

# What successful entrepreneurs share is a ruthless approach to derisking

*From Mr Larry Zentner.*

Sir, Surely Luke Johnson doesn't really think that Apple pursued a risky strategy with the launches of the iPod and iPhone? ("Malcolm Gladwell's business blindspot", February 2.) The really clever thing about Apple is not its technology or design, but its ability to derisk the innovation process. By the time a product is formally launched, its core user base is desperate to get their hands on it and their initial revenue streams are guaranteed.

What other company could have generated such feverish speculation and consumer desire that their new product was the main news story on the day it launched, as the iPad did?

Breakthrough innovations, such as BSKyB and the iPhone, are not simply the result of entrepreneurial

luck but of brilliant commercial management. I work with many of the most successfully entrepreneurial bluechips in the UK and one thing they all have in common is a ruthless approach to derisking their investments.

Innovating is risky if you burn piles of money without knowing there is a demand for your product – so don't do it! Successful entrepreneurs such as Steve Jobs have a solid sales pipeline in place long before launch. Yes, they take risks, but only at the early stages of developing their ideas, before they have made any significant investments.

**Larry Zentner,  
Director,  
Inzenka,  
London NW1, UK**