

Bob Berry

Professional Entrepreneur



CEO, DPS Telecom

Bob Berry, Founder and CEO

- Always an engineer at heart, the former Reedley High School senior created a computerized robot, which won 7 science fair and engineering awards.



October 15, 1986

- DPS began as **Digital Prototype Systems** in this basement:



1990, Year 4

- At last, a product line!



1997 Inc. 500

- DPS made a place for itself in the 500 fastest growing privately held companies in the whole country.
- The INC 500 is based on a five year track record of growth and profit availability. Companies are ranked by increase of sales.

AMERICA'S FASTEST-GROWING PRIVATE COMPANIES

INTUIT '90 TIMBERLAND '93 KINGSTON TECHNOLOGY '92 MICROSOFT '94

DOMINO'S '83

PETE'S BREWING '93

COMP USA '90

ORACLE '83

2000 '90

Inc. 500

DPS Inc. #373

Birthplace of America's Entrepreneurial Superstars

16th Annual Ranking

WWW.INC.COM

COMPANY (1996 RANK) BUSINESS DESCRIPTION	SALES GROWTH		PROFIT		NO. OF	
	1992-96 (% INCREASE)	'96 SALES (\$000)	'92 SALES (\$000)	RANGE* '96 '92	EMPLOYEES	DATE '96 '92 FOUNDED
371. Teams Tempe, AZ Provides assessment svcs. for businesses	748%	\$3,442	\$406	A F	45 10	1978
372. Ultimate Software Consultant Lombard, IL Provides software consulting svcs.	747	9,741	1,150	C E	87 12	1988
373. DPS Fresno, CA Designs, mfrs., & sells alarm & control systems for phone companies	745	4,747	562	A D	32 19	1986
374. El Apparel Examinersville, NJ (ADP) Mfrs. & sells imprinted sportswear	743	11,683	1,386	C D	159 25	1989
375. FGM Herndon, VA Develops computer software & integrates computer systs.	741	6,113	727	D D	64 14	1987

DPS HQ Completed in 1999



DPS Campus Today



Remote Site Alarm Monitoring

- Telecom Networks
- Subways
- Railroads
- Power Generators
- Gas & Oil Pipelines
- Homeland Security
- **Design, Engineering, and Manufacturing**
- **Market, sell, and support**
- **Staff of ~50 people**



So, What is an Entrepreneur?



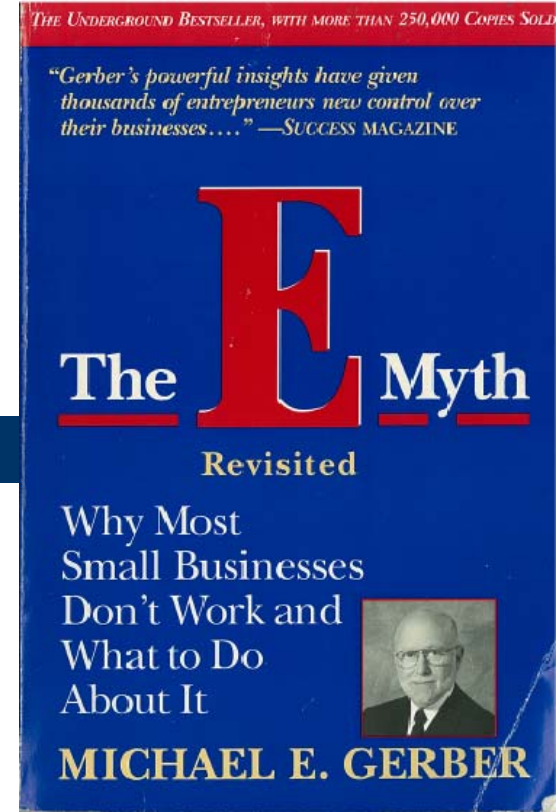
Dictionary Definition of an Entrepreneur

- A person who organizes and manages any enterprise, especially a business, usually with considerable initiative and risk
- An employer of productive labor
- A crazy gambler who starts a high tech business and cashes-out for billions!
- Banker's view: risky investment



A Business has 3 Main Parts

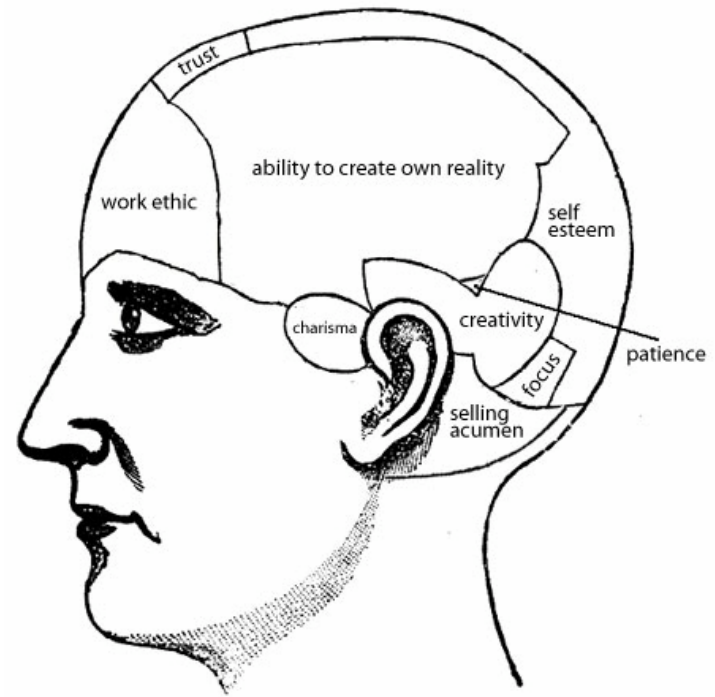
- **Entrepreneur:** Dreamer, Visionary
 - **Manager:** Pragmatic, Orderly
 - **Technician:** “Do-er” – if you want it done right, do it yourself
-
- **The E-Myth:**
 - “If you understand the technical work of a business, you understand a business that does technical work.”



Key traits of an Entrepreneur

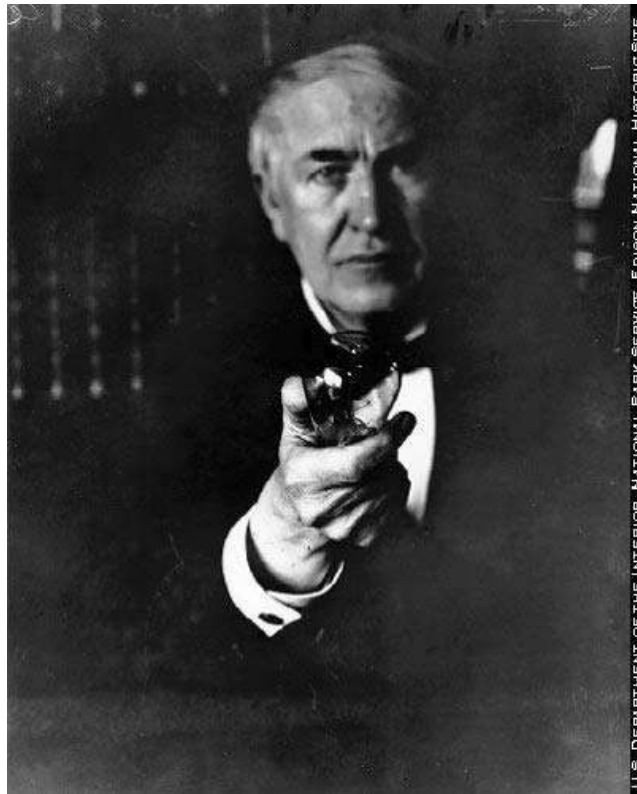
1. **Positive attitude** - I don't expect it to be easy- but I expect to win.
2. **Committed** - in it to win. No matter how many hours, no matter how many things I have to learn, no matter how much I have to start over.
3. **Patient** - however long it takes, stay the course. Plan the work- work the plan.
4. **Persistent** - Don't give up. Set backs are recast as learning opportunities.

Phrenology of an Entrepreneur



“Many of life's failures are people who did not realize how close they were to success when they gave up.”

– Thomas Edison



Entrepreneurs are Modern Day Alchemists

- We transform:

Initiative

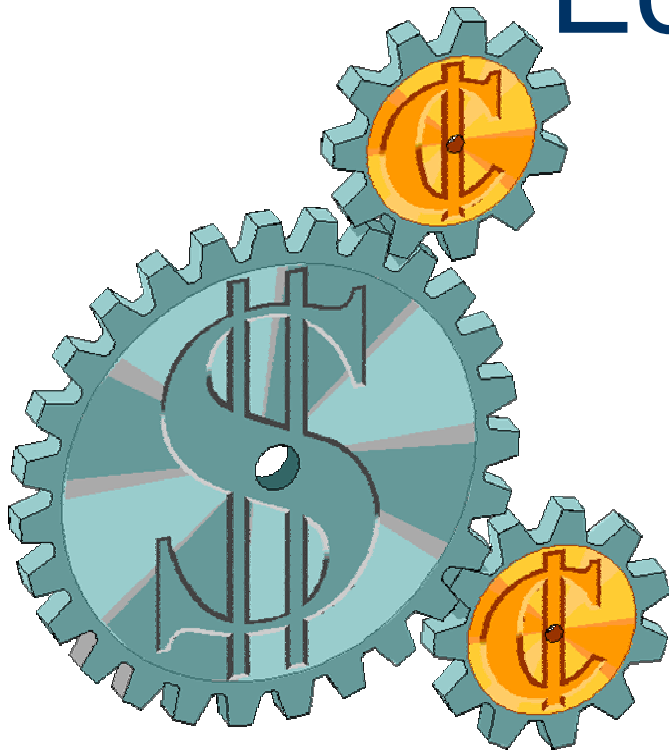
+Innovation

+Sweat

Gold



How important is the Entrepreneur to the Economy?



Small Business Statistics

- According to the US Small Business Administration, Small Business Firms:
 - Represent 99.7 percent of all employer firms
 - Employ half of all private sector employees
 - Pay 44 percent of total US private payroll



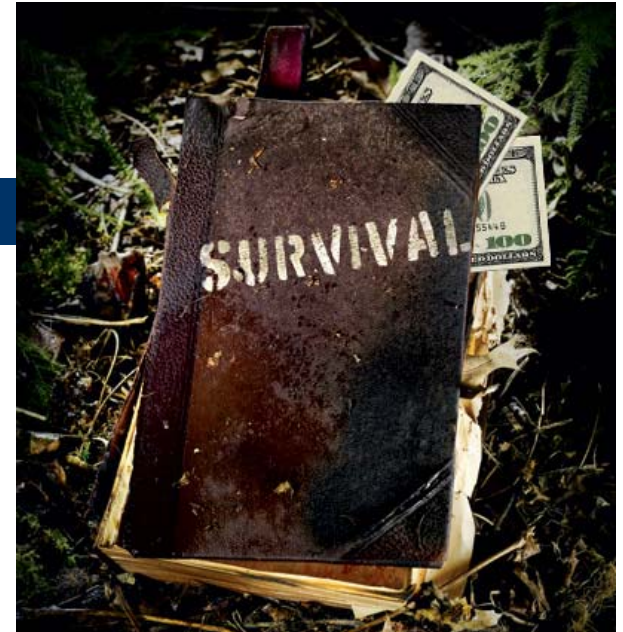
Small Business Statistics

- According to the US Small Business Administration, Small Business firms:
 - Generated 65% of net new jobs over the past 17 years
 - Create more than half of the non-farm private GDP
 - Hire 43% of high-tech workers (scientists, engineers, computer programmers, etc.)



Startup Survival Rate

- 70% new employer firms survive at least 2 years
- 50% survive at least 5 years
- 33% survive 10 years
- 25% stay in business for 15 years or longer



Startup Business Statistics: Not for the Feint of Heart

Starts and Closures of Employer Firms, 2005-2009

Category	2005	2006	2007	2008	2009
Births	644,122	670,058	668,395	626,400e	552,600e
Closures	565,745	599,333	592,410	663,900e	660,900e
Bankruptcies	39,201	19,695	28,322	43,546	60,837

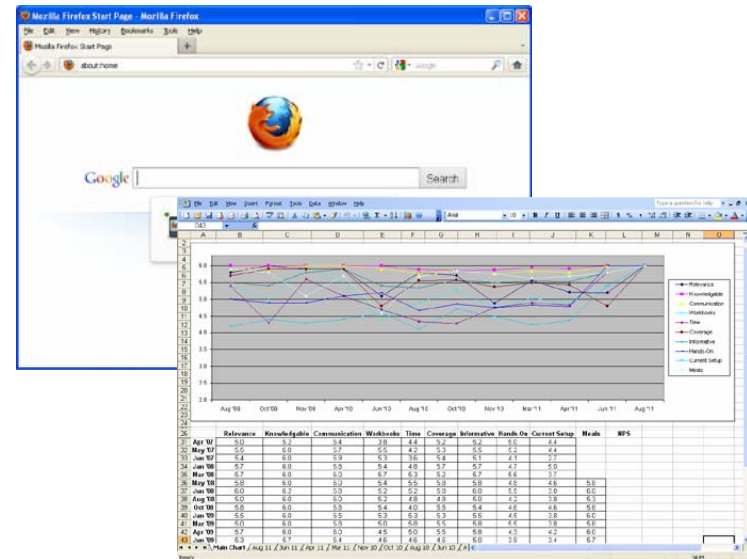
The Entrepreneurial Spirit

- The entrepreneur spirit is powerful and it exists in some measure in all of us.
 - It can be developed
 - It can be focused
 - It can change your life and the lives of the people around you.



So You Want To Be an Entrepreneur

- Develop your technology skills



- Learn how to write and how to speak in public
 - Learn how to use your voice

“Let’s do that”

So You Want To Be an Entrepreneur

- Read LOTS of self-help books and “How to start a business” books.
 - No less than 100 before you venture out on your own



Robert (Bob) Berry

CEO



E		I	
S		N	
T		F	
J		P	

"The Fieldmarshall"



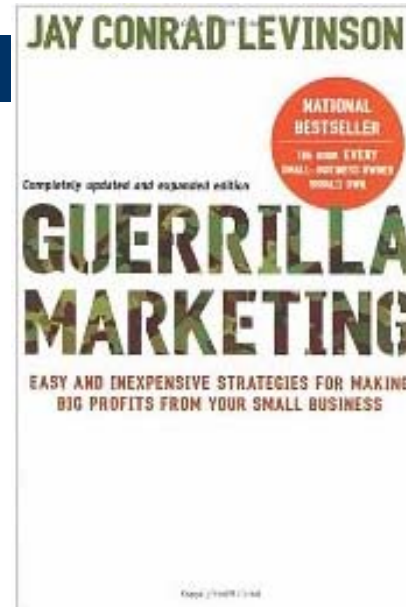
- Learn about personality types, how they work together- how people learn- why they do what they do.
 - You will become an armchair psychologist.

So You Want To Be an Entrepreneur

- Marketing, sales process and market research. This is huge.

Assets	Liabilities
Fixed Assets (FA)	Retained Earnings (RE)*
	\$450
\$600	Long Term Liabilities (LTL)
	\$250
Current assets (CA)	Current Liabilities (CL)
\$400	\$300
\$1000	\$1000

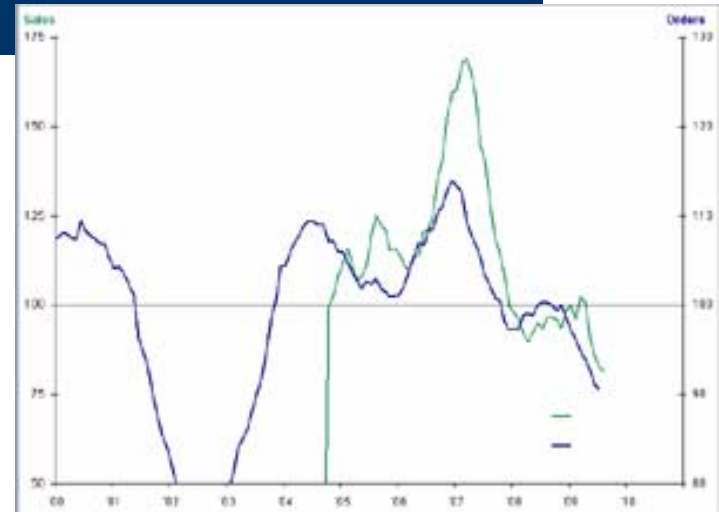
*Sometimes referred to as OF



- Finance & financial management. Making money is easy, keeping it is hard.

So You Want To Be an Entrepreneur

- Econometrics- understand your world and the world at large



- Strategy - If you want to exist in the future you have to “write” yourself in.

Don't See Yourself As a Future Entrepreneur?

- Even if you don't see yourself as a future business owner – the Entrepreneur process and mindset can transform any career.
- Realize that value is increased through the application of innovation and sweat.
 - Simply picture yourself as “the product”.

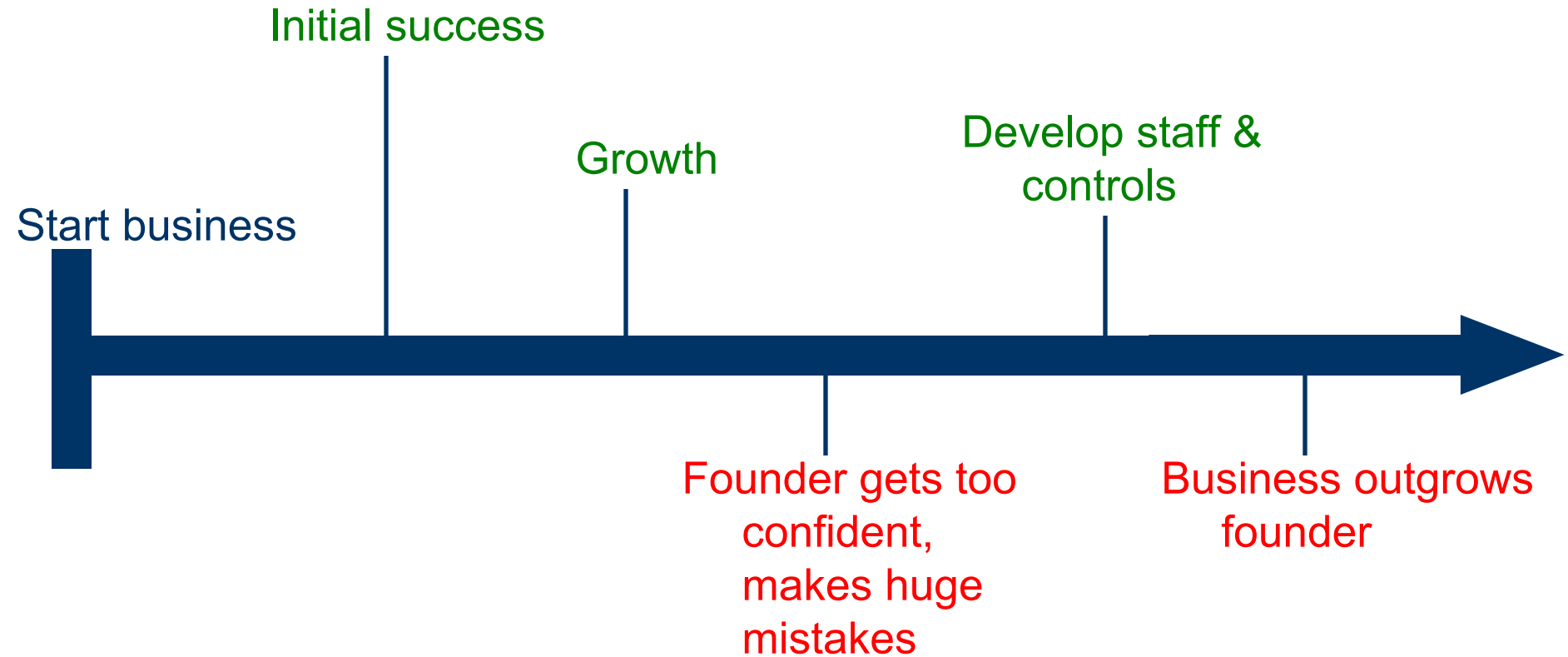
Intrapreneuring – the Alternative

- The “**Key Man**” Plan
- Provide management with goals and direction
- Give your managers the freedom to undertake new initiatives in pursuit of stated goals
- Become a “**Change Agent**” to help bring growth and optimization to company

How many here want to:

1. Start your own company?
2. Be a “key man” in a successful company?
3. Keep your head down & do a good job?
4. Stay in school, be a professional student?

Entrepreneurial Timeline



You Inc.

- Even if you never have a shingle in the public market place you need to treat your career with the care and nurturing of a business.
 - Develop your technical skills
 - Develop your problem solving skills
 - Develop your communication skills
 - Develop life-long learning habit

You 2.0

- Continually be developing the next version of you

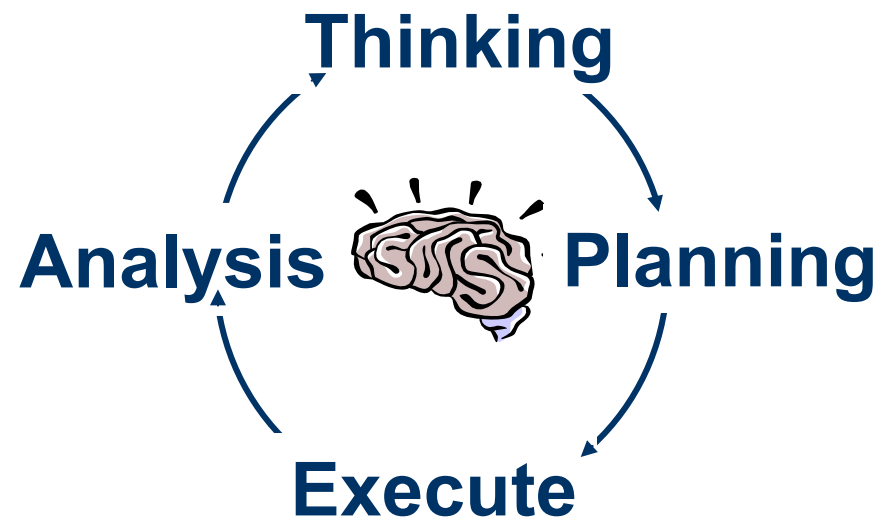


You Are Competing Against Lots of Competitors

- The next guy that wants your job
- The new technology that can do your job
- The other process that does kind-of what you do
- The consideration of not having your job done anymore at all

Success Is About Thinking

- Thinking creates options for achieving desired results.
- Planning organizes options for achieving desired results.
- Execute plans until you achieve desired results.
- Analysis learns what happened during execution to improve your thinking and planning to ultimately be way more successful.



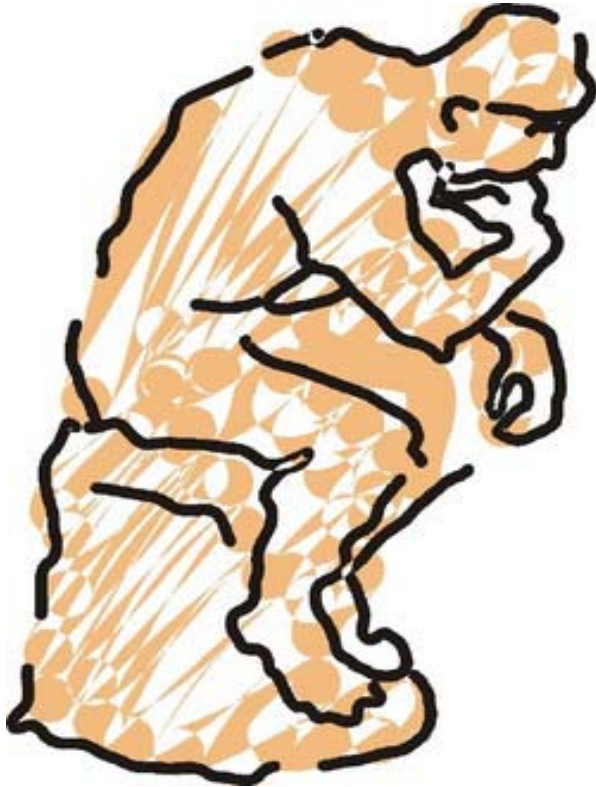
Yale's Class of 1953

- In 1953, researchers surveyed Yale's graduating seniors to determine how many of them had specific, written goals for their future.
 - 83% had no clearly defined goals
 - 14% had no written goals
 - 3% had clearly defined, written goals
- 20 years later the researchers found that the 3% with written goals earned on average 10X more per year than the 83% and had accumulated more personal financial wealth than the other 97% of class combined!



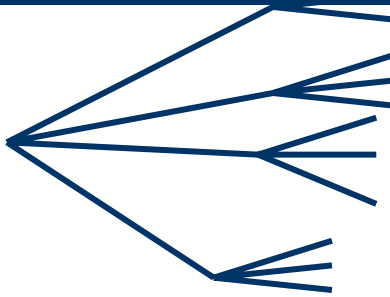
“Even if the survey is a myth, the message is true.”

Learn to do “So What” Thinking



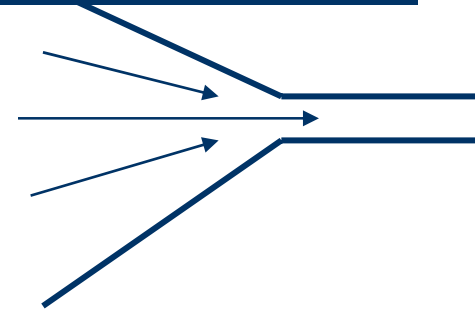
- When you come up with ideas, explore the impact and ramifications:
 - How might it be done?
 - What if it worked – how BIG might it be?
 - Who would benefit from it?
 - How would you sell it?

The Divergent vs. Convergent Process



Divergence

- Create lots of alternatives
- Different points of view
- Different methods and approaches
- Different outcomes and results



Convergence

- Sort through the alternatives
- Pick a handful of the best
- Develop them further

Several rounds of divergent – convergent thinking will produce some highly effective ideas and approaches.

The Power of Optimism

The Giddy Optimist

- Assumption: Everything will go right
- Sees himself skipping across the finish line pretty and smiling
- Reality: Not everything goes right
- Usually makes a single path plan.
- Perceives unforeseen problems as fatal, heart wrenching and totally self defeating – caught off guard and stunned. Not sure what to do next.
- Easily disillusioned



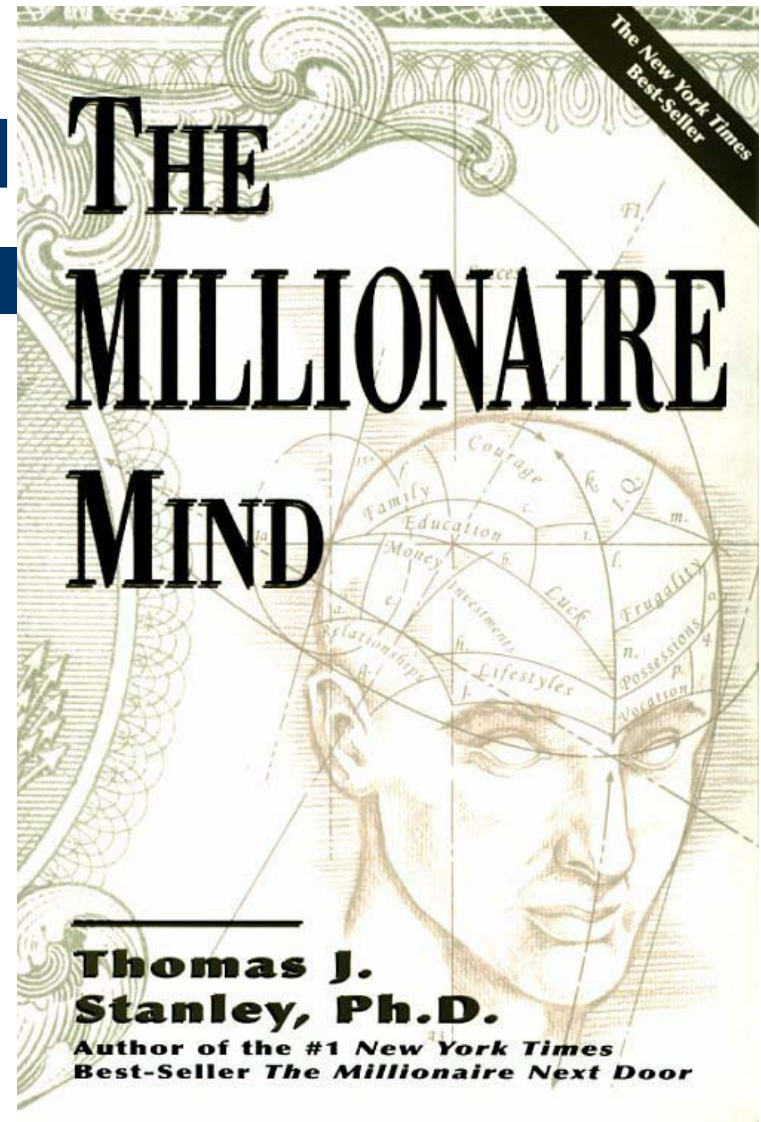
The Empowered Optimist

- Not everything goes wrong.
- Sees himself as a bloody action hero staggering across the finish line – the bad guys are all dead – He wins.
- Makes lots of contingency plans.
- Has thought of what might go wrong.
- Assumes things will go wrong & is prepared to create new plans.
- Views obstacles & problems as tests to be passed.
- *Question: How is this different from pessimism?*



The Millionaire Mind

- Researchers conducted a survey of self-made millionaires.
 - They mailed a 9-page, 277 question survey to 2487 high income people.
 - Of the 1001 fully completed surveys, 733 were from millionaires



Millionaires – Who are they?

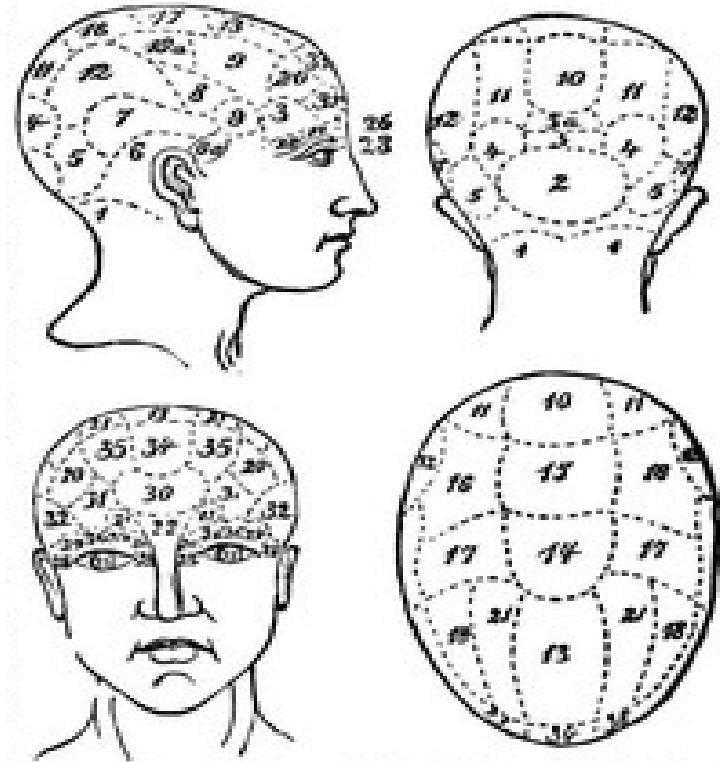
- 4.9% of US households have a Net Worth over \$1M
 - 33% are Entrepreneurs
 - 33% are high wage earners
 - 9% Doctors
 - 10% Attorneys
 - 16% High Level Execs
 - 33% are smart staff who “emulated” respected mentors



The 5 Highest Self-Described Traits of Millionaires

1. **Integrity** – being honest with all people
2. **Discipline** – applying self control in all matters
3. **Social Skills** – able to get along and work with people
4. **A Supportive Spouse**
5. **Hard Work** – more than most people

(If you lack even one of these traits you will have serious odds against you becoming a millionaire.)



1st: Goal Terminology and Definitions



- Goals: the final outcome that you want to accomplish.
- Sub goals: the milestones on the path to the ultimate goal.
- Strategies: the way you will work to achieve your goals.
- Tactics: the things you will do to execute your strategies.
- Measurements and data: how you record how you are doing.
- Analysis: how you tie it all together and evolve your Goals, Strategies, Tactics and Measurements over time as things change.

S.M.A.R.T. Goals

Criteria for SMART Goals

S = Specific

M = Measurable

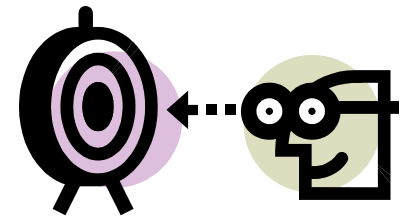
A = Actionable

R = Realistic

T = Timely

Goals Should be...Specific

- Goals should be straightforward and emphasize what you want to happen. Specifics help us to **focus our efforts** and **clearly define what we are going to do**.
- Specific is the What, Why, and How of the SMART model.
 - **WHAT** are you going to do? Use action words such as direct, organize, coordinate, lead, develop, plan, build, etc.
 - **WHY** is this important to do at this time? What do you want to ultimately accomplish?
 - **HOW** are you going to do it? (By...)
- Ensure the goals you set are very **specific, clear and easy**. Instead of setting a goal to lose weight or be healthier, set a specific goal to lose 2in off your waistline or to walk 5 miles at an aerobically challenging pace.



Goals Should be...Measurable



- **If you can't measure it, you can't manage it.**
 - There are usually several short-term or small measurements that can be built into the goal.
- **Choose a goal with measurable progress, so you can see the change occur.**
 - How will you see when you reach your goal?
 - Be specific! "I want to read 3 books of at least 100 pages on my own before my birthday" shows the specific target to be measurable. "I want to be a good reader" is not measurable.
- **Establish concrete criteria for measuring progress toward the attainment of each goal you set.**
 - When you measure your progress, you stay on track, reach your target dates, and experience the exhilaration of achievement that spurs you on to continued effort required to reach your goals.

Goals Should be...Actionable

- **When you identify goals that are most important to you, you begin to figure out ways you can make them come true.**
 - Develop the attitudes, abilities, skills, and financial capacity to reach them.
 - You begin seeing previously overlooked **opportunities** to bring yourself closer to the achievement of your goals.
- **Goals you set which are too far out of your reach, you probably won't commit to doing.**
 - The knowledge that it's too much for you means your subconscious will keep reminding you of this fact and will stop you from even giving it your best.
- **A goal needs to stretch you slightly so you feel you can do it and it will need a real commitment from you.**
 - For instance, if you aim to lose 20lbs in one week, we all know that isn't achievable. But setting a goal to loose 1lb and when you've achieved that, aiming to lose a further 1lb, will keep it achievable for you.
- **The feeling of success which this brings helps you to remain motivated.**



Goals Should be...Realistic

- **This is not a synonym for "easy."** Realistic, in this case, means "**do-able.**"
 - A realistic project may push the skills and knowledge of the people working on it but it shouldn't break them.
- **Devise a plan or a way of getting there which makes the goal realistic.**
 - A goal of never again eating sweets, cakes, crisps and chocolate may not be realistic for someone who really enjoys these foods.
 - For instance, it may be more realistic to set a goal of eating a piece of fruit each day instead of one sweet item. You can then choose to work towards reducing the amount of sweet products gradually as this feels realistic for you.
- **Be sure to set goals that you can attain with some effort!**
 - Too difficult and you set the stage for failure, but too low sends the message that you aren't very capable. **Set the bar high enough for a satisfying achievement!**



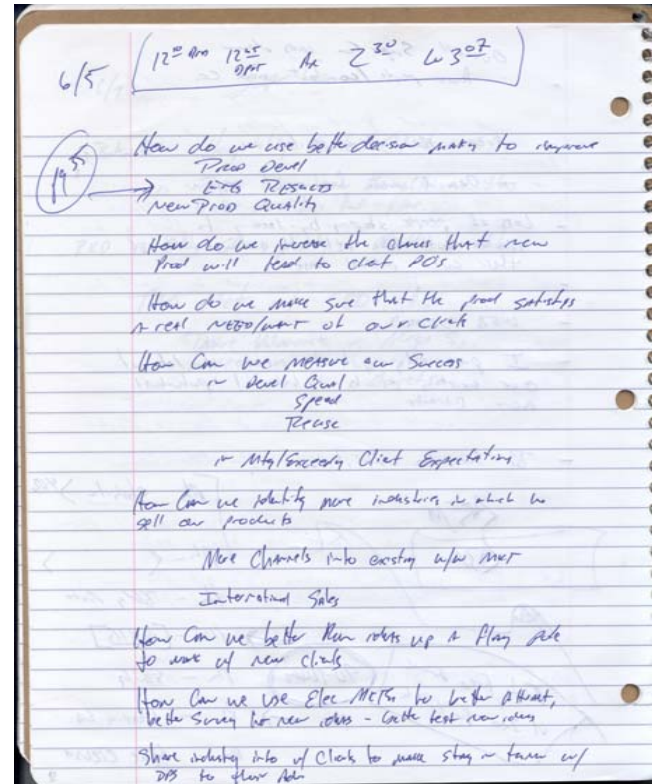
Goals Should be...Timely

- **Set a timeframe for the goal:**
 - For next week, in three months, by the end of year, etc...
 - Putting an end point on your goal gives you a **clear target** to work towards.
- **If you don't set a time, the commitment is too vague.**
 - It tends not to happen because you feel you can start at any time.
 - Without a time limit, there's no urgency to start taking action now.
- **The Time must be measurable, attainable and realistic as well.**

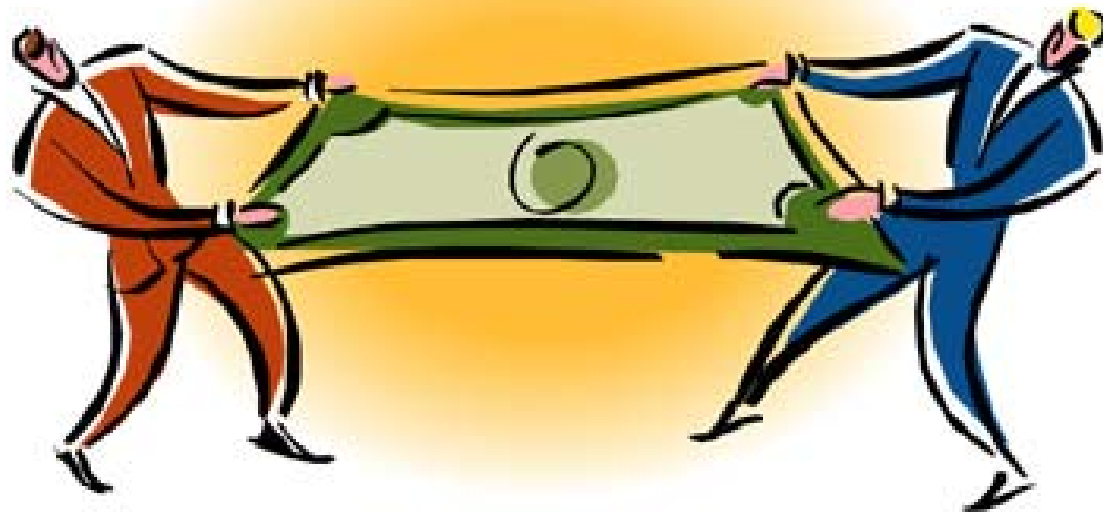


Notebooks – common “DPS Way” method and format

- Index up front and numbered pages
- Heavy duty, full size (8.5” x 11”)
- Name and contact in front, calendar in back
- Place to capture and reuse notes and ideas
- Reinforces conversations and memory
- Standard place to:
 - Frame questions for problem solving
 - Schedule work and time management
 - Master To-Do lists
 - “Notethink” sessions and free form topical essays



It's a competitive Marketplace Out There



The Right Amount of Growth

- Lack of growth will kill your business slowly
- Excessive growth will kill your business quickly
 - See Osborne Computers and Visicalc for Apple

A screenshot of the Visicalc spreadsheet application on an Apple II computer screen. The screen displays a spreadsheet with columns for PAYEE, CHECKS, DEPOSITS, and BALANCE. The data includes entries for ELECTRIC, OIL, PHONE, DENTIST, SALARY, and GAS CARD, with a TOTALS row at the bottom. The BALANCE column shows a value of 545.20 at the top and 381.37 at the bottom.

PAYEE	CHECKS	DEPOSITS	BALANCE
			545.20
ELECTRIC	1	0.00	
OIL	1	0.00	
PHONE	4	0.00	
DENTIST	4	0.00	
SALARY	35	0.00	395.00
GAS CARD	1	0.00	
TOTALS	55	83	395.00

Innovation and Product Development

- You have to find a way to satisfy client needs and wants
- The price has to be low enough for them to respond
- But the price must also be high enough to be profitable



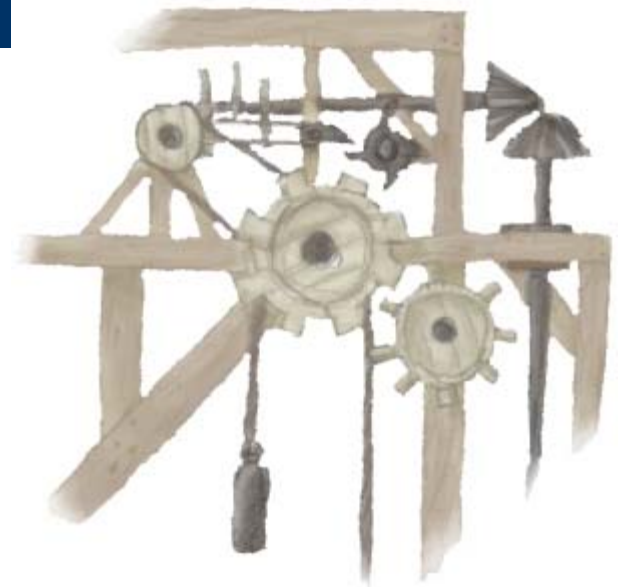
Marketing and Selling

- If it ain't selling, you ain't growing!
- You must develop a process for all of it.

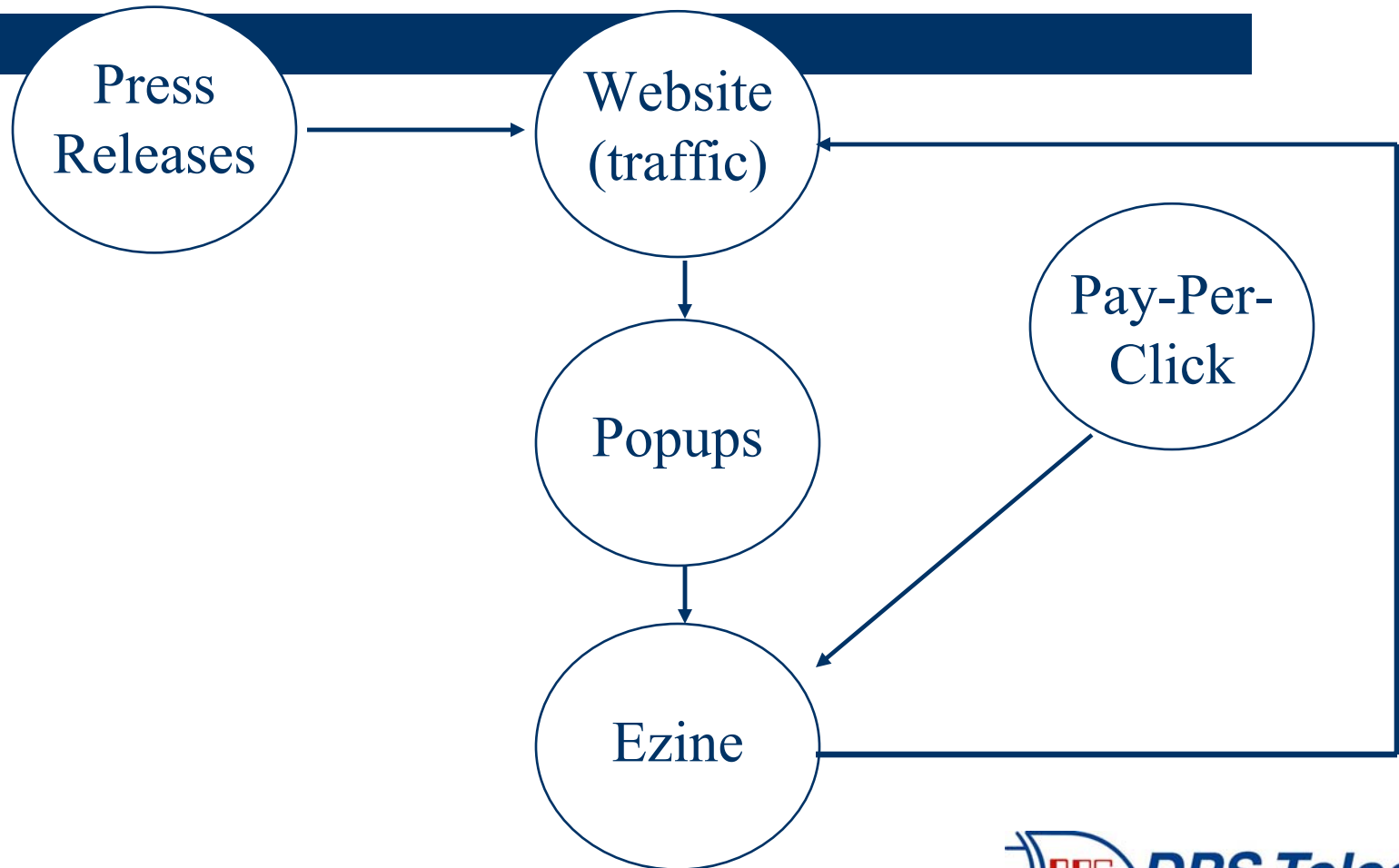


The DPS Marketing Machine's Major Parts...

1. **contact**
2. **Website (+SEO):** Vehicle for extracting emails
3. **Popups:** Turning visitors into subscribers
4. **PPC:** Turning searchers into subscribers
5. **Press Releases:** Stimulate Magazine Articles and SEO
6. **White Papers:** High-perceived-value tutorials

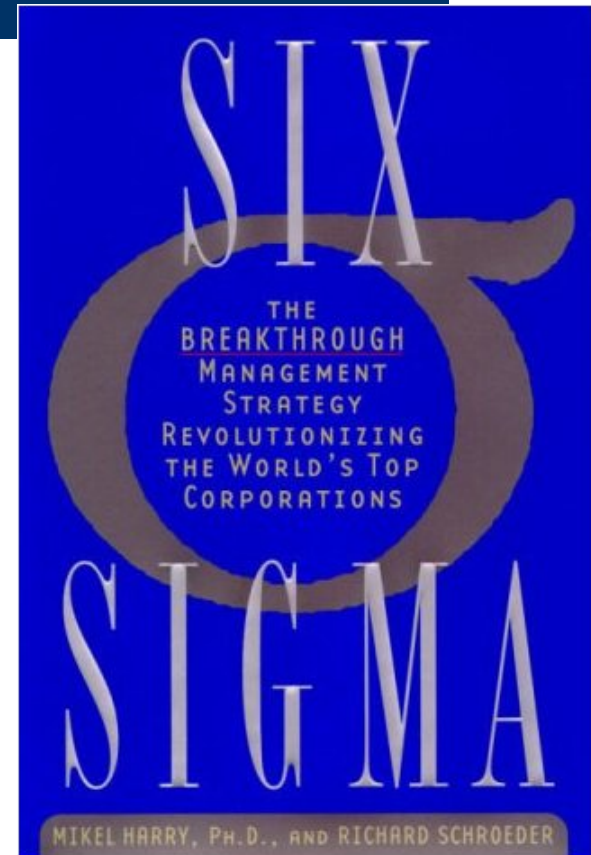


The DPS Marketing Machine's Major Parts...



After You Sell It, You Gotta Ship It

- Manufacturing Process
- 6 Sigma
- Quality Control
- Training Process for New Hires



Client Support

- You have to make sure your client achieves their desired result
- If they aren't happy, they will tell people
- A bad referral is given 7x faster than a good referral



All That Takes a Team!

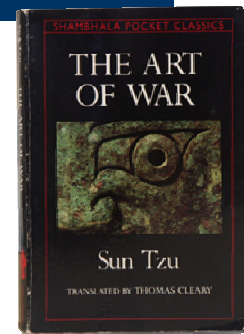
- How do you build a great team?



Sun Tzu and Management Theory

At first I did not get it:

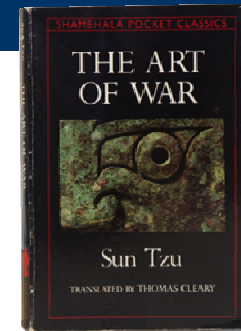
- The Hype told me to look to it for Strategies
- But I did not see how I could use any of it
- I read it a few times (kind of a fun read)



But Then I Saw It – And It Changed Everything

Sun Tzu and Management Theory

- The Art of War
 - 10% about Strategy
 - 10% about Tactics
 - 80% about the Mgmt and Devel of Staff
- “He will win whose army is animated with the same spirit”
- “The entire military leadership has to be of the same mind”



It's About the Staff

- How they are shown to do the job
- How their performance is measured
- How the rewards and punishments are handed out
- How they are educated about where they are going, and what it means to them

Title: Lead Processing

Due: As Necessary (at least three daily)

Purpose

Provides general guidance to a copywriter using SalesPro to process leads via information requests. The SOP is setup in two parts:

1. The first part explains what to do with leads once you've determined the quality of said leads.
2. The second provides criteria for determining whether sales requests are bogus, MKT/Nurturing, or Sales Ready.

Information requests are separated into three categories:

1. **Bogus:** Bogus leads are bad leads. We delete bogus leads.
2. **Mkt/Nurturing leads:** These are leads that require a response. The client requires more information about products and services prior to pursuing. Mkt/Nurturing leads are noted by the **Mkt** button in SalesPro and can be handled two ways:
 - a. By sending the potential client an email from Mkt. Smith
 - b. Having Sales call the potential client and begin discussing their project/monitoring needs
3. **Sales Ready:** These are leads that have clearly defined goals and are shopping for products, not ideas.

I. Processing information requests

- Act on the lead only after you have determined how the lead should be processed.
- If **Bogus**, double-click the Bogus button in the top of the Manage Info Requests Screen.
- If **Sales Ready**, assign to the appropriate Sales Rep
 - o Choose the rep you wish to assign to in the drop-down box.
 - o Click the checkbox marked **Notify Rep**
 - o Click **Assign** at the top of the lead and assign the lead to the appropriate sales rep based on the following qualifications:

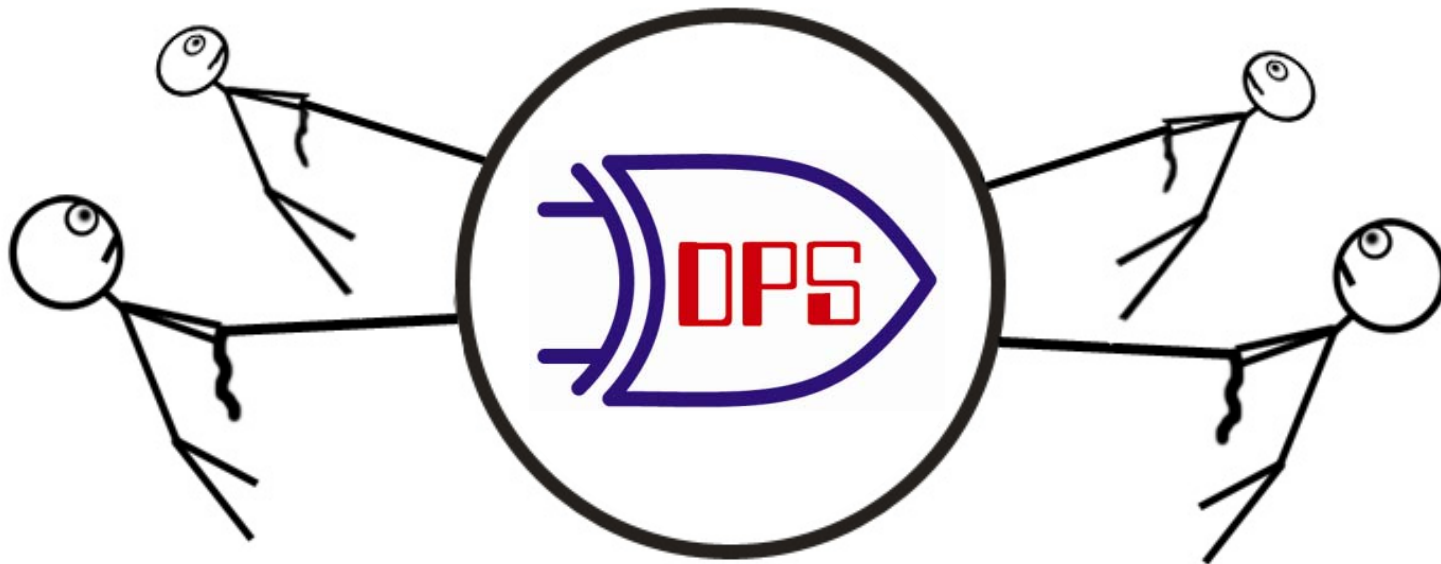
Note: If the client has already worked with a DPS Sales Rep, attempt to assign the lead to the rep the client previously worked with.

- Assign technically specific, or somewhat vague requests to the most technically inclined sales rep.
- Assign more actionable, less technical leads to the Sales Manager
- Assign high priority leads - high profile existing clients and otherwise exceptional leads - to the President (Mr. Storm)
 - When assigning leads to ESS, assign the client to a root company before forwarding the lead - see the Mkt/Nurturing section on the following page for details on assigning leads to ESS

It's also about communicating the goals, processes, and metrics to the **whole** team...

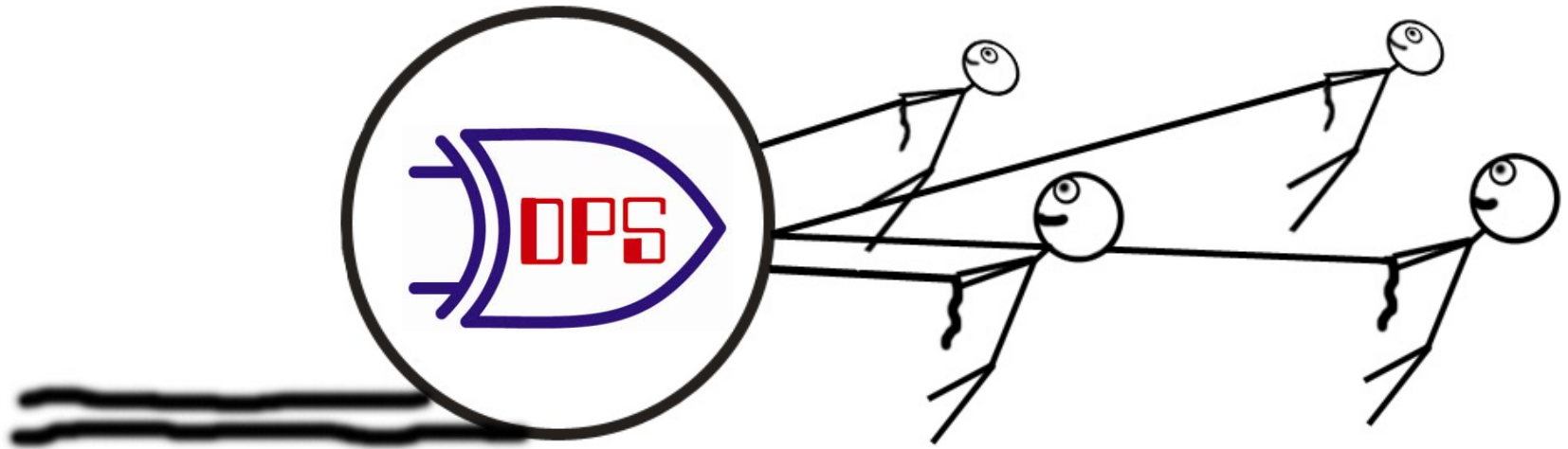


Without a Strategic Plan...



Everyone pulls in their own direction

With a Strategic Plan...



Everyone pulls together and the team gets results!

What's going on here?

Now let's try it with the sound on...

An Organization Must Develop Metrics & Scorecards

Critical Success Factors	Target	Status
Business Benefit	- Customer Care costs reduced by 15% - Market share increase by 5%	●
Financials	- Program budget tracking at or under 100% of planned	●
Schedule	- Milestone 1 = week 3 - Milestone 2 = week 28 - Milestone 3 = week 48	●
Technology	- Target patents on track - Key technology partners in place	●
Customer	- Product scores 4/5 with target consumer segment - Customer care scores 4/5 with target consumer segment	●

- Predict changes in the marketplace
- Recognize changes in technology
- React to economic stress
- To protect against internal problems

*The sooner you know,
the sooner you can fix it*

Look What 5 Seconds Can Do...

Be Agile & Responsive



- If you get it right, AND...
- If your market loves you, AND...
- If you can beat the competitors...

You can run off with a large market before the big guys even know you exist.

You Don't Have to Be Big...

You Don't Have to Be Big...

- Entrepreneurs are nimble and can create **advantages and efficiencies** where large corporations **cannot**.



It's hard work, but...



One Kick-Ass Ride

The Entrepreneurship Poll

- Who here wants to be...
 - An Entrepreneur?
 - A small business operator?
 - Department VP of a larger company?
 - Who wants to Get Rich Quick?

Entrepreneurial Myths

- ??People lump men all together

Risk Takers

- Stack the deck first

Life Long Learner

- There is no harder job in the world
- There is no more rewarding job in the world

People who Start Businesses

- Blow their life savings – restaurant/art gallery
- Trade Foundations for Expediency – Ruin is never far behind
- Give up on glory/become a shopkeeper
 - They own a job, often without benefits
- Become an “Entrepreneur in training”
- Experienced Entrepreneurs/Serial Entrepreneurs are rare.

Entrepreneurial Timeline

Venture Capital – Roughly how it works

- Filter
- Due Diligence
- Portfolio
- Concentration
- Reward maximization
- Chart?

Types of Startup

- Self Funded/Sweat Equity
 - Practice (job)/offshoot – “Midnight Engineering”
- Host/Parasite – “My favorite”
- Angel Funding – Dangerous on many levels
- Venture Capital / “Vulture Capital”

The Inc 500 Curse

- To grow fast enough to make the list
- Fresno
 - Demarvelous Plumbing
 - Serpt USA
 - DPS – Crisis within 18 months

The Mental Game

- Stress/full time learning
- At different times of every day, you will wear a different “hat”

Beware the “Starbucks Guy”

- He will try to welcome you back to the herd

Glory Goes to the Maverick

- The Maverick gets the press
 - The Team makes it happen



Learning and the Weaponization of Knowledge

- Learn how others create advantage/results/success
- Ask probing questions
 - How did they _____ things?
 - How do you know that makes a difference?

Don't Fight Learning

- Absorb all you can
- Put yourself in the world of those who've done it before
- Feel the success
- See how it worked
- “Get” the **Why** and the **How**

Weaponizing your Knowledge

- Translate what you learn into your world struggle
- Apply the knowledge
- **THINK!**
 - This is how you weaponize your knowledge

Start on the Shoulders of Giants

- Absorb what knowledge you can
- Don't attempt to reinvent the wheel

Sustainable Competitive Advantage

- “Effective coordination of things that are hard”
- If it were easy, anybody would do it.
- Each department in your business will challenge you; putting the departments together successfully will grant you a **Sustainable Competitive Advantage**

Burn Out

Who Makes More Money?

- The guy with the best mouse trap – quietly peddling his wares on the edge of town?



Or

- The Guy with an “okay” mouse trap screaming from a stand in the middle of town where people shop for food?



You Cannot Win if You Do Not Know The Game

- Getting hired at my last job
- Become valuable then get some
- Remember the “Share holder” must get a return.

Continuous Development

- The IBM PC 4 MHz 8bit 64K 80x25 text monitor
- The one who invest in new products, skills, and time to market wins
- Don't stop learning because you got your diploma or specialize in too tight a niche.
- Lack of how employee and client make money and you minimize your contribution.



Ethics- Karma Is A Bitch

- Few start out to rip off.
- Expediency is the temptation.
 - Cut a few corners no one will notice
- Before you know it you are so far off the path that you can't get back.

Technology

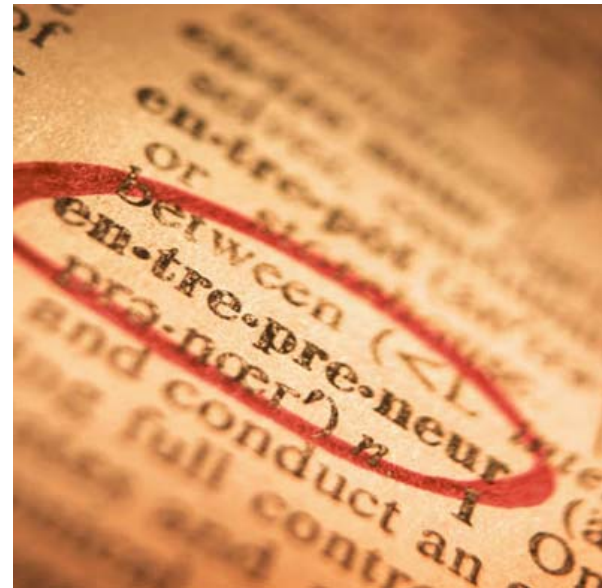
- Design around the edges- Make sure you understand where things fail- it usually turns out the middle takes care of its self.
- Design the middle and handle edges as an exception- you will be debugging forever.

May You Live In Interesting Times

- Change and chaos create opportunity.

Definition of an Entrepreneur

- **Makes money through risk and initiative. Organizes, manages and assumes the risk of a business or enterprise.**
 - Social:
 - Serial:
 - Life Style:
 - World Domination:



Video: Korean Screaming

Video: Star Trek Evasive

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Video: Running with Squirrels

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