

# Chapter 1: Launching a New Venture





# What makes a great entrepreneur/leader?

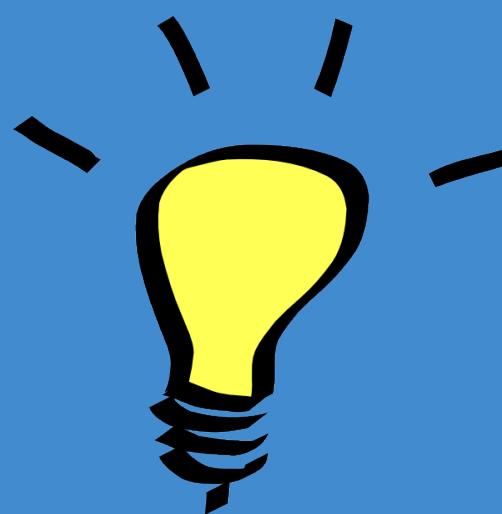




Networking is key as  
*relationships are more  
important than product  
knowledge*



# Sources of Entrepreneurial Ideas





T.A.M.



# Trend [sources] examples



HOW TO "READ" FM TUNER SPECIFICATIONS

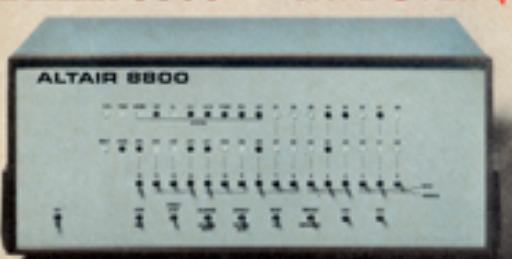
# Popular Electronics

WORLD'S LARGEST-SELLING ELECTRONICS MAGAZINE JANUARY 1975/ 75¢

**PROJECT BREAKTHROUGH!**

## World's First Minicomputer Kit to Rival Commercial Models...

"ALTAIR 8800" **SAVE OVER \$1000**



**ALSO IN THIS ISSUE:**

- An Under-\$90 Scientific Calculator Project
- CCD's—TV Camera Tube Successor?
- Thyristor-Controlled Photoflashers



**TEST REPORTS:**

Technics 200 Speaker System  
Pioneer RT-1011 Open-Reel Recorder  
Tram Diamond-40 CB AM Transceiver  
Edmund Scientific "Kirlian" Photo Kit  
Hewlett-Packard 5381 Frequency Counter



Our slogan from the very beginning was ‘a computer on every desk and in every home.’

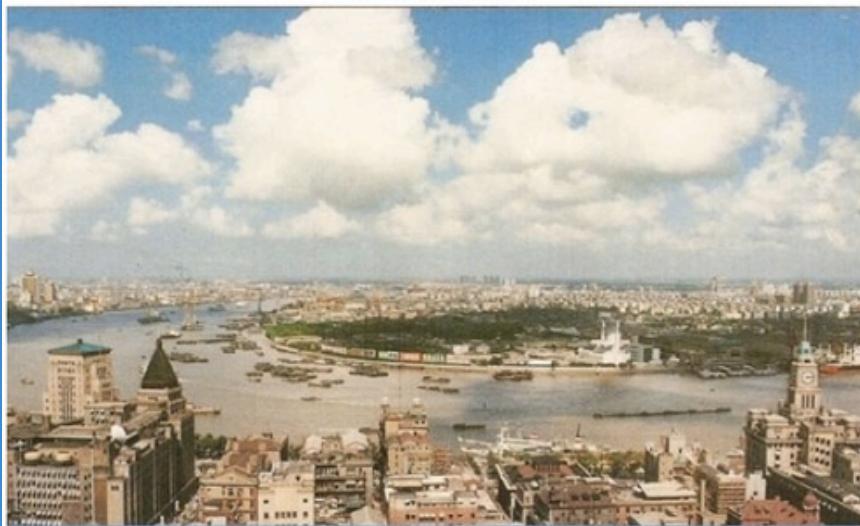








Shanghai 1990



Shanghai 2010









# IOT

INTERNET OF THINGS









*“Ideas are commodities.  
execution is not.”*

- Michael Dell



Good entrepreneurs are  
**GREAT** salespeople.



You are constantly selling.



# Ethics.

“It takes 20 years to build a reputation and five minutes to ruin it. If you think about that, you'll do things differently.”

- Warren Buffett



# Investment Stages





# Always Raising Money

## O.P.M.



Always in sales...

Practice presenting...



What kind of legal entity  
should I set up?



# Proprietorship

## Positives:

- 😊 cheap
- 😊 quick set up
- 😊 no politics

## Negatives:

- 😢 personal liability
- 😢 tough to sell it
- 😢 tough to raise money



# General Partnership

## Positives:

- 😊 cheap
- 😊 quick set up
- 😊 2+ members

## Negatives:

- 😢 personal liability
- 😢 tough to sell it
- 😢 tough to raise money



# Limited Partnership

## Positives:

- 😊 cheap
- 😊 limited liability
- 😊 2+ members

## Negatives:

- 😢 passive investor
- 😢 tough to sell it
- 😢 tough to raise money



# Corporations

## Positives:

- 😊 access to capital
- 😊 easy to sell
- 😊 corporate governance

## Negatives:

- 😢 board meetings
- 😢 expensive to set up/run
- 😢 dealing w/ shareholders



# “S” Corporations

<100 individual investors

no corporate tax....only at personal level



# Limited Liability Company

## Positives:

- 😊 cheaper than corp
- 😊 limited liability
- 😊 if lose \$, helps my taxes

## Negatives:

- 😢 expensive vs gp
- 😢 harder to raise \$
- 😢 tough to sell



# Taxes For Single People

**Single:**

<b>Taxable Income</b>	<b>Tax Rate</b>
\$0 to \$9,225	10%
\$9,226 to \$37,450	\$922.50 plus 15% of the amount over \$9,225
\$37,451 to \$90,750	\$5,156.25 plus 25% of the amount over \$37,450
\$90,751 to \$189,300	\$18,481.25 plus 28% of the amount over \$90,750
\$189,301 to \$411,500	\$46,075.25 plus 33% of the amount over \$189,300
\$411,501 to \$413,200	\$119,401.25 plus 35% of the amount over \$411,500
\$413,201 or more	\$119,996.25 plus 39.6% of the amount over \$413,200



# Taxes For Married Couples\*

**Married Filing Jointly or Qualifying Widow(er):**

<b>Taxable Income</b>	<b>Tax Rate</b>
\$0 to \$18,450	10%
\$18,451 to \$74,900	\$1,845.00 plus 15% of the amount over \$18,450
\$74,901 to \$151,200	\$10,312.50 plus 25% of the amount over \$74,900
\$151,201 to \$230,450	\$29,387.50 plus 28% of the amount over \$151,200
\$230,451 to \$411,500	\$51,577.50 plus 33% of the amount over \$230,450
\$411,501 to \$464,850	\$111,324.00 plus 35% of the amount over \$411,500
\$464,851 or more	\$129,996.50 plus 39.6% of the amount over \$464,850

\* filing together



# Taxes For Married Couples\*

## Married Filing Separately:

Taxable Income	Tax Rate
\$0 to \$9,225	10%
\$9,226 to \$37,450	\$922.50 plus 15% of the amount over \$9,225
\$37,451 to \$75,600	\$5,156.25 plus 25% of the amount over \$37,450
\$75,601 to \$115,225	\$14,693.75 plus 28% of the amount over \$75,600
\$115,226 to \$205,750	\$25,788.75 plus 33% of the amount over \$115,225
\$205,751 to \$232,425	\$55,662.00 plus 35% of the amount over \$205,750
\$232,426 or more	\$64,998.25 plus 39.6% of the amount over \$232,425

\* filing separately



# Taxes For Companies

## Corporate Tax Rate Schedule, 2014

Taxable Income Over	But Not Over	Tax Is	Of the Amount Over
\$0	50,000	15%	0
50,000	75,000	\$7,500 +	25% \$50,000
75,000	100,000	13,750 +	34% 75,000
100,000	335,000	22,250 +	39% 100,000
335,000	10,000,000	113,900 +	34% 335,000
10,000,000	15,000,000	3,400,000 +	35% 10,000,000
15,000,000	18,333,333	5,150,000 +	38% 15,000,000
18,333,333	—		35% 0



Corporation makes \$100k.  
What is the tax rate?

### Corporate Tax Rate Schedule, 2014

Taxable Income Over	But Not Over	Tax Is	Of the Amount Over	
\$0	50,000		15%	0
50,000	75,000	\$7,500 +	25%	\$50,000
75,000	100,000	13,750 +	34%	75,000
100,000	335,000	22,250 +	39%	100,000
335,000	10,000,000	113,900 +	34%	335,000
10,000,000	15,000,000	3,400,000 +	35%	10,000,000
15,000,000	18,333,333	5,150,000 +	38%	15,000,000
18,333,333	—		35%	0

$$\$0 \text{ to } \$50k * 15\% = \$7.50k$$

$$\$50k - \$75k * 25\% = \$6.25k$$

$$\$75k - \$100k * 34\% = \$8.50k$$

$$\text{Total tax} = \$22.25k$$

$$\text{Tax rate} = 22.25\%$$

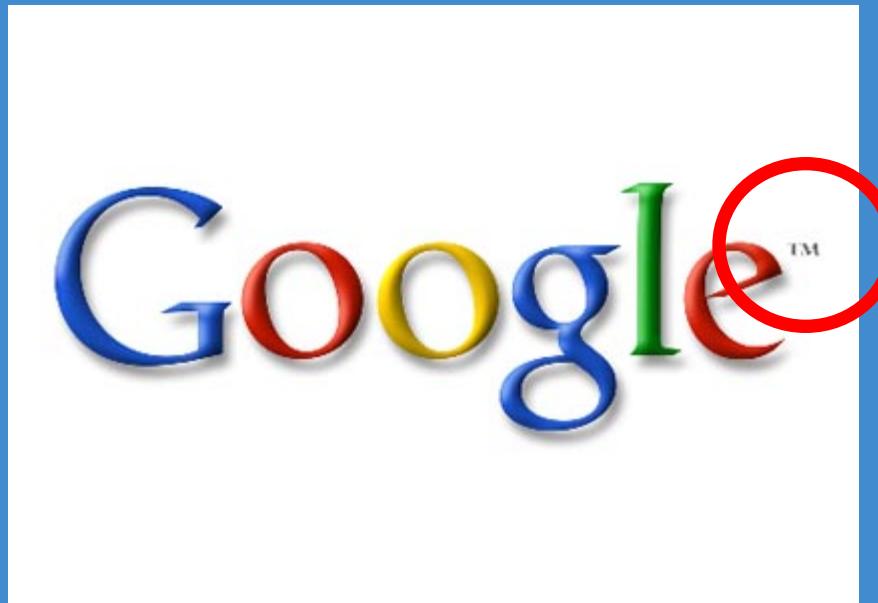


# Dividends = Double Taxation

WTF!



# How Do I Protect My I.P.?





# How Do I Protect My I.P.?

- 1: file patents/copyrights/tm
- 2: NDAs
- 3: employee contracts (non compete)



# Patents

product ‘protected’ once filed

~\$1k to \$100k

<1 year



# Trademark™

name / brand / slogan

registered @ state/patent office

if not used for 3+ years u lose it



# Trademark™

if registered at federal level then®



# Copyright©

tough to patent software or media

the solution is ©



# Copyright©

protected for 50 years after you die

Bruno Mars is ©

Beethoven, Bach & Chopin are not ©



# I.P. Recap

<sup>TM</sup> = brand registered at state level

<sup>®</sup> = brand registered at federal level

<sup>©</sup> = brand registration of text/media

patent = registration of thing/process



“patent this”



## About Kindle

X

**Version:** 1.11.2 (40666)   **Last Updated:** 4/24/2015 11:09 AM

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# Trade Secrets

not filed for a reason (it's a secret!)

coke recipe trade secret in a vault

get employees to sign contracts



Read those employment  
contracts before signing!!!!



Lawyers are a necessary evil.



Bringing  
Silicon Valley + Wall Street  
into this class.



“Unicorn” a hot topic in  
venture



Unicorns. \$1bn+ valuation.  
pr <0.07%



39 unicorns that have been  
born since 2003

# THE \$1BN+ UNICORN CLUB: RECENT VALUATIONS



\$30B

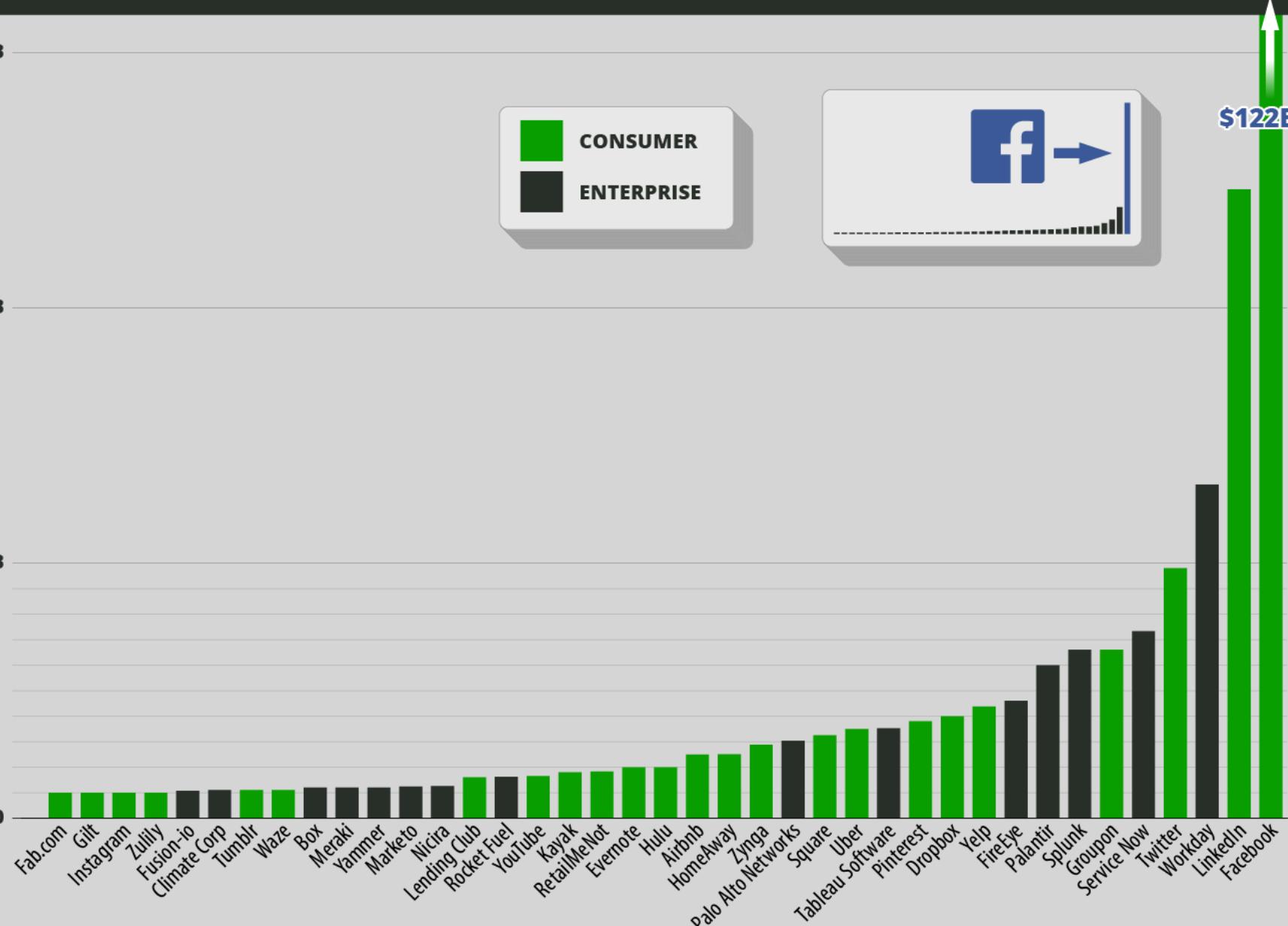


\$122B

\$20B

\$10B

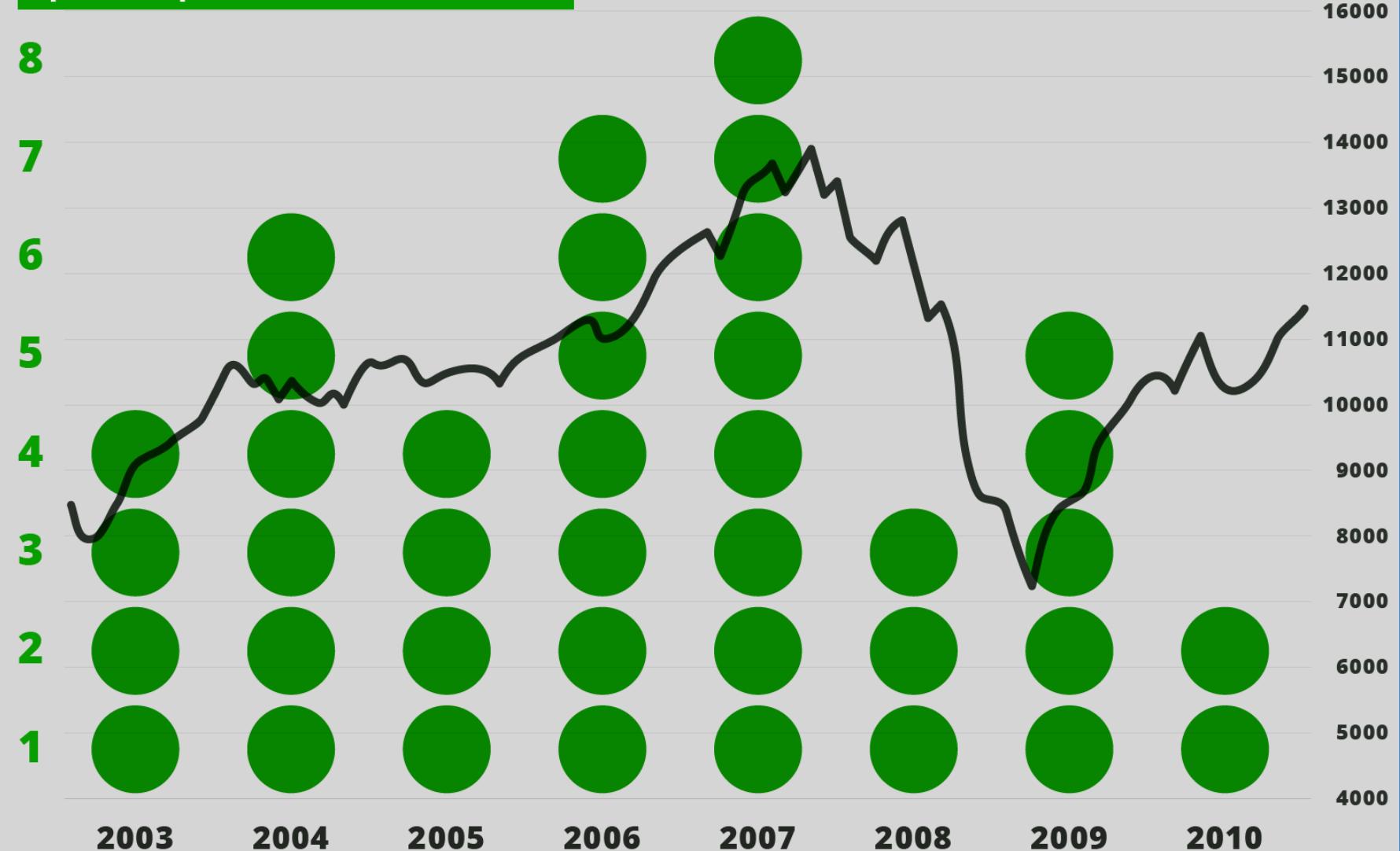
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# NUMBER OF UNICORNS\* FOUNDED BY YEAR VS DJIA

\* U.S.-based companies started since 2003 and valued at over \$1 billion by public or private market investors

DOW JONES  
INDUSTRIAL AVERAGE





1 / 1538 is the odds of a VC  
backed investment becoming a  
unicorn.



The odds are higher of getting struck by lightning than creating a \$1bn+ tech company.



Top VC firms: 1% of their investments = unicorns



Sequoia: 5% of their investments  
= unicorns



# EQUIVALENT COMPUTING POWER

1975

\$33M



375

*IBM Computers*

1985

\$22M



34

*IBM Computers*

1995

\$100K



29

*486 Desktop Computers*

2005

\$7K



2

*PowerBook Laptops*

Today

\$700



1

*Smartphone*



# ESSENTIAL BUSINESS TOOLS

90's Costly

This Decade  
= Almost Free?

*Compute & Storage*

\$



*Office Productivity*

\$



Google

*Sales and Marketing*

\$



*Recruiting*

\$



*Video, Voice and Texting*

\$





>

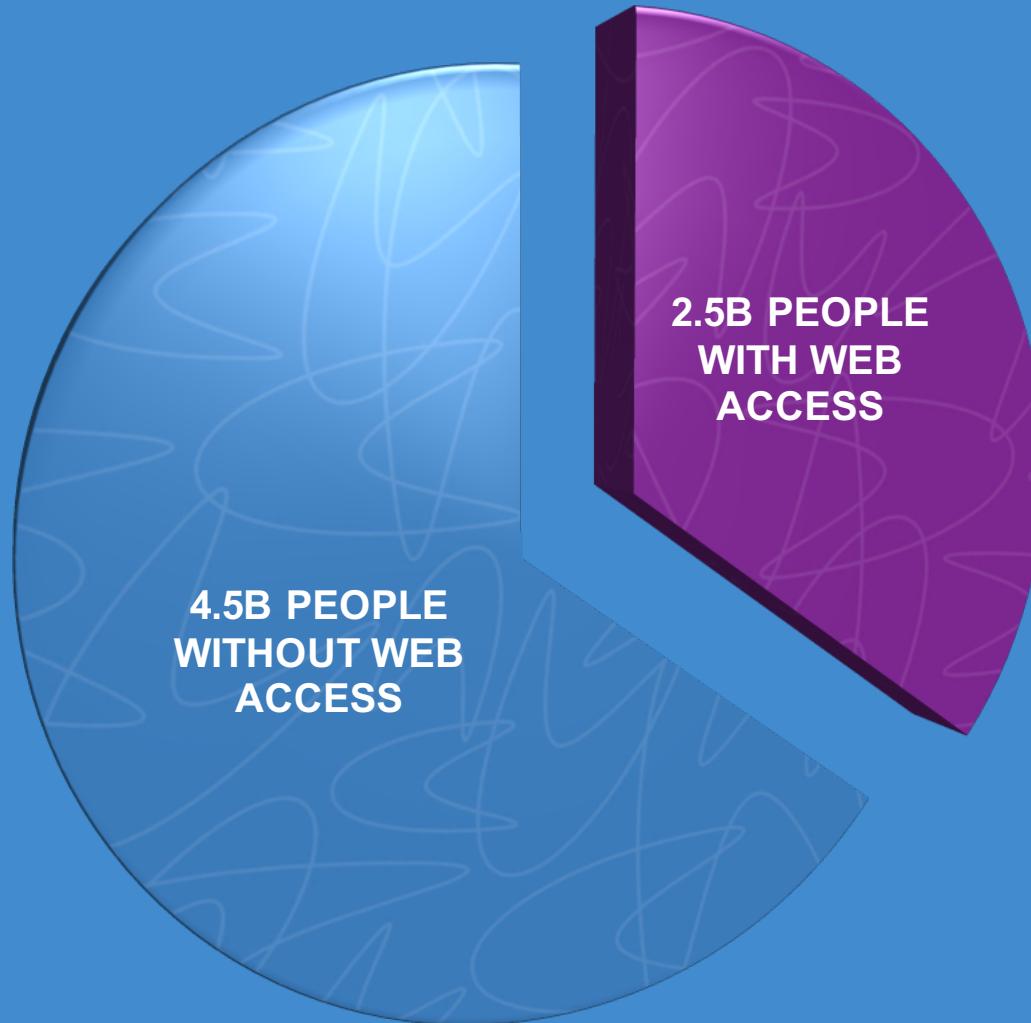
10,000,000,000

HOURS OF YOUTUBE VIDEO VIEWED EVERY MONTH



> **500,000,000**

**PHOTOS UPLOADED TO FACEBOOK EVERY DAY**





# New Topic

# Networking

Success.





*Relationships are more  
important than product  
knowledge.*



*If I told you that if you did 20 informational meetings then you would get the job of your dreams would you set up the meetings?*



*You all need to do at least one informational meeting per week.*



*How do I do it?*



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Profile

This is what your profile looks like to

Connections

Return to your profile



## Chris Haroun

1st PREMIUM

Founder & Partner at Haroun Education Ventures

San Francisco Bay Area | Venture Capital & Private Equity

Current Haroun Education Ventures, Providing Opportunities for Women (Board Member), The LEMO Foundation (Board Member)

Previous Looksharp (Board), Bracket Computing (Board), Artis Ventures

Education Columbia University - Columbia Business School

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500+  
connections

Contact Info

<https://www.linkedin.com/in/charoun>

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April 18, 2016

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Picture Yourself at Huron Consulting Group



Chris



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San Francisco, CA, US [View Now](#)



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### People

#### Keywords

Bombay

#### First Name

[Input field]

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[Input field]

#### Title

[Input field]

#### Company

[Input field]

#### School

[Input field]

#### Location

Located in or near:

#### Country

United States

#### Postal Code

10128

Lookup

#### Within

50 mi (80 km)

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#### Relationship

- 1st Connections
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- 3rd + Everyone Else

#### Location

#### Current Company

#### Industry

#### Past Company

#### School

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#### Nonprofit Interests

#### Upgrade to access multiple

#### Groups

- Global Private Equity & Venture Capital
- Investment Bankers Group: Investment Ba...
- McGill Alumni - U.S.
- Venture Capital – Public Equity – Funding –...
- The Intelligence Community

#### Years of Experience

#### Function

#### Seniority Level

#### Interested In

#### Company Size

#### When Joined



in Bombay Advanced

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Search 4,170 results for **Bombay**

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All People More...

Keywords

First Name

Last Name

Title

Company

School

Location Located in or near:

Country United States

Postal Code

Within

**Nitin Bhamhani** 2<sup>nd</sup>  
Analyst at JP Morgan Asset Management  
Greater New York City Area • Financial Services  
▶ 74 shared connections • Similar

Current: Analyst, Managing Director at JP Morgan Asset Management  
2004-Present : NYC US Listed Large Cap Software... - **Bombay** in  
JPMorgan JV with ICICI

**Hero Choudhary, CFA** 2<sup>nd</sup>  
portfolio manager, seed and early stage investor, sailor  
Greater New York City Area • Investment Management  
▶ 16 shared connections • Similar

Education: Indian Institute of Technology, **Bombay**

**Shiv Puri** 2<sup>nd</sup>  
Founder, **Bombay** Sandwich Co.  
Greater New York City Area • Food & Beverages  
▶ 4 shared connections • Similar

Current: Founder at **Bombay** Sandwich Co.

**Vishal Misra** 2<sup>nd</sup>  
Professor, Computer Science Department at Columbia University  
and Founder, Infinio  
Greater New York City Area • Computer Networking  
▶ 8 shared connections • Similar

Education: Indian Institute of Technology, **Bombay**

**Anu Duggal** in 2<sup>nd</sup>  
Founding Partner at F Cubed  
Greater New York City Area • Venture Capital & Private Equity  
▶ 18 shared connections • Similar

Past: Co-Partner at The Tasting Room  
Opened India's first wine bar in **Bombay** in J/V with Sula Wines.

Current: Board Member at ELOQUII  
Founding Partner at F Cubed (Female Founders Fund)  
Member Board of Directors at Rubin Museum of Art

**Gaurav Tejwani** 2<sup>nd</sup>  
Portfolio Manager at Pine River Capital Management  
Greater New York City Area • Investment Management  
▶ 3 shared connections • Similar

Education: Indian Institute of Technology, **Bombay**



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Education: Indian Institute of Technology, **Bombay**

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A red circle highlights the "Connect" button for the entry of **Shiv Puri**.



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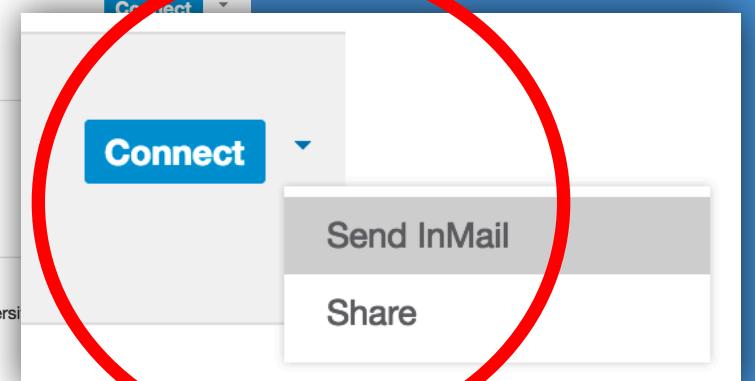
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InMail™ PREMIUM

**To:** Shiv Puri

Hi

Shiv,  
Hope all is well. I am also from Bombay and I live in New York City. Please let me know if you have time to meet for a coffee.

Thanks a lot,  
Chris

This message will use **1 InMail credit**. Any messages sent in reply to this user are free. You have **5 InMail credits** available.

**Send** **Cancel**

**Shiv Puri** Founder, Bombay Sandwich ... 4 Interested in: getting back in touch, reference requests, job inquiries

**InMail Tips**  
Increase your response rate by up to 50%

- 1** Mention people you know in common:
  - Ashwin Alexander** Strategy, Analytics and Product...
  - Ed Maguire** Managing Director and Senior ...
  - Colin Stewart** Looking forward to new opport...
- 2** Limit your message to 100 words - make it direct and to the point



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Last Name

Title

Company

School  McGill University

Location  Located in or near:

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Postal Code  13010

Within  100 mi (160 km)

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303 results

**Marco Antonio Cavallo** 2nd  
Technology Executive and Digital Transformation Strategy Expert  
São Paulo Area, Brazil • Information Technology and Services  
▶ 9 shared connections • Similar

Education: McGill University  
Current: Founder & Chief Editor at CIO & Technology Executives Network  
Advisory Board Member at FIBA (Florida International Bankers As...  
Advisory Board Member at FEDERACIÓN LATINOAMERICANA D...

**Murilo Luz** 2nd  
Urologic Oncologist  
São Paulo Area, Brazil • Medical Practice  
▶ 1 shared connection • Similar

Education: McGill University

**Isabelle Almeida** 2nd  
Securities Analyst at Goldman Sachs  
São Paulo Area, Brazil • Financial Services  
▶ 15 shared connections • Similar

Past: Chair of Consulting Services, Advisor & Co-founder at Junior Ente...  
• Established, along with the other two founders... **McGill University**, obtaining the necessary support...

**Carlos Gomes** 2nd  
Business Intelligence Specialist at Ciena  
São Paulo Area, Brazil • Logistics and Supply Chain  
▶ 5 shared connections • Similar

Education: McGill University  
Current: Specialist - Business Intelligence at Ciena  
Past: Project Manager at PEPITE  
Process Engineer at Ajinomoto Biolatina

**Fernando Cendes** 2nd  
Full Professor na FCM - UNICAMP  
Campinas Area, Brazil • Higher Education  
▶ 1 shared connection • Similar

Summary: ...of the Department of Neurology, State **University**... , and received his PhD degree in Neuroscience at **McGill**...

**Rodrigo Carneiro** 3rd  
Sales & Trade Marketing  
São Paulo Area, Brazil • Information Technology and Services  
Similar

Education: McGill University



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**To:** Rodrigo Carneiro

Hi

Rodrigo,

Hope all is well. I am also a McGill University graduate and I am visiting Rio. Please let me know if you have time for a coffee.

Thanks a lot,  
Chris

**Send****Cancel**

This message will use **1 InMail credit**. Any messages sent in reply to this user are free. You have **5 InMail credits** available.

# 140 Character Class Recap



**Chris Haroun** @chris\_haroun

Entrepreneur qualities (passion, optimism, networking, sales). Analyze trends for start-up ideas. Company formation legal structures. Intellectual property protection.



# Passion



Thank you.