

column

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Paul Allen started Infobases, MyFamily.com, and 10x Marketing. He currently runs business incubator Provo Labs. He has taught at UVSC and BYU and he blogs at www.infobaseventures.com/blog.

expanding your reality map

I attended elementary school, junior high and high school in Orem, Utah. My world was tiny back then. Because of my limited exposure to the rest of the world, my reality map was so narrow that I didn't understand how someone in high school could one day get a job, buy a car and go and do whatever they wanted.

At 17, I started college at BYU. To me, back then, BYU was the only university in my world. After graduating I took a job with Folio, my oldest brother Curt's local software company. My world was still small, but his wasn't.

Curt was an avid reader and computer industry maven. He attended trade shows and industry conferences and I helped him keep track of news that mattered. He met people like Bill Gates and Esther Dyson. He even sat in a hot tub once with Mitch Kapor, the founder of Lotus. I was in awe of my brother. His world was gigantic.

At Folio, my reality map started expanding rapidly. After I went into business with a friend it expanded even faster.

As CEO of a CD ROM publishing company, I had to learn about product development and manufacturing, sales and marketing, and really fun things like accounting and legal stuff. I started keeping track of competitors and publishers and retailers so I could build a successful company.

And then the World Wide Web came on the scene. I got a high-speed satellite Internet connection in 1995 and started doing hours of research almost every day. My map of reality exploded as I started monitoring in great detail Internet companies, venture capital and publicly traded businesses. As my map of reality improved, my ability to predict the future and determine a reasonable strategy for my company increased.

Sometimes I meet entrepreneurs that read like crazy, travel a lot and seem to know everyone in their space. It is easy to have confidence in them because their reality map is so accurate.

Take Josh Coates for example. He moved here from Silicon Valley about

a year ago and started Berkeley Data Systems. His mozy.com site offers a service that provides free online backup for PCs all over the world. Josh is an engineer turned entrepreneur who knows the massive storage industry cold. He also has vast numbers of contacts in the VC industry. After a few months in Utah he seemed to know all the right people. He knows his space and how he and his company fit in. His reality map is extensive and accurate.

But 99 percent of entrepreneurs that I meet have a very limited reality map that reminds me of mine when I grew up in Orem. I think this is why the vast majority of entrepreneurs with business plans will never get funding. They don't see a big enough picture to really know who their competitors are and who their best customers and partners will be. And so they can't exude Josh Coates-like confidence and passion, unless they fake it. And then their entrepreneurial careers will be short lived.

How good is your reality map? Are you keeping up with the rapidly changing tech world? How much time do you spend working on your map?

In the last few weeks I've had to seriously update my own business reality map, particularly with reference to 1) media convergence, 2) global business and 3) Web 2.0.

Media

The video iPod has awakened huge media companies with the opportunity of selling all their past TV broadcasts and movies online. Also, Intel recently announced the new living room-based Viiv PC with more than 100 manufacturers. AOL Time Warner is set to deliver 14,000 episodes from 300 TV series to Intel Viiv PCs, along with more than 1 million songs.

Global Business

In the last two years I've read books such as "India Unbound," "China, Inc.," "The World is Flat" and now "The Only Sustainable Edge" (highly recommended).

But I've only recently realized that I have virtually no personal experience with global business or outsourcing in India, China, or the Philippines — a personal limitation that I'm highly motivated to address. I've heard Silicon Valley VCs say they won't fund anyone without a China strategy (either outsourcing or selling there). So why should I?

Web 2.0

My Provo Labs COO Phil Burns is incredible. He out works me, out networks me, and out dreams me. He makes me feel like I'm an immigrant and not a native in Web 2.0.

Every week he and our engineering staff play with new Web services APIs that allow them to do mash ups very quickly.

He is an RSS-reading, podcast-aggregating, open source-monitoring, geek dinner-holding maniac who is pushing us to be a big player in vidcasting.

If some (or all) of this vocabulary is new to you, then you're not a Web 2.0 native either.

Conclusion

For most high-tech employees, there is nothing wrong with having a very limited business reality map. Accuracy and depth can be more important than breadth.

But if you want to be a CEO or entrepreneur, you need to have a broad and deep business reality map. If you don't, you can't do your job. You can't fake it very long in this hypercompetitive global economy.

You probably need to spend time and make connections in places like Silicon Valley, Seattle, New York, China and India (or at least read key blogs from all of these global business hot spots) in order to keep your reality map current.

You probably need to attend or send key people to events like Esther Dyson's PC Forum, Tony Perkin's AlwaysOn conference or other events specific to your industry. Or you will quickly get stale and miss key opportunities.

Because the world is getting fiercely competitive and is changing so quickly, success requires a better and more up-to-date reality map than ever before. ■

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