



## Startup Success Begins With Team of Top Performers

*By Paul Butler, Managing Partner, Azrael Partners and former Chief Operating Officer of Lumidigm, Inc.*

Building a startup or creating a new line of business is hard work, and statistics show the odds of success are long ones. Beating the numbers comes down to a combination of experience, expertise, and commitment.

The last of these three traits is important, but experience and expertise can make or break your venture in three critical areas.

### **Building a high-performance team:**

Behind every profitable venture is a team. You might have a compelling idea, an excellent offering with market fit, and a large market opportunity, but without a competent team, your business won't make it.



You need folks who excel at what they do, because they're an order of magnitude more productive than average employees. They also know what *not* to do. By helping a business avoid unnecessary cycles of learning and poor decisions, they allow more of that productive power to be used efficiently.

Employees with this level of skill are drawn to startups because they seek a challenge, expect the payoff to be significant and hate mediocrity and bureaucracy. They must believe in the offering and will do their own calculus on your venture's probability of success before joining the team.

If you lack startup experience, recruit to your core management team individuals who have built at least one successful venture. It will increase the likelihood of success and also attract investors.

**Being great at customer development:** Selling an idea to partners, investors and customers requires deep knowledge about what problem your business is solving, how others are addressing it and how your approach is the best available solution.

Market research reports can be insightful and provide data about growth rates and trends, but they're no substitute for actually getting out of the office and interacting with potential customers, asking them how

they will buy the product or service, what costs are involved in installing or maintaining a product and how the total costs compare with the value delivered.

To test your proposed solution, early adopters and potential large buyers who have the problem should be encouraged to try out the proposed remedy.

This type of customer development is hard, time consuming, and inexact, but awesome technology and great ideas don't just sell themselves.

**Developing an adaptive plan:** Succeeding in the world of business involves an adaptive, learning-oriented approach that is constantly evolving and responding to real-world challenges. But being open to feedback doesn't mean operating without a plan; that's a good way to burn cash, waste valuable time and miss opportunities. A good plan builds in margins to allow it to adapt to reality rather than fail with nothing to show for it.

To begin, envision the future goal and reason backward, imagining what could go wrong along the path. Then start in the present, building toward the future on a path that avoids anticipated obstacles. The intent is not to spend months striving for a perfect, problem-free plan but rather to think deeply about what to expect on the journey.

*Under Paul Butler's leadership, Albuquerque startup Lumidigm grew revenue more than 30 percent per year, attracted investment capital, and employed more than 30 people before being acquired by HID Global in 2014.*

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