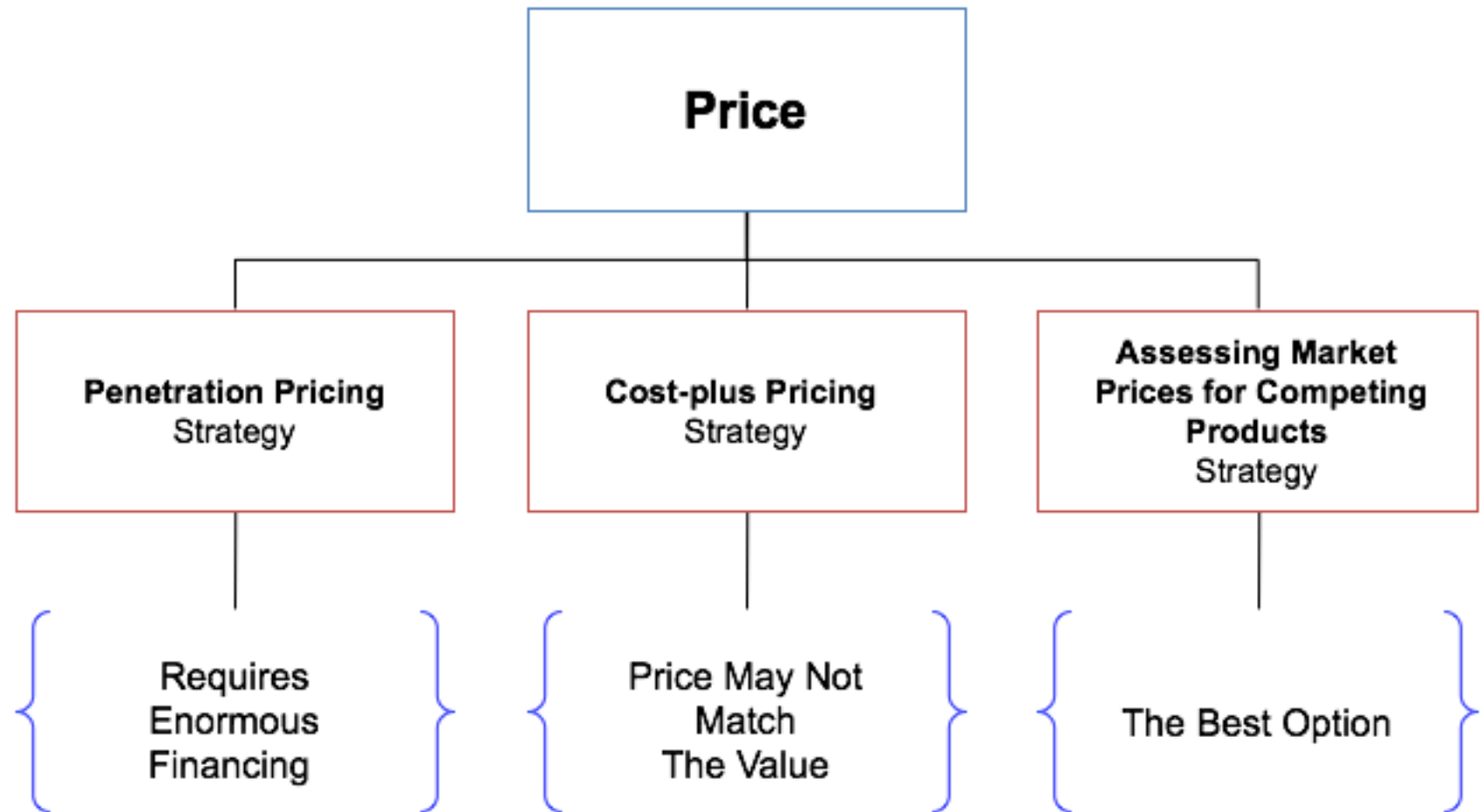
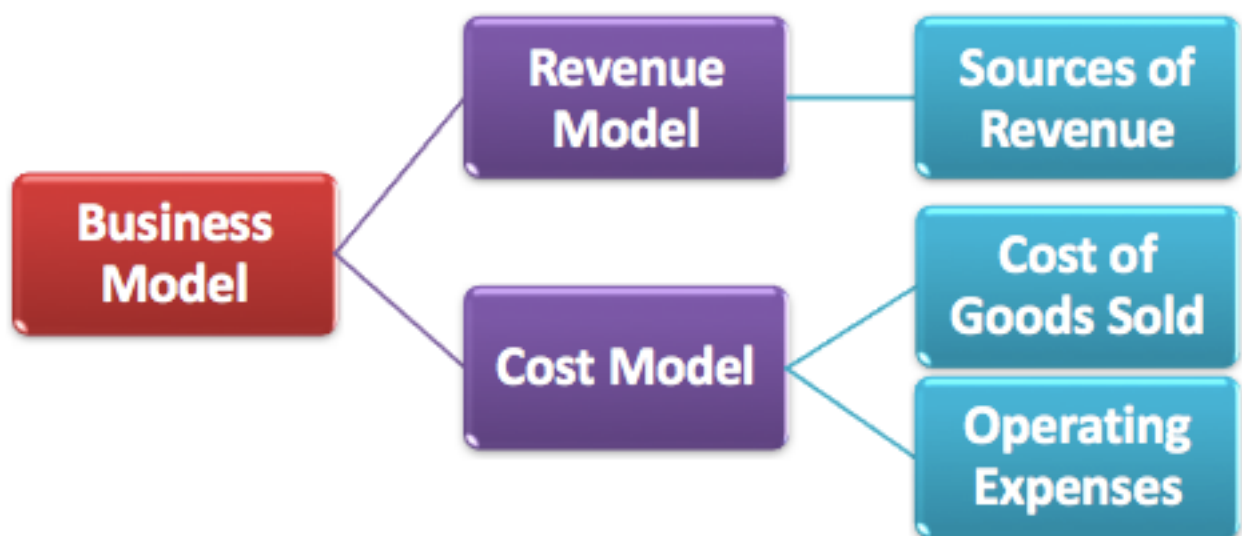


TYPES OF COMPENSATION

Compensation name	Advantages	Disadvantages
Founder Shares	Attracts co-founders	Dilutes owner's equity
Option pool	Ties employees goals to those of the company	Employees may leave the company if the price falls
Restricted stock	Vested over time, expensed at current share price	Expensed at current price
Stock appreciation rights	Low cost to the company	Dilutes owner's equity
Phantom stock	Employees do not receive equity	Needs cash to be exercised

Setting Prices





Companies must be able to switch marketing gears quickly to attract new customer segments

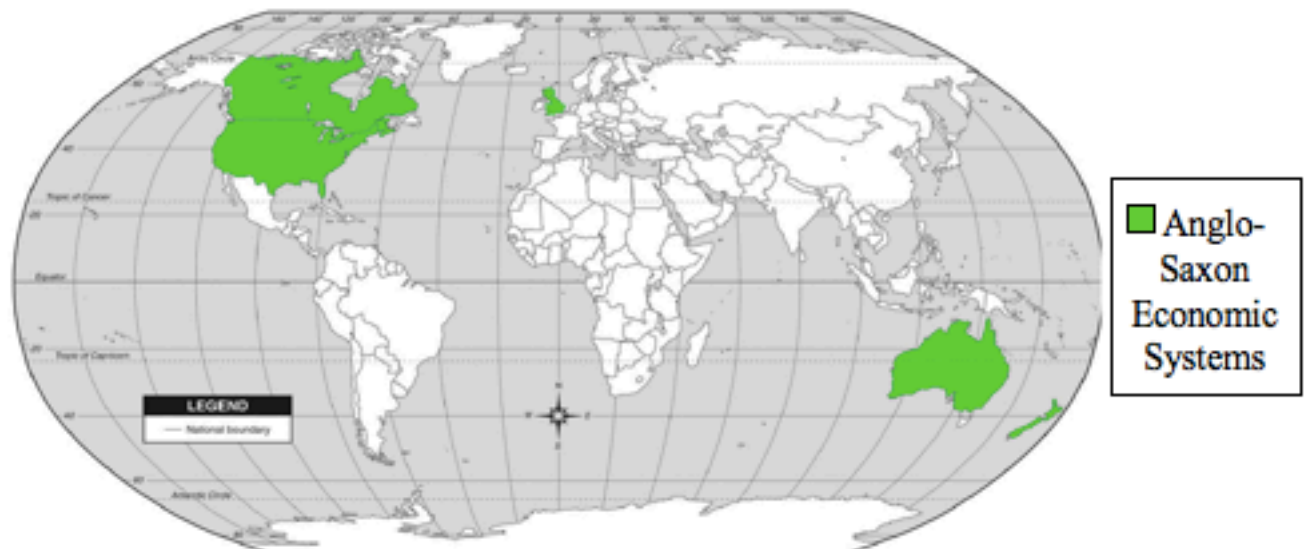
Entrepreneur: someone who perceives an opportunity and builds an organization to pursue that opportunity.

Schumpeter

An entrepreneur is the person who destroys the existing economic order by introducing new products and services, by introducing new methods of production, by creating new forms of organization, or by exploiting new raw materials.

21st CENTURY ECONOMIES

ANGLO-SAXON OR SOCIAL MODELS?



Anglo-Saxon economic systems have a high prevalence rate of high-expectation entrepreneurial activity

Personal Attributes



- Higher internal locus of control
- Desire for financial success
- Desire to achieve self-realization
- Desire for recognition
- Joy of innovation
- Risk tolerance

Ten D's of Entrepreneurship

- | | |
|------------------|----------------|
| 1. Dream | 6. Devotion |
| 2. Decisiveness | 7. Details |
| 3. Doers | 8. Destiny |
| 4. Determination | 9. Dollars |
| 5. Dedication | 10. Distribute |

Experience/Knowledge is often the
"long pole in the tent"