161f Risk Management in Early Stage Ventures
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The object of this talk is to describe an approach to Early Stage Venture Creation that greatly increases the probability of success for any venture.

Even if you have developed excellent technology, intellectual property, management team, business plan, strategic partners and financing, unless the early stage venture leader makes adequate plans to deal with the problems that can and will occur, the venture is destined to fail.

Additionally, Universities who license technologies without utilizing risk analysis will not maximize their licensing revenues, and entrepreneurs licensing technologies without using these methods may acquire technologies that will not support a profitable business.

This presentation will outline an approach to venture creation that allows entrepreneurs to achieve success by analyzing potential failures and developing plans to take them into consideration.

New venture failures occur in four categories: Operational, Market Analysis, Execution and Financial. This presentation will examine the causes of failure in each category, and provide case examples. I will discuss what can go wrong and how to mange your technology to avoid failure. The presentation will include an approach to developing the proper mental attitude and strategies to chart a successful course through the many risks inherent in new ventures.

Operational Failures

- Process scale-up problems
- Inherent problems with technology

Market Analysis Failures

- Qualification problems
- Pathway to market
- Overestimating market need
- Misestimating market timing
- Under estimating the response of your competitors

Execution Failures

- Plant construction over runs
- Poor product quality

Financial Failures

- Boundary limit versus realistic levels of financing
- Wrong choice of financing source
- Failure to effectively partner with financiers
- Bottom line – you run out of money!