

CED's Entrepreneurs Only Workshop™
6 May 2008

The Art of Positioning and Presenting

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GOLDEN PINE VENTURES

Agenda

- Lunch and Introductions
- The Elevator Pitch
- Example Elevator Pitch
- Small Group Practice
- The Investor Slide Presentation
- Example Investor Slide Presentation
- Q&A



Tools to Raise Funding

- Elevator pitch
- 15-20 minute slide presentation
- Executive summary (2-3 pages)
- Business plan (25-30 pages)



The Elevator Pitch

- 60-90 seconds, probably 150-200 words
- It's the hook, not the reel
 - Who are you?
 - What is the problem & solution? (simplify)
 - What is the market? (\$\$, data)
 - Who is behind the company? (talent / partners)
 - What is your competitive advantage? (IP)
 - What do you want? (meeting / referral)
- Also good as introductory email text



Example Elevator Pitch

Golden Pine Ventures is a group of entrepreneurs that specialize in commercializing academic life science discoveries with human health applications. Starting a company out of a university is challenging due to lack of time, money and management, and GPV overcomes those challenges. We partner with university professors to form a team combining business and science expertise to start new biotechnology companies. We manage all of the company's day-to-day business activities and provide seed capital so that the co-founding professor can maintain their current employment with their university while participating in the scientific life of the young company as an advisor. Unlike most seed funds, Golden Pine's active management is backed by 20 years of success, exemplified by our founding chairman, Pete Meldrum, who is currently President and CEO of Myriad Genetics. Pete has started a dozen companies which have collectively raised more than a billion dollars, four of which have seen IPOs or acquisition events netting significant returns for faculty co-founders and limited partners. I'd like to learn more about your work and provide you with more detail on my firm – can I get your business card so I can follow up to arrange a meeting?



Immediately After the Pitch

- Be prepared to answer key questions succinctly
 - How much money are you looking to raise?
 - How will you spend the money you're raising?
 - What is/will be your burn rate?
 - What do you think your company is worth? (warning!)
 - How do you make money?
 - Who is your customer?
 - What are the barriers to entry?
 - How many people do you plan to hire?



Small Group Practice

- Break into groups of 5 persons
- Each person gives elevator pitch while another person tracks time (limit to 90 seconds)
- 1-2 minutes of group comments for each person
- **REMEMBER:**
 - Who are you?
 - What is the problem & solution?
 - What is the market?
 - Who is behind the company?
 - What is your competitive advantage?
 - What do you want?



The Investor Presentation

- According to Guy Kawasaki of Garage Technology Ventures: “A PowerPoint presentation should have ten slides, last no more than twenty minutes, and contain no font smaller than thirty points.”
 - The 10/20/30 rule
- Note that many slides in this presentation violate this rule!



Basic Investor Presentation

- Shoot for about 15 primary slides
 1. Cover with company name, logo, tagline, contact info
 2. Company overview & status
 3. Team
 4. Problem & opportunity (maybe 2 slides) *warning*
 5. Your solution (maybe 2 slides) - demo if possible
 6. Technology / IP (maybe 2 slides) **WARNING!**
 7. Competition
 8. Business model, marketing, sales
 9. Financial projections, milestones, timelines (maybe 2 slides)
 10. Financing requirements and how you will use the money
 11. Summary and what you want them to tell other people
- Have as many backup slides as you want / need / fear



Example Investor Presentation



- Humorous apparel website www.vcwear.com
- Have downloadable “VC Pitch” 10-slide presentation
- Trying to sell their company to a VC!



VCWear

Official VC Pitch

- **Logo would be nice**
- **Tagline?**
- **Contact info?**



Vision of VCWear.com

- Take over the fashion world
 - Just 1% of the market share
 - Make the entire world smile
 - Cure some disease somehow
- **Company history?**
 - **Employees? HQ?**
 - **Immeasurable goals are not good**
 - **Stay away from cliché**
 - **Brief status report on sales to date, near term plan?**



Problem:

- Undershirts worn by Venture Capitalists are not funny.

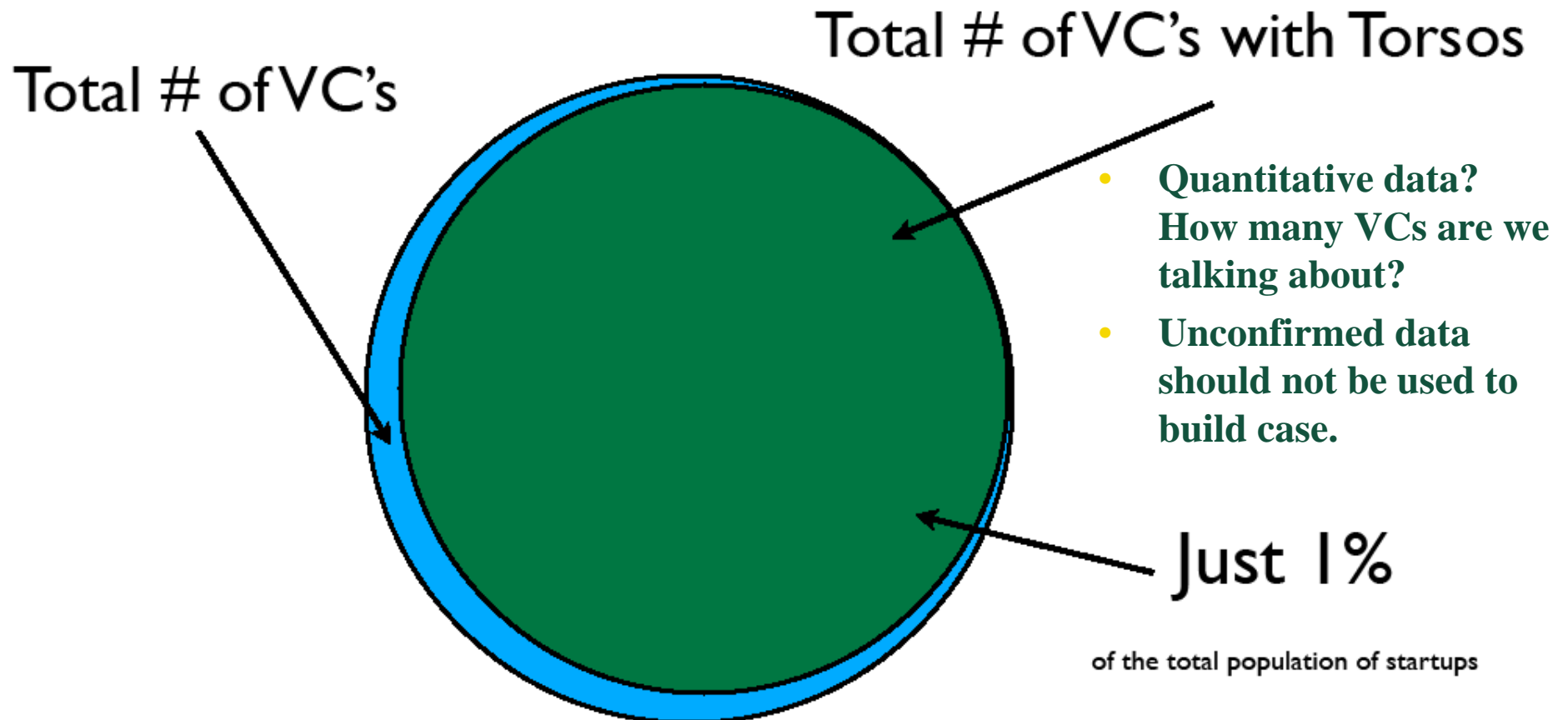
- **Brief, but to the point**
- **Verbal comments here on knowledge of the customer base helpful.**

Solution

- Make funny undershirts with jokes only VC's can understand



Market Size

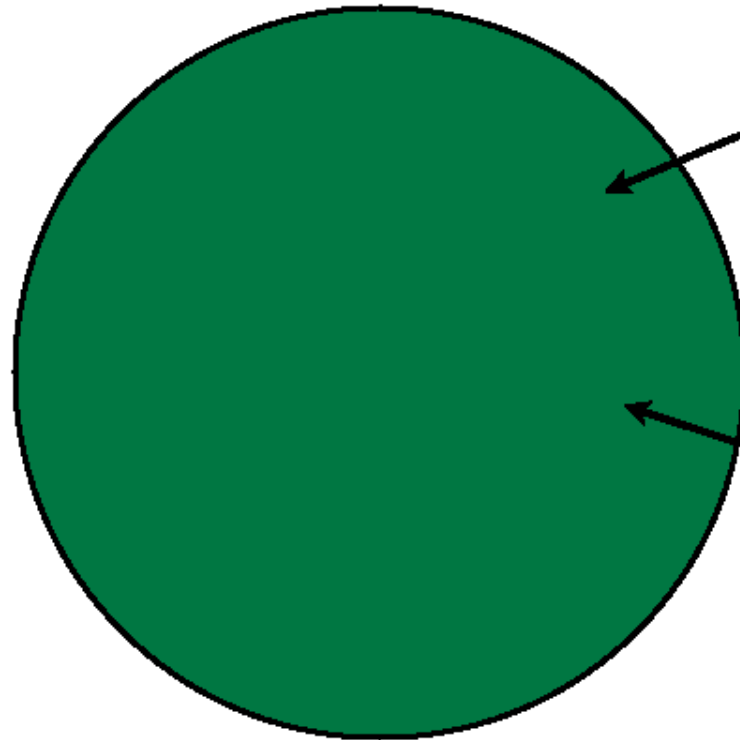


Unconfirmed, but the market just might have a disposable income, and they "dress for success"



Market Size

Total # of VC's with Torsos



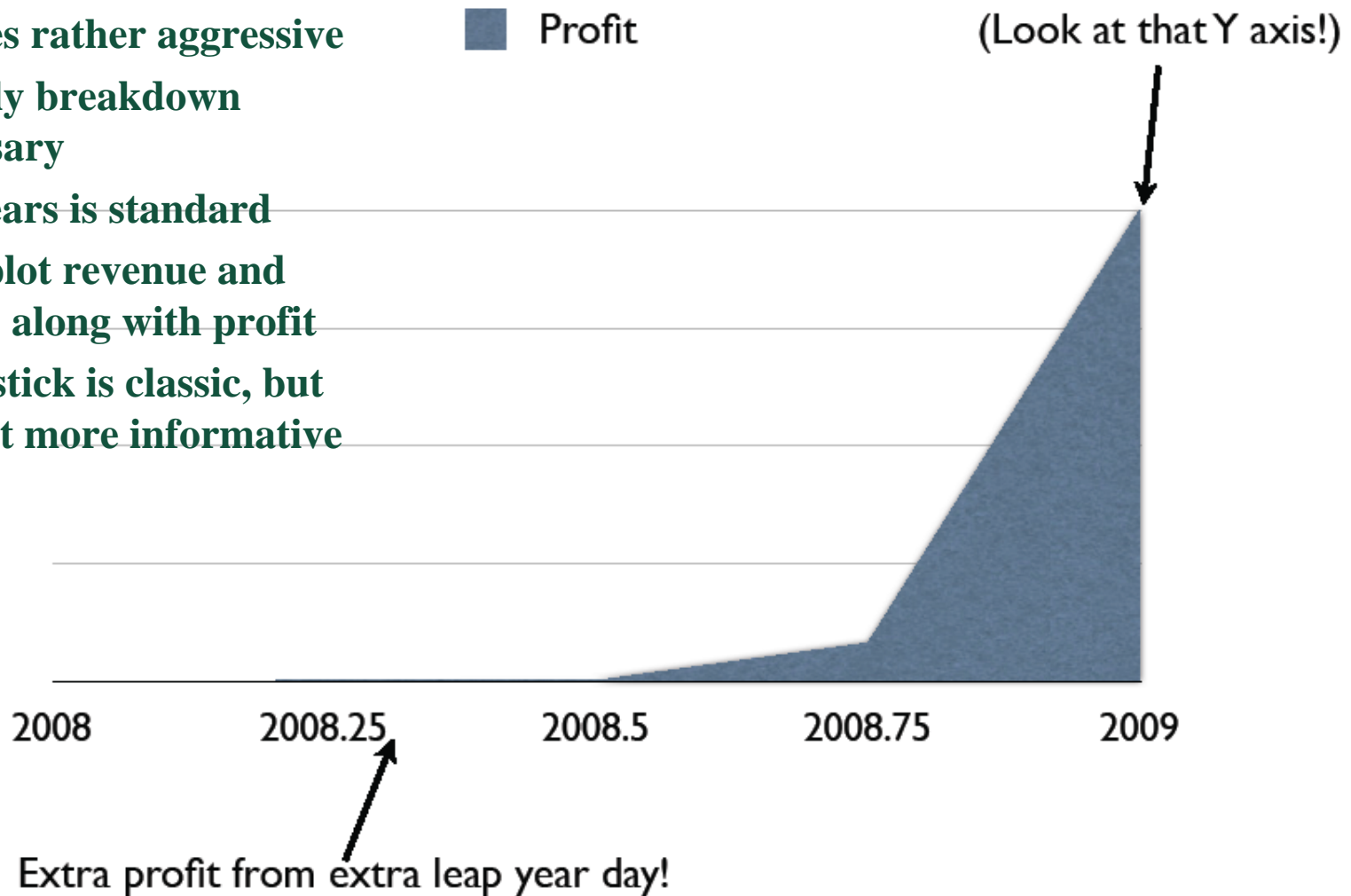
- Again, numbers?
- Not good to curse in a VC presentation.
- Market growth?

Already spends billions on things every year that are pointless, and they can't even wear that s■t



Monetization

- **Numbers!**
- **Timelines rather aggressive**
- **Quarterly breakdown unnecessary**
- **Three years is standard**
- **Should plot revenue and expenses along with profit**
- **Hockey stick is classic, but bar chart more informative**



VCWear slides
© VCWear, LLC

The Product



100% Pure Awesome



- Good to show the product, but what is the sales tool?
- We know it's a website, and a screen shot / demo would be great.
- Would be more powerful if this showed the top selling products and could state have inventory of X more.



The Team

- **This should come earlier in the pitch**
- **More (and relevant) background on the players needed.**

- Andrew Hyde (StartupWeekend.com, AndrewHyde.net)
- Matt Emmi (OneButtonLife.com, MattEmmi.com)
 - Andrew holds the majority stake in the company base on a game of rock, paper, scissors. He won with a 2-1 Rock(w), Paper(l), Rock(w)
 - Majority of the site you have seen was created during “Startup Plane,” a 2.5 hour flight back from Startup Weekend Bloomington.
- Your need to buy a company on impulse



Funding

- Looking for someone to click the 'buy it now' button

Buy This Company Now (\$100,000)

- **How much raising?**
- **At what valuation?**
- **What are you using money to accomplish?**
- **How far will it get you?**
- **What is/will be burn?**



Contact

- **No robust conclusion**
 - **No takeaway**
-
- paypal address: info@vcwear.com



Example Investor Presentation

- It was funny, but...
- Nothing on technology / IP
 - Website? Copyright? Creative talent?
- Nothing on competition
 - Everybody has competitors



The Investor Presentation

- IS:
 - An opportunity to connect with investors
 - An opportunity to drop names
 - A tool to make them want to learn even more
 - A deeper hook than the elevator pitch, but similar
- Is NOT:
 - For education
 - For accomplishing its goal in your absence
 - For closing the deal
 - <http://www.youtube.com/watch?v=nkuOuxRD1Bc>
 - Ali G pitches invention to VCs...poorly
 - Warning: may be offensive, albeit illustrative



Must hit ALL the main points

- Company overview
- Team
- Problem & opportunity / market size
- Your solution / product & its technology / IP
- Competition
- Business model
- Financial projections, milestones, timelines
- Financing and use of capital



Other things to consider

- Include the recipient of the presentation's name in the footer (see below)
- Don't overwhelm. Show enthusiasm, but take it slow and deliberate.
- Be open, honest, frank and brief.
- Keep slides clean and un-crowded.
DON'T READ SLIDES.



How to get in

- Referral, referral, referral!
 - Lawyer for start-up companies
 - Professor that has started a company with them
 - University OTT
 - CEO / board member of a portfolio corp
- Send a very short email with variant of elevator pitch for text, and attach executive summary only (no slide deck)



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