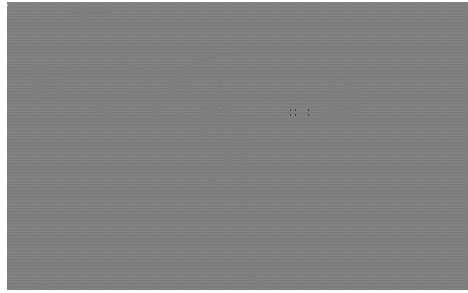


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Cocktail party savvy gives high-tech entrepreneurs an edge

By Mary Schaefer

Launching a successful high-tech business takes more than cash and a good idea. A class at the MIT Sloan School of Management teaches that knowing how to navigate a cocktail party can provide entrepreneurs with an edge in ensuring success.

The class is one sales lesson -- and a very important one -- in the Entrepreneurship Lab (E-Lab) course #15.399 offered at the MIT Sloan School for prospective entrepreneurs. The strategy session develops the social savvy to impress venture capitalists, court customers and make deals at crowded social functions. Nearly 130 MIT students take the course each semester to work on mission critical issues with successful, high-tech startups across United States and in Northern Germany.

“You stand here,” says Senior Lecturer Ken Morse, as he marks an “X” near the food on a diagram of a cocktail party layout, much like a football coach going over a game plan. The food table has a clear site line to the door to see who’s coming and going. “This is a great place to have serious conversations people remember, because their endorphin levels will be higher.”

“Success requires thorough preparation, teamwork and a clear strategy to make the most of an interaction which could only be a minute. If you are ready, and if your venture is ready,” Morse says, “a minute with the CEO of a major company can be the most valuable minute of the year.”

Morse, Managing Director of the MIT Entrepreneurship Center and six-time entrepreneur, teaches the class with fellow entrepreneur John Preston, Senior Lecturer and President and CEO of Atomic Ordered Materials, LLC. The two teach what they have been practicing for years. Preston and Morse explain a dozen ways to target prospects and garner invitations to cocktail parties, particularly at trade shows -- hot arenas for deal making where the CEOs and big names in the high-tech world briefly congregate.

Stand near the food, not the bar

“There is no better place to have a meaningful conversation with somebody than where you can also eat dinner,” Morse says. “You get a bad name real fast if you clog up the bar. People want to get their drink and move on.”

Arrive at parties early

You can peruse the name badges to see who’s coming. Offer to give the name tag to the person you want to meet or leave a note, indicating, “I’m really looking forward to meeting you this evening.” Standing outside waiting for the key person to arrive is also a good strategy.

Put yourself under the lights

Be sure people can see you. Stand under the lights. Avoid the low light areas, what Morse calls the “dark zone. It’s for losers.” However, if you’ve engaged a prospect in an enticing deal conversation, keeping him or her with their back to the door in low light can work to your advantage.

Because your startup is run on a shoe string, you can’t afford a booth, a luxury guest suite, or to host your own party. You can still stand out at a trade show, Preston and Morse say, and “never spend your own money.”

Find the bar everyone goes to after the trade show and be there

Scout the bar for the best table and invite specific people to meet you there. Sticking to his “never spend your own money” rule, Morse suggests, “Tell the waiter, ‘We are going to be meeting some really important people, and I understand they’re big tipppers.’”

Get invited to the big parties

Chances are the major speakers will be attending them, although only for a short time, usually 20 to 30 minutes before they head to dinner with their biggest customers. Once you’ve landed an invitation, you’ll be able to say to prospects, “‘Are you going to the Intel party (for example)? I’ll meet you next to the shrimp,’” Morse says. “That serves three purposes: It enhances your stature, it improves your network, and it reduces your food budget.”

Be selective about who you meet

Avoid the people who travel trade shows carrying bags and gathering literature. “People who are interested in paper, rather than people, don’t buy,” Morse says. “One significant meeting with someone who has money and power is far more important than a hundred meetings with literature collectors.”

Know your prospects; do research

Identify and target the people you want to meet at a show. The best way to do that, Morse suggests, is to “read the program cover to cover.” If you’ve got your sight on a CEO, use your alumni network to find someone who works at the company for more background. A CEO’s assistant, someone who usually travels with the person, is also a valuable source.

Talk to speakers before their speeches

The best time to get the attention of a top name speaker is *before*, not after, the speech when audience members swarm the stage. How much ahead of time do speakers arrive? Morse offers one of his laws: “Ten minutes for every thousand miles that they fly. If they’ve come a long way, they are early, already set up and they’ve got nothing to do. A perfect time to speak with them.”

Get someone to introduce you

The CEO and the moment have arrived. Teamwork comes in handy here. Have a colleague introduce you, providing several interesting notes the speaker might be interested in. For example, Morse suggests saying, “‘You should meet John Preston, he is the leading expert on this topic.’ This improves your stature, because you’re being introduced by someone else as an expert.”

Don’t march up and introduce yourself. “The last thing you want to do is accost him or her and say, ‘Hello, my name is Moose. How are you doing?’ How long do you suppose that conversation will last?” asks Morse.

Keep what you say brief and tantalizing

The E-Lab class spends time on what is known in the entrepreneurial world as the “elevator speech” -- how to sum up the value of your business idea in the time it takes to go from floor to floor on an elevator. “The reason we spend so much time on elevator speeches is because you want to keep your part of the conversation brief but tantalizing so they want to come back to you,” Preston says. Try to present yourselves in the context of their needs.

Morse offers the approach, “‘Would you be willing to speak with me for one minute if I could cut your time to market by six months and improve your bottom line by \$10 million?’ Who doesn’t have a minute? It works, but you have to look sharp and be credible.”

Focus on what people tell you, not on what you’re telling them

You’ll be most successful if you ask questions to get people talking about what’s important to them, not you. “People are much more interested in their life story than yours. So save your breath and draw them out,” Morse says. Start with “What did you like best about this conference today?” or “What was your greatest accomplishment?”

Be genuinely interested, and smile

You can't fake sincerity. The "best way to think about meetings is if you are genuinely interested. There is a lot of research that says that things go better if you smile," according to Morse.

Practicing these cocktail strategies might not always guarantee success and plush deals, Morse cautions. They can, however, increase the likelihood of your being remembered, he says, citing some research he conducted a few years ago at a two-day conference. At the opening reception, Morse "planted" five MIT Sloan students in the crowd with instructions to only ask questions, avoiding all declarative sentences.

The next day at the luncheon, Morse asked 120 people what they remembered the most at the party. "Those five Sloan students were well-remembered by everyone who attended." Morse said. Many asked how they could meet more Sloan students so they could recruit them.

"What we are talking about is influencing the probabilities," he says. Remember to smile, do your homework, practice teamwork, be sincerely interested, enjoy the shrimp, and be well prepared when you make your move.

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