Guest Lecture

COMPSCI 490S Software Entrepreneurship

March 5, 2019

Jim Flynn

Entrepreneur in Residence at CICS

https://jamespflynn.com

Agenda

- About Jim Flynn
- Selected topics on start-ups
- Painful lessons
- Recommendations

About Jim Flynn

About Jim Flynn

Paper Boy
Dishwasher
Busboy
Landscaping
Waiter
Construction Laborer
Sandhog
Crowd Control (Times Square)
Software Engineer (AT&T)
Hardware Engineer (AT&T)
Account Executive (AT&T)
VP, Bizdev (start-up)
Journalist
Book Author (Java Dev.)
CEO (start-up)
Java Developer
COO (NASDAQ: ALYS)
COO (Pitney Bowes sub.)
Husband (of The One)
Dad (of four!)
President (start-up)
CTO (part-time)
Expert Witness (patents)
Blockchain Adviser
Entrepreneur in Residence (UMass CICS)
Nonprofit Co-Founder

Telecommunications
Fintech
Media & Entertainment

MBA – NYU
BS – Manhattan College

Companies

- AT&T
- International Financial Systems, LTD.
- Greenbar Software
- @Work Technologies
- Alysis Corp.
- Pitney Bowes
- EZTakes
- Overlook
- The Kuwa Foundation

The Beginning

- Why a start-up?
- Alternatives
- Taking the leap

Organization

- Yes, you need a legal entity.
- What type?
  - LLC
  - C Corp, S Corp, etc.
- Contracts
  - Non-competes, IP, confidentiality, “at will,” etc.

Funding

- Options
  - Bootstrap
  - Friends & family
  - Debt
  - Angel & venture capital
- You’ll need more than you think.
- Getting a bunch of money can cause problems.

About Lawyers

- You will need them.
  - Would you perform surgery on yourself?
  - However, use their time wisely.
- Do not let them negotiate for you.
- Use lawyers for legal **advice.**
  - What’s the worst case legal scenario?
  - You make the decision.

Team

- The enemy: personal agendas
- Get partners with complementary skills.
- Everyone will demand payment (at some point).
- Be careful with equity.

When Ownership Changes Things

- 100% to 99%
  - You have minority shareholders to deal with.
- 51% to 50%
  - You no longer control the company.
- 50% and 49%
  - You become a minority shareholder.

Salespeople

- You need them.
  - They can annoy tech types.
- Everything is the comp plan.

Product Managers

- Focus: long-term profitability
- The “middleware” between sales, development & management

Firing People

- When
  - Dishonesty
  - Can’t or won’t do the job
  - Incompatible agenda
- Be fair
  - Give the employee feedback and a chance to improve.

Agile Approach to MVP

- Short development sprints
- Try something – get feedback – adjust – repeat
- A bad waterfall can kill you.

Outsource & In-source

- In-source: competitive advantage
- Outsourcing candidates: QA, accounting, legal, customer service, PR, etc.
- Beware of software consultants.

The Exit

- Circa 2000: IPO
- Now: get acquired
- “Lifestyle”
- Jim’s rule of five
- Surviving due diligence
  - accounting, intellectual property, etc.
- Advice
  - “Should I wear my leather pants?”

Painful
Lessons

Negotiating

Be strong. Don’t be obnoxious.

Tech types are easy to read.

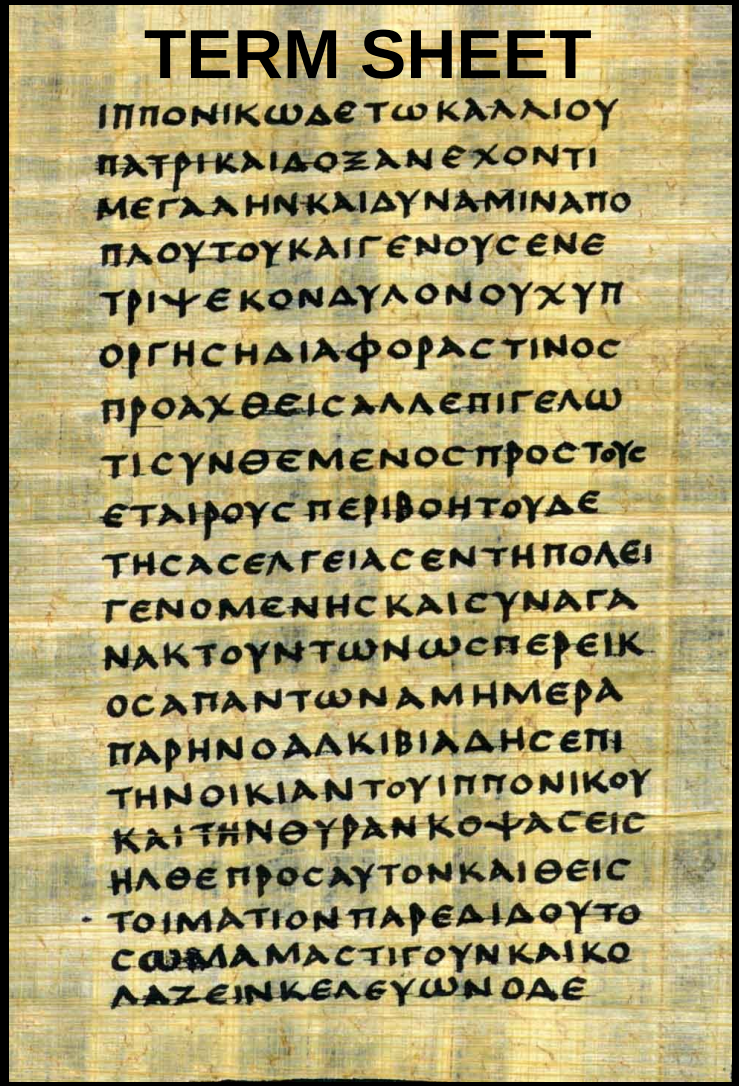
Closing

Beware of lunging.

Greed
Pigs get fat.
Hogs get slaughtered.

Industry Experts
Pick your own weaknesses.

Get a lawyer.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Yuh fyud!
Get a *Constructive Termination* clause.

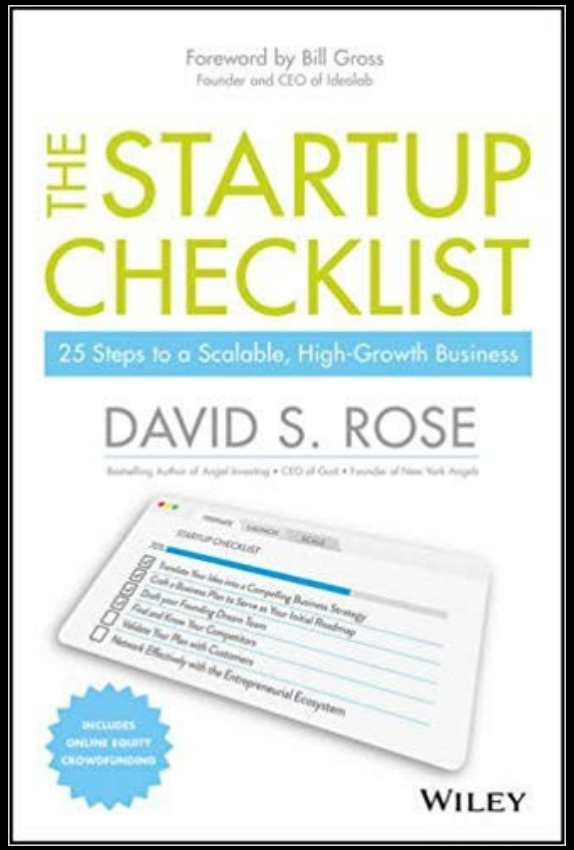
Expect people to do what is best for themselves.

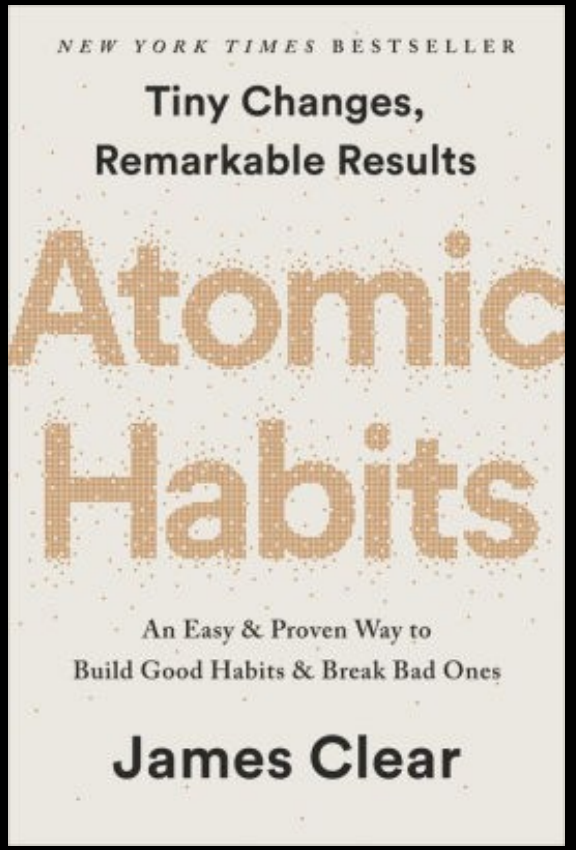
Required for a Successful Startup

- Work hard
- Be smart
- Luck

You need at least two. One must be luck.

Book Recommendations





"I have not failed once. I have succeeded in proving that those 10,000 ways will not work."

– Thomas Edison
while inventing the light bub

I will published these slides on

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