

Managing and working in a own company

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Activities Report

Abstract—The activities carried out by the authors of this report included: co-founding a company, managing a company, carrying out and organizing research on the field of mobile marketing and finally starting to develop a product to serve the needs discovered as result of the research. Three co-founders, of which two are the authors of this report, carried out the different activities while at the same time pursuing academic careers. The authors encountered challenges economically, socially and also as individuals while trying to co-create new value for a market in the form of a new company. As a result after a one-year project the authors and the third co-founder have co-created a company, which is still in the process of entering the market. There are already physical prototypes and preliminary discussions with potential customers, but the company cannot yet be considered to be an economical success. This report along side with the individual learning reports written by the authors separately aim to showcase the struggles and different lessons learned when creating a company for the very first time. The main focus of the lessons will be in social 'soft-skills' and not so much on technological or other talents learned.

Index Terms—Managerial, start-up, founder, experiences.

1 INTRODUCTION

ENTREPRENEURS are the modern day superstars – at least this is the picture students get while attending entrepreneurial courses at universities or when following the biggest names of the Information Technology (IT) field. Zuckerberg (Facebook), Paananen (Supercell), Chesky (AirBnB) – are all starting to be names that students at universities around the world know, and use as examples when pursuing their entrepreneurial dreams. All this movement is also increasingly more supported by governments and venture capitalists. For example in Finland alone the capital invested in start-up companies by the government managed agency Tekes grew by 30 per cent in 2014, which in total makes 123 million euros in invested

capital. (<https://www.tekes.fi/nyt/uutiset-2015/tekesin-startup-rahoituksen-kysynta-kasvoi-huimasti-viime-vuonna/>)

But invested capital alone doesn't make a company successful. Only 3 out of 10 companies in which Tekes invested money can actually be considered successful. This is the story of entrepreneurship - the odds are usually against you. In this paper the authors will describe the different activities they have performed during the first year of co-founding and managing their own company. The actual business idea cannot yet be defined as successful nor unsuccessful, but what can be described are the different roles and activities that founders of a company have to take and carry out, and what kind of odds and challenges they have to face.

2 STARTING A COMPANY

The reason that students or anyone starts a company is - or at least it should be - to pursue a profitable business idea, which the founder finds especially interesting, important or enthusiastic about. Something he or she would probably pursue with almost any means necessary.

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do NOT use contractions!

(1.0) Excellent	ACTIVITY						DOCUMENT						
(0.8) Very Good	Object × 2	Opt × 1	Exec × 4	Summ × .5	Concl × .5	SCORE	Struct × .25	Ortog × .25	Exec × 4	Form × .25	Titles × .5	File × .5	SCORE
(0.6) Good	1.0	1.0	1.0	1.0	1.0		1.0	0.8	1.0	1.0	1.0	1.0	
(0.4) Fair													
(0.2) Weak													

But before the founder gets to pursue these goals there are usually mandatory activities, which lay the basis of the company. This chapter tries to showcase some of the activities the authors of this paper had to carry out before actually getting to work for themselves.

2.1 The Decision

What comes before every action? A decision to act. In the case of starting a company the decision is usually made by a group of people with a common goal and a strategy to achieve it. This group can consist of experts, financiers and mentors, or it can just be a group of students with the financial resources needed to found a company.

What is most interesting are the activities needed and carried out when a group of people make decisions. On the case of a company it can be a life-changing moment both for good or bad at least in the head of founders. Usually the group has to evaluate risks - both financial and social - and other factors such as money. As an activity the decision itself can last as long as it takes for one to write his or hers own autograph, but before this action is taken there have been countless of days and nights of planning, talking about goals, values and strategies and most of all many social conflicts and challenges.

The authors of this report have experience on all of these actions and for them this meant co-creating business plans using tools like Business Model Canvas, drafting prototypes and then iterating these process through a social process, which would later on lay base to the company and the values, culture and other factors it is built upon. So for any action, there is a decision. And in the case of a co-created company - for any decision, there is a social activity which can be delivered through talks, prototypes, presentations or whatever medium and channel needed. These activities are the key factors deciding, whether to start a company or on which direction should a company or product move. All of this is something the writers of this report had to do when co-founding and co-managing their own company.

2.2 The Paper Work

Doing projects or other work for just pure joy or without any economical or financial goals is fun. Usually these kind of projects have no external risks or failures like the challenge of meeting deadline, delivering requested quality or service or insuring financial liabilities and benefits. Simply this means that in general there is less paper work to do. No money is being made, so there is no reason to file reports to the tax administration, you are not selling anything to anyone so you don't have to report yourself to the registry of companies etc.

All of this is fundamentally different when running or creating a company. The first thing that hits the faces of founders is the amount of paper work, which will ensure their liabilities and responsibilities towards authorities, customers and competitors. All of this kind of paper work is still in the end rather straight forward, even though at times frustrating. The socially challenging paper work is usually the paper work done internally inside the company. Who gets what share of the company? What are the actions if someone wants to leave the company? What if one of the founders falls sick, and isn't able to work anymore?

This kind of paper work is closely related to the subject of 'decision' discussed in the first chapter. What it means is that before anything can be signed, it has to be written and it has to be planned. These activities of planning and crafting a contract can be socially challenging and demanding. One might feel like he is doing more work than others or that there are intellectual implicit work or resources which makes him or her more valuable, or whatever one can think of. This leads to a situation where co-founders have to communicate their values, opinions and thoughts even with the risk of upsetting the other co-founders.

The writers of this report had to carry out internal and external paper work relating to founding and managing a company. But most of all this meant that they had to be able to socially communicate their thoughts and needs to other founders and be able to make compromises and challenge other point-of-views in a way, which would not destroy the built culture

and trust between the companies leading characters.

2.3 The Roles

Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Lead Designer - All are the titles and job descriptions everyone is used to see to describe the leading roles of people running a company. In a small company like the one the authors of this paper are managing, these kind of roles are almost useless. The fact is that in a small business everyone has to do everything regardless what their specialties are. So there are no set job description or situations where one could deny a job invoking their job description.

But even though there are no roles, there can be main internal and external responsibilities. The authors of this report all had their own main internal responsibilities which they were carrying out while running the company. In practice this meant for example that one of the founders were responsible for contacting customers and making sure all the customer reports were analyzed and further actions planned, which again would be represented to the other founders. But even though contacting customers was the responsibility of only one founder, others were also doing the job when needed. So in a general level this meant that for each activity there were one person, whose main responsibility was developing the company from that point-of-view. At the same time he had the benefit of being able to communicate his knowledge and ideas to others more efficiently, since they also had done same kind of activities (though in less amount.)

The more official external roles, which had to be decided was the role of Chairman of the board of directors since this was a role demanded by the law. This meant that one of the founders had to take the responsibility of namely running the company and making sure that the board of directors were acting according to the law and best interest of the owners. But since neither of the authors of this report had that role, it won't be dealt with in this report or the individual learning reports.

2.4 In a Nutshell

The authors of this report carried out various activities even before the company was founded, active and running. These activities were mainly social and consisted of jobs like: team-planning, information and knowledge creation and gathering, communicating and transferring knowledge internally and externally and lastly sealing this operations by contracts. After the company had been founded most of the activities continued in different contexts and importance levels.

3 MANAGING A STARTING COMPANY

A company can have many ways of managing it's business process. The authors of this paper decided to follow principles that have been proven to work for technology based start-up companies. Essentially the process consists of three steps that have to be followed in a continuously looping, iterative manner.

The idea and working habits of the authors of this paper are essentially based on an open organization structure where knowledge and information flow is as free as possible. In the case of the authors of this paper planning of the project initially started during a concept design course. The course influenced a lot of the ways in which work has been conducted.

3.1 Planning

Every company needs a business plan which includes a way to execute it. There are difficulties that have to be faced when coming up this sort of plan. One of the biggest challenges is to get a grasp on where to start. In principle a project can be thought of as a big problem with many factors that have to be taken into account. For the authors of this paper this meant breaking the project into smaller pieces and goals to ensure that not too large chunks were tackled simultaneously. An example of a smaller challenge and a goal for the authors was a prototype. The authors needed a simple prototype to test if their assumptions were correct and there was indeed a need for the service they had planned. This prototype was of course a part of the bigger plan but outlining smaller chunks this way ensures efficiency.

When specifying smaller parts of the project it is important to figure out the ways with which success and reaching certain goals can be evaluated. It is easy to fool oneself and feel that the right things are done during the process of working. To prevent false feelings of succession the goals need an exact criteria of succession. This part of the work process is discussed below in the "Evaluation" ~~chapter~~.

Lastly an execution plan needs a layout of responsibilities. This is a vital part of the company's time management and a key element of progression. Planning together with colleagues is an important part of the dynamics of the company of the authors of this paper because it ensures that everybody is on the same page on things and on the problems currently at hand. This helps in the consensus that everybody can affect every part of the project even though there are different responsibilities. .

3.2 Goal oriented working

A big project requires a structural approach which helps in prioritizing and outlining the work to be done.

The authors of this paper decided to use an iterative approach in which the project is divided into smaller time spans and goals. This is now-a-days a popular approach among start-ups because it creates manageable goals that can be evaluated and actions can be adjusted accordingly. The iterative nature also ensures that the process is very agile and the project can take drastic changes in its direction.

For the authors of this paper there were a lot of pivots which essentially mean an adjustment of the ways to approach a certain problem. This was due to goals becoming more focused and the fact that research and customer analysis gave reason to define the services value differently. Iterative nature gives agility whilst there's a risk in losing focus on what really drives the company forward.

On an individual level, working towards common goals can have its downsides. Sometimes there are more interesting tasks at hand or even unrelated things to do. It helps to have a common understanding and trust amongst the team, especially in a case where there is

not a tangible incentive (like wage) to keep the work morale up.

3.3 Evaluation

Alongside the iterative development cycle there needs to be a system to evaluate progress. Couple of examples of ways to evaluate things are customer interviews and prototype testing. These give concrete feedback, validation and help to prevent falsified feelings of success.

To give an example of a falsified feeling of succession in the case of the authors of this paper was testing of a prototype. The authors of this paper conducted a field-research to test if their concept had interest in consumers. The research was done by interviews which produced more qualitative information than quantitative data. After the interviews it was easy to convince oneself that there was interest in the concept and generally people were excited about the idea even though there was no exact data about this. The authors had no data on exactly how many of the interviewees would really engage in the prospective product. There was initially no parameter to test this. What the authors of this paper did was to set a goal that if the interviewee gave his/her email or other contact information this was considered as a success. The overall success criteria was then set that if half of the interviewees gave their contact information the consumer interest of the concept was validated. Goals need a success criteria to prevent false feelings of progress and these criteria are best set in the planning phase.

Another key part of the process is co-evaluation where progress is discussed and evaluated amongst colleagues. Our approach was to take daily meetings at the start of the day discussing the things we did the previous day and the things we were planning to do today. These meetings ensure that the focus is on the right things and that the team as a whole can be knowledgeable about the progress we are making. Also the meetings are a perfect place to share ideas, tackle possible problems and to discuss other concerns. Keeping an open atmosphere helps to maintain good team spirit and helps to reduce friction amongst the team.

3.4 Iterative nature

Like discussed earlier the authors of this paper used an iterative approach in their product development. The topics discussed in the previous chapters were looped through in every iteration. The three steps of planning, goal oriented working and evaluation of the whole process are a vital part of a modern start-up company because that kind of structure offers the agility to react to unpredictable changes and the ability to change the working process flexibly.

To help with the iterative developing there are a couple of frameworks or process tools available: Scrum and Kanban. Both of them try to make the work towards a big project more effective. This is done by chopping up the work to smaller and more practicable segments.

The authors of this paper started the development cycle by using Scrum. It is essentially a tool to divide a big thing into smaller things and assigning resources to work on the smaller things. In Scrum there needs to be breakdown of tasks and responsibilities. Making cross-functional roles helps in the next part of Scrum which is splitting the work to be done into small, concrete deliverables. This means that the work is cut into smaller parts and then listed by priority and an estimation of the time needed to complete the task. The next part was splitting the work into short (1-4 week) iterations. During each iteration there is a need to optimize, update and re-evaluate priorities in collaboration with the customer and with the insights gained after each iteration. Optimizing the whole process retrospective aims to get a better focus and a better efficiency for the workflow.

The authors of this paper - being first-time entrepreneurs - doing a project at this scale had some evident problems in following the Scrum cycle. Inexperience was a big reason why it was difficult to estimate the time each task and segment needed to be completed. The authors of this paper learned the hard way that a problem might seem small and quickly solvable when in fact it takes a long time. In the end the authors of this paper decided to apply some of the basic functions of Scrum into their

workflow because following the iteration time spans slavishly became more time consuming than helpful.

The use of Kanban was the next logical step. Kanban is less prescriptive meaning that it has a more loose structure and less rules to follow. Essentially Kanban can be described as follows: Split work into pieces and write each item down and put them on a wall which (an online tool can be used for this). These items are then put into different columns that illustrate the workflow of the project. The authors of this paper used a structure where there are things to be done, things under work and things that are done. This kind of structure illustrates in a really simple way the progress the team is making. It also gives a good grasp on what is under work and what still needs to be done. There are no specific roles and the tasks waiting to be done can be started by anyone on the team. The more simplified approach enhanced efficiency and worked for the authors better.

4 CONCLUSION

This activity report showcases the different activities carried out by the authors of this paper when they created and managed their own company. These activities include among others: co-founding a company, managing a company, carrying out and organizing research on the field of mobile marketing and finally starting to develop a product to serve the needs discovered as result of the research. While carrying out the activities the authors learned new insights about searching for knowledge, knowledge sharing and knowledge creation.

It is also notable that all the activities took place in a environment which was goal-oriented and team-based, meaning that there were financial goals that were pursued as a team. So each member of the team was accountable to everyone else and had the responsibility to evaluate and reflect others and himself against the set goals. These reflections of the learned insights and other experiences are described in more depth in the individual learning reports of the authors of this paper.

*Should have some Reference!
How can a "reader" obtain them?*

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