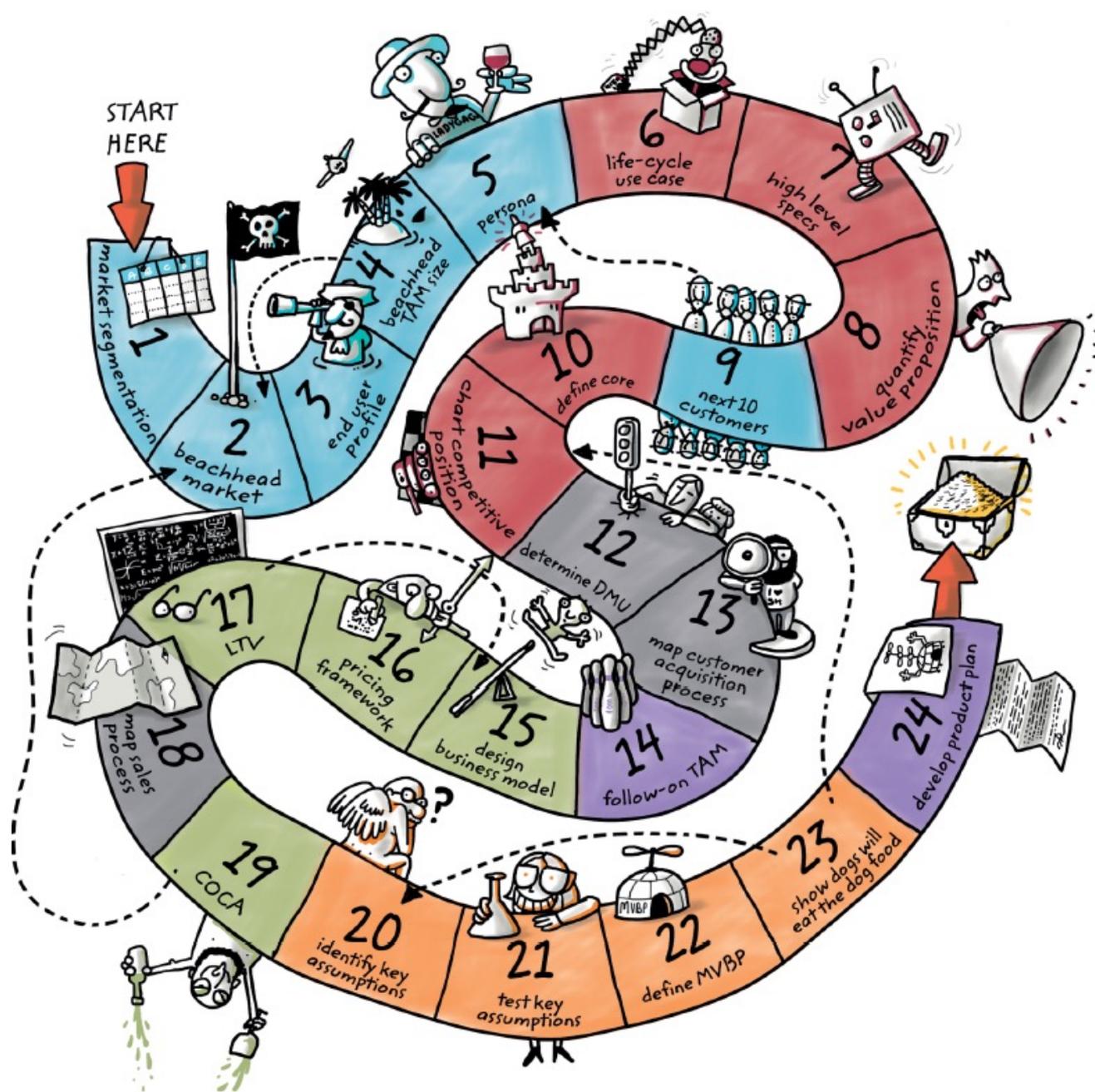
WHO IS YOUR CUSTOMER?

- 1 Market segmentation
- 2 Select a beachhead market
- 3 Build an end-user profile
- 4 Calculate the TAM size for the beachhead market
- 5 Profile the persona for the beachhead market
- 9 Identify your next customers



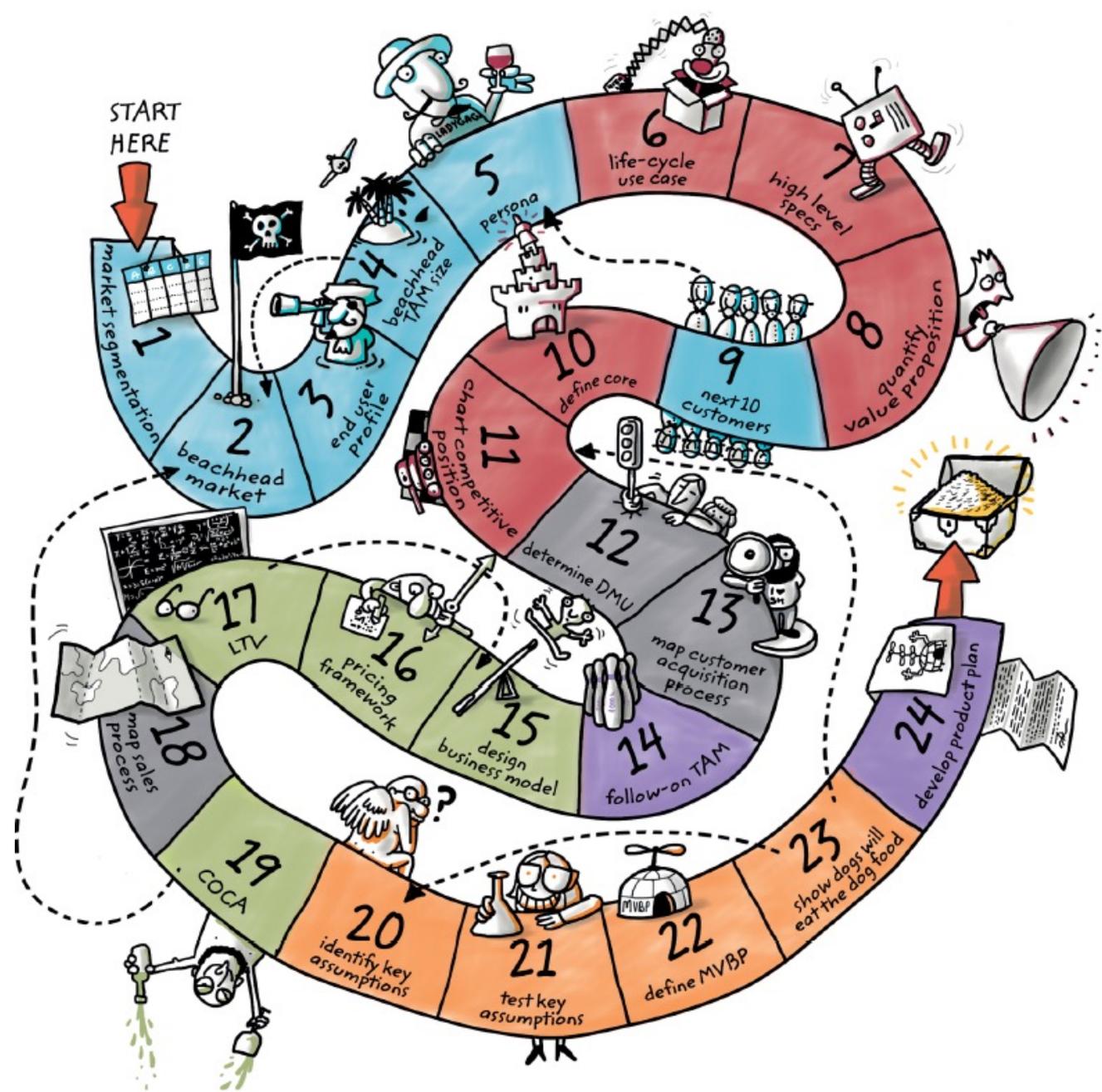
WHAT CAN YOU DO FOR YOUR CUSTOMER?

- 6 Full life cycle use case
- 7 High level product specification
- 8 Quantify the value proposition
- 10 Define your core
- 11 Chart your competitive position



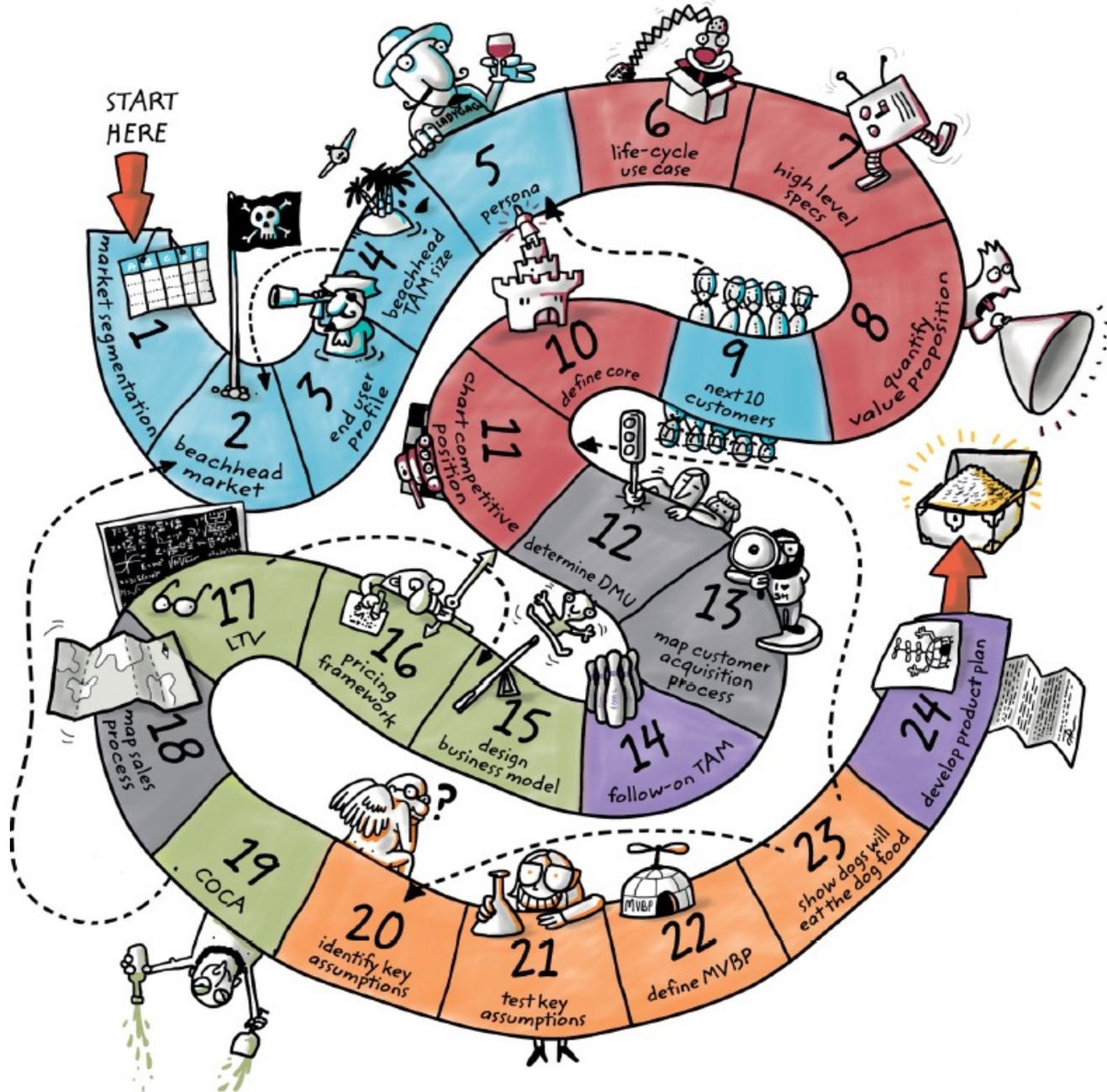
HOW DOES YOUR CUSTOMER ACQUIRE YOUR PRODUCT?

- 12 Determine the Customer's Decision Making Unit (DMU)
- 13 Map the process to acquire a paying customer
- 18 Map the sales process to acquire a customer

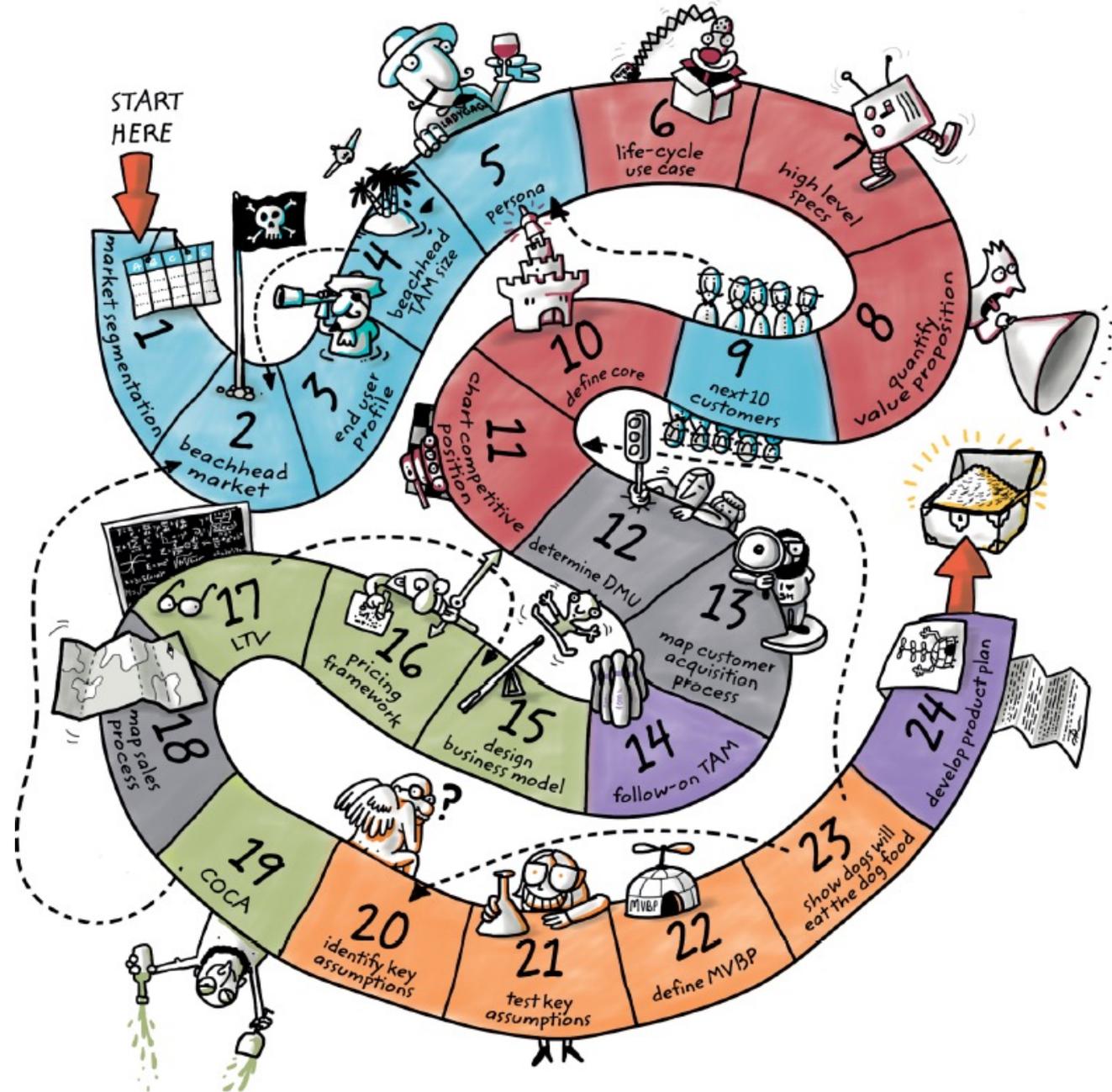


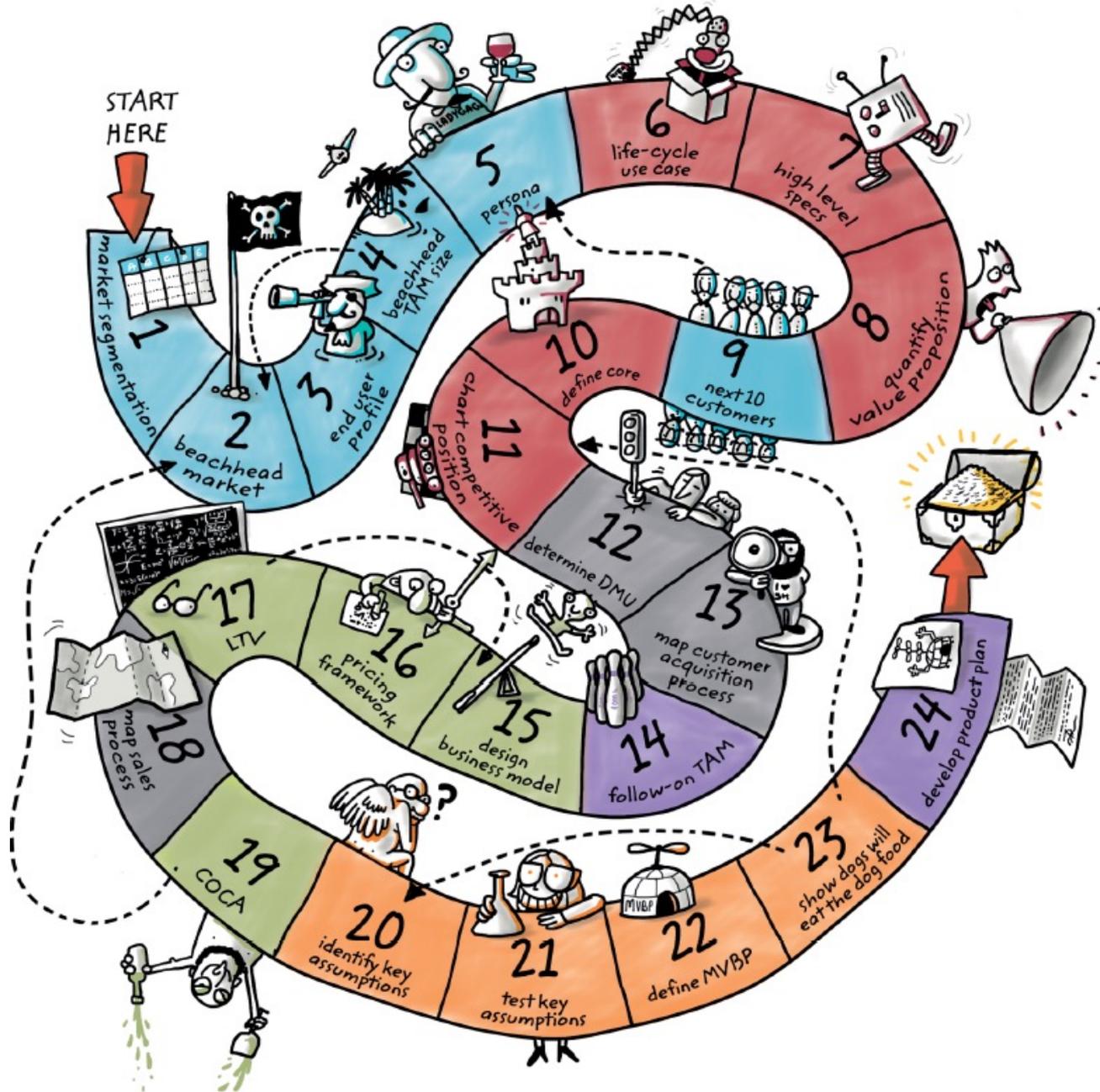
HOW DO YOU MAKE MONEY OFF YOUR PRODUCT?

- 15 Design a business model
- 16 Set your pricing framework
- 17 Calculate the lifetime value of an acquired customer (LTV)
- 19 Calculate the cost of customer acquisition (COCA)



- ### HOW DO YOU DESIGN & BUILD YOUR PRODUCT?
- 20 Identify key assumptions
 - 21 Test key assumptions
 - 22 Define the minimum viable business product (MVBP)
 - 23 Show that "the dogs will eat the dog food"





START
HERE

HOW DO YOU SCALE YOUR BUSINESS?

- 14 Calculate the TAM size for follow-on markets
- 24 Develop a product plan



DISCIPLINED ENTREPRENEURSHIP

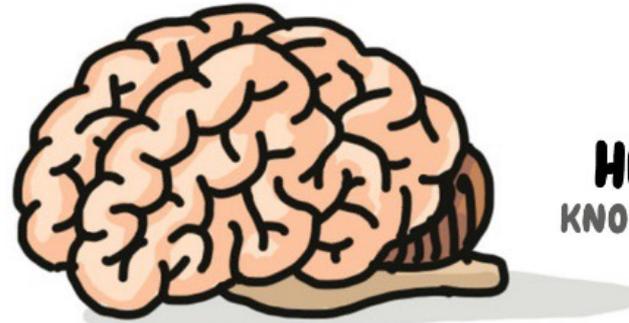


THE 4H'S OF ENTREPRENEURSHIP EDUCATION

HEART
SPIRIT



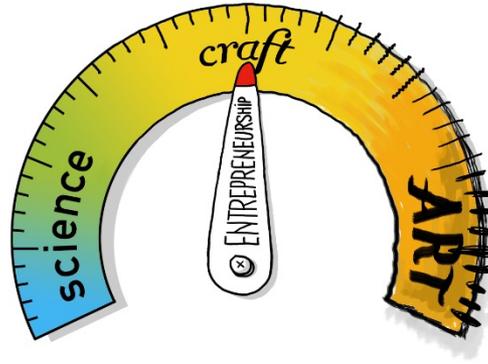
HEAD
KNOWLEDGE



HAND
CAPABILITY



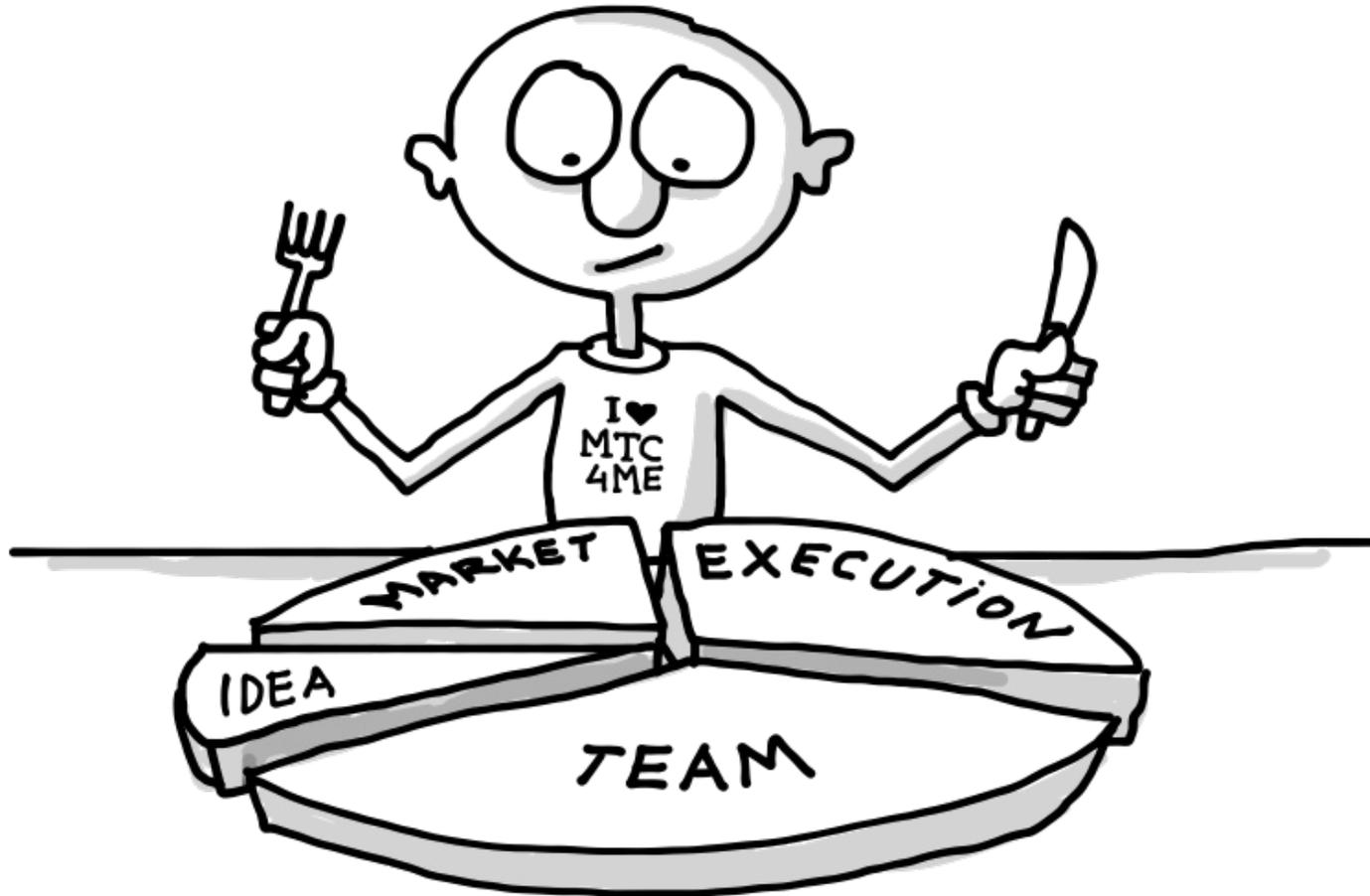
The Truth



THE TWO ENDS
OF THE SPECTRUM

- Relevant elements of a craft:
 - ✓ Accessible
 - ✓ Builders
 - ✓ Unique Products
 - ✓ Learnable
 - ✓ First Principles Exist But Don't Assure Success
 - ✓ Apprenticeship

What Makes for Success?



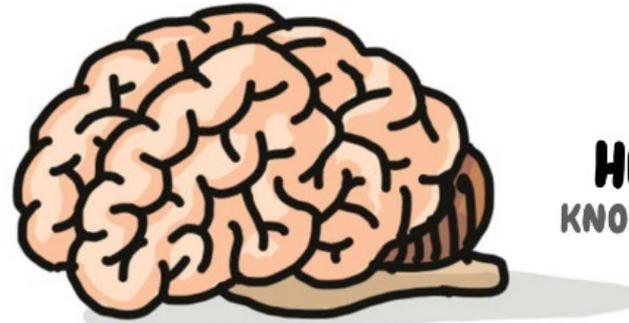
THE ENTREPRENEURSHIP SUCCESS PIE

THE 4H'S OF ENTREPRENEURSHIP EDUCATION

HEART
SPIRIT



HEAD
KNOWLEDGE



HAND
CAPABILITY



HOME
COMMUNITY



Ambidextrous Leader

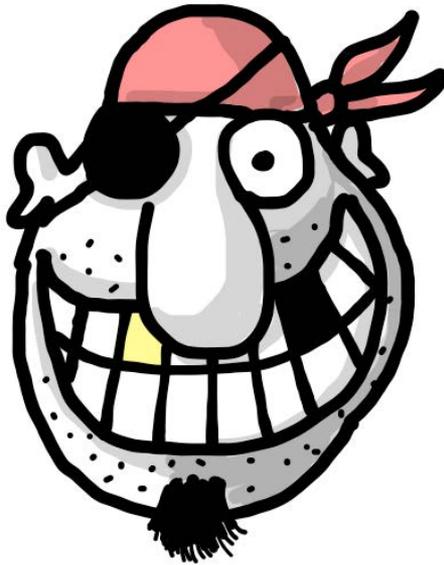
- Manager

AND

- Entrepreneur

Successful Entrepreneurship

=



+



Spirit

of a pirate

Skills

of a Navy Seal

Questions?



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