Introducing the 5 Dynamics of Entrepreneurship© Model

The Personal Operating System (POS)

Corporate management could be said to be about institutions, systems, procedures, processes, and many other things, but entrepreneurship is really about one thing and one thing only: the entrepreneur. Our framework is an entrepreneur-centric framework, and at the core of the start-up's founder isis the personal operating system (POS) of the entrepreneur. The POS is who she or he really is.

Every entrepreneur needs a set of minimum root qualities to get the startup off the ground. These are the intrinsic qualities that are almost impossible to give to others. These qualities are:

Product/Service
- Distinctive, compelling proposition
- Product knowledge

Garage Team
- Scalable, multitasking team
- Self-motivating team members

Founder's Personal Operating System (POS)
- Minimum root qualities
- Repellent qualities destroy trust

Management Tools
- Sales as the missing toolkit
- Design as the core entrepreneurial skill

Culture/Environment
- Staying lean and fast to survive
- Entrepreneur as the tribal patriarch/matriarch

1. Passion and focus
2. Risk-tolerance and the sleep factor
3. Gut feel and common sense
4. Guts and stamina
5. IQ and EQ
6. Luck/blessing and health.

A startup has no track record, no brand, and often very little money. All of the staff, customers, suppliers, and investors are simply putting their trust in the entrepreneur. More importantly, there's another consideration that is directly tied to the root qualities, and that is that repellant characters destroy trust.

Confucius, the Chinese sage who laid his invaluable precepts precisely for leaders and officials, listed thirteen key virtues that are invaluable to all good leaders. These values are kindness, righteousness, respectfulness, wisdom, trustworthiness, loyalty, courage, being incorruptible, having a sense of shame, caring for the old, caring for the young, being self-correcting, and being forgiving.

These old-fashioned virtues might be nice-to-haves for the entrepreneur, but the anti-virtues (which we call the viruses) certainly are must-not-haves. The viruses are very repulsive, and they can only destroy trust. For example, you would not want to work with someone who is unkind to you, unfair, rude to you, does stupid things that directly affect you, betrays you, or holds a grudge against you. In short, the viruses are must-not-haves.
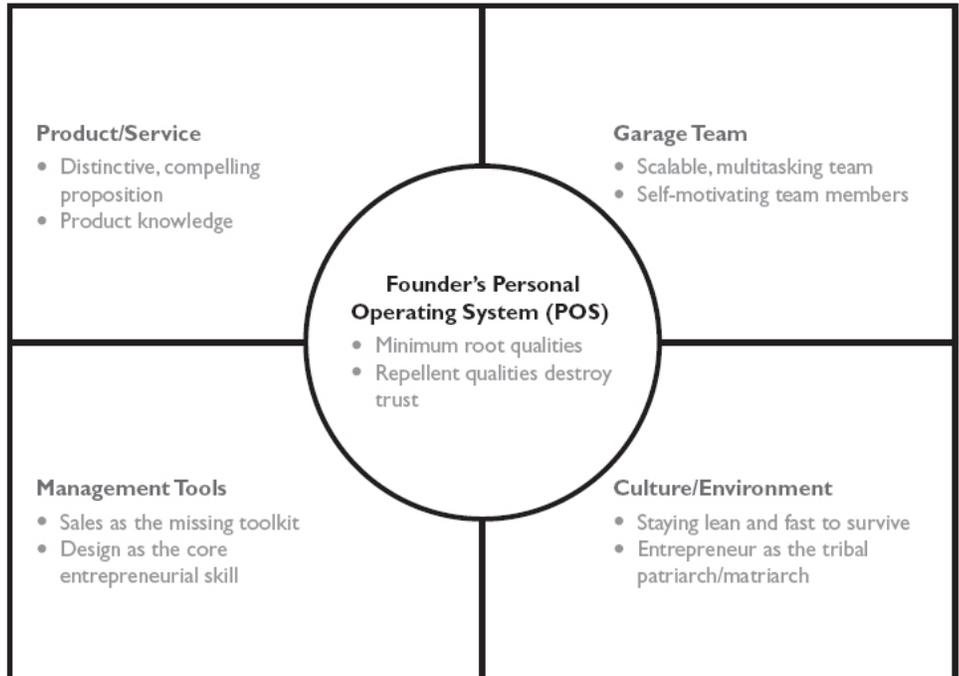
Product/Service

A successful startup depends on its distinctive and compelling proposition. This is how products or services stand out from the competition and are compelling to the young company's customers. The product or service will succeed most if it either eliminates an existing pain or adds significant tangible benefits. It is easier to sell a new product or service that eliminates a well known existing pain, as opposed to sell an item or service that doesn't clearly solve a potential client's pain.

There also seems to be a popular myth that anyone can be successful by simply working on any given idea or opportunity. This isn't true. You can't. Most entrepreneurs are very knowledgeable about the product before they start, since even experienced operators will run into unexpected troubles when they start their new business. Novices generally introduce more problems than they can deal with, which only undercuts their ability to be lean, fast or effective.

Management Tools

Although the ability to sell is undoubtedly the most critical tool for an entrepreneur, most business schools have tended to limit this from their classes. Not only that, but most corporate executives hate selling, which reinforces the idea that sales is a low priority. The point to remember, however, is that for the first 10 yards, sales is the missing toolkit. All the major stakeholders and targets of a startup — customers, suppliers, staff, investors — are naturally skeptical about a new business. Salesmanship, then, is the ability to quickly convince potential partners to support the startup.

The Garage Team

During the first ten yards of a startup, the entrepreneur needs a scalable, multi-tasking garage team. This team reduces cost and focuses on delivering the core proposition. Startups can't afford the expense or distraction of a specialized executive team, and for that reason, will need self-motivating team members. Corporate human resources managers talk about motivational tools and structures, but a startup needs self-motivating team members who are naturally enthusiastic and focused on their jobs.

Culture and environment

Startups need to stay lean and fast to survive in an uncertain and often hostile environment. They simply can't afford to be otherwise. In fact, even if the startup is lucky enough to begin with a lot of cash, it should still stay lean and fast. This habit keeps everyone focused and allows the group to easily change course when necessary.

Within this culture, the successful entrepreneurs act like the patriarch or matriarch of the tribe. Tribes are extended families, and tribal values really are an extension of family value. This is also true in the startup. Everyone understands family values, and members will naturally create a sense of shared destiny, a feature the entrepreneur can and must tap into. The founder will find there are times when he or she must behave like a father or mother when needed, or a brother or sister if it's more relevant. The point, however, is that a startup's values are the same, and, therefore, as familiar, as family values.