Entrepreneurship – a road less traveled. A road fraught with risk, challenge, potential failure. A road requiring commitment, vision and perhaps most importantly, resilience.

Entrepreneurship – also a road characterized by paradox. At any stage of the journey, there are often two truths that exist side-by-side, but which appear to contradict one another.

This paper is Part One of Two, a brief survey of 10 paradoxes that characterize entrepreneurship. It’s an exploration of how paradox makes this particular “road less traveled” difficult to navigate but exhilarating, challenging and fulfilling at the same time. The nature of paradox demands the best from us. Our best creative thinking. Our best effort. And paradox dispels the notion of “one right answer” and “the best way to do things.”

Fellow entrepreneurs, if you can embrace paradox and press into it, you just might experience the success and satisfaction you seek.
PARADOX ONE: ENVISION A FUTURE THAT IS BLAZINGLY BRIGHT <> DON’T PREASURE ON THE FUTURE

Most entrepreneurs are very serious about their mission, their particular reason for being in business. Most entrepreneurs are also able to articulate and envision a specific, successful picture of the future – the hopeful result of executing on their mission. Having a compelling, expansive and adaptive vision is a key ingredient in setting the frame for where the company is going and inspiring the team to stretch themselves in its pursuit.

But at the same time it is vitally important, particularly for entrepreneurial leaders, to not presume on the future. To not become so enamored with a vision (and your sales pitch of it to others) that you lose focus on the day-to-day tasks at hand. While it is necessary to dream big, it is perhaps more important to sweat the small stuff. While a blazing bright vision is necessary to inspire employees and on-board investors, know that matters mundane are what will ultimately build the successful future.

PARADOX TWO: BUILD A FUNDAMENTALLY STRONG FOUNDATION <> TAKE APPROPRIATE RISKS

Most leaders know that it’s important to build a solid foundation for the company. You need to assemble the right team members, put proper systems in place, make sure the company is responding to the voice of the customer, all while ensuring that rock solid, quality products and services are delivered to the marketplace. These are all essential for success. But in business, it is also necessary to take appropriate risks which will set the company apart. Consider coloring outside the lines, because large advances in a company’s evolution are often the result of such risk taking.

An example from our own company’s history is a case in point. When Serra Ventures launched ten years ago, it was a boutique consulting shop focused on providing guidance in the disciplines of business development, strategic planning and capital formation to high tech startups. Indeed, this set of services reflected the skillset of the two founding partners. Business was good, and we were successfully helping our clients to build effective companies. But the market was consistently telling us that there was an opportunity at hand, should we choose to risk it. There was an obvious “funding gap” for early stage companies here in the Midwest. By launching our first micro venture fund, we were taking a bit of a leap. Ten years later, we’re managing three funds, approximately $70 million in assets, and have invested in over 70 companies. We’ve transformed our company into a venture firm that certainly still provides consulting – but primarily in the context of our portfolio. Taking that risk has made all the difference in who we are today and where we’re headed for the next ten years.

PARADOX THREE: CONTINUOUSLY INNOVATE <> JUST GET SOMETHING INTO THE MARKET THAT WORKS

Entrepreneurial organizations are known for innovating and bringing disruptive solutions to the market that meet needs of customers in a unique way. In order to stay ahead of the competitive curve, high tech startups often form around the very concept of pushing the envelope of product innovation. And that’s to be expected. In our venture business, we see a never-ending number of pitches from awesomely innovative companies.

But all the same, over-innovating or over-developing a product can be fatal. We’ve seen this flaw with startups that are engineering-centric or “tech heavy”, boasting a highly talented team that is driving toward the perfect product. And while we appreciate this sentiment, there is danger lurking if a company cannot “just get something into the market that works.”

Call it a minimum viable product if you wish. Or perhaps a fundamentally sound product without the bells and whistles. Establish your market position by serving up a highly functioning, solidly performing product that meets the needs of a distinct group of customers. And from that position of strength, continuously innovate and improve.
PARADOX FOUR: CONCEIVE AND DILIGENTLY PREPARE YOUR STRATEGIC PLAN <> BE OPEN TO THE SPONTANEOUS OPPORTUNITY

The nucleus of Serra’s original consultancy model consisted of carefully executed strategic planning sessions, where we enjoyed multiple interactive sessions with client teams to evaluate the market, conduct SWOT analyses, identify key issues and the like. And the end result of these sessions was a very solid, actionable plan to guide the company over the ensuing six to 12 months. Yes, strategic planning is important. Assembling a specific set of objectives, strategies and action steps, with agreed-upon time frames and assignment of responsibilities is key.

At the same time, the plan must not be so rigidly conceived and executed that the team ignores spontaneous opportunities that present themselves. Might the serendipitous or spontaneous be a new avenue for the company to explore? Might not these opportunities augment or parallel the path you’re already on in some way? Or provide just the right catalyst for the company’s existing products and services?

iCyt Mission Technology is one such case in point. Serra Ventures’ CEO Tim Hoerr was co-founder of iCyt, a company formed in the early 2000s to develop high speed, biological cell sorting instruments. A well-developed strategic plan was in place from the outset of the company. But along came an unexpected and certainly unplanned opportunity to partner with Coherent Laser on a small footprint, solid state laser system that could be retrofitted to in-field cell analyzers and cell sorters. While at first the Coherent partnership seemed to be a potential distraction from the company’s core mission, the iCyt team embraced the idea as a potential way to build awareness in what was a fairly crowded industry with formidable competitors. Indeed, over a few years’ time, iCyt became well known for its Lyt laser system based on Coherent’s technology. The reliable and highly functioning Lyt laser system paved the way for iCyt’s sophisticated cell sorting system, the Reflection, introduced years later to great success in the marketplace. The Lyt laser pointed the way to and legitimized the Reflection and similar such cytometry product offerings ultimately leading to the acquisition of the company by Sony.

PARADOX FIVE: COMMIT TO EXCELLENCE <> STOP. REST. WAIT. RENEW.

The best tech startups are committed to excellence in everything they do. Systems. Processes. People. Product offerings. You name it, excellence is insisted upon. Yet some of what passes for “excellence” in the entrepreneurial world is an overly zealous commitment to work. Overwork, in fact.

For entrepreneurial leaders, too much work leads to too much stress. Exhaustion and burn-out aren’t far behind. Such overwork leads to a host of bad things. A decrease in personal effectiveness for one. A failure of one’s relationships for another. And a dysfunctional work environment.

The Serra team has observed that our most successful executives find time to rest and renew. They are absolutely committed to excellence. Yay. But just as committed to being refreshed. This paradox, if properly managed, will enable you to work smarter and be more effective. In the resting, stopping, waiting and renewing, you will be enlarged and equipped to keep on keeping on. Counter intuitive? Perhaps. Refreshingly powerful and effective. Absolutely.

Stay tuned for the next segment of entrepreneurial paradoxes!