

# Success Factors in Technology Entrepreneurship Strategy Consulting

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**Abstract**—Communication and relationship management are key in the field of technology entrepreneurship consulting. This article aims to highlight many important techniques and factors to achieving success in technology entrepreneurship consulting.

**Index Terms**— Technology Entrepreneurship Consultant (TEC)

## I. INTRODUCTION

Today's high velocity global business eco-system is faced with several hidden risks [1]. Thus, success in technology entrepreneurship consulting (TEC) depends on many issues including effective communications, understanding client's problems, and honest advices because the essence of entrepreneurship consulting is developing strategic plan and advising their customer and addressing their needs.

TECs should provide their clients an objective view in diagnosing, analyzing, and resolving start-up business related technology problems. Technology management experts take on roles as entrepreneurship consultants in various ways. They may join companies that provide entrepreneurship-consulting services to start-up companies. A technology management professional performs a great variety of tasks ranging from generating new ideas to design and strategic planning supports.

Although there is a great volume of research literature containing materials helpful to entrepreneurship developments, little attention has been paid to the fact that successful activities involved in technology entrepreneurship consulting that relies on effective communication [2,3]. This article highlights some of the effective communications skills required for success in two aspects of technology entrepreneurship consulting:

1. Communicating with Your Customer
2. Managing Your Relationship with the Customer

## II. ENTREPRENEURSHIP CONSULTANTS

Entrepreneurship is the process of starting a business venture. An entrepreneur perceives an opportunity and acts upon it by making a strategic decision and taking risks in exploiting the opportunity [4]. According to

Schumpeter [4], an entrepreneur is willing to take actions to exploit an opportunity and transform an invention into a successful innovation. Entrepreneurship employs what Schumpeter called creative destruction to replace in whole or in part inferior offerings across markets and industries, simultaneously creating new products and new business models. Thus, creative destruction is largely responsible for long-term economic growth [5].

The key elements in the exploring an entrepreneurial activity are having a will to exploit the perceived opportunity and acting upon it [6]. Because, having a will without an action to implement it may not result in attaining the desired outcome.

Furthermore, any meaningful exploitation of an entrepreneurial opportunity requires the identification of desired objective along with its measurable targets and the development of a high-level strategy (we call it strategy architecture).

This means that to create the most value entrepreneurs need to think and act strategically. This involves, looking forward and reasoning backward to figure out how to fill the gap between the presents situation and the desired future. This requires an integration of entrepreneurial strategy with systemic approach. That is, putting the entrepreneurial strategy in the context of its larger environments, building its organizational structure, processes, and identifying its functional objectives. This results in exploring entrepreneurship strategy in organizational domains that include team building, external networks and alliances, resources and organizational learning.

**Building team, external networks and alliances:** Entrepreneurship is based on team building, organizing, motivating and creating robust networks of experts, investors, and marketers. However, to attract and create alliances with diverse groups of people require effective communications skills. Therefore, one of a critical qualification of successful consultants is to assist their clients in formulating business strategy to communicate, motivate and attract investors, and other key figures needed to build a new business enterprise. Therefore, entrepreneurship consultants should have effective communication skills to listen and adapt their feedbacks.

However, entrepreneurship consultants can adapt and evolve only when they are listening to their clients and adapting their feedbacks. For example, if a client questions its consultant's actions, a successful consultant

listens carefully and adapts to her/his client's feedback. This is important because, entrepreneurs adapt to their environments and evolve with them. Therefore, their consultants should also be adaptive to clients' evolving ecosystems. This is necessary because consultants should evolve along with their client's demands and strategic situation.

### III. COMMUNICATING WITH YOUR CUSTOMER

As a technology entrepreneurship consultant you must play a proactive role in establishing effective communications with your customers. You will need to avoid potential problems, and frustrations that can result in failure. The recommendation throughout this article is that knowing your audiences and listeners is extremely important for technology entrepreneurship consultants. Know your customers to the extent that you can anticipate their concerns and be responsive and sensitive to their needs and expectations. This approach can only be achieved through effective communications.

As a technology entrepreneurship consultant, your main goal is to provide services that guarantee customer satisfaction throughout the lifecycle of the engagement and interactions with the customer. The extent of that satisfaction is often contingent on the customer's expectations about your role and contributions as a technology entrepreneurship consultant. A major benefit of effective communications in any types of consulting is to ensure that expectations are clear, so you can minimize an outcome in which the customer is unhappy.

A growing role for a technology entrepreneurship consultant is to serve as a business and strategic planners. Start-up businesses may retain technology entrepreneurship consultants as advisors to provide additional assurance that they are effectively managing costly technology projects, such as major system conversions [7]. Because technology is used as basis of a variety of start-up business practices, technology management professionals, in consulting capacities, are being called upon in greater numbers to serve as strategic planners [8]. Significant for the communications aspects, technology strategic planners may find an audience that includes boards of directors and law enforcement. The oral and written communications must reflect the highest ethical principles to present honest and forthright representations based on auditing activities.

As a technology entrepreneurship consultant, tasks can be complicated, calling upon your judgment to make the best use of various communications skills in writing, speaking, and listening. You will want to apply these skills in ways that respect the formal contractual relationship with customers while retaining an informal style that always is telling the customer that you are a team player and will work as diligently towards the success of the job as if you were an employee.

#### A. *Creating Rapport*

Effective communication between two people can be enhanced when they have a natural rapport. Rapport is a human behavior that is usually more sub-conscious than

conscious [9]. Historically, the traditional advice for establishing rapport is to mimic the other person's behavior as you are talking. In modern customer relationship management, it just means that you should be aware of establishing some kind of similarity and synergy. In the work environment as a start-up technology business consultant, you should develop an understanding of the customer's values and expectations. Through listening and observing, learn to anticipate how the customer thinks, behaves, and communicates under different circumstances. Armed with this knowledge, you can align and synchronize your responses to customer's behaviors and communications styles. Maintain a keen awareness of a customer's words and behaviors that give you clues about their expectations. Your overall behavior, discourse, and communications styles should be always in sync with the customer environment. You should work towards developing, with your customer, some modes of communication that are effective [9].

General recommendations for establishing rapport include the following [10]:

- Look for opportunities to reinforce your working relationships with informal and congenial conversations with the customer. The informal topics should preferably lean towards your customer's areas of interest.
- During business conversations, keep trying to improve your understanding of your customer's interests, perspectives, needs, and expectations. Ask open-ended questions and listen attentively to the responses to understand customer priorities and assumptions about the assignment. This information will help you develop deliverables to satisfy your customer's expectations.
- Respect people's socio-cultural values and styles of communication. Be flexible and open. Ensure that your communications will not be perceived as disrespectful, hurtful, or insensitive. Seek opportunities to learn more about diverse cultures.
- Try to establish informal communication styles as much as possible; they will be influential in developing rapport.

#### B. *Determining Customer Needs*

Learn about your customers from multiple and diverse sources. It can save the time of customers if you can learn facts and figures from documented material rather than needing to interview them.

If you do interview staff, it can be an opportunity to win support for your project and build rapport. As you listen attentively, your respondent may give you signals about promising directions to explore in the future. Asking questions is a valuable way to show interest and build rapport. Ask specific questions that seek clarification, verification, or motivation [11]:

- Clarification – Clarifying questions are important to avoid inconsistencies. It can easily happen that you review your notes from an interview and wonder if an answer you heard was accurate. Now you are faced with either making an assumption

about the answer or contacting the person again. The former is risky because it could lead to a defective product. The latter is not attractive because asking the follow-up question will interrupt customers' activities. A compromise is to make the assumption, and also enter it into an online log of items that must be checked. This will work if you are likely to see the interviewee again soon, so you can confirm the validity of your assumptions informally.

- Verification – Ask verifying questions to confirm critical information. These questions should not be a substitute for failing to listen. Reserve verification questions when the matter is important and the consequences of getting it wrong are significant.
- Motivation – Ask motivating questions when you want to understand the underlying reasons for an answer or statement. If you record only the answers, you may later wonder why the answers appear as they do. Asking a “why?” question may yield a response that will suggest to you a way to address a core underlying need that will make your consulting engagement a success.

#### IV. MANAGING YOUR RELATIONSHIP WITH THE CUSTOMERS

The consultant-customer relationship is extremely sensitive. There are several avenues for possible misunderstanding and failure. Commonly committed mistakes by consultants are that they point out everything that is wrong and create a negative mood among managers and employees as soon as they start on a project. Some consultants believe that this way of exhibiting their skills and knowledge will prove their competency to the customer. However, in most cases, such a negative approach makes the consultant unpopular with the customer.

Look for opportunities to compliment the work of employees and show respect for them in front of their manager. However, do this sparingly and only when it is genuine. If you work together with employees in their projects and tasks to solve problems and develop solutions, be certain to share the credit with the employees. Good relationships with your customers based on professional behavior and effective communications will contribute to your being viewed, by both employees and managers, as a team player. This type of relationship will definitely build rapport, improve the level of synergy, and make your working environment healthier.

The management at the customer site expects you to work in a diligent and efficient manner based on the pre-agreed plan, schedule, and cost. Therefore, it is important to keep management updated on project progress and changes. The plan should have provided for a progress reporting process; if not, ask the relevant manager what reporting activity (including content, frequency, and style) he or she desires. Be aware if scope creep is occurring, that is, your work is leading you to topics that are beyond

the scope of the statement of work. If this is happening, inform management immediately. Your prompt action will avoid any surprises and unpleasant events. Finally, respect all confidentiality agreements and the privacy of customer information.

#### A. Anticipating and Addressing Customer Concerns

Your familiarity with the customer organization and its associated technologies, products, and services can be very influential in your ability to anticipate customer concerns.

All technology entrepreneurship consultants must look at issues from the customer's perspective and strive to take on the value propositions of the customer as a way to help you detect where they will see value and benefit in your work products. Develop and present solutions based on your customer's requirements, expectations, standards, and terminology. Ideally you should know what your customers want, when they want it, where they want it, and (if appropriate) at what price. This understanding will help you to anticipate the concerns of the customer and to prepare effective responses to them. You must maintain vigilance that by anticipating concerns, you are not contributing to scope creep. One source of dissatisfaction with technology consultants is that they steer projects towards technologies or subjects that interest them rather than their customer. Therefore, you should communicate with your customers to ensure that any work you do is consistent with their expectations and interests.

To better understand a customer's expectations from a technology entrepreneurship consultant, you should understand the interests of different groups within customer's organization. These interests can be often contradictory. To clarify this idea a model called Hurdle [12] can be helpful.

##### 1) Skills in idea generation phase

The ability to create new ideas and articulate and communicate them effectively is demanded from a technology entrepreneurship consultant in idea generating environments. Communications skills are highly value-adding in environments where a new idea is under consideration. Skillful technology entrepreneurship consultants should be able to do the following:

1. Offering new ideas. Customers' organizations expect their technology entrepreneurship consultants to be creative and to offer fresh ideas based on potential opportunities and technology trends. Effective communication of the new idea may include its anticipated costs, benefits, and risks.
2. Justifying proposed ideas. Technology entrepreneurship consultants must be able to provide rationale and reasons to justify their ideas. These justification activities are enhanced by effective oral and written communication skills.
3. Providing external insights and views about customer's ideas. Customers usually appreciate that an external technology entrepreneurship consultant may be in a good position to provide analyses and insights about the ideas

## 2) Skills in idea execution phase

Turning a selected idea into a product requires specific knowledge about various information technologies, products, applications, and product design and development processes. It also requires knowledge of product usability, maintainability, styling, and marketing. A technology entrepreneurship consultant should be able to use the customer's product terminology and standards to develop, write, and present all product development information required by the customer.

## 3) Skills throughout the Idea-to-Product process

Effective daily written and oral communications are the most visible and most important parts of the technology entrepreneurship consultant's activities during the idea-to-product process. These skills may be used to manage the process or to report on individual and team contributions.

## B. Customers' Issues and Their Resolution

In your role as a skillful technology entrepreneurship consultant, you should take the initiative and participate proactively in resolving customer issues. In fact, your position as external to the customer organization may provide you an ideal perspective to see things differently than those who are insiders.

Always practice active listening. If customers are having trouble communicating their problems clearly, you can contribute by posing just the right question to get a clearer picture of the issues. Sometimes customers do not know how to state their problems correctly, because the technological issues are not well understood [13]. In these cases, you can contribute by gently educating the customer about the relevant information technologies to provide a common baseline for discussion of the problem and possible solutions.

The following recommendations provide a guideline for managing and resolving customers' issues [14]:

1. Resolving Issues as Soon as Possible: An issue is an urgent concern that could threaten the success of the project. Issues require immediate attention. Often an issue has unknown elements, which is why it resists being addressed completely.
2. Dealing with Large or Multiple Issues: Keep the definition of issue. Is it truly an urgent concern that threatens success unless it not resolved right away? Or is it less than urgent, and simply requires attention at some point in the future. If it really is an issue that is difficult to resolve quickly, consider breaking it down into manageable pieces. If you encounter a barrage of issues in a short period of time, consider whether they may be related, so there is essentially a single underlying issue.
3. Resolving Issues at the Root Cause: When you look into an issue, ask a series of "why" questions until you get to its root cause. By continued probing, you may reach a root cause of a problem. Always try to resolve an issue at its root-cause level, not just by treating its symptoms.

## V. CROSS-CULTURAL COMMUNICATIONS

In today's global business, consultants should be

sensitive to and skilled in cross culture communications. For example, information and communications technologies (ICT) outsourcing to India, and China has become a modus operandi of most businesses. Countries like China and India, offer highly skilled technology professional and lower wages. As a result, many U.S. corporations are outsourcing their IT works and back-office operations to Asian countries.

As our business-world becomes a smaller place, global companies demand that their employees and consultants understanding other nations communication culture. They are required to understand their own frames of reference and those who of people from other countries [15]. Additionally, they need to understand the primary communications and cultural requirements of their teammates from other cultures. It is a mistake to assume that people from different cultures, communicate and act in the same way [16]. Ignorance of cultural and communications differences could have adverse impacts in their businesses.

Therefore successful consultants must understand to work with global diversity. To do so they must learn five key competencies [17]:

1. *Communicative competencies*: communications across the differences
2. *Value differences*: understanding differences is value systems
3. *Cognitive competencies*: acknowledging stereotypes
4. *Cultural awareness*: understanding the differences
5. Gaining synergy and collaborations from difference

The need to understand these differences is made clear by the fact the meanings of critical words and actions may differ across cultures, which must be taken into account when designing entrepreneurship strategies for companies with foreign businesses [18]. In the United States, we typically have a "get down to business" attitude, but this will run counter to Asian practices [3, 19]). For example when dining in Pacific Rim countries, U.S. businesspeople should not help themselves, but wait until the food is offered. Spouses should not be included unless specially invited. And gifts should be carefully selected.

## VI. CONCLUSION

This article examined the roles of consultants in supporting entrepreneurs to formulate strategies to embark new ventures. It discussed that successful entrepreneurship is based on team building, motivating and organizing networks of experts, investors, and marketers. Therefore, effective communication is the key success factor in motivating and attracting groups of with people cultural and communication requirements. Thus, successful entrepreneurship consultants need effective communication and listening skills in order to support their clients in developing entrepreneurship strategy to motivate, build networks of diverse groups of people,

attract investors, and other key figures needed to build a new business enterprise.

In summary, meeting your objectives as a technology entrepreneurship consultant can be greatly enhanced through effective communication skills of:

- Sharing knowledge and skills with the customer staff members as appropriate.
- Managing constructive working relationships with customer staff members.
- Keeping customer management informed of progress and status.
- Respecting the privacy and confidentiality of customer information.
- Helping customers by anticipating their needs and helping them to resolve issues.

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