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Sample ideas and quotations from “The Entrepreneurial Effect”
Practical Ideas from Your Own Virtual Board of Advisors

Sir Terry Matthews:

Terry Matthews is Chairman of Wesley Clover and also serves as Chairman of Mitel and March Networks, two companies active in developing Internet Protocol (IP) systems for enterprise applications. Prior to joining March Networks, he served as CEO and Chairman of Newbridge Networks Corporation, a company he founded in 1986. Providing leadership and vision for 14 years, Terry helped Newbridge become a leader in the worldwide data networking industry.

In 1972, before launching Newbridge, Terry co-founded Mitel Corporation. Under his leadership Mitel grew quickly to become a world leader in the design and manufacture of enterprise voice systems and products. In 1985, British Telecom bought controlling interest in Mitel. In 2001, Terry purchased the worldwide Communications Systems division of Mitel, and the Mitel name, and is now owner and non-executive Chairman of Mitel Corporation, a company focused on providing next generation IP telephony solutions for broadband networks.

Terry holds an honours degree in electronics from the University of Wales, Swansea and is a Fellow of the Institute of Electrical Engineers



and of the Royal Academy of Engineering. He has been awarded honorary doctorates by several universities, including the University of Wales, Glamorgan and Swansea, and Carleton University in Ottawa. In 1994, he was appointed an Officer of the Order of the British Empire, and in the Queen’s Birthday Honours 2001, he was awarded a Knighthood.

“The sad thing for me is that Canada has historically lacked what I would call an “entrepreneurial culture”. We have too many one-hit-wonders who build a company and retire to the golf course with their first hint of success. We have too few entrepreneurs who stay involved, start or invest in other companies, become mentors or board members, and actively seek out new and exciting opportunities where their energy and resources can make a difference. I don’t suppose that many people will start up 90 companies like I have, but I would hope that we can foster in business people a greater willingness to take risks, a greater hunger to conquer global markets, a more finely-honed inclination toward innovation and ultimately the emergence of an entrepreneurial class in Canada.

The book which you are about to read has compiled the thoughts of people that I have known and worked with for many years. I have learned to respect and trust their views and experience. I regard this book as a highly useful collection of some of the shrewdest nuggets of hard-won wisdom available anywhere. Please read it, live it and evangelize the entrepreneurial life.”

for more from this author, get the 280 page book

Adam Chowaniec

Dr. Adam Chowaniec is chairman of the board of directors of Zarlink and executive in residence at Vengrowth Capital Partners Inc. He is the past chair of the Information Technology Association of Canada board of directors and the Ontario Research and Innovation Council. In 2005, he was appointed to the Natural Sciences and Engineering Council of Canada by the Privy Council of Canada.

Dr. Chowaniec began his career in 1975 as an assistant professor at Acadia University, and in 1976 became a member of the scientific staff of Bell Northern Research in Ottawa. From there, he moved into engineering management at Nortel Networks. In 1983 he joined Commodore International, based in Westchester, Pennsylvania, where he became vice-president of technology and was responsible for the development of the Amiga personal computer.

In 1986, he returned to Ottawa to become



president and chief executive officer of the semiconductor firm Calmos Systems, acquired by Newbridge Networks Corporation in 1989.

Dr. Chowaniec has served on numerous boards of directors in the United States and Canada, including Amiga and GEAC Computer Corporations.

“In my own experience, I worked for Commodore computers, which despite its established market presence was only approximately 500 employees. The remainder of the corporate capability was provided through outsourcing arrangements. This gave me the opportunity to see all aspects of the company and even have meetings with investors. There are three general lessons about using big companies to provide the training ground for your future employees.

- 1) Ensure the individual had a breadth of experience, for example, from finance to sales.
- 2) The most valued individuals are those that have either built a team or built a capability of the company. For example, the person that built the sales team or that constructed the sales process or sales capability of the company, is more valuable than the individual sales person on the team.
- 3) Acquisitions of local companies by big international companies are a great time to shop for sales/marketing/finance and other management types because when a local company is bought the larger acquirer usually trims those positions.”

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Antoine Paquin

Antoine is a general partner at Rho Canada Ventures (www.rho.com), a new fund that is part of Rho Capital Partners, a diversified private equity firm based in New York. For nearly 10 years, he defined and shaped the direction of several notable and groundbreaking technology firms, including Axiom Microdevices Inc., (part of Skyworks Solutions), Bitflash Inc. (part of Open Text Corporation), Philsar Semiconductor Inc. (part of Skyworks Solutions) and Skytone Systems Inc. (part of Cisco Systems).

Mr. Paquin continues to be an active global angel investor in many technology start-ups. Mr. Paquin serves as a director on the boards of Accedian Networks, Pyrophotonics Lasers, Public Mobile and Javaground USA, a California company that he seed-funded.

Antoine holds a few awards from his entrepreneurial career, including Entrepreneur of



the Year (1997) for the Nation's Capital, recipient of the National Research Council's Innovator of the Year Award, and recipient of the IWAY awards for exceptional entrepreneurial achievements (Canada's Information Highway Initiative).

“Venture capital initially developed as a cottage industry in Silicon Valley; an industry made up mainly of past entrepreneurs endorsing the next generation of entrepreneurs. As such, Silicon Valley developed through the years a critical mass of cultural knowledge regarding best practices in starting technology companies and it is generally expected that someone wanting to raise money can and should find out for her/himself. The logic there is that if one cannot bother to do their homework, they are not worth sponsoring. That assumption breaks down elsewhere where this culture is different and does not benefit from the same critical mass of knowledge; it even often fails in Silicon Valley as it has grown so much and much misinformation competes with good information. So the solution is very simple: write it down and make the whole process transparent. After all, you as an entrepreneur need to be transparent as you will see in this essay; however, like loyalty, transparency needs to be a two-way street. So I committed to write this chapter and have sought feedback from my peers in start-ups and venture capital.”

for more from this author, get the 280 page book!

Rob Ashe

Rob is the former president and CEO of Cognos, now part of IBM. He is currently general manager, business intelligence & performance management, IBM. Rob Ashe is responsible for the strategic vision, direction and day-to-day leadership of the division.

Rob is a Cognos veteran, who joined the company in 1984 and has previously held senior positions in finance, operations, research and development, and worldwide services.



“Reinvention of a company can involve substantial changes to processes, goals, etc. The public literature is full of information on the topic of transformation and reinvention, but it’s been Cognos’ experience that there are some best practices for projects that will be successful and those that won’t.

Projects that have a lower chance of success tend to:

- 1) Those that start big. (encourage big ideas, but start small).
- 2) Have little customer involvement.
- 3) Don’t have a clear owner, or evangelist.

Projects that have a higher chance of success tend to:

- 1) Initially have small teams that grow as gates/milestones are met and risk items are eliminated.
- 2) Have the flexibility in time and resources and attitude to make mistakes, recognize the mistakes and change direction because of them.
- 3) Management “feeds and nurtures” the team. In other words, management gives them the direction, support, advice, and resources they need.
- 4) Follow a review process looking at risk items in the market, financial feasibility, technology, etc.” **for more from this author, get the 280 page book!**

Denny Doyle

Denzil “Denny” Doyle’s career in Canada’s high technology industry has included research and development, sales and marketing, corporate management, and venture capital investing. He was the founding president of Digital Equipment Corporation’s Canadian subsidiary and during the eighteen years that he directed it, it evolved into a multifaceted company with annual sales in excess of \$160 million. Following that career, he established Doyletech Corporation in 1982 for the purpose of assisting Canadian enterprises (both private and public) in the building of a stronger high technology industry in Canada.

In 1982, he also co-founded InstanTel Inc., an Ottawa-based supplier of electronic instrumentation.

From 1995 to 2005, as Chairman of Capital Alliance Ventures Inc., an Ottawa-based high-tech venture capital firm, he led investments in technology companies in Ottawa and elsewhere in Ontario.

He has served on the boards of directors of several companies. These include: Mobile Data International, CAL Corporation, Nuvotech, InstanTel Inc., Mitel Corporation, Leigh Instruments, Newbridge Networks, Gennum Corporation,



West End Systems, Med-Eng Systems, Fred Systems, Pix-eLINK, Consultronics, International Datacasting Corporation, IS2 Medical Systems, LNS Systems, GEAC Computer, Active Systems Inc., Pricedex Software, Advanced Systems Integrations, Kaval Telecom, Cadabra Design Libraries Ltd., Comdale Technologies, Documented Circuits, Rockcliffe Research, BTI Bubble Technologies, Anomira Software, Talentmap, and others.

“What must be understood about business plans is that one size does not fit all. They come in at least four different varieties. The first is what I refer to as a new venture business plan: it is used when a new entity such as a new company or new product line is being proposed. Another is an annually updated strategic plan that tells the shareholders and the directors how the management team plans to make the company successful. The third is an operational plan that explains how the first year of the strategic plan will unfold. The fourth is a financing plan that gets written when the company is in the process of raising money..”

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Margo Crawford

Margo is a dynamic business leader whose 20+ year career has spanned diverse and challenging environments. She has been recognized in Ottawa as a human resources leader and was the recipient of the prestigious Vision Award as Human Resources Professional of the Year; as a respected thought leader she has been asked to speak in several venues including Mindtrust, OCRI's 45th Circuit, Carleton University, boardrooms and has sat on several association panels.

As a founder of one of Ottawa's most successful start-up companies, Meriton Networks, she was instrumental in building a company with locations around the world, raising over \$75 million in equity financing over an 8 year period, and leading to one of the quickest M&As in Ottawa's history. Margo's career has been equally focused in the public, non-profit and NGO sectors. She spent several years within the education sector and over the past 20 years has worked and volunteered in a variety of non-profit organizations and NGOs.



Margo now works as a “business sherpa” where she uses her skills and knowledge to help small and medium sized enterprises in a broad range of corporate services including human resources, commercial commitments oversight, contracts management and facilities management. See www.business-sherpa.ca.

“Sales: The lesson learned, from my experience, is that it is critical for a company to be self-aware of what stage the company and the product is at in its readiness for sales and how they will advance themselves to the next level. The standard “backward-looking” metrics of assessing sales individuals such as who they have sold to, what customers they know, if they met their sales targets, etc., while important, may not be the most important predictor of future success for every situation. Indeed there are times where this is arguably not relevant at all. I am now more interested in if a sales person is a hunter or farmer, can they form key early stage relationships, can they secure the very first sale of a new product, will they build a strong sales team and manage them tightly, can they steer results to the strategic needs of the company over the next 12 months or over the next 3 years, will they tease out every last opportunity from existing accounts, and so on. Of course it would be difficult to find this in any one individual as a passion for hunting is completely inverse to a passion for farming.” **for more from this author, get the**

280 page book!

Sample ideas and quotations from “The Entrepreneurial Effect”
Practical Ideas from Your Own Virtual Board of Advisors

Brian Hurley

Brian Hurley is an entrepreneurial leader with over 24 years of experience in building strong teams, innovative products and international businesses. Brian is currently CEO of Purple Forge, which he founded in 2008. He founded Liquid Computing in 2003 and as its CEO raised over \$44 million in venture financing, built a world-class team, delivered an award-winning product to market and won initial sales. Brian has built and led numerous successful business teams in Nortel, Bell-Northern Research and Microtel Pacific Research. Brian is the best-selling author of “A Small Business Guide to Doing Big Business on the Internet”.



Tony Bailetti

Tony Bailetti holds a tenured faculty appointment in both the Department of Systems and Computer Engineering and the Eric Sprott School of Business at Carleton University. He was the director of the Technology Innovation Management Program from 1998 to 2005 and 2006 to 2007. He is currently the director of Ontario’s Talent First Network.

He was the director of Carleton University’s School of Business from 1981 to 1988 and worked at Bell-Northern Research (subsequently a part of Nortel) from 1988 to 1992.



“Entrepreneurs should recognize that increasing their human capital increases their prospects for increased performance, and the potential for faster execution and positive outcomes in follow-on business ventures. Entrepreneurs should develop their human capital value using the practical methods available.

Risk capital suppliers should proactively work to develop the human capital of founders of companies they have invested in to maximize their performance. Policy makers and leaders of economic development organizations should define the unit of analysis for economic policy as the entrepreneur and not the company as well as address the needs of the various types of entrepreneurs.

Communities should provide entrepreneurs with the means to improve the number and quality of the opportunities they shape.” **for more from this author, get the 280 page book!**

Deborah Weinstein

Debbie is a co-founder and partner at LaBarge Weinstein practising business, corporate finance and securities law. Debbie’s practice emphasizes public and private corporate finance transactions, mergers and acquisitions, day-to-day public company advice and generally advising private corporations, investors, lenders and investment banks.

Debbie represents a range of clients from entrepreneurs and their start-up companies to Canadian public and foreign issuers. Foreign knowledge-based companies seek out her assistance in establishing or acquiring businesses in Canada. Debbie advises boards of directors on corporate governance and transaction-specific matters.

Debbie is ranked as one of Canada’s top mergers and acquisitions lawyers in a survey conducted by Financial Post in 2007. In January



2008, American Lawyer named Debbie one of Canada’s leading 500 lawyers. She was named one of Canada’s top 100 women entrepreneurs by PROFIT and Chatelaine magazines and one of Canada’s top 25 women lawyers by Lexpert.

“

Advisors, including directors, form a critical part of that pool of talent that a company draws upon as it faces challenges. Advisors can include lawyers, accountants, bankers, insurance people, entrepreneurs and others. ...

Advisors and the executive team of the company should meet on a regular basis to discuss the current situation of the company. Each advisor typically has his or her skill areas and the discussion will revolve around those areas. While a board of directors has a higher responsibility, they might be elected to the board based on what the investors require. However, it’s also important to have independent board members who have a more objective stake in the situation. The need for an independent board exists, perhaps even more so, in family-owned companies. Both the advisors and board need to be aware of the goals of the company and channel their discussions and advice around obtaining those goals. They become the goal keepers, bringing the management team in line with the goals....”

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Dave Curley

As senior vice-president of marketing and product management for Mxi Technologies, Dave is responsible for advancing the strategic marketing direction of Mxi and its aviation management products and services portfolio.

With twenty-five years of experience in the software industry, Dave has a distinguished track record in a diversity of fields, ranging from telecom to defense. Prior to joining Mxi, Dave was vice president of marketing for QNX Software Systems, a real-time operating software provider. Dave has held positions as chief operating officer at Texar Corporation, a security infrastructure software company; as vice president of sales and marketing at Bridgewater Systems, an access control software company for wireless and wireline service providers; and as vice president of marketing at Mitel Networks, a global provider of enterprise and small business communications solutions.

Dave is a member of the Board of Directors



for OCRI (Ottawa Centre for Research and Innovation), Ottawa's lead economic development corporation whose mandate is to help Ottawa technology companies compete globally. He is also a regular guest speaker for the Queen's University MBAST and business consulting program.

“Early stage technology companies spend their initial days figuring out the market they want to address and then developing the product to address the market need. Making the transition from stealth mode to engaging with customers to start the sales cycle is always both exciting and scary. There is a belief that sales and marketing are expensive and intangible propositions and there is not a lot of money available to accomplish these functions. The big questions centre around how much is enough money and what do I need to spend it on to get my business going? A general rule of thumb expressed by a very successful entrepreneur was that you should plan to spend as much in sales and marketing to get the product to market, as you did in R&D to develop the product. This frames the ballpark amount but doesn't address the question of what/ where do you spend it to be effective without being excessive. The big three expense areas for sales and marketing are salaries, travel and programs. By far the largest expense is salaries so let's start with people...” **for more from this author, get the 280 page book!**

Sample ideas and quotations from “The Entrepreneurial Effect”
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Donna Price

Donna is a corporate secretarial and governance service specialist. Donna has worked with public companies (both domestic and crossborder) in all facets of public company compliance, the interplay of management, the board and shareholders, proxy solicitations, acquisition actions and governance practices. She has also provided transactional support on private and public financing transactions. Donna has also worked with the legal counsel, boards and management of non-profit and charity organizations.



Debi Rosati

Debi is a corporate director focused on corporate governance and corporate strategy for emerging technology companies with over 20 years in financial, operational and strategic management in the technology sector. Debi comes with experience on both sides of the financing equation; she draws upon her entrepreneurial/operational experience as co-founder/CFO of technology start-up TimeStep Corporation (acquired by Newbridge Networks) and venture capital experience as General Partner at Celtic House. Debi has also held senior finance positions with Tundra (formerly Newbridge Microsystems, a division of Newbridge), Cognos (acquired by IBM), and BDO Dunwoody.

“In the formative years of an emerging company, the director’s role is more often weighted to a value-add role and as the company matures the role becomes more weighted to an oversight role. Keeping in mind that the overall role of the board is to maximize shareholder value, directors also provide a level of insight, business acumen and personal network that extends beyond the company’s management team. These are some of the components that contribute to a director’s value-added performance. The collective board should have sufficient industry knowledge and domain expertise (such as technical, operational or finance) in order to add value to board decisions and strategic priorities. Paramount to their duties, directors must select and oversee the CEO and monitor company performance. A value-added board should provide insight, advice and support to the CEO and management on key decisions and issues confronting the emerging company. Caution: “Nose in, fingers out!” Boards must balance being too engaged in the day-to-day operations, with performing primarily an oversight role..” **for more from these authors, get the 280 page book!**

Lance Laking

As president of Singletrack Performance Management, Lance provides consultancy services to private companies in a wide range of industries including communications, IT professional services, manufacturing, and clean technology. SingleTrack helps companies to plot, plan, execute and measure results related to strategy, business scaling, new market entry, financing and organizational development. In addition, Lance is an entrepreneur-in-residence (EiR) with the MaRS Discovery District Venture Group in Toronto. Lance has more than 20 years of experience building and managing high-growth companies.

From 2001 to May 2008, Lance was president and CEO of BTI Systems. Lance played a major role to establish the company as a leader in Optical Edge communication systems, driving growth and earning a Deloitte Technology Fast 50 ranking in 2006, 2007, and 2008. He was responsible for securing more than US\$55 million in growth



capital from US and Canadian venture capital investors to fuel BTI's growth. Prior to joining BTI, he founded the Canadian subsidiary of Huber+Suhner, a Swiss-based wireless and optical component manufacturer.

“Every start-up has a perceived value via some form of differentiation that they plan to bring to the market. It could be a disruptive new technology that is protected via unique know-how or patents. An example might be a young Research In Motion in the mobile data space with the new concept of “push” email to pager devices. Or it could be a new market approach – selling software as a service (SaaS) comes to mind. But those differentiators have to deliver a value proposition that more than compensates for a start-up company's short-falls. Typically a start-up has no brand, no market share, no established channel strategy, perhaps no operations infrastructure or no volume manufacturing capability, and in some cases no money! Start-ups lack credibility in the market – with few reference customers, a small installed base, and no history of product performance and reliability.” **for more from this author, get the 280 page book!**

Ray Novokowsky

Mr. Novokowsky is a serial entrepreneur and has over 30 years of experience in science, communications and high technology. He holds an Honours Degree in Biochemistry and a Bachelor of Science in Electrical Engineering. From liver cancer research, software development, chip design, systems development through to business development and sales, Mr. Novokowsky has always built high-performance teams.

Previously the CEO of Advanter, Mr. Novokowsky has also held a number of senior-level positions at Mitel, AMI and Newbridge Networks (now Alcatel-Lucent). Throughout his career, he has demonstrated solid leadership skills and has energetically inspired and motivated both his colleagues and employees. He is now committed to leading a high performance team in helping clean up water on the planet for the benefit of current and future generations.



“Both technology value and solution value parameters must be embraced in building the relationships needed to exchange value in fulfilling needs of the customer while conducting a successful business. In almost all instances, people realize value derived from their motivation to create. In seeking technology opportunities, this energy can be systematically harnessed when a clearly defined purpose statement is at the foundation of the activities. When “generative tensions” exist due to conflicting motives, “reconciling energy” must be introduced. In the case of industry’s water purification for profit and society’s water purification for social benefit, the reconciler chosen was that of sustainability.

A “Structured Activity Approach” was adopted to integrate both the motivational and operational aspects of the pursuit linking the foundations.”

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Nathan Rudyk

Nathan Rudyk is the CEO of public relations and product launch agency market2world communications inc. He started his tech marketing career at Cognos in 1985, then worked as a business and lifestyle writer and editor in Toronto in the late 80s and early 90s. He returned to tech marketing, and founded web services firm digIT Interactive in 1996, selling it to Quebecor’s nurun in 2000. After that he contributed regular commentaries to Ottawa’s CTV News and CBC Radio while working as VP Marketing at Databeacon, then founded market2world after Databeacon’s sale to Cognos in 2005.



“Most Ottawa technology companies know how to write and distribute a press release highlighting product features and benefits to encourage press mentions and reviews. Many also know how to introduce customer testimonial content that documents return on investment (ROI) or introduce third-party analyst quotes to validate product claims. Very few understand the value of mastering the charisma factor – of becoming brand leaders inside their target markets and far beyond.

Brand leadership is, at its core, reputation-building. It’s the buzz element that makes you the go-to company for journalists, producers, analysts, conference organizers, authors, bloggers and podcasters who build your reputation in a way advertising cannot do, no matter how large the budget. In world where brand recognition is whatever Google says it is, your company’s enhanced reputation translates into better keyword placement in search engines, more hits, leads and blog comments for your web site, more buzz in Twitter, LinkedIn, Facebook and other social networks, plus valuable distance from and higher valuations than lesser-known competitors.”

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Bruce Lazenby

Bruce joined Corum in 2007 and serves as regional director in Canada. Prior to Corum, he spent six years as CEO of FreeBalance, an enterprise software company, where he raised millions of dollars in venture capital and debt financing and grew the company by 300%, adding major new business opportunities on four continents. In 2004, Bruce engineered the acquisition and integration of Inluatec Systems which gave FreeBalance critical new software capabilities.

Prior to FreeBalance, Bruce served in the Canadian Navy where he managed the financial management and accounting systems for the Department of National Defense worldwide. This was, and still is, the largest such system in Canada. Before that, Bruce was a logistics officer and navy diver. He served at sea in United Nations’ peacekeeping missions and the Canadian arctic – a total of 33 address changes in 20 years.



Bruce graduated from the Royal Military College of Canada in 1976 with a degree in economics and commerce. He is also a graduate of the Canadian Forces Command and Staff College (1989).

“Once your strong and successful company has become attractive to a buyer, you can expect that they will conduct due diligence in amazing detail on every aspect of your business. You can prepare for this by making sure that your business structures are clean. Make sure you have records of all of your shareholder transactions. Where you have borrowed money, or sold shares to family and friends, make sure you have a record of all of this and the proper agreements are in place. Your lawyer can provide a template. The threat of a toxic or renegade shareholder with special rights can kill any deal dead. Also make sure that your employees or sub-contractors have signed agreements about non-compete and rights to invention. If an employee threatens to leave and start a competitive company or if a sub-contractor claims that he owns part of the intellectual property in the middle of an acquisition, you’ve got trouble. Similarly, make sure you have copies of all your client contracts and that the clauses are clear and consistent. Some clients may want a clause that says that they have some rights in what happens if you transfer control of your company to someone else. Avoid these clauses at all costs.”

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Bernard Herscovich

Bernard is the founder, president and CEO BelAir Networks. He brings many years of management experience in large and small companies.

Bernard’s track record of creating innovative products in the wireless industry has been recognized with numerous awards including “Hot Product of the Year”.

Prior to BelAir Networks, Bernard was the president of Breezecom Inc. in Carlsbad, California, vice-president of wireless at Newbridge Networks in Ottawa, and spent ten years in engineering and management positions at Nortel Networks.

Bernard holds an MBA from the University of Ottawa and MASc from the University of Toronto.



“Strategy formulation involves an ongoing dialogue with customers and the best opportunity for this dialogue, in my experience, is face to face meetings with each key customer. It is through these meetings that the CEO understands how customers view the company as a supplier, identifies new areas of business and cements the relationship. The strategic direction needs to:

- Be bold but achievable;
- Allow the company to grow in revenue and market share;
- Generate adequate return for investors;
- Have buy-in from the board of directors;
- Have buy-in from investors;
- Have buy-in from management and employees.

Formulation of the strategy is not even half the battle. It is the implementation of the strategy which will be the determining success factor.

The CEO has a strong role to play in strategy implementation.”

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Patrick DiPietro

Patrick is the managing general partner of Vengrowth Private Equity Partners. Pat joined VenGrowth in 2001, and has over 30 years of experience in high technology specializing in the fields of communications, semiconductors, and wireless.

Before VenGrowth, he held senior managerial roles at Nortel Networks and Bell Northern Research (BNR), where he launched several highly successful network products.

As a venture capitalist, Pat has started a number of high-tech companies. He sat on the board of Sandvine (now a public company) and sits on the boards of BelAir, Neterion, Liquid Computing and SiGe.

Pat holds a B.Sc. in electrical engineering from Queen’s University.



“In the end, getting a customer to buy is getting a person or group of people to buy, a distinctly human process driven by perception and psychology. This is where relationships with key individuals are critical. The person responsible for creating a solution to the issues faced by the customer is the ideal interface to your company (use this person to achieve broad and deep contact in case personnel change). You’re looking for someone with whom you can build a deep trusted relationship, someone who can claim to have “discovered” your product, someone who can navigate the internal processes, social structure and politics of the customer organization. Companies do not stray from trusted suppliers unless there is a pressing need to do so along with a highly-motivated internal group driven by a point person to do it. In short: your champion. Successful companies identify the champions, work the relationship and make sure champions have everything they need to help them sell the solution internally..”

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Tamas Michel Koplyay

Dr. Koplyay is a full professor at the Université du Québec. Recently he has joined the Sprott School of Business at Carleton University as a visiting professor in the PhD program. Dr. Koplyay is the president of Lifecycle Consulting, a firm specializing in providing advice to hightech/biotech firms in the areas of marketing and strategy.



Li Li

Li Li is a graduate of the English Language Software Engineering program from one of China’s top universities, Wuhan University. She has also received a Master of Project Management degree from the Université du Québec en Outaouais (UQO). She has also recently joined Canadian Advanced Technology Alliance (CATA) as a research associate.



Jean-Pierre Lévy Mangin

Jean-Pierre Lévy Mangin is currently “Professeur d’Université” at l’Université du Québec en Outaouais (Québec, Canada). He teaches in North American and in European universities and he is a guest speaker and a professor in many master and doctorate programs in Spanish universities. He is currently the director of Series in Methodology and Data Analysis in Social Sciences.

“Firms can fail for two basic reasons:

They are not effective or efficient; effectiveness refers to ability to identify and respond to market signals, whereas efficiency gauges the firm’s ability to focus its internal processes and execute the cost leadership strategies usually found in the late markets. Obviously firms that fail to be effective early in the cycle miss out, the same as firms that don’t focus on efficiency in the late stages in the sense of failing to translate market share into cost and margins advantage through the use of economies of scale and to exploit the experience of curve effects. But young firms also fail due to being too effective in tracking and adjusting to market trends. This seems like a contradiction in terms, but is nevertheless real. When markets take off with high growth rates, the entrepreneurial temptation is to follow any and all prospects. Yet the young firm is endowed with very limited resources and runs the risk of never reaching break-even if too many opportunities are followed. We may attribute this behaviour to “irrational exuberance” found in many entrepreneurs.” **for more from these authors, get the 280 page book!**

Bernie Ashe

Bernie is the president and CEO of the KOTT Group, a private company in the supply and installation of lumber and related products to the homebuilding industry. KOTT Group consists of eight businesses operating in Ottawa, Toronto and Montreal with export businesses selling to the US and internationally.

Mr. Ashe was the president and CEO of AiT Corporation, a TSX listed company, is a solution provider for traveller identity and border control. AiT was acquired by The 3M Company and operates as 3MAiT Ltd.

Bernie was executive vice-president and chief operating officer of the Ottawa Senators Hockey Club in the critical start-up time.

Mr. Ashe has a B. Admin, University of Ottawa and received a fellowship (FCA) from the Institute of Chartered Accountants. He was a member of the board of directors, Canadian Advanced



Technology Association (CATA) from 2002 to 2003 and on the board of Decision Academics Inc. from 2003 to 2006.

“My top five suggestions for a new CEO would be:

- 1) Be yourself and know what you stand for. Don't look for an identity – you already have one! Know and be true to your values, your operating style, your style of human interaction and your personal expectations. It is not sufficient to mimic someone else's style because it is too difficult to sustain it. People will see through it. A CEO needs to have a consistent style.
 - 2) You do not need to be “right” and you do not need to know everything! A CEO doesn't need to be all knowing, but should be able to create an environment such that the team gets the right information, uses analysis, makes decisions and arrives at the right answers. The CEO who needs to know everything and always be right, will fail.
 - 3) Find a mentor... it's lonely. As issues change over time, the CEO needs someone to talk to about new challenges and situations; someone to learn from or simply discuss issues with.
 - 4) Know the difference between leadership and management. There is a difference!
 - 5) Know what makes you tick. What motivates you? What is your reward system? ”
- for more from this author, get the 280 page book!**

Sample ideas and quotations from “The Entrepreneurial Effect”
Practical Ideas from Your Own Virtual Board of Advisors

Eli Fathi

Eli Fathi is the CEO and founder of OrbitIQ, a business accelerator company with globally-deployed channels to markets. Eli has been a technology entrepreneur for the past 25 years. In 1986, Eli founded Applied Silicon Inc. Canada to provide engineering consulting services to the private and public sectors. Following an investment from Newbridge Networks in 1996, the company (Telexis) shifted its focus to video over Internet protocol (IP) solutions, growing to 180 employees. Telexis was acquired in May 2000, and became March Networks.



Sorin Cohn-Sfetcu

Dr. Sorin Cohn-Sfetcu is co-founder and president of OrbitIQ Global Portfolio with responsibility for business development and client acquisition. He brings over 30 years of international business and technology management experience. Prior to joining OrbitIQ, he cofounded Wireless Multimedia Solutions and was its chief technology officer. Previously, Dr. Cohn-Sfetcu held several senior management positions with Nortel Networks.



“Traditionally, Canada has prioritized technology innovation, putting in place various programs to help the academic world and the industry to cross the “technology gap” also described as the “trench to prototype”. This is the gap between ideas and their first embodiment into a technology or product prototype capable to illustrate the potential for the product and/or service contemplated with the particular invention. The key factors in crossing the trench to prototype are expertise in technology, understanding of technology market potential, entrepreneurial skills and investment shrewdness.”

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Mike Gassewitz

Mike Gassewitz is the CEO and founder of Kindsight, a venturebacked spin-out of Alcatel Lucent. Prior to spinning out Kindsight, Mike was VP of strategic planning for the Internet Protocol division (IPD) where he was responsible for identifying new markets and opportunities that leveraged the division’s tremendous success.

Before joining Alcatel-Lucent, Mike was president and CEO of Meriton Networks, a successful metro optical start-up focused on WDM networking. Mike’s accomplishments at Meriton included raising over \$70 million in financing during turbulent market conditions, being selected by British Telecom for their 21st century network, and securing critical early growth revenues through partnerships with Fujitsu, Siemens, and IBM.

Prior to Meriton, Mike was chief technology officer and assistant vice-president for the



switching and routing division of Newbridge Networks where he formulated, drove and communicated Newbridge’s product and networking vision.

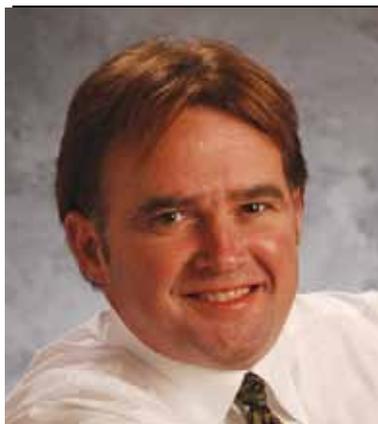
Mike has a B.A.Sc. in electrical engineering from the University of Waterloo.

“I think many would agree that the “no pain, no gain” sports training analogy would apply to the start-up endeavour. Let’s discuss the pain. Entering into a start-up venture, especially in a leadership position, requires a good deal of personal sacrifice. There’s sacrifice with respect to your family and friends. Your personal time will be consumed by the effort and travel required. Problems and concerns that come with the ownership and responsibilities of entrepreneurialism will be brought home. Many mentors of mine have demonstrated the ability to keep those problems from impacting their personal relationships, but it’s not easy, and I haven’t met anyone who’s fully mastered the skill. Time and emotion are personal sacrifices you must be willing to make and manage. “Balanced lifestyles” isn’t typically a phrase that’s descriptive of the “entrepreneur”. There’s also a financial sacrifice. Given you have the right skill sets for a start-up you can more than likely earn a higher salary by joining “going concerns” than embarking down the start-up path. Any hesitation or expectations contrary to this is a clear indication that you may be “enamoured” with entrepreneurship, but you don’t have a clear understanding of the responsibility that goes hand-in-hand with corporate authority and ownership.” **for more from this author, get the 280 page book!**

Ken Wigglesworth

Ken Wigglesworth is a Senior Managing Director with the Silicon Valley-based private equity firm Newbury Ventures. Ken serves or has served on the boards of a number of Newbury portfolio companies including Bridgewater (listed on the TSX), Sandvine (listed on AIM and TSX), Meriton, (acquired by Xtera Communications), Abridgean (acquired by nCipher), Laurel Networks (acquired by ECI), Liquid Computing and Highwave Optical Technologies (listed on Euronext).

Ken also currently sits on the board of Hydro Ottawa and has also previously been a board or an advisory board member for a number of companies including Tundra (acquired by IDT), Sonoma (acquired by Nortel), Infopreneur (acquired by March Networks), Good Contacts (acquired by Reunion.com), and Ridgeway Research (acquired by Breconridge). Prior to Newbury, Ken had 13 successful years at Newbridge Networks (now Alcatel-Lucent) where he held a variety of



senior management roles and was instrumental in growing the company from a start-up to a large, mature, multinational company. He was appointed Executive Vice-president Administration and Chief Financial Officer (CFO) of Newbridge in 1996.

“The number one critical success factor for technology companies is determining what R&D programs should be undertaken – and as important – which ones should not. The intellectual property created within a technology company is where the valuation multipliers kick in, and how companies can grow dramatically. Optimizing the company value is closely aligned with optimizing how the R&D resources are deployed amongst the endless number of opportunities (be it new products, new features or functions, cost reductions, etc.) Before determining the optimal allocation of R&D, clearly a technology-based organization needs to define the amount of R&D spending it can afford. Defining the envelope of affordability can be driven by a number of factors, but generally in early stage start-ups it’s about how much cash the company has and how long it needs to last for. In more mature companies with decent balance sheets, the affordability is more likely defined by targets like percentage of sales.”

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Jeffrey Dale

Mr. Dale joined OCRI in 2001, when the organization was undergoing a consolidation of services and strategies with the Ottawa Economic Development Corporation (OED), serving as president and CEO for seven years. Since that merger, and under the authority of Mr. Dale, OCRI increased staff to over 100 employees; increased its membership base to over 600 members; and more than doubled its annual budget to \$8 million – making it one of the largest business civic organizations in the Ottawa region.

Prior to his appointment at OCRI, Mr. Dale was the president, of KOM Networks Inc., a fast-growing company focused on providing innovative data management strategies that enable organizations to gain control over vast amounts of mission-critical data.

Prior to KOM, Jeffrey was vice-president, business development for Peleton Photonic Systems Inc. Previously, he was the vice-president of sales for SHL Systemhouse (Canada/UK).



Mr. Dale is currently chairman of the board for Centillion Industries (TSX:CID), a publicly traded company in the business of providing electronics manufacturing services.

“The Organization for Economic Co-operation and Development (OECD) recently cited Ottawa as one of 12 worldwide case studies of exemplary ways regional strategies can support and develop regional competitive advantages. Other organizations, including Communtech of Waterloo, have used OCRI as the benchmark for a creative, member-based economic development agency. ... OCRI has been instrumental in much of this work. Its founders were bang-on in identifying technology as the major source of wealth creation in the global, knowledge-based economy. And, its members and staff have been pretty much on target ever since, making connections, growing the next generation of innovators and entrepreneurs, finding new opportunities to do business – next door and around the world. Writing when OCRI was still in its infancy, its founding partners had it right, “technology ultimately resides in people”. The same might be said for entrepreneurship. To be sustainable, Ottawa’s economy needs both.” **for more from this author, get the 280 page book!**

Andy Moffat

Andrew is a serial entrepreneur and sits on the boards of the Ottawa Centre for Research and Innovation (OCRI) and the Canadian Advanced Technology Alliance (CATA).

He is also founder and chairman of Keshet Technologies where he is committed to promoting young and upcoming software companies by creating a commercialization partnership that will expand their ability to achieve success and retain majority ownership.

He was the founder and CEO of EDUCOM TS Inc. (Ottawa) an industry leader in the development of software solutions focused on the mission-critical management of corporate e-mail.



“Many start-ups make the mistake of limiting their focus locally. They are confident that local buyers will be reassured by buying technology from a company that is located nearby. For business to succeed it is essential to get their products out to a global market. One approach is through direct sells by the company’s sales people. Another way is through resellers and that includes resellers that provide professional services in the way of sales, installation, customisation, training, maintenance and problem solving. The counter argument to using resellers is that the product company loses margin on each sale but if the cost and risk of direct sales into a region is too high it’s a moot point.

However, retaining equity is/should be very important to start-ups. When considering direct sales vs. channel sales consider the market space and the speed required to enter and dominate that market. Bootstrapping is great alternative to raising funds from private equity sources.

Many companies waste precious time trying to raise external funds, rather than just getting on with the business. A couple of major ways to self-finance include the use of professional services and channel partners as a revenue source (cost avoidance).”

for more from this author, get the 280 page book!

Peter Sommerer

A leader in telecommunications for over 30 years, Peter was president and COO of Newbridge Networks from 1990 to 1996, growing that company from \$130 million revenues to \$ 1.5 billion. In 1995, Peter founded Vienna Systems and was its chairman until Nokia purchased it in 1998.

Prior to Newbridge, Peter worked ten years for Mitel in product management and as general manager of Mitel in Germany. While still in Europe he worked ten years for ITT in PBX design, CAD/CAM software development and controlling. Peter obtained a commercial degree (Mag., equivalent to MBA) and technical degree (Ing.,



equivalent to P.Eng.) in Austria, where he was born in 1949.

“Keep an open mind. Watch what others are doing. Make sure you remain aware of what you want. Then set your rules. And then change them as needed. If you are the guy, who remained alive at the end of the game, you and your rules were right. If not...

In the technology industry, change is a given and well-known factor of the game. An implication of change is the business environment itself changes. This goes beyond a change of technology capability. As each technological revolution occurs, the foundation of the business environment could change and therefore, the very business model itself needs to change. This has profound implications. Approaches to the market or business model that worked in the past might not work in the current situation. This means that today's strategy can't be yesterday's strategy.

The executive team needs to continually question the business approach across the board from strategy to tactics, to processes and procedures. They need to continually monitor the environment and know when the current business model needs to change. More likely is that you miss the change of an industry from a sunrise industry to a sunset industry, which changes all rules, but doesn't necessarily require a technology change. Although this rule is about not relying on rules, this rule could be summarized as “adapt or perish” and forget about the so-called rules..” **for more from this author, get the 280 page book!**

Irving Ebert

Irving Ebert has been an angel investor since early 2001 when he cofounded Purple Angel with former Bell Northern Research colleagues.

Purple Angel has invested in more than 25 companies, many of whom he has actively assisted as a mentor, advisor or director.

He served on the board of BCE Capital(now Summerhill Ventures) from 1994-1996. From 2000-2007 he was a director and chair of Spectrum Signal Processing one of the few Canadian public companies cross-listed on the TSX and NASDAQ. Spectrum was acquired by Vecima Networks in May 2007.

He graduated with honours in electrical engineering from McGill University in 1972. He began his career in telecommunications with engineering assignments with Bell Canada in 1972, moving on to Bell Northern Research in Ottawa, before retiring as a vice president of Nortel Networks in 2001.



At Nortel Networks in 1996 he served as a vice president in the cabinet of Nortel's COO, Clarence Chandran, and initiated Nortel's alliances with HP, Microsoft, Sun and others.

“The angel investor is typically an ex-entrepreneur and invests his or her own money in a venture. This means they also bring a lot of experience to the arrangement. They typically are “hands-on” and provide mentorship to the entrepreneur. This advisory role means that angel investors prefer to be within a one hour drive of the invested company. While angels tend to invest in areas that fit within their experience, by necessity they also invest in market or technology areas outside their area of expertise. This is because there typically aren't enough deals for the angel investor to only invest within an area of expertise and they must become generalists. This level of expertise pays off for the entrepreneur as it means angels provide an injection of their expertise as well as their money. An angel's experience will grow over time and an angel who has made several deals will have more to add than a newbie. An angel investment deal typically involves several angels each investing small amounts, maybe \$10,000. A typical deal might have 20 angels involved and each needs to approve it. The threshold of acceptance or due diligence is therefore high.” **for more from this author, get the 280 page book!**

James Bowen

James has over 25 years of experience as a technology company entrepreneur. His primary focus is bringing ideas, technology products/services, people, markets and money together into sustainable endeavours. At age 22 and while still a university undergraduate, James co-founded a software company. Over the next 20 years he had a wide variety of in-depth experiences in both management and technology. His management experience has covered all aspects of an organization including operations, business development, product development, project delivery and strategy. His technology experience has included software development and consulting with a broad range of technologies. He has gained considerable experience with many different customer types. His customer experience includes government, military, industry, non-profit and educational



institutions throughout North America and in some parts of the rest of the world.

He received his doctorate in management focusing on the growth of high technology product companies.

“Risk is a concept that denotes the precise probability of specific eventualities. Or more interestingly, risk is where possible outcomes have an undesired effect or create significant loss for the company. In the business world, risk could also include too much of a good thing. For example, too many customers want the product and we risk not supplying all the customers. This means risk is about identifying possible outcomes, good or bad, that we need to plan for. For risk we can estimate two attributes: the likelihood and impact (outcomes) of possible events. These two estimates then become critical components of our plan. Everything we do tries to reduce one or the other or both of those estimates (likelihood and impact). The second concept in the definition of an entrepreneur is uncertainty. Uncertainty is a state of having limited knowledge, i.e. that it is impossible to exactly describe existing states or future outcomes. Uncertainty means that events will occur that we can’t foresee and this means that we need to have a plan which can be flexible enough accommodate the uncertain and the unforeseen. These concepts mean that in our plan we must deal with the unknown and the unknowable.” **for more from this author, get the 280 page book!**