15.390 New Enterprises Mini Case Study #6: Entrepreneurial Culture

By Bill Aulet and Matt Marx

Gary K is feeling very good about himself and his small company, Intergalatic Research. They make a key part of software for an IT market sector which is now taking off. In fact, his software, CP, has become the de facto standard and for years after operating out of the spotlight in a niche, his time has come. He had felt instinctively that this could happen and so he starting programming and built a very early product for this market, set up a company to sell it. He then hired a few good programmers he knew when there proved to be a strong demand amongst a hobbyist set of customers for his software.

He had brought his wife into run the business side of the business ("administration" as he called it) because, to be perfectly honest, he didn't care much for it. He wanted to focus on what he did better than most anyone, which was programming, and then what he really liked to do, flying. With his accurate forecast of what the best product would be for the market, he was now in a very enviable position. It was his time to cash in and reap the rewards of his insights, intelligence and hard work in terms of cash flow. And because of this, he was going to enjoy life a bit more and now be able to do more flying. People were literally beating a path to his door to talk to him about his product and it was selling better than he ever could have imagined. Finding people was not a problem either as he would get unsolicited inquiries from programmers who wanted to come work at his company every work day.

Being successful was all about being at the right place at the right time with the right product – first. Business was straight forward now: Keep making the product and focus on making money and enjoying life.

A message came in that day that a big potential partner in the new market segment, JCN Corporation, wanted to meet with Gary to discuss a potential strategic partnership – like everyone else! They wanted to come in on Wednesday but he had flying time scheduled then. He figured that if the weather was good he would go flying and have them meet with his wife. She could discuss the terms and conditions under which they could do a deal to sell them his clearly best in the industry products. If there was something else they wanted, it could wait until he got back on Thursday morning.

Across town, an admirer of Gary's, William G, who had also seen the future and was absolutely obsessed with about the possibilities and for reasons that were not abundantly clear (he had a complex family situation). He was determined to be at the forefront of what he perceived as a new market segment that would be as big as any market the world had ever seen before. Like Gary, he was a programmer (but nowhere near the skill and talent of Gary K) and desperately wanted to ride this wave but he had no significant product to offer to lay claim to any significant portion of the market. He did have a vision that he wanted his company's product to run on everyone's computer in the world. So far his products had been unimpressive but his hustle and sometimes questionable methods to acquire resources to pursue his dream have kept things going even though they had little to no revenue. While most perceived him to be more than a bit bizarre, he had attracted a group of followers who believed in the cause and hence were willing to work at his frenetic pace as well. As many meetings as they had to date, they had resulted in no products which had gained "traction" in the market place that would give them the status of a leader that William craved. William and his band of merry-men were relentless however and their spirits, if not the bank account, remained positive for the time being.

Questions:

1. Compare and contrast these two companies. What are the strengths and weaknesses of each?

2. Which company do you want to be? Why?

3. Looking forward, what do you project for these companies?