HARVARD BUSINESS PUBLISHING

A Script for Entrepreneurial Success

Posted by Anthony K. Tjan on November 18th, 2009 10:44 AM

On a recent trip to New York, I visited David Liu, the co-founder and CEO of The Knot, Inc. He's one of the few entrepreneurs to have not just ridden the boom of the late 90s but also to have survived the bust of the early 2000s, and he's still going strong today. Almost from the get go, the Knot has been a category favorite and market leader in the bridal content and community space, with a foot in both the digital world (TheKnot.com) and the print one (bridal magazines). David shared some reflections on what film school taught him about running a business, why entrepreneurs are the best hires, and also what it's like co-founding and running a company with your spouse.

David, start by giving us just a little bit of history on the company, when it was founded, and what led you there.

The company was started about 13 years ago, in 1996. My partners and I had been working on a CD-ROM project for Sotheby's to promote a big auction. It was well received and won some awards. After we were done, however, we had the striking and saddening realization that we had to go back to the work-for-hire business. We thought it would be great if we could just keep creating digital media. We realized the four of us had the requisite skills to form a company and, after researching different categories, settled on the bridal space. We also knew that AOL was investing in startup content business at the time, so we pitched to AOL. We raised our seed financing and were off to the races.

How did the four of you first meet?

All four of us were film students at NYU.

Did film school influence your approach to entrepreneurship?

Absolutely. We all had a desire to create content and tell stories. The process of producing a film, especially an independent one, is by its nature very entrepreneurial. You have to create the script, which is like the business plan, you have to hire the directors and producers, who are like your staff, you have to actually produce the film, which is like execution and all the operations, you have to raise the money and make a budget, and then you have to market it. You have to get it out there in festivals and get people to see it. Literally everything we learned in film school we could apply to launching a business.

There's another thing we discovered, and this almost gave us a psychological advantage going in. When you are producing a movie, you don't ever just say, "Oh, this script is bad. Let's stop and pack up." You just don't have the luxury to do that. When something goes wrong, which something always will, you try to save it in post-production, redo the shoot, or rewrite the script or do something else. As a [filmmaker], you're actually built and trained to constantly problem solve and invent.

For some folks who have gone to get an MBA, they come out trained with a very sharp pencil to tell you why something won't work.

What's a standout lesson you've gleaned from your experiences over the past 13 years?

Hire entrepreneurs. We had the benefit of having the entire executive team — my head of sales, head of technology, and my creative director — all come in from running their own business. Purely by chance were they at points in their careers where the opportunity to roll their business into our company was the perfect opportunity. Literally, my CTO was running a technology

consulting practice and we were consuming so much of their time and workload that we finally suggested he move into our office and that he become head of technology.

The character of someone who has run their own business is fundamentally different. They know they have to do everything and that makes them different.

What about taking the advice of others? How do you think about that?

At the end of the day, you've got to trust your instinct. At many times, I felt unsure. I felt like I needed to take the advice of others who knew better. But most other people don't know more about your own business. And there were times when we were confronted with really tough decisions and we probably took the wrong advice.

Now, your wife is a co-founder. Is starting a company with your spouse something you'd recommend to others?

(Laughing) I absolutely don't recommend working with a spouse, but that said, it's been great for us. The reality is that if we weren't working together we'd be divorced. You can't have one individual in a couple working seven days a week, sixteen hour days, and the other one waiting at home.

The highs are like nothing you could possibly ever experience, and the lows are just devastatingly terrible because there is no moderation, no mitigation, of what's happening. You both have everything invested in it, and because of that it is pretty intense.

What's the key factor of The Knot's success?

There's a relentless determination not to fail imbued in the organization.

HARVARD BUSINESS PUBLISHING

Flexibility and Persistence: Getting the Balance Right

Posted by Anthony K. Tjan on November 5th, 2009 8:00 AM

The latest in a series of interviews with entrepreneurs about what pursuing opportunity really requires.

Bill Trenchard is former CEO and Chairman of LiveOps (where he remains a board member) and is a highly successful venture investor and advisor. He focuses on hard results and the practical issues of rolling out a product and making money with a venture. Bill's sophistication lies in his lack of complication and the humility with which he approaches his role as founder, investor, or advisor. He has the ability to bring really cool technology to staid industries and gets excited about the process of building a better, more efficient company, however dull (to parts of the tech world) an idea may first appear.

Why don't you start by recapping your background and talking about what you're doing today.

I got the entrepreneurial bug relatively young in life. I did some work in middle school for an entrepreneur in his 20s and I loved that he had started a business right out of college. From the age of twelve or thirteen until college at Cornell, I was a bit of a hacker and really loved technology. I started my first business during my sophomore year, soon after the first Netscape browser was released. I was taken by the Internet in a big way. In college, I hired some of the great computer science students and we built websites and software for local and eventually national businesses.

In 1998, when I graduated, I didn't want to consult on other people's websites anymore. I wanted to build products. I put together a team and we built an offline browser for the Palm. With portals being all the rage back then, we pitched it to the guy who ran MyYahoo!.

What was his reaction?

He said it would be cooler to do it in reverse: get the contacts and calendar of the Palm onto an online portal.

And how did that shape your thinking about the product?

That was the pivot point for the company. We reused our hot-sync conduits and built a web calendaring website on top of them. We sold the company to Microsoft in 1999. After about six months, I left Microsoft and went to work at IdeaLab!, a venture incubator. I helped start the office in Silicon Valley at the peak of the internet experience. The funding coming into that was crazy.

What came next for you?

I left IdeaLab and got to starting more companies. I briefly did a project in the mobile space which I self funded and then shut down. And then I started something in the VoIP space, CallCast, and that ultimately turned into LiveOps, which is the company I'm still involved in today. The thing that was neat here was that we went into an industry that felt like it was just a couple notches below the sexy tech stuff that gets the most attention. Some would call it staid, but we saw an opportunity to take something like call centers that did not have much innovation put into them for years and try to change the rules of the game with better operations and technology. Besides LiveOps, I am now also angel investing and advising companies today.

Thinking back on these experiences, what were the three most important lessons you learned about pursuing opportunity?

Number one is the incredible importance of pivoting as often as necessary to find the right product or right market fit. In the early stages of a company, time is your enemy. You have resources, which are your team and your money, and you have to use those as efficiently as possible to iterate on your idea to find the right fit with your market. With CallCast, we went through half a dozen very different ideas before landing on the call center concept.

Number two is that having the right team at the right time is just as important as the right idea at the right time. In the very beginning, you need very product- and market-centric people who can develop and prototype quickly and establish a fit with the market.

The final thing is the incredible importance of culture to high performing teams. The right culture at the right stage can make all the difference as to whether or not you win the race, especially if you have a strong competitor in a closing market window.

What kind of culture is conducive to extraordinary success?

I think it was Paul Graham who said that early stage teams work like a soccer team. There has to be an incredibly high degree of trust and openness. You have to have all the information about the company out in the open. I didn't do this at first. As a young entrepreneur, I was insecure and was worried about people's perceptions too much. I'd do things like have closed door meetings when the doors should have been open. Transparency builds a better culture.

Another part of the right culture is getting poor performers off the team as soon as humanly possible. The performance level you set, especially in the engineering culture, is the one you keep.

You mention the importance of pivoting. Can you think of a key pivot point and take us through your thought process?

LiveOps was formed through the combination of two companies, one of which I started with a bunch of guys here in California. Our platform had really different thinking behind it in the VoIP world. It was based on the premise that you didn't need lots of hardware to do voice processing. You could do it all in software. We had a great feature set and the ability to really scale phone transactions at a low cost, but we weren't applying it to any big problems yet.

We looked out in the marketplace to see where it could be applied to big problems. We looked at the call center space and ran across a company called LiveOps in South Florida. They were small but were innovating around the deployment of call centers. The pivot point for us was, "Wow, this is a really big market, about $30bn. And there's been very little innovation in it. These guys have an innovative model, but they have no technology so they can't scale." They also had some customer traction, which was great because we were fast running out of money by then.

We started working with them and we soon realized that we had a great product fit. The key to scaling it was the right technology platform and management team, which we had. So, we merged the two companies and headquartered in California. The next year, we tripled in revenue and continued to grow from there, profitable the whole time. That was a key point. We inherited someone else's value proposition, brought our technology to that, integrated it, and then built a more interesting company.

If you had to isolate one thing, what do you think is the most important factor in entrepreneurial success?

I think it's the combination of flexibility and persistence. There's a balancing act here. You need the flexibility to, in the face of new data, say, "this isn't the right fit, I need to go somewhere else," and you need the persistence to push through when necessary. You've got to be persistent and

relentless about your culture, your people, the technology, and the product, really everything you do.

When you were starting a company at Cornell, what would you have said is the key factor for success?

It's funny. Back then, I would have said it was about the idea. In reality, it's so much more about execution and migrating and changing the idea as you test it in the market.

HARVARD BUSINESS PUBLISHING

The Art of an Exit

Posted by Anthony K. Tjan on October 21, 2009 8:00 AM

If you think of the venture investment cycle as finding a deal, managing a deal, and then finally "monetizing" or exiting from a deal, then an interesting question is what is the most difficult part of this investment cycle? While critical to success, the first part of the cycle — "deal flow" and the decision to invest in a company — is the easiest part. Even if you miss a good deal opportunity, another one will emerge — they tend to be like trains in that you just need to be patient as another one will come by. The middle bucket of the investment cycle — managing the deal — is the most time-consuming and requires the most work. The trickiest part, though, is often the last part of the cycle: knowing the right time to let go and sell.

At a recent board meeting, one of my colleague directors declared, "Remember, you never make money by buying, only by selling." As obvious as that sounds, we tend to spend more time learning when to buy. Think about the legions of books and articles that focus on making you a savvier investor or more astute manager. Now think about how much you have read on how and when to sell an asset. There are too many entrepreneurial stories in which the "windows of liquidity" were sorely missed.

If the art of the exit is as challenging, or even harder, than the art of investing, what can be done? Here are five principles that might help:

1. **Minimize the risk and need to sell.** The first rule is to avoid the issue by smartly investing in assets with resounding long-term value and therefore very long hold periods. Buy things that have sound cash flow and where you at least in theory have "hold forever" potential. A long-term value creating mindset tends to land investors in fewer exit timing problems than a short-term value capture mindset.
2. **Value maximizing will more often lead to value destruction than value satisfaction.** It's been said best in a vivid cliché: hungry pigs can get fat, but greedy pigs will get slaughtered. Don't be that greedy pig: it just doesn't make sense to try and go for every last nickel.
3. **If you have the chance, take some chips off the table along the way.** I was fortunate when a business I founded was at the dizzying heights of the dot.com craze to have an opportunity to "recap" the business. Basically, it meant a large investment for the business whereby the founders could also take some money off the table. What looked like a premature move at the time turned out to be more lucky than prescient as the markets ended up sliding with the dot.com crash. J.P. Morgan said it well, "I made all my money by selling too early." Whether it is through a dividend, a recap, or straight sale of part or all of the company, if you have a chance to get some liquidity, take a long and serious look.
4. **Remember why you liked the investment in the first place.** Peter Lynch, one of the greatest investors of all time, once said, "If you know why you bought a stock in the first place, you'll automatically have a better idea of when to say goodbye to it. When you see core elements of a business or its market change, or when you can feel its customers getting tired, it is probably time to exit. A good friend, who also happens to be one of the smartest private and public equity investors I know, tells me that he always writes down the reasons why he is making an investment. When you do that, you can look back and objectively learn from poor investment choices.
5. **Follow your contrarian instincts.** Some of the most successful investors look at opportunities when others are looking elsewhere. The art of the exit is similar, in that if lots of people are buying than it may be time to start to consider selling. As some of my former Harvard Business School professors have observed and shared with me, the time to get out of something is when everyone from a graduating class wants to get into it.

These have been some trying and volatile times for private and public company investors. There is no clairvoyant or simple formula to determine exactly when one should exit a company. Amateur and professional investors who are ardent students of investing should balance the workload and opt for more insights on selling. After all, aren't you tired of the cocktail party chats about how much money someone has made on something they have not yet sold?

HARVARD BUSINESS PUBLISHING

Vulnerability: The Defining Trait of an Entrepreneur

Posted by Anthony K. Tjan on Thursday October 6th, 2009 at 2:17 PM.

The late Oscar Levant — American pianist, composer, actor, hypochondriac, and world-class neurotic — once remarked, "There is a thin line between genius and insanity. I have erased that line." As Levant saw it, this blur gave him creative impetus. Just as Levant achieved renown by navigating the lighter and darker sides of his imagination, couldn't the same be said of great entrepreneurs?

To be truly great, entrepreneurs need to be a little...out there. After all, fearless creativity, maverick thinking and risk taking seldom show up in the middle of the bell curve. As venture capitalists, we see our fair share of aspiring and veteran entrepreneurs, and have often wondered if the man or woman standing before us was brilliant, deluded, or a combination of the two. In one of my previous posts, I explored the relationship between our strengths and weaknesses and how they are often one in the same: your strength is often your weakness and your weakness is often your strength. The goal is to find the optimal balance between the two.

Perhaps one of the most important and delicate balances that great entrepreneurs must finesse is the one between risk-taking and vulnerability. Now, the term "vulnerability" typically carries with it a host of negative connotations. If a risk-taker is generally perceived as bold, driven and admirably extroverted, a "vulnerable" person is apt to be seen as gentle, weak, introverted and easily assailable. Yet here's the paradox: vulnerability is among the defining characteristics of the greatest entrepreneurs I know. Inside these people lies an inner, highly nuanced vulnerability that actually buttresses their externally directed strength.

The nuance lies in the type of vulnerability that they have and their recognition and comfort with it. Let's be clear: there is a vital difference between what I call passive and active vulnerability. Passive vulnerability refers to the condition of being vulnerable without choosing to be. Active vulnerability comes from engaging in a contemplated risk that considers and hopes for the payoff, financial or otherwise will be worth the effort. Active vulnerability is in essence proactive and informed risk-taking. Passive vulnerability is reactive and submissive exposure.

But with that said, you might wonder, would anyone in his or her right mind "choose" to be vulnerable? Asking that question may be the reason why you are probably not an entrepreneur! The willingness to be vulnerable isn't driven by the desire for exposure, but by the possibility of what that exposure might lead to — be it a meaningful role, the possibility to affect change, and, of course, greater financial gain.

The test of a great entrepreneur is one who can continue in the face of failure and does not fall prey to passive vulnerability. Lavant's "thin line" for many entrepreneurs is the one between resilience and vulnerability. There are many would be entrepreneurs who have tried an idea and failed and never been able to get going quite in the same way. What was once once active vulnerability turns passive. Others surf the line between resilience and vulnerability successfully, understanding that repeated failure is usually necessary to achieve success. Some even thrive as much on the failure (and the learning and strength that can come with it) as on success. As VCs we try to understand how entrepreneurs deal with active vulnerability and failure. If they fail, will they feel defeated or more determined than ever to try again? If they succeed, will they feel satiated, or still hungry and willing to take on new challenges, putting at risk their newly minted reputation?

The story of how inventor James Dyson went through 5127 prototypes and 5126 "failures" to get his massively successful vacuum cleaner "right" is the stuff of entrepreneurial legend. Dyson was fond of saying that the inventor and entrepreneur's life is one of failure. Embracing vulnerability and its rewards — whether those are lessons from failed efforts or life-changing (even world-changing) success — that's the stuff of great entrepreneurs.

HARVARD BUSINESS PUBLISHING

Entrepreneurial DNA: Do You Have it?

Posted by Anthony K. Tjan on Wednesday April 29, 2009 at 12:56 PM

Over my years as an entrepreneur and now venture capitalist, I am struck by the number of people who say they want to be an entrepreneur. I am also struck by how evident it is that they don't have "entrepreneurial DNA."

Entrepreneurship is rarely a planned journey. I recently met with a b-school student who was interviewing at our firm. "I have a 10 year plan towards becoming an entrepreneur," he told me. Really? A 10-year plan to become an entrepreneur? What's that all about?

He wasn't the only person to say such things to me. Here are some of the other excuses I have heard from people when I asked them why they weren't being an entrepreneur, despite their professed love for it.

"I want to spend some years learning first, and building a base of security." "I do not have access to the capital or resources to start." "I know I want to be an entrepreneur, I just don't have the ideas."

These reasons all have a modicum of validity, but entrepreneurship is not something you just plan or do, it is something that you have to feel. Entrepreneurs hold an idealism and risk profile that makes them fundamentally different. They don't think about security--in fact they are often uncomfortable with it. And they have the guts to bet it over and over again. They think less about what they lack and more about what they can achieve with what they have. In a sea of ambiguity, they forge ahead with an incredible fortitude.

But just because someone is starting something or comes forward with an idea, it doesn't mean that they are entrepreneurial. What's more, there are obviously numerous people in entrepreneurial situations who should not be. It is similar to something I once read: just because someone goes to church, it does not necessarily make them a Christian. True entrepreneurship goes fundamentally deeper as a belief system and as a mission. It is for this reason that when we evaluate early stage entrepreneurs that we look for that "fire in the belly" and that "dare to be great" attitude. When you've seen someone with it you know it.

Here is an analogy and question I ask people when assessing their potential for entrepreneurship: Are you a bond or an equity? I believe that most people grow up dreaming to be an equity (or at least thought of as equity), but end up working in high-yield bond situations. (The proverbial post-business school career path of: "I'll work here for a few years, and then do my entrepreneurial passion."). If not acted on early enough, these passions often become compromised as the lure of less risky alternatives and the reality of life-stage responsibilities present themselves. It is the guts to go after risk and the perseverance to stick it out that make entrepreneurs more equity-like than bond-like. Business schools are a fascinating places to watch equity people turn into bonds people, or at best to find "equity in the closet" - folks who deep down wish to start something but then decide to take bond-like jobs.

I am hearing that this economy is increasing the number of graduating business school people who are willing to enter into start-ups and take on more risky ventures. At the Harvard Business School Business Plan competition where I was recently a judge, I believe that the number of plans was up some 60 percent this year over last year. If the economic uncertainty does nothing else, but pull some of that equity out of the closet and gets a few entrepreneurs realizing their full potential and creating new innovations, then it's done some good.

So... come on, which are you? Bond or an equity?

HARVARD BUSINESS PUBLISHING

Why Do Most Entrepreneurs Fail to Scale?

Posted by Antony Tjan at 6:55 PM Monday April 13, 2009

One of my recent blogs discussed the DNA of great entrepreneurs as a mix of three simple things: smarts, guts, and luck. But what about the characteristics of entrepreneurs that can hinder success and prevent their companies from getting to the next level?

More than 10 years ago a classmate of mine at Harvard Business School said to me, in the thickest of Japanese accents and a slow and forceful voice, "Tony, you are a true entrepreneur...your strengths are your weaknesses and your weaknesses are your strengths." The statement was profound and has resonated with me through the years.

Consider the strengths and weaknesses of the following entrepreneurial traits:

Persistence and stubbornness. Many people commented on past entries on the importance of having persistence and the willingness to persevere. This is a part of my "guts" bucket: you need to have the guts to start something, but just as important is having the guts to stick it out. Perseverance is an admirable quality of great entrepreneurs. However, when perseverance is confused with unhealthy stubbornness the outcome is not likely to be great. Stubbornness is fantastic when it is right, but it is a bitch when you are wrong. Or to paraphrase the bible, "Hell is truth seen too late." So how can you tell the difference? It's tricky, but here's a tip: Be persistent in your vision when you are sure you are right and have some proof to back that up, but also acknowledge when you need help or redirection.

Controlling interest. During the early stages of a company, the entrepreneurial vision is critical and is typically embodied by the founder. It can therefore make sense early on for the entrepreneur to control of the operations as possible. This control freak nature and maniacal attention to detail *are almost required* during the early phases of company growth. But as a company grows, entrepreneurs need to demonstrate not only that they can do the task (i.e. no task is too small or beneath them), but also that they can appropriately delegate. Fast growing businesses quickly move beyond the ability of one person to manage without proper delegation, founders can unknowingly limit the start-up's growth potential.

Team loyalty. Some of my closest friendships began at businesses I founded or where I have worked. It is natural to form very close ties to a group of people working day in, day out and often with significant sacrifice in the hopes of realizing an entrepreneurial dream. What has to be recognized is that the loyalty and relentless commitment that helped get a company to a certain stage might cloud judgment in determining the capabilities and skill gaps required as a business scales. To be clear, loyalty should be recognized and is culturally important, but it cannot be confused with the performance and future needs of the organization. As a start-up becomes a full-fledged business, an entrepreneurial leader has to be prepared to deal with difficult and inevitable personnel situations where business decisions need to be made for the interest of the company and not personal or historical reasons.

Some of these and other factors that hold a business back from realizing full potential are described well in the 2002 HBR article by John Hamm "Why Entrepreneurs Don't Scale." I also touched on similar themes in a lecture on entrepreneurship I delivered for the School of Management at Boston University.

Thanks again for all the comments on the prior blogs that helped shaped my thinking on this entry.

Now, what growth challenges do you face and why do you think many entrepreneurs fail to scale?

HARVARD BUSINESS PUBLISHING

Great Entrepreneurs' Secret: Smarts, Guts, and Luck

Posted by Anthony K. Tjan on Saturday March 7, 2009 9:33 AM

As venture capitalists, my partners and I meet dozens upon dozens of entrepreneurs pitching their ideas and dreams. We love them - especially when their passion comes with capabilities and a good idea. I have been fascinated in understanding the "DNA" of great entrepreneurs in an effort to identify traits and markers that can serve as early clues for future success. I have come to conclude that **great entrepreneurs share and need SGL: Smarts, Guts, and Luck.**

Smarts. If you eat horseshoes for breakfast and always win in Vegas, then all the better for you. You ain't the norm. "Smarts" is the best foundation for any entrepreneur. Entrepreneurial smarts, however, needs to be defined and it certainly requires going beyond traditional MBA education. If I were honest, and not influenced by the fact that I hold one of these degrees myself from the institution closely affiliated to this site, then I would say that there's a lot of truth in what my partner Mats Lederhausen has said: "Most MBA's make for sucky entrepreneurs." This is not because they are not smart, but because an MBA--while potentially helpful--is not a requirement. Other smarts are.

The best self-made entrepreneurs possess outstanding street smarts, intuition, emotional and conceptual intelligence as much as--and often more so than--book smarts, analytics, and managerial intelligence. It is why founders are usually very good getting companies to a certain level, but usually less good at scaling their idea. The CEO who scales a company probably could not have founded the business and, vice versa, the person who founded it probably could not have scaled it. The exceptions of Michael Dell, Steve Jobs, Bill Gates, and Howard Schultz are just that: exceptions. They possessed the rare capability to bridge across the analytical and the creative, across the left and the right side of the brain. For our early stage investments, I am biased toward the right side- the more creative, conceptual and street smarts. "Visionary Skills 101", just does not seem to be on many MBA curriculums.

At the early stage of a business it is critical to build culture before company. The culture comes from the evangelism, heart, and fire in the belly of founders. You need to create a belief system, energy, and inspiration during the early stage of business and, as it grows, balance that with structure and process. If you put the latter (left side thinking) too early you lose the chance to form the soul of the company - you basically begin managing when the company has not yet been led.

Guts. Great entrepreneurs have the guts to go after big ideas. They are willing to put themselves out there when most worry about, "What will others think?" The definition of entrepreneurship that Harvard Business School Professor Bill Sahlman made prolific- "the relentless pursuit of opportunity without regard to resources" forms the center of the entrepreneurial mindset. **Entrepreneurs don't worry about the resources they lack, but about the resourcefulness required to get the big idea done.**

It's gutsy for people to pursue a mission despite the gulf that exists between their available resources and the largesse of their ideas. It is gutsy to swing for the fences when one could settle for a single or double. It's gutsy to shape change that most cannot yet see and persevere forward with singular clarity. Here's an amazing fact: About two-thirds of billionaires on the Forbes billionaire list started with nothing. Desperation can be a good motivator, but these folks were born with the fire in the belly and vision in the mind. Read the biographies of Andy Grove, Ralph Lauren, or J.K Rowling and you'll find some pretty inspiring stories. As Eleanor Roosevelt stated so eloquently, "The future belongs to those who believe in the beauty of their dreams."

Luck. Even with all the smarts and guts, you don't get the glory without some luck. Requisite elements of fortuitous timing, serendipitous encounters, or inexplicable higher connections come in handy. Yes, people can create the circumstances for luck, but that should not discount the value of Lady Luck's gracious blessings. Recognizing that luck is part of the success formula helps maintain the necessary and important humility during the entrepreneurial journey and beyond. Circumstances beyond one's control will always occur. Accepting this vulnerability and understanding that sometimes you just need the cards dealt in your favor is necessary to maintain the conviction, courage, and momentum of entrepreneurial enterprises. As I think back on the ups and downs of my prior entrepreneurial experiences, I am certainly grateful for my kismet being on the right side more often than wrong.

The central philosophy of my investment firm, Cue Ball, is that human capital trumps everything else out there. We consistently say it is all about the people, and we would take a B business plan with an A team over an A plan with a B team any day. And in that A team, there's likely to be a good triple dose of SGL.

What about you? Have you seen any other key traits necessary for entrepreneurial success?