

# Degree of Difficulty

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# Some dives are harder



# Difficulty is rewarded

## FINA DEGREE OF DIFFICULTY - FORMULA AND COMPONENTS

Note: Degree of Difficulty (DD) is calculated by adding: A + B + C + D + E  
EFFECTIVE 15 SEPTEMBER 2009

### A Somersaults

	0	½	1	1½	2	2½	3	3½	4½
1m and 5m	0.9	1.1	1.2	1.6	2.0	2.4	2.7	3.0	-
3m and 7½m	1.0	1.3	1.3	1.5	1.8	2.2	2.3	2.8	3.5
10 m	1.0	1.3	1.4	1.5	1.9	2.1	2.5	2.7	3.5

$$(\text{Performance Score}) \times (\Sigma \text{Difficulty}^*) = \text{Total Score}$$

\*Somersaults, flight, twists, approach, entry

# Difficulty in businesses



# Business degree of difficulty

- ❑ **Amount of capital**
- ❑ **Regulatory requirements**
- ❑ **Technical complexity**



# Capital intensive



# Regulatory complexity

The logo for Vendorin, featuring the word "vendorin" in a sans-serif font. "vendor" is in grey and "in" is in green.

Financial  
Compliance

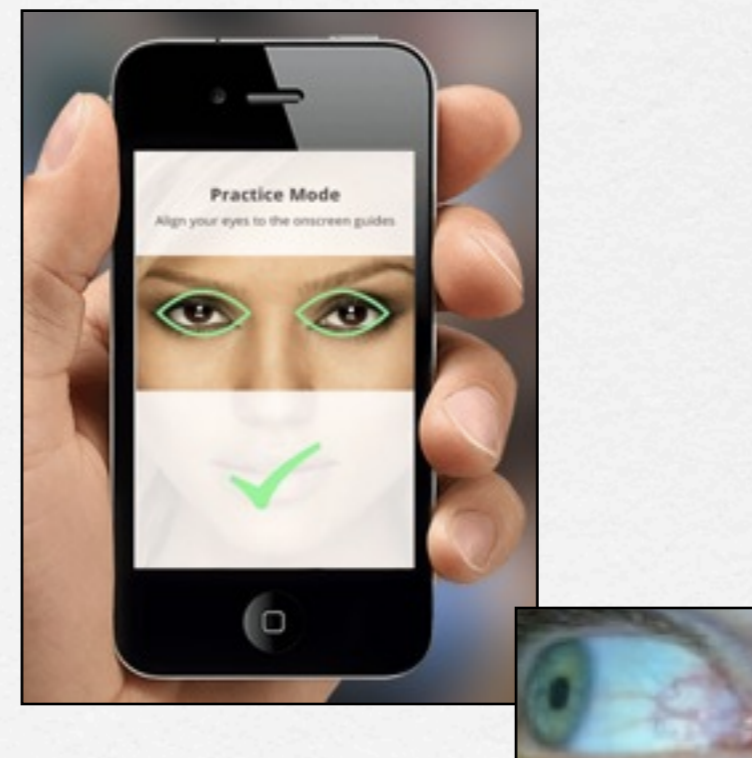
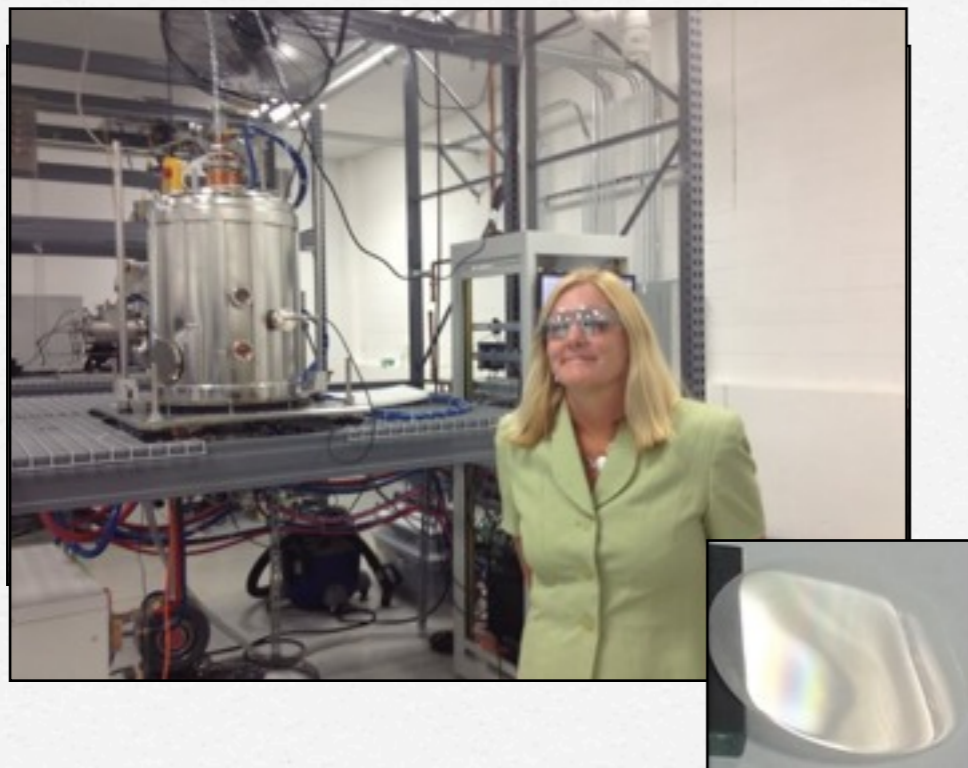


EPA



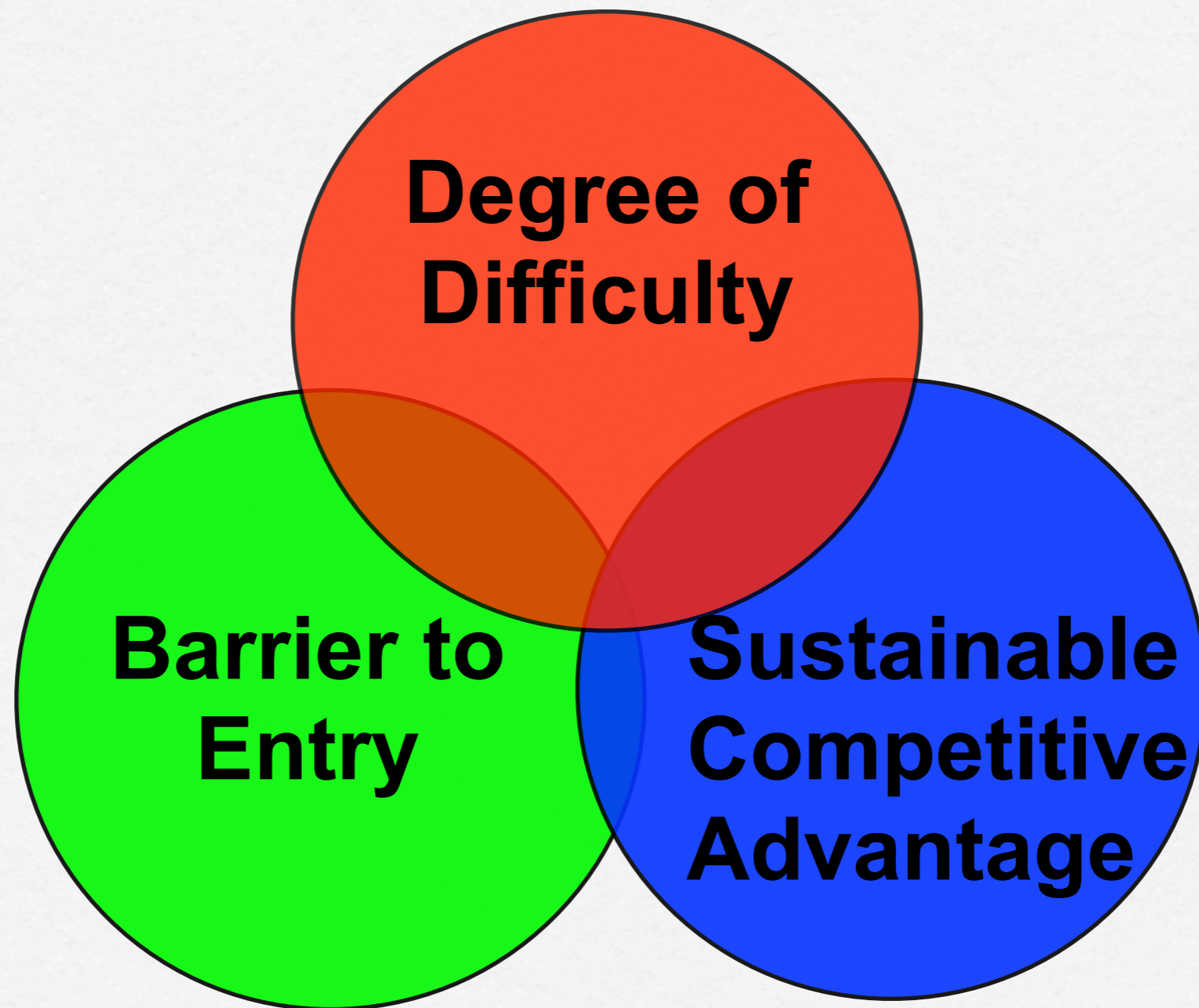
FDA

# Technical difficulty\*



\*Ever-changing

**Not Synonyms, but related...**



**Degree of Difficulty:**

Examples:

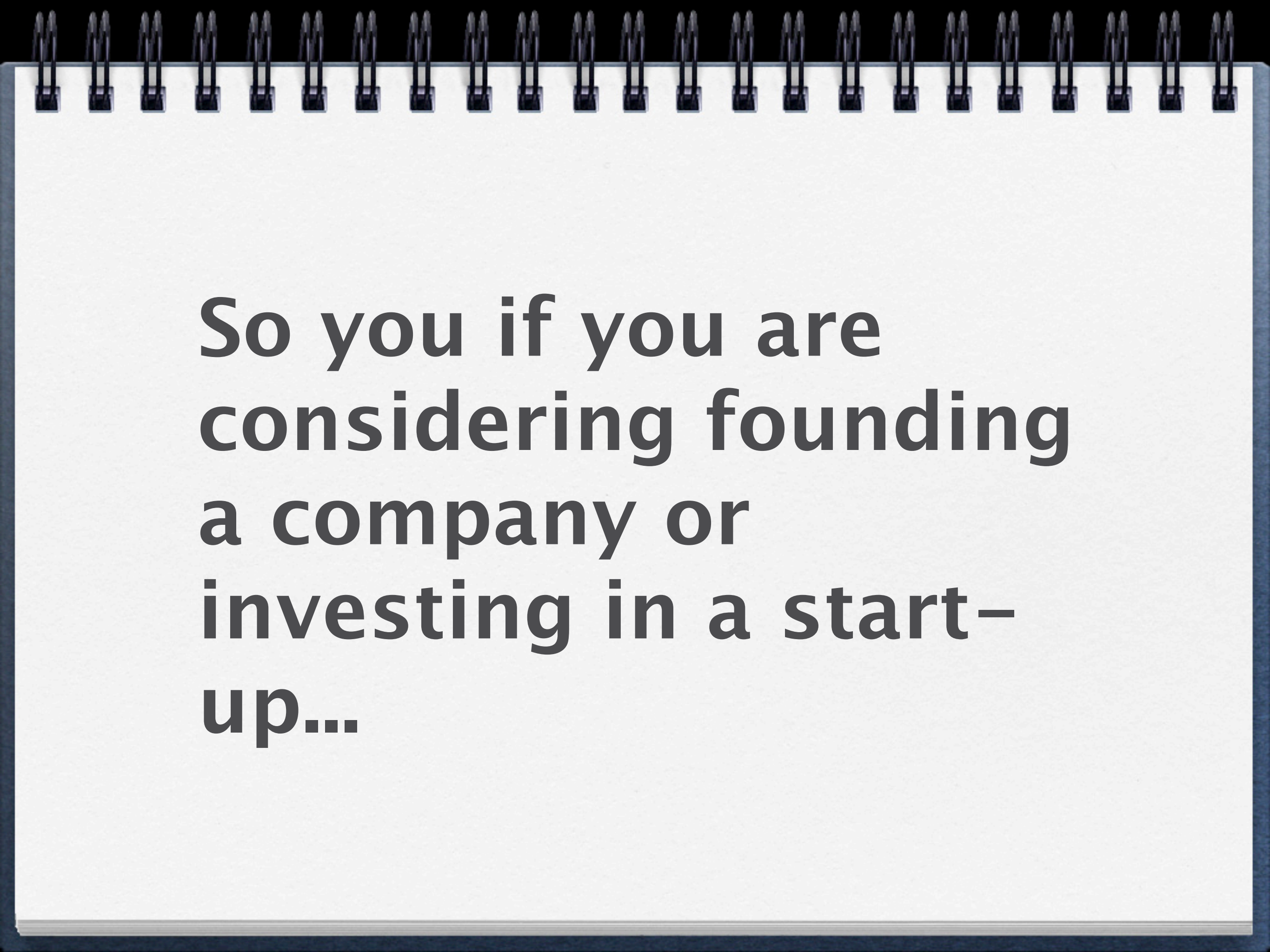
Capital, regulatory,  
technical complexity

**Barrier to Entry:**

Intellectual  
Property

**Sustainable  
Competitive Advantage:**

Manufacturing cost,  
Incumbency

A spiral-bound notebook with a white page. The spiral binding is at the top, with black rings visible. The text is written in a bold, dark grey font.

**So you if you are  
considering founding  
a company or  
investing in a start-  
up...**

Diving

$$(\text{Performance Score}) \times (\Sigma \text{ Difficulty}) = \text{Total Score}$$

Business

$$(\text{Quality of management} + \text{market need} + \text{product features \& quality} + \text{execution} + \text{scaleability} + \text{IP} \pm \text{competition}) \times (\Sigma \text{ Capital, regulatory, technology}) = \text{Chance of, or magnitude of success}$$

# Should I become involved in a business?

High

Performance  
Potential



Low

Difficulty

(Capital, regulatory, technology)

High

**So in summary, dive...**



**but, think before you dive**

Thank you

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