

The taipan1.com '2nd' Chance Program : Myth and Fact

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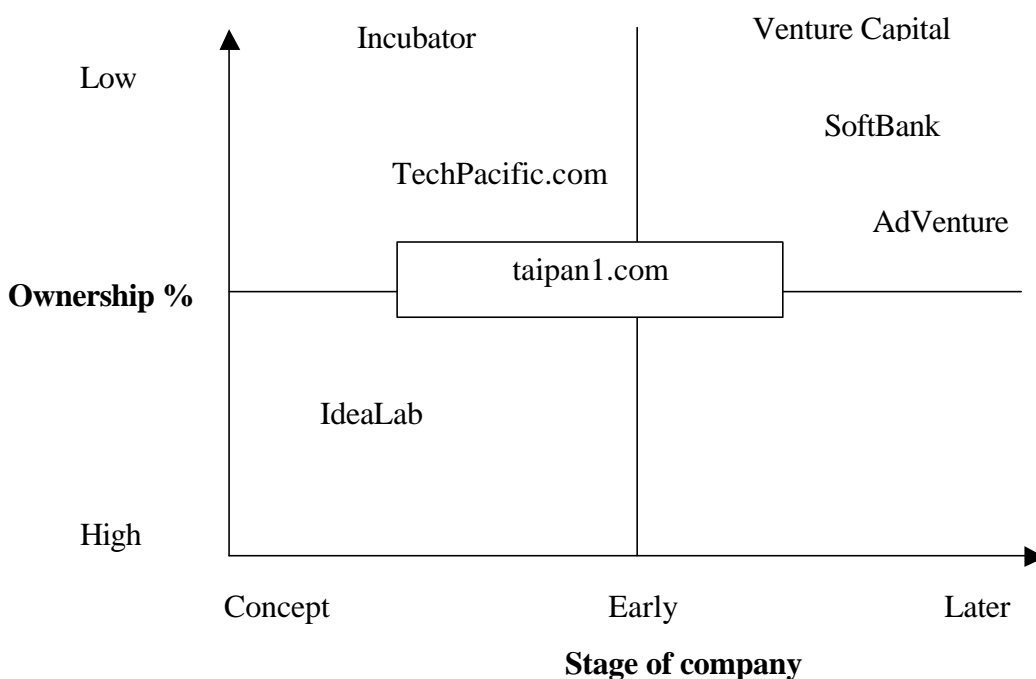
It has been very interesting to me to observe a wide variety of interpretations on our '2nd' Chance Program in local press media. My initial thought is that this is natural. The e-business and incubator concepts are quite new for Thailand. This is understandable. What puzzles me is the lack of in depth discussion on either of these concepts. Perhaps, it is due to immaturity of Thai market. Or it may be caused mainly by the different messages coming out from massive (old) media from other internetrelated companies.

Today, I hope that I shall be able to clarify some issues to you and the readers as follows :

Myth # 1 : All incubators are essentially the same.

This is definitely NOT true. Incubators and venture capitalists come in many forms and shapes. First, Some incubator(s) in Thailand or elsewhere are searching for 'good ideas' first and people later. We are not. We believe PEOPLE are the most important asset being offered on the table for us. If you have a good idea, but no potential to carry the idea into the next level, what good is it to you and me ? We will spend a lot of time do screening on people before started to listen to their ideas for any internet related star-up. That does not mean ideas are not important. But it is only one of the few key determinants for our decision making. Second, Many incubators or investment bankers would like to control or actively manage their incubatee or investment to their maximum profitability. We views differently. We think of our incubatees as our e-partner, rather than a target investment.

Table 1 : Incubators : Ownership Percentage and Stage of Firm

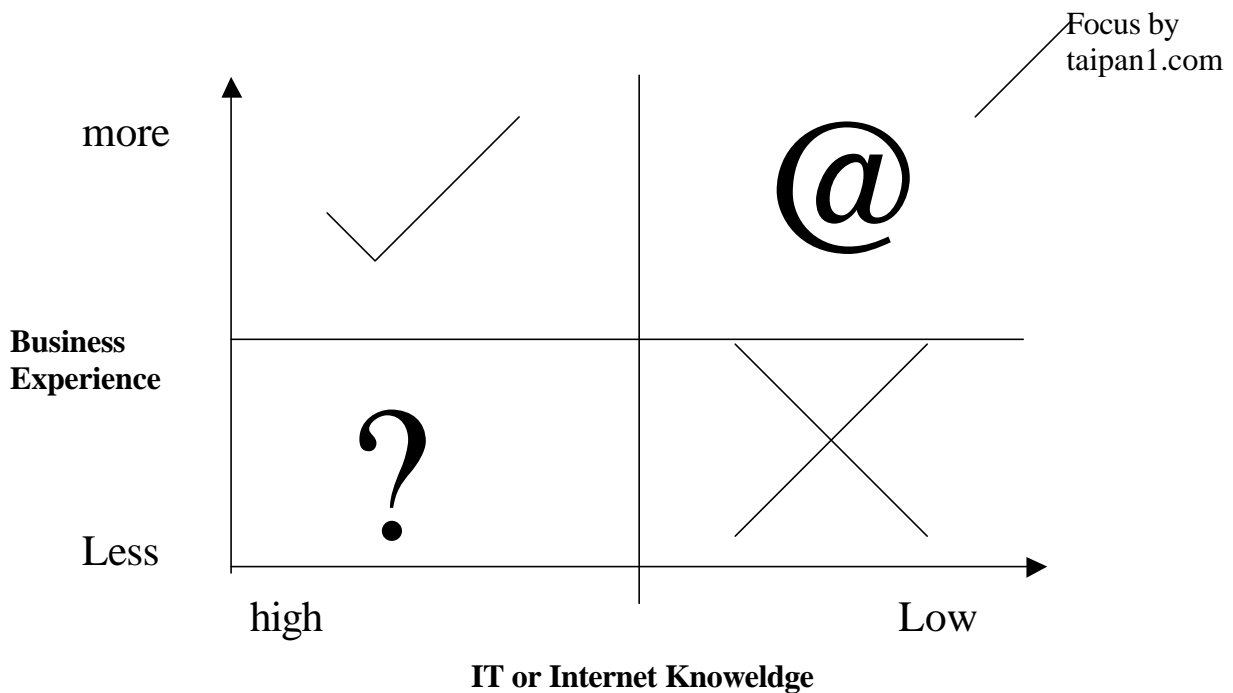


Myth # 2 : Internet related business are driven by technology.

This is certainly not entirely correct. There are at least two dimensions for the business of technology : 1) Business and 2) technology (in our case – internet related). A lot of the internet related firms are concentrated their efforts in technology research and development. This may be fine for a rich company in the advance economy like USA. But for the Thailand and many Asian, definitely, we are not leading edge technology researchers. In fact, we are fallen behind the information technology revolution. However, I think we still can compete our eBusiness concept, by not blindly taking business model straight from USA market. Our primary advantages lie on our local knowledge and attribute (e.g. in music, art, exporting, consulting, legal, manufactures, politic, etc.) in our environment. For technology, we can buy; we can rent; and we can learn. For local business professional know how, this is difficult to master. It takes a long time to learn since there is no text book for it. Hence, people with business experience and/or professional experty in the field are the key factor.

That is why our '2nd' Chance program is designed more toward experienced business persons rather than young techie.

Table 2 : A Business Matrix for '2nd' Chance Market Niche



Myth # 3 : Internet business is about quick profiteering in stock marketplace.

This may be true in the past and even now in certain extent. But we are not in this business. As a doctoral graduate in finance, I do not think any rational man should fund any e- projects which do not have a good risk and reward return profile. As a Sasin MBA graduate in international marketing, I strongly believe you can not sell anything – goods and services - which do not give value to your customer. Finally, as a background in engineering and I love to build things. Especially, the things which increases productivity and effectiveness of the society to improve social welfare as a whole in Pareto Optimum sense.




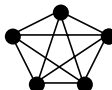

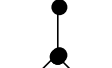


The ‘2nd’ Chance program is about People, like me, who have worked hard all our life to improve quality of their life and family members and to built a better society.

The ‘2nd’ Chance program is about People, like you, who looks for networking to share our wisdom and knowledge and to help each other, particularly during hard time.

The ‘2nd’ Chance program is about People, like us, who wants to **rebuild, restore, reclaim our prosperity in I – way.**

Thus, building a ‘2nd’ Chance community is a mission critical success.

Table 3 : Metcalf’s Law network externalities effect

Connection	1	2	3	4	5	... n
Value = v						
Where n = node.	0	2 v	6 v	12 v	20 v	n (n-1) v
Cost = c						
F = fixed cost	F + 0	F + 2c	F + 3c	F + 4c	F + 5c	F + nc

From Physics – Metcalf’s Law : network externality effect

‘The value of a network increase as the square of the number of users while costs remain linear.’

This is a Win-Win situation for all ‘2nd’ Chance participants.

Myth # 4 : The incubators offer more or less the same comprehensive services.

Most incubators and venture capitalists appears to offer services like commodities (e.g. office space, consulting, IT, PR, legal, funding, etc.) What differs is some are good in one area than another. Many offer an express way to churn your e-project from concept to stock market floating. Other deliberately buy your business plan and site. Few try to be everything for everyone.

Our philosophy is to build a 'great' company in its own market niche. And we would like our incubatee to think of us as a partner – not just a fund provider. Informal interaction, idea sharing and mentoring, shared boards and e-sale & e-marketing peers are among the fine example of creating **incentive compatibility** for all stakeholders.

Myth # 5 : Now is a bad time to start-up Dot Com business.

If you perceive human capital investment as a bad business, then now is a bad time to start-up Dot Com business.

If you realize, as I do, that internet is not just a new media (e.g. TV, radio, etc.), but it is new era of cyberspace for all e-Business, then the time to invest in knoweldge based economy is now and here.

There are not many chances in your life that you have ample time to learn a new paradigm shift and life time knowledge vitality. First, it is when you were at school. Those knowledge is likely to be obsolete in fast changing technology world. The second time may be when you were at work. Nevertheless, during this down period, you can add more value into your human capital by leveraging your vision, business experience and professional know how into new economy. This is a time that when you can start up something with your passionate and fun, that would belong to you as long as you desire for.

Please, kindly visit our website www.taipan1.com. We would like to get to know you better via our on-line application. We can be friends. Who knows we may even make some money together.

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