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Guest Column

RoseRyan Roadmap Series Article 1 of 4: **A ROADMAP FOR GROWTH: RIGHT RESOURCES, RIGHT SYSTEMS, RIGHT TIME**

BayBio, in its efforts to provide its members with the necessary insight to build a stable company, provides this four-part series to prepare companies to meet milestones and expectations.

By Carole-Lynn Glass

There are many schools of thought on building a scalable infrastructure that supports your company at any stage. From pre-funding decisions about how to track your expenses, pay your bills and keep tabs on non-cash compensation to early contributors, to later stage decisions about staffing, legal compliance, asset tracking and (dare I say it) being ready for an IPO, there is no lack of opinions on how, when and where to spend time and money. One way to ensure your company is always ready for its next stage of growth is to develop a simple plan that connects fine business details to the big picture and serves as a guide as you build your company.

It is all too common for a company to spend too much at the wrong time, or spend too little at the right time, on staffing, processes and systems. Spending too much has its obvious cash flow pitfalls. But spending too little and not having resources and systems in place when they are truly needed, or spending precious capital reserves on the wrong resources, can be just as detrimental.

Most successful entrepreneurs and business advisors agree that, optimally, being right-sized - RIGHT RESOURCES, RIGHTS SYSTEMS, RIGHT TIME - provides the best chance of building and supporting your venture in the most cost- and time-efficient manner possible. So what is right-sizing? Simply put, right-sizing is identifying the most appropriate people, processes and systems needed for applicable finance, administration and compliance activities, and then putting them in place at the right time to ensure ***an infrastructure that won't have to be re-built as the company grows, and won't slow the company down at critical stages along the way.***

A "Common Sense" Approach

Right-size planning is a common sense approach to knowing where you are today, where you are going and what you need to get there. From a scalable infrastructure perspective, the "what you need to get there" are must-haves that are needed as you run and grow your business. By aligning your company's objectives and milestones with what you need to get there, you can more easily identify and design an infrastructure plan that provides insight into which resources and systems are most appropriate, and when you'll want them in place.

Right-size planning helps you budget more accurately for these resources, as well as making critical path decisions on trade-offs and priorities when available cash reserves dictate that you just can't do everything now. Additionally, right-size planning helps you keep track of what you've postponed from earlier stages, whether that be postponing an internal hire or implementing a process like a project tracking system, so you don't lose sight of what still needs to be addressed when cash is more readily available, or quickly implemented at a later stage to avoid being a gating issue for a critical future event that can quickly cost you a lot more than you thought possible.

Create A Visual Plan for Tracking Purposes

Right-size planning is best done in a simple graphic format so you can easily refer to it, revise it as milestones change, share it with stakeholders to ensure a clear and consistent message, and serve as the roadmap that helps you keep track of when and what you need to do, may have postponed, and may have to catch up on at a later date. At the right time, a right-size plan can be expanded to become your company's checklist for a significant event. My firm works with early and later stage clients to create a customized roadmap that provides a clear picture of what's coming and supports key business decisions. In this series of four articles, we'll share our approach to building scalable finance architecture and provide more background about it.

Right-size planning also helps keep you ahead of the curve by keeping your eye on the future. Time moves quickly, so keeping an eye on the future will give you plenty of runway to find your next great hire or negotiate software pricing before reaching a critical stage. Making a "gotta have it, yesterday" decision can be costly to fix in time, money and team focus.

In this series, we'll delve into the finance and accounting as well as the related administrative activities you'll need to be thinking about as you address each stage of your company. Once you determine your funding targets, exit strategy and know your key business milestones, a right-size plan is easy to develop. In the next article, we'll examine how to establish fundamentals and in the remaining two pieces we'll look at the right talent and systems.

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