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One of the major challenges is often finding the people to represent a 'fundable' team. This article examines the People and Techniques elements of Rapid Venturing™, using examples to illustrate the success of this approach. It is the use of these techniques and some of the advances in modern employment trends and management techniques that support the practices of Rapid Venturing™.

The techniques of Rapid Venturing™ involve a practical combination used to build a venture quickly. Many of these techniques have been derived from the turnaround sector, so a lot can be achieved with little investment! The other big influence on the evolution of these techniques was the advent of the dotcom's rise and fall and the knowledge acquired from it.

A quick guide to Rapid Venturing

by Dermot Hill

People

The UK arguably leads Europe in the evolution of a huge and flexible resource contained within the Interim Management sector. Estimates put the size of this resource at between 10,000 to 15,000 senior executives, covering virtually all sectors and functions. What is remarkable about this sector is the service – it normally takes within 14 days from the initial call to the appointment and tasking of a senior executive to a challenging role. Irrespective of the challenge (turnaround, venture launch, merger) the choice of the right individual is both extensive and varied. Interim management is perhaps one of the UK's best kept business secrets and possibly one of the greatest advances in realising the benefits from Rapid Venturing™.

Examples - building and opening 15 shops in 15 weeks whilst surveying an additional 40 sites; taking out 20% of the cost in the purchasing of raw produce and packaging for ready made meals; building a marketing programme to launch a new business amalgamating 15,000 separate ventures under one new brand; taking a new venture in the mobile sector and steering it towards investment, with appropriately produced presentation and deliverables; introducing the experience needed on a just in time basis to win a £10m contract in the Retail Banking Sector; setting up a European Association from clean sheet to launch within 6 weeks. These examples serve to illustrate just how rich this sector is in senior executive talent.

Interim managers and directors offer a safe pair of hands and are selected because of the relevant experience they have had in the skill area required. Projects normally run for between 3 – 12 months. Flexible packages can be developed to remunerate these entrepreneurs.

Techniques

The techniques associated with forming and building a new venture involves

'bootstrapping' techniques. Pulling a venture up by the bootstraps (synonymous with starting a computer for those technically minded) involves little investment, but requires many and varied aspects to be addressed concurrently.

Rapid Venturing™ techniques in the right hands (normally those with a track record) deliver increased shareholder value; the prerequisite for this is a product or service which has a sustainable future. This fundamental position provides a point of inspiration for all involved.

Building relationships with suppliers is an important part of the technique involved; focusing on reasonable terms reflected in written agreements is essential to avoiding any misunderstandings. Exclusives for a period of time, or within a region or product set, are also worth pursuing.

Example - one relatively recent turnaround involved negotiating an exclusive UK distribution agreement for the sale of a CD Rom. Linked to this was a realistic supplier payment profile from the cash collected from credit card sales. This meant that the warehouse was very rarely out of stock and all bills were paid on time. At the outset this organisation had to sustain itself for 4 months from the internet auction of the bin ends of stock, while the product was being developed.

Marketing with minimal funds is an important technique which can yield sizeable returns. Suppliers can also be a valuable source of funds for joint marketing.

Example - A national advertising campaign at Motorway service stations costing £20,000 was shared with the supplier on a 50/50 basis. This shared exposure mitigated the risk of the initial campaign and each month £60,000 of sales rolled in.

Customer acquisition, considered within the context of marketing to reduce customer churn yields some spectacular results very quickly; this becomes even more relevant when customers order regularly.

Good IT systems which are constantly updated yield information essential to good decision making, answering such question as: Which marketing campaign is yielding well and from this where next to invest? Most successful sales person and how best to recognise this performance? Most profitable line of business and how best to extend the portfolio of similar products? Most rapidly growing line of business? Most profitable customers and why? Life time value of each customer and why?

Example - In the case of the Motorway service station campaign mentioned earlier it was possible to predict, plus or

Using financial information to derive the most appropriate management ratios is an important part of establishing and maintaining control. An experienced executive will identify the most critical ratios. Above all, tight cash management is essential, particularly when external investors are involved. The bank and investors must be kept informed of progress as well as any issues as they occur. The sheer process of keeping in touch is enough to keep people's emotions and inquisitiveness on an even keel.

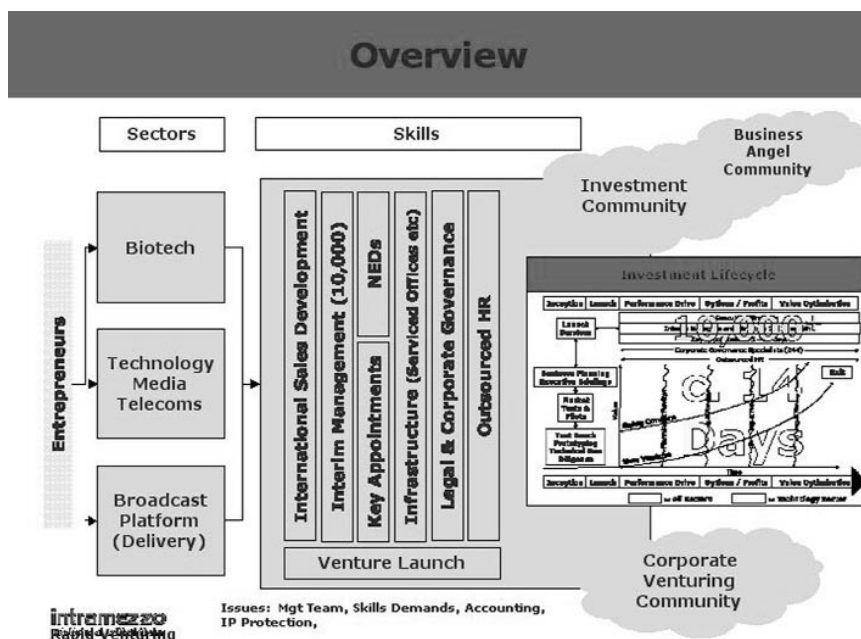
The soft skills found in a good business are most honed in experienced executives, responsible for the performance of the venture. Inexperienced executives may inadvertently drive the business between success and crisis prescribing a 'saw tooth' path. Experienced executives will move the business from

sponsoring the 'sales person of the month' award.

The big strategic counters or building blocks that work hard for a venture include: joint ventures, developing other channels to market; outsourcing fundamental and repetitive tasks, possibly paying for usage (which is normally related to sales volumes). Corporate Venturing involving large multinational companies and the introduction of 'Smart Money' can also be a major strategic gain. In this instance there can be a big gain from two companies working together and normally the larger investing in the smaller. It is now even possible to outsource the early stages of product development to specialists who do this time and time again. (Please refer to the diagram provided.)

Results and task focused organisations gain good traction towards their ultimate goals. These are the organisations which are already practicing the techniques associated with Rapid Venturing™ they enjoy improved results and quicker returns from their efforts. By combining the people, resources and the progressive techniques of Rapid Venturing™ that come naturally with experience and an organisation's vision can become reality faster that would otherwise have been possible.

Dermot Hill is CEO of Intramezzo a 'Market Maker' active in the field of deploying senior executives into interim management roles. He has a strong entrepreneurial background purchasing a turnaround dotcom which was already trading on the internet for £9,000 in mid 1997. At the end of two years came the first offer to buy this organisation for £2.4m, 4 months later a valuation of £12.4m was achieved. Intramezzo draws on a talent pool of over 10,000 senior executives in the UK placing Interim Managers and Directors, Non Executive Directors, Key Senior Appointments on either a full time or consultancy basis. The company has just launched its own Rapid Venturing™ service which extends to a test-bench and prototyping service, as well as providing senior executives who relate to the challenges of Rapid Venturing™. Clients include companies at virtually all stages of development. Key clients include: Unilever, BT, HP, Misys and Eurostar. Contact: dhill@intramezzo.co.uk or on 020 7520 9290 or 07866 479636.



minus £3k, the sales for the month in which the campaigns ran. The yield from previous campaigns made this possible. This also has a beneficial effect on cash flow planning.

Control through the use of good systems and effective IT is essential in order to acquire information about finances, customers, suppliers, competitors. The use of the internet and email as a research tool can also provide some valuable insights.

milestone to milestone in the straightest possible line with very different and very positive effects.

Keeping people informed internally about performance, and making the stars of the organisation and individual performances visible for all to see, is an important part of the communication process. Rewarding performance can range from commission to share options and is an important part of this process. For example a supplier