



THUNDERBIRD
SCHOOL OF GLOBAL MANAGEMENT

Walker Center for Global Entrepreneurship



"THE CHALLENGE, THAT'S WHAT I LOVE"

Scott B. Walker '81
Thunderbird Board of Trustees
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Global Entrepreneurship

What are traits that you believe are integral to being an entrepreneur? The characteristic common to entrepreneurs is that they make do with what they have. They are not looking for a solid foundation they can latch onto that gives them comfort, as an entrepreneur you are never settled you don't want to be

complacent. Things are not clean, they are not orderly; entrepreneurs are okay with that, most people are not.

Entrepreneurs create value by taking disparate ideas and items and form a new technology or solution, something new someone didn't see before. The difference is entrepreneurs don't just come up with ideas, anyone can come up with an idea, entrepreneurs take ideas, make them successful and build a business entity around the idea and that success takes perseverance.

How did BillMatrix become such a success? You know I stumbled on BillMatrix. They only had a few customers, the company needed to be totally revamped – that is something I do well – understanding what a company needs and what will drive it. We were on the cutting edge – but people, lots of people, told me how stupid I was because I was doing payment by phone “why not the internet?” This was the late '90's and our customers just weren't connected then. Still, today, 85% of people make their bill payments by phone.

Do you have exit strategies in mind when you start or acquire a business? Exit strategy, it's a tool that is taught in schools – ‘what's your exit strategy?’ I fundamentally disagree with the concept. What if you start a company, where you create your business plan for a 3, 5 or 7 year exit strategy? If you had that 5 year exit strategy five years ago in 2006, what are you going to do now, in 2011? When you have a planned, calculated fixed exit, you create your company around that; it forces you into certain decisions and behaviors to meet that plan.

It's a philosophical approach when you are focused on exiting rather than building – you want to be building something someone wants. If you are looking to buy a company and you are looking at two companies – one is trying to sell or ‘exit’ the company and the other is committed to building the company – which one do you want? It just doesn't make sense. If you build a company and you are successful – people will be knocking on your door to buy the company. You get to choose when and how you want to sell. My advice – focus on building rather than selling. Toss the exit strategy out the window.

What has been your biggest failure? I don't use the word fail, it means finality to me. I just make mistakes, you can correct mistakes. I have lost everything. When I realized I was going to become a statistic, I decided to do something about it. I remember where I came from, that's what keeps me in perspective.

If you had the opportunity to start over, what would you change? Why would I want to change? You have to go through all the hardships and difficulties. You have to go through the wall of flame and come out on the other side. I sit here today because of what happened to me in life good and bad, it created me – the person I am today. There is no change.

How has Thunderbird influenced you as an entrepreneur? First of all, people who go to Thunderbird want something different. I have always had a different perspective. Thunderbird is a different school – it's not in the mainstream. I wanted something different and Thunderbird was fundamental in setting my path, it was critical to me.

The people you meet while you are at Thunderbird shape you for the rest of your life. A classmate recently called me and said ‘you are one of six people I wanted to reconnect with.’ We are now in the middle of a huge business deal right now. Throughout life you go to back to the people you meet here. That's what Thunderbird does for you.

What you would tell aspiring Thunderbird Entrepreneurs? It's not the stuff you see and understand – it's the unknown unknowns - the black swans. Everything else can be dealt with, you can apply knowledge or practice to figure it out. If you don't acknowledge the black swan, you'll be usurped. It sounds simple but, if you can't get up in the morning and enjoy what you are doing – find something else. If you are happy, you will be successful. It's almost too easy. When you have success, you better give back. Most people forget they didn't get there alone – you always have a lot of help along the way. You have to return the same. I do this by being involved with Thunderbird.



“Dealing with vast sums of information – and being able to act on it – is becoming the defining characteristic of world class companies.”

Trevor Stansbury '92

Thunderbird Alumni Entrepreneur of the Year 2009

Current and Past Companies: Supply Dynamics (current), Ecotech International (past), Published college cartoonist (past)

Years as an entrepreneur: 18

Number of full time employees: 11

Describe your current product or service: A service that helps OEM customers obtain real time visibility and control over the materials that go into their products, irrespective of where and by whom product parts and components are manufactured. As an integral part of this “extended enterprise” solution, Supply Dynamics has developed and delivers a commercial software solution in a software-as-a-service (SaaS) to customers in a variety of industries.

How did your business idea come about? It evolved as a result of an aborted General Electric acquisition of Honeywell International and the desire of both companies to leverage their consolidated raw material requirements for cost reduction. GE and Honeywell needed a third party to figure out how to obtain bill of material visibility and then how to “corral” hundreds of suppliers into a consolidated raw material purchasing program. We volunteered.

Do you have a business plan? We do annual business planning meetings and reviews where we chart the course for the next 12 months and often attempt to prognosticate the next 24 to 36 months. We also spend time discussing competition, markets, trends and what we call “burning platform items.” Burning platform items are those things that are deemed most critical to the business or to the satisfaction of our customers (internal and external). Everything is documented with clear, measureable results and deadlines and is assigned to one or more persons.

How important have good employees been to your success? Essential. A wise person once said that “the soft stuff is the hard stuff” and handling it well is absolutely crucial to success in my opinion I am persuaded that the “servant leadership style” of management is more effective than any other. I view myself as the “chief barrier buster,” charged with the responsibility of obliterating anything that gets in the way of me or my employees when it comes to accomplishing our goals.

How do you build your customer base? e customer at a time. Cold-calling and the use of sophisticated web 2.0 channels are our primary means of “prospecting.” Some of our most successful approaches have been the use of webinars, viral videos, and targeted advertizing on social networking sites like LinkedIn. We have also posted white papers on industry blogs and actively sought and obtained speaking engagements at various industry conferences.

What has been/was your most successful form of marketing? One effective approach has been the use of a brief, narrated, macromedia flash presentation that can be introduced in an e-mail like many of the video clips that circulate on the internet today.

This accomplished three things: (1) it assures the value proposition is conveyed consistently and accurately every time; (2) if the recipient sees merit in the presentation, they can forward it throughout an organization giving the presentation the potential to go viral; (3) because the presentation resides on a Supply Dynamics server, customer access can be tracked and reported back to the employee who sent the e-mail.

How has your market changed in the past few years? Crowd sourcing and social networking are transforming the business world, transforming the landscape in which companies compete and separating the proverbial mammals from the dinosaurs. We live in an era of: CONVERGENT TECHNOLOGY, GLOBALIZATION and BUSINESS VELOCITY, which has created an environment that is connected, transparent and accessible, as never before.

What is/are the most crucial thing(s) you have done to grow your business? Listening to the customer and really trying to understand their needs rather than creating solutions for the customer that you think they would like has been the hardest and most crucial thing I have had to learn. I’m still trying to get this one right. It’s so easy to fall in love with your ideas and drink your own Kool-Aid. I think an entrepreneur needs to talk less and listen and experiment more.

What’s the worst business advice you’ve ever received? “It’ll never work.” If I had a nickel for every time I heard this.

What advice would you offer Thunderbird entrepreneurs starting out today?

- Don’t fall so in love with your idea that you forget to change it or exchange it for something entirely different. Ideas are rarely as cool or successful in reality as they are in our heads. Focus on doing or selling something that provides real bonafide value and then figure out how to get someone to pay for it.
- Transform your “worry” into “work” and your “fear” in to “faith.” Invest in a good pair of knee pads because chances are the Good Lord is going to teach you a lot about humility and perseverance in the course of launching your business.
- When planning a new business, much of your focus ought to be on securing the longest possible runway from which to take flight.

How do you define success? My goal is to leave the world a better person than I entered it. This implies that before I can hope to have any influence for good, I must first take a long serious look in the mirror and ask myself “are my motives pure and commendable?” and “are my relationships with others as they should be?” The most “successful” people I have met are those who listen to what their conscience commands them to do and then do it, without yielding to fear and doubt and without being preoccupied with worldly definitions of success. Like most people, I find fulfillment in challenging, interesting work but I think you could be successful doing just about anything as long as you do it honorably.

“LuxPaca is all about that — taking the Andean essence to the world.”

Entrepreneur: Carla Bernaola '10;

Company: LuxPaca

Year Founded: 2010

Product: Alpaca fashion for women

Website: www.luxpaca.com



How did your idea for your business come about? It came to me when I was an undergraduate. I did my internship in one of the poorest cities of Latin America, in Peru. While I was working there, I realized that there was a huge opportunity of working with the Andean symbol, the Alpaca and developed markets, such as the US.

Do you have a business plan? Yes, I do. My business partner and I developed it together during the Global Business Plan class.

How relevant is the document to the business? Professor Hisrich used to say “you can outsource everything, even your business strategy, but never outsource your sales.” This is what we did in our business plan and this is what we are doing. Our business plan is very important regarding our business idea and business concept. We try to keep in line with our Business Plan, but sometimes, you need to change when you realize that paper is strong enough to let you propose whatever you want.

How is your venture being funded? One of the great parts of LuxPaca was that we didn't require too much capital to start it up. Most of the funds came from the Global Business Plan competition. I competed in Spring '10 and won the 2nd place, for which I got \$4,000. The other part is made of personal funds, which I gain working full time outside of LuxPaca.

What is your favorite aspect of being an entrepreneur? The best part is that you can manage your time and influence the market. Most of the people would say that you can also decide whatever you want – I wouldn't say that because in this industry, for instance, if I want to sell winter clothes, I need to do it before winter! What I can do is manage my time and influence the market, so that I can offer women what they really need and when they really need it. I can influence the market to make women buy more alpaca garments because they really need a garment that is warm enough to protect them from the cold weather.

Do you have a business partner? Yes, and even though most of the people would said that it is not a great idea, I believe I have the best business partner ever, my husband. We work together on this idea it's not only a business idea, it's also sharing a vision, together, as a couple, as a family, no one would have understood me better than him.

Do you believe business has any obligation to make the world a better place? Yes, I do. The reason I started this business is because I want to make a change in my community. When I saw precious garments made of alpaca by poor Andean women and men, I realized that I can make money for me and for them! LuxPaca has a social responsibility with the Andean communities; we make sure they receive the fair value for their products because we know they need that money to keep improving their business and their communities.

How do you define success? Success is when you do what you really want and like. I believe few people wake up every day and feel happy about going to work. I do. I love LuxPaca, I love to meet my designer to see our next garments, I love to discuss my marketing strategy, I love to know that I am in the fashion industry and women are using my clothes around the world! I don't think success is related to money, I think money is just one more channel to success.

Who has been your greatest inspiration? Gaston Acurio. He is a very popular chef from Peru who has built the “Peru” name around the world. He does something so simple as cooking, but he does it in the best way to do it. He actually doesn't cook, what he really does is to take the Peruvian essences to the world. LuxPaca is all about that – taking the Andean essence to the world.

What is the value of your Thunderbird experience in becoming an entrepreneur? Before I went to Thunderbird, I already had a business idea, but nothing else. My Thunderbird experience was very valuable to make my business idea real. First, it allowed me to develop my business plan. I took the Global Business Plan class along with the Global Entrepreneurship class in the same trimester, so that I focused on my idea. The Global Business Plan class was very helpful because we had many speakers who contributed to develop my business plan. Second, Thunderbird gave me something else equally important – a network. I met one student with experience in the fashion industry. She was very supportive and taught me a lot about American women. Now, I use that knowledge to decide which designs will be included in my catalog.



Thunderbird Alumni and Entrepreneurship

The study of entrepreneurship has had a long, and often informal, history at Thunderbird. Many alumni are practicing entrepreneurs despite not having a formal focus area in their education, however as **Naomi Gunnels '11**, current Vice President of the Thunderbird Entrepreneurship Network pointed out recently, "Entrepreneurship is the basis for business, all business. Not only does a business have to start with someone, somewhere entrepreneurial practices have to occur in the business to sustain the business over time."

Alumni fondly mention the efforts of Dr. Paul Johnson who was their guide and mentor in developing business ideas and leading them in the path of entrepreneurship prior to the establishment of the Entrepreneurship Center and, since April of 2008, the Walker Center for Global Entrepreneurship.

While it has been estimated one-third of the alumni base are engaged in entrepreneurial efforts; a joint effort with the Executive MBA in Global Management program, Executive program alumnae **Vickie Austin '93**, the Walker Center conducted a survey of Executive MIM/MBA alumni to determine the frequency of entrepreneurship within this alumni group. Of note, exposure to Entrepreneurship in the Executive program began in with a series of presentations in 2006 by Dr. Bob Hisrich, Garvin Professor for Entrepreneurship and Director of the Walker Center. In 2007, Entrepreneurship was formally added to the curriculum with a 1.5 credit course.

Of the total respondents, 66% are between the ages of 40-54. 47% graduated from the Executive program between 2006-10. 26% of the respondents work in manufacturing followed by professional and technical services. Total survey respondent ratio was 80% male and 20% female.

While in the executive program, 16% were self employed or entrepreneurs and 13% were developing or running a business on the side while employed by a large business or corporation. 40% of the respondents are or have been entrepreneurs.

Of the entrepreneur respondents:

- 82% are male and 18% are female.
- 62% strongly agree or agree that their entrepreneurial venture was a result of OR enhanced by the class project or course they experienced in their degree program.
- 70% strongly agree or agree that the degree content positively contributed to the skill set needed by an entrepreneur.
- 54% strongly agree or agree that Thunderbird classmates and network contributed to their ability to grow their venture.
- Just over half of the entrepreneurs have customer bases primarily in the US, with the remainder having customers in both the US and abroad. The supplier base for 40% of the companies is solely based in the US. 50% of the companies have suppliers located in the US and globally. With 10% sourcing from companies not located in the US. Approximately 10% of the companies are located in countries other than the US..
- One third have been in business for eleven or more years, 24% have been in business for 6 to 10 years, one third have been in business for 2 to 5 years with 11% just starting their ventures in the last 2 years.
- The majority of entrepreneurs are engaged in providing professional services (36%), technical services (14%), software and web based services at 10% each. The remaining companies are in medical products and services, distribution, agriculture, import and wholesale.

The logo for the Thunderbird Angel Network, featuring a globe icon and the text "THUNDERBIRD Angel Network".

Seeking accredited investors and early-stage entrepreneurs!

The Angel Network is a medium for individual investors to meet and learn about entrepreneurial ventures seeking capital. Network members make their own individual investment decisions.

For more information visit thunderbirdangelnetwork.org

Thunderbird's Walker Center advances global entrepreneurship through a comprehensive academic curriculum and nonacademic applications that focus on innovation, sustainability, family enterprise and women in entrepreneurship in emerging economies.

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