



THE EUROPEAN SCHOOL ON
MAGNETISM

INDUSTRY PERSPECTIVE

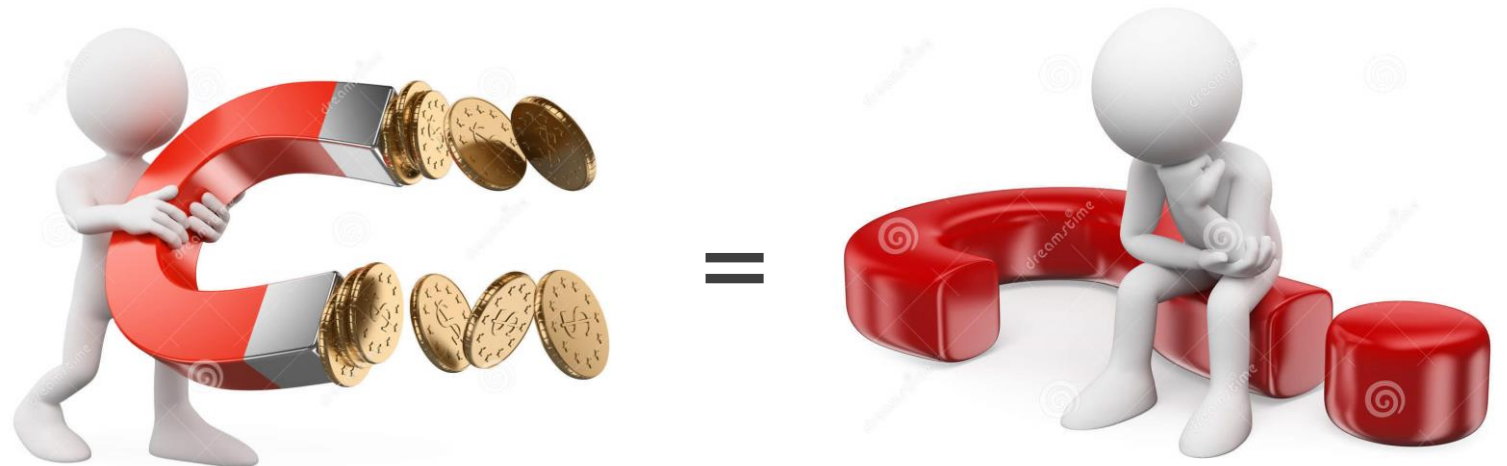
R&D and Large Volume Production of Electrical Drives Systems

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MAGNETISM AS A JOB

1. Does industry not have a lot of deadlines and objectives...
2. How come Johan Paulides has time for ESM?
 - A. Or other activities? Money only comes from sales... not ESM.
 - B. WHY???
3.



“REWARDS” OF ENTREPRENEURSHIP

- Being your own boss
 - Set own hours, responsibilities, pay
- Profits = higher salary...
- Typically you do what you enjoy
- Be as creative as you want
- Do you want to start your own or buy an existing business to make better?
 - Researching the market is key to a successful venture
- Ethics: You are an entrepreneur trying to build a new business. One of your MOST important clients is late paying your recent invoice because its computerized accounting system is down. You face a cash-flow problem, Since your client has not paid you, you cannot pay all of your bills. However, you could get by if you don't pay your rent for the month.
 - What do you do?





MAGNETISM AS A START-UP

Startup Failure Rate Is High!!

1. A company can fail for one of many reasons: product, strategy, team, investor, execution...
2. Courage to take the plunge is never really the reason why an entrepreneur succeed
3. Set goals consistent with means: **Out of money = Out of business**
4. It is a nonstarter if you are unable to raise the required capital
5. **"Raise some money to get going" is a trap**

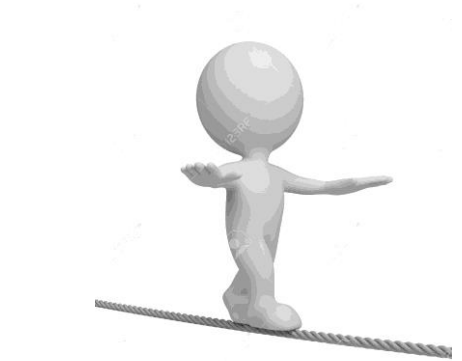


Failure Defeats Losers,
Failure **Inspires Winners**



KEEP TO THE FUNDAMENTALS!!

1. The first principle of entrepreneurship is to use capital to create value efficiently
2. First-mover advantage is not a necessary condition for success
3. Proceed thoughtfully; haste makes waste;
4. First develop a “prototype business” to verify assumptions as you would prototyping a product
5. Develop your business stepwise, capitalizing on your strengths & use available resources to create value efficiently – **to be capital efficient**
6. Use your expertise to serve a niche in an industry in which you are an industry insider
7. And you can grow the business over time to significant size if you are committed to a grand long-term vision





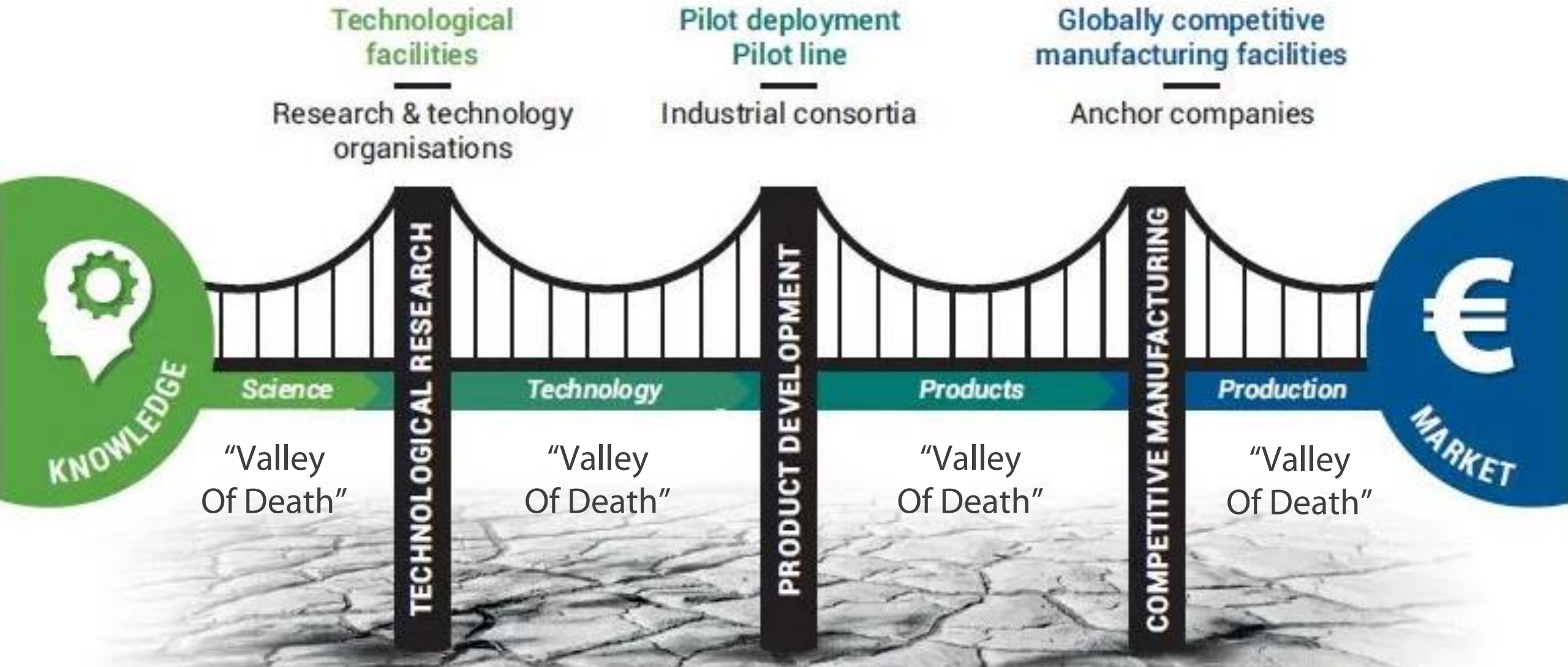
START WITH A SPRINT IF YOU HAVE ALL THESE INGREDIENTS

1. Useful product with a huge market
2. Technological advantages
3. Readily addressable market
4. Experienced team
5. Appropriate business model
6. Flawless execution...
7. Deep-pocket investors with long arms!

... .. Even then, only a very small % succeed



MAGNETISM AS A JOB





SOUND CAREER ADVICE

1. Gain Expertise in one area
 - A. Then broaden into multiple technologies
 - B. Take interest in business & management for job performance & career options
2. Work for a professionally managed company
3. Engage executive/manager as mentors
4. Be honest and informative
5. Take on project management responsibilities and build a reputation
6. Expand your network & reach out into the community!!



IF YOU PLAN TO START A BUSINESS OR PROJECT

1. Poke holes in your own idea & clearly define the reasons why you can succeed, leaving no room for assumption
2. Find partners who share a common goal and have complementary skills
3. Get adequate funding to reach a significant milestone
4. Develop a long-term vision, write a thorough business plan, find a good investor, and go for it!
5. You are more likely to succeed if you capitalize on your expertise to serve a niche market where you are an industry insider
6. A modest successful start is better than a big flop
7. Keep a grand vision; focus on meeting milestone goals
8. Never overlook that capital efficiency is the foundation of entrepreneurship
9. Your transformation to entrepreneur begins now!





CHALLENGES FOR ENTREPRENEURS/AMBITIOUS ACADEMICS

1. Getting funds

- A. Grant application
- B. Usually have to borrow the money and people are skeptical of a business not succeeding

2. Full responsibility => Finding students/employees

3. At first: Top executive, secretary, and janitor for the business at the same time!!

4. Job= Life

5. At first, maybe working 12-20 hours/ day

6. Income will vary greatly at first

7. Failure comes from inadequate financial planning, management, and poor response to change



ECONOMY

1. More than 99% of all firms are small business
2. Employs much more than 70% of all workforce
3. About 2/3 of all new jobs created are started by small businesses
4. What are the risks and how can you minimize them.
 - A. Not too many, alien invasions and such are possible but at this point quite unrealistic
5. Being a Micropreneur is fine/sufficient -- Entrepreneurs willing to accept the risk of starting and managing a business that remains small, lets them do the work they want to do, and offers a balanced lifestyle.
 - A. Many micropreneurs are home-based business owners – writers, consultants, video producers, architects, bookkeepers, etc.
 - B. A HOME-BASED BUSINESS IS NOT EASY...





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YES, WE CAN WORK TOGETHER >>



>> Motion By Innovation

Thank You, Danke, Bedankt, Merci



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