

ALTA VENTURES MEXICO

IGNITING INNOVATION



Twitter: @PaulAhlstrom

PAUL AHLSTROM, MANAGING DIRECTOR, ALTA VENTURES MEXICO

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Paul Ahlstrom

▶ Paul Ahlstrom

- ▶ Married, six kids, a golden retriever
- ▶ Live in Utah & Mexico
- ▶ Author “Nail It Then Scale It”
- ▶ Innovator, Entrepreneur, Investor
 - ▶ Founder Alta Ventures Mexico, Monterrey Mexico
 - ▶ Founder Alta Growth Capital, Mexico City
 - ▶ Founder vSpring Capital
 - ▶ Founder KickStart Seed Fund
 - ▶ 100+ investments over the last 12 years.
 - ▶ Ancestry.com, Rhomobile.com, Senforce, Aeroprise, Altiris, Juxta Labs, Mural.ly, Diverza, SpaceMonkey, Screenie, VidAngel
- ▶ BYU - BYU Grad, BYU Rollins Entrepreneur Center
- ▶ University of Utah & Ohio State- Board and executive committee of the Technology Commercialization Office
- ▶ Endeavor Mentor & ENLACE E+E Mentor - Mexico



Alta's Presence



Alta Group Americas

- Headquartered in Utah



Alta Growth Capital

- Headquartered in Mexico City



Alta Ventures Mexico Fund I

- Headquartered in Lehi Utah
- Offices in Monterrey Mexico
- Bogota Colombia, Lima Peru



Kickstart Seed Program

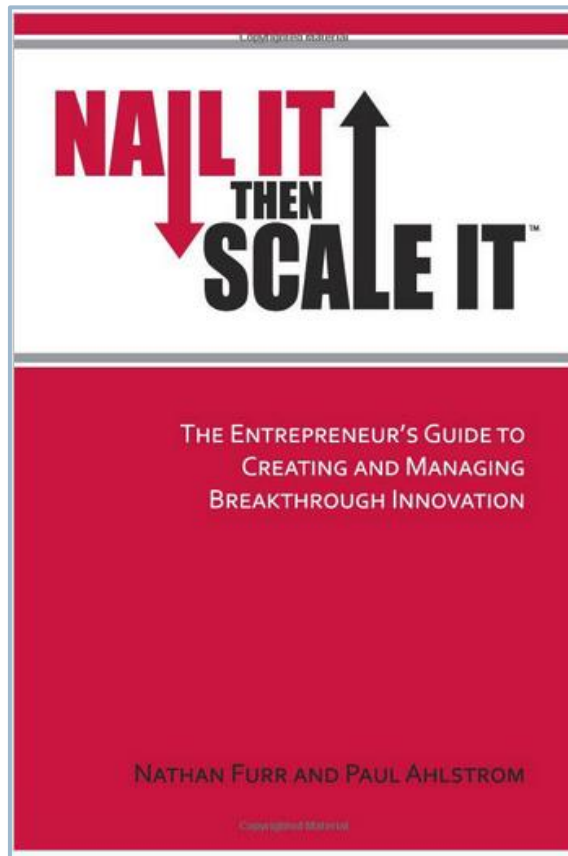
- Headquartered in Monterrey
- Guadalajara program Q3 '12

The Entrepreneur- Ready.. Fire... Aim!

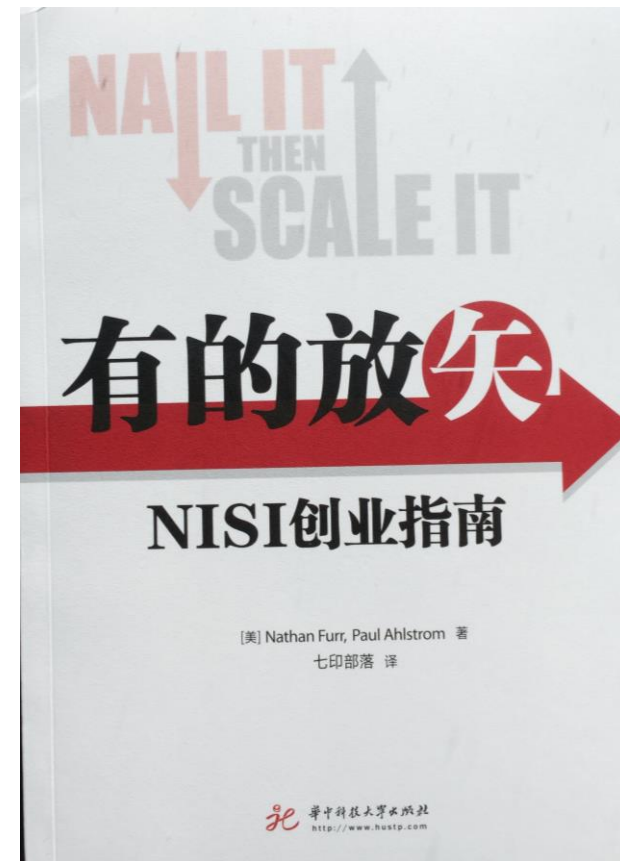




Spanish



Nail It then Scale It
@nailthenscale



Chinese

Authors:

- ▶ Nathan Furr @Nathan_Furr
- ▶ Paul Ahlstrom @PaulAhlstrom

Nail It Then Scale It (NISI)

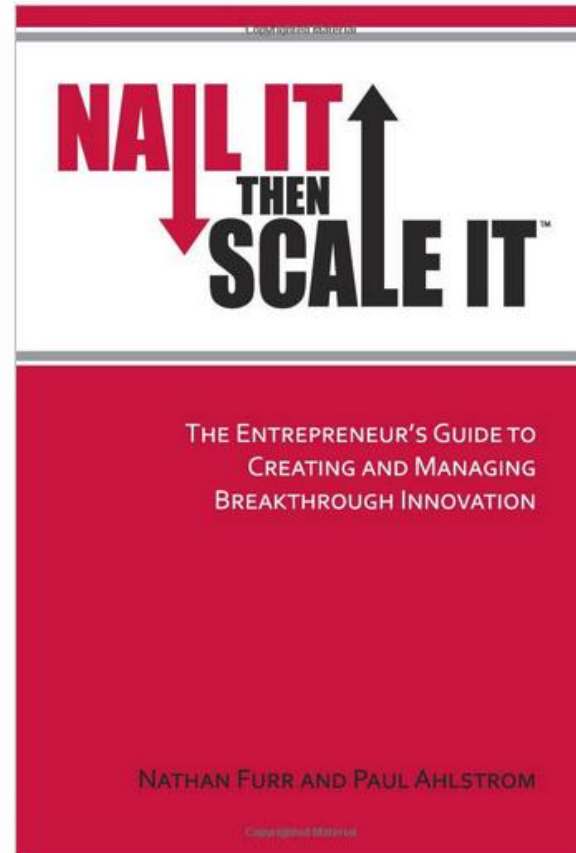
Nathan Furr, PhD



Paul Ahlstrom, VC



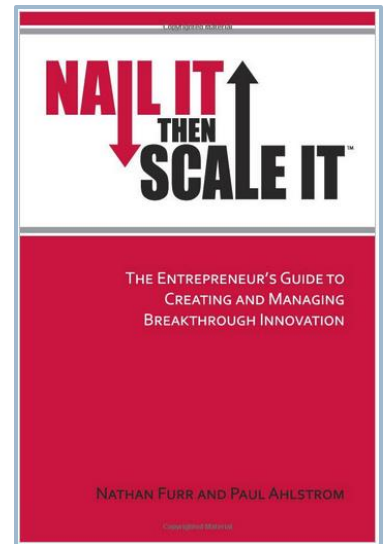
Available on Amazon.com or
www.NailThenScale.com



Nail It Then Scale It “NISI”

NISI Promise

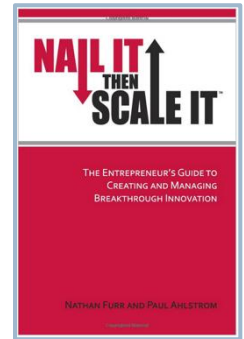
- ▶ What NISI can promise
 - ▶ Discover quickly whether a venture is worth pursuing
 - ▶ Focus on building something a customer will buy
- ▶ What NISI can't promise
 - ▶ Risk eliminated
 - ▶ Every problem answered
 - ▶ Instant multi-million dollar profits



Summary: NISI enables Organizational Alignment around customer centered development, increasing success

Customer Centric NISI Goals –

- ▶ **I. Establish right vision.** Scientific Process to inform your gut. (validated pain, customer fit, market & business model)
- ▶ **II. Team Buy In.** Align all key stakeholders with the founding team's vision (employees, board, investors)
- ▶ **III. Customer Traction.** Make it comfortable for customers to purchase.

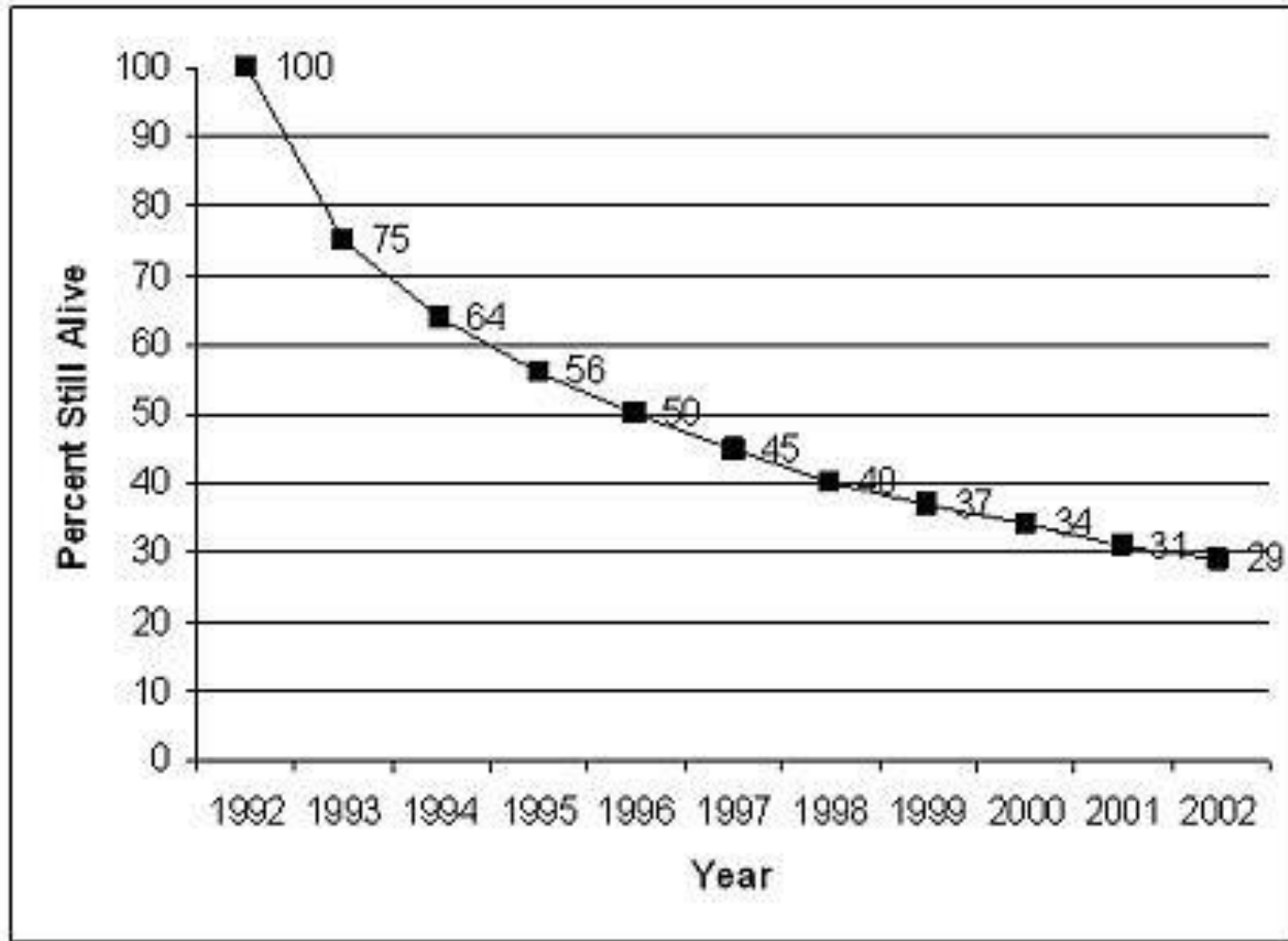


Eventually they get it right? Don't they?



Most Startups Fail?

Why is this acceptable?



Source: Small Business Trends Published 2008. Data from Bureau of Census

Since 2000 - Participated in 100+ Investments

\$450,000,000 - Direct Investment 7 Funds

\$900,000,000+ - Co-investors

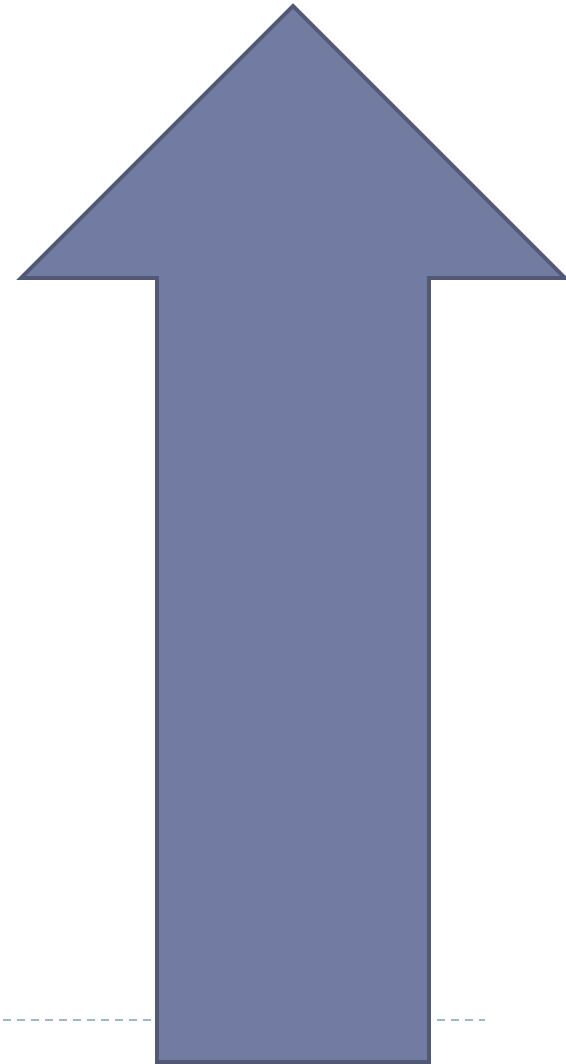
\$1,350,000,000+ - Total



Is There a Repeatable Process of Success?

- ▶ “Most successful entrepreneurs I’ve met have no idea about the reasons for their success. My success was a mystery to me then, and only a little less so now.”

- **Bob Metcalfe, 3Com -Inventor of Ethernet**



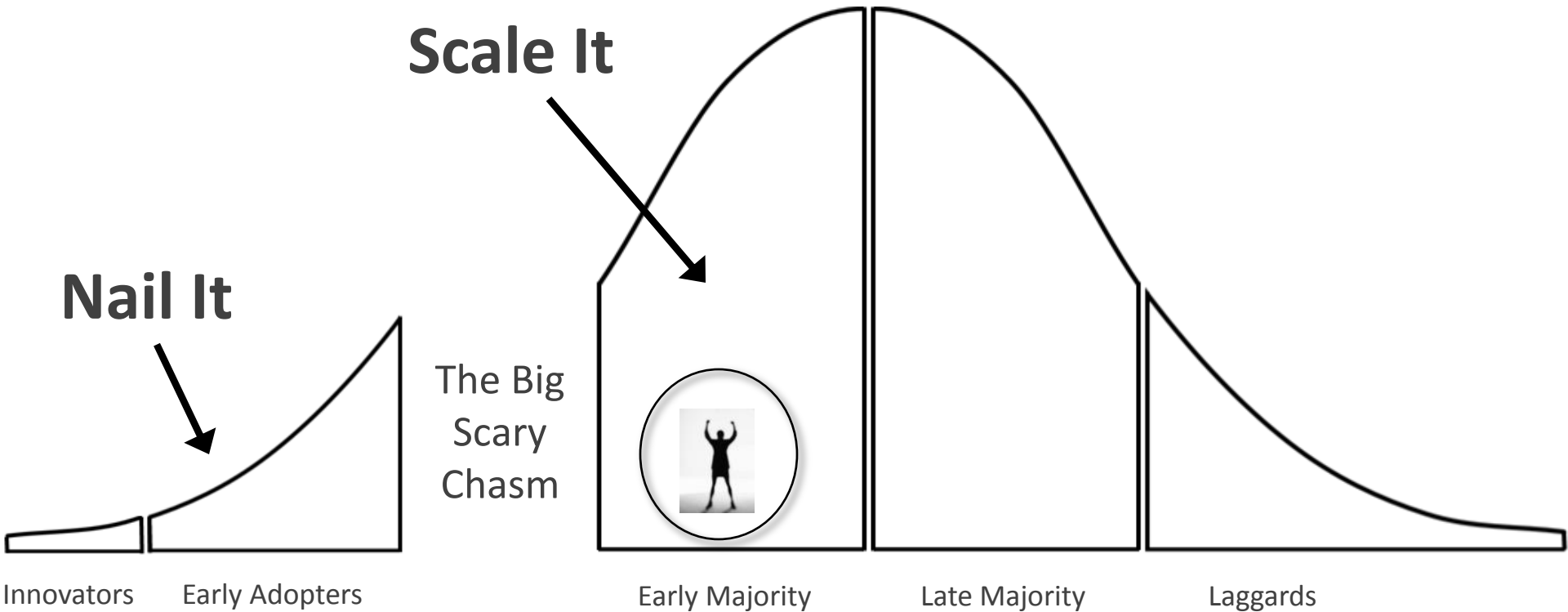
Observation: I haven't met a startup team that wasn't working hard...

▶ **Doing good things...**

- ▶ Building alpha & beta versions of their products
- ▶ Writing marketing materials
- ▶ Hiring sale teams
- ▶ Business development deals
- ▶ Talking with analysts
- ▶ Talking with customers
- ▶ Building prototypes
- ▶ Etc...



Working hard to... Cross the Chasm & Gain Mainstream Customer Acceptance



Observation: Few Startups Ever Get to the Mainstream Customer, they Fail Much Earlier in the Process

- ▶ Most new products and businesses don't fail in the market scaling exercise, but in pre-chasm stages in the...



The Early Phase
Black Hole

Why Do Startups Fail?

▶ People?

▶ Product?

▶ Market?

▶ Money?



Observation: Entrepreneurs are very anxious to execute (ie. Startup Weekend)



*

Observation: Most entrepreneurs are mis-prioritizing their activities

Entrepreneurs are doing good things, but not doing them in the right order. More than 80% of the time entrepreneurs are ignoring customer demand the right product mix until after they have started to scale their business.



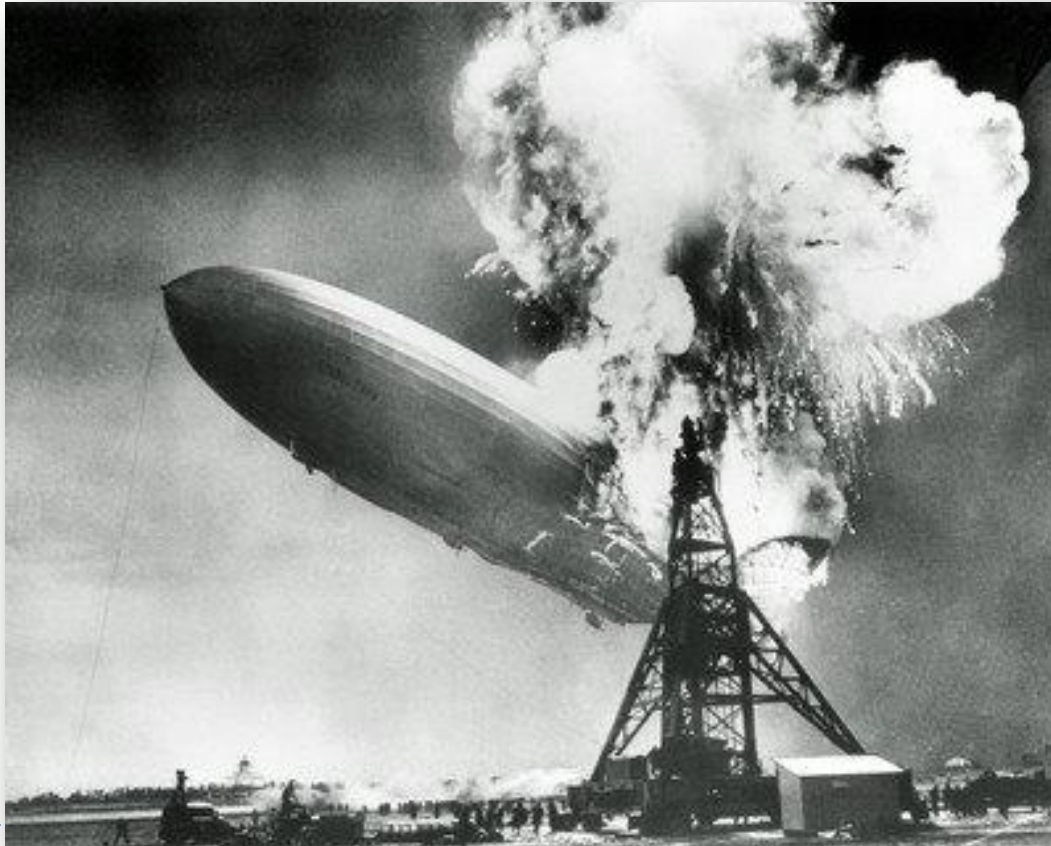
* Harvard Business Review: Beating the Odds When you Launch a New Venture by Clark G. Gilbert and Matthew J. Eyring

Observation: Most entrepreneurs focus more on their **Business Plan** rather than their **Business Model**

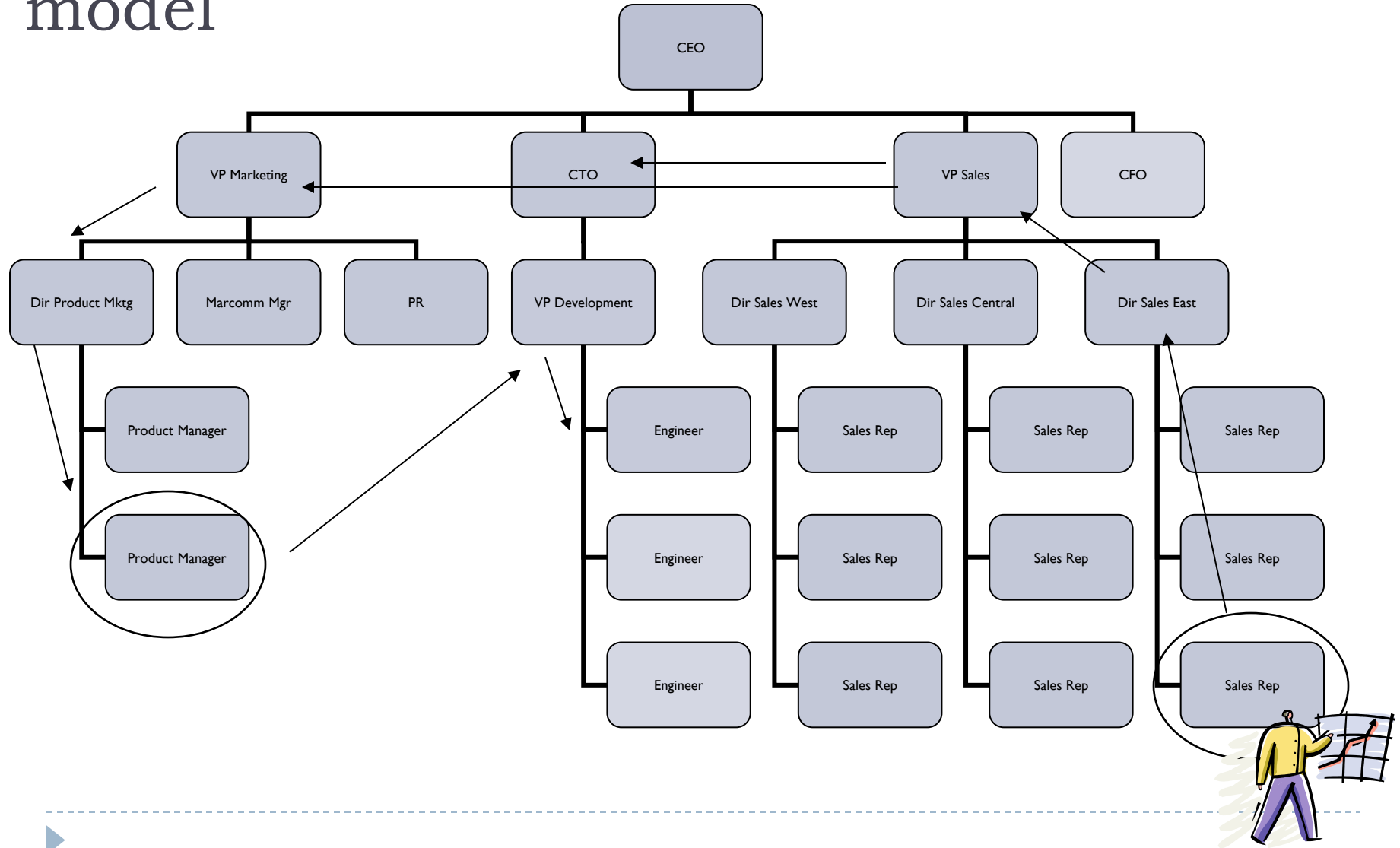


Observation: Bad engineering kills companies. (limited core competency)

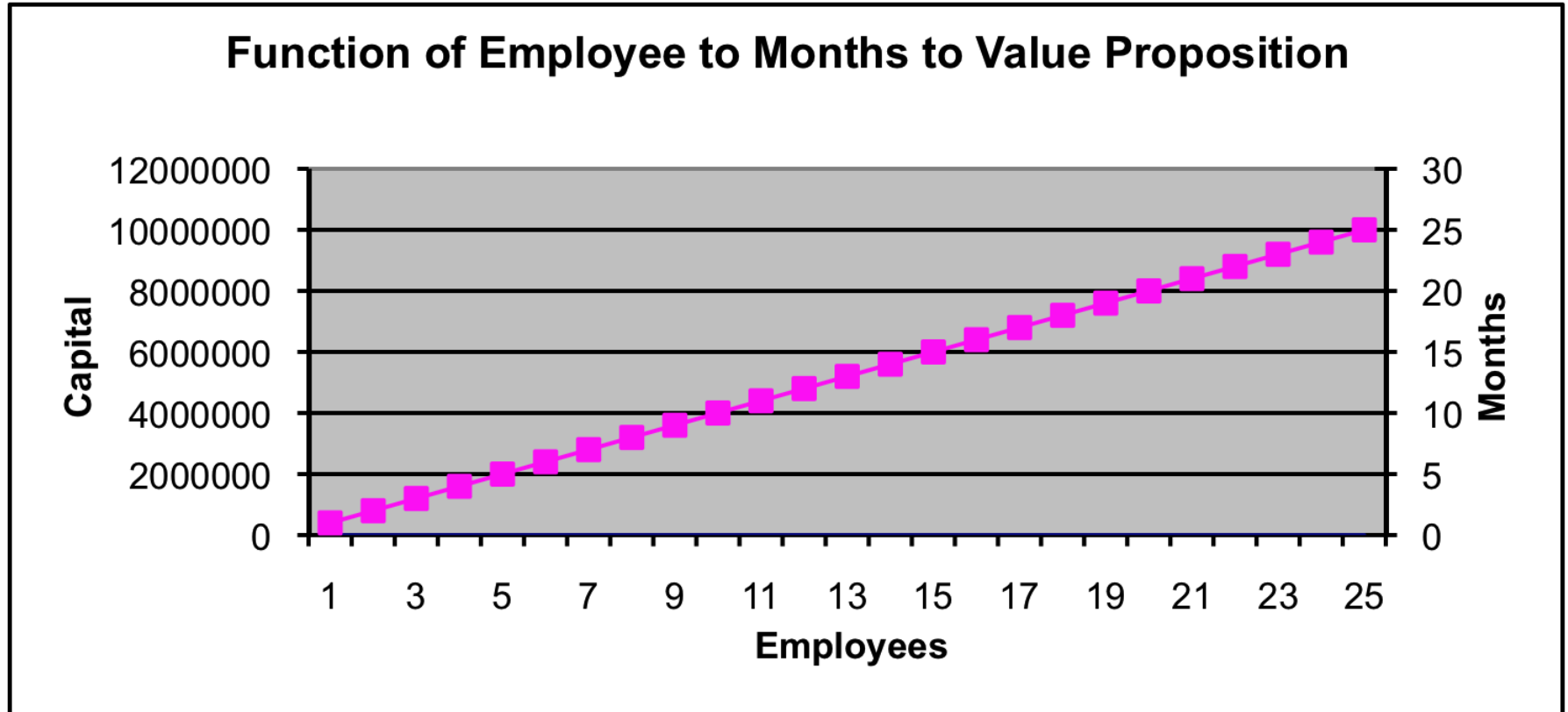
- ▶ However, Startup failure is more common because customers won't buy the solution. **NOT** because the engineers can't build it



Observation: Hiring too many employees before nailing their business model



Observation: The more employees you hire before nailing it, the longer it takes to nail it.



Observation: 70% of Startups Fail for this reason:

Premature Scaling

- ▶ Building products before you nail the pain
- ▶ Writing marketing materials before you nail the solution
- ▶ Hires sales teams before you know how to sell
- ▶ Spending money before you understand the business model



What do successful Startups Look Like?



Great Startups Have Great Entrepreneurial DNA

- ▶ Passionate entrepreneurs that want to improve the world
- ▶ Focused on high growth, big ideas
- ▶ Anxious to satisfy the customer
- ▶ Deep technical core competency
- ▶ X Factor
- ▶ Not necessarily experienced
- ▶ HONEST – TRANSPARENT - TRUSTWORTHY



TRUST: Honesty, Trust & Integrity
are foundation of success

**Business happens at
the Speed of Trust!**



TRUST

“***TRUST*** is like the air we breathe. When it’s present, nobody really notices. But when it’s absent, everybody **notices.**”

–Warren Buffett



TRUST: Why is Trust So Important to development of a successful entrepreneur ecosystem?

Honesty & Individual Integrity..

...**TRUST** (enables speed & flexibility)

➤ **FLEXIBILITY** (Provides freedom to fail)

➤ **CREATIVITY**

➤ **INNOVATION** (Deal flow)

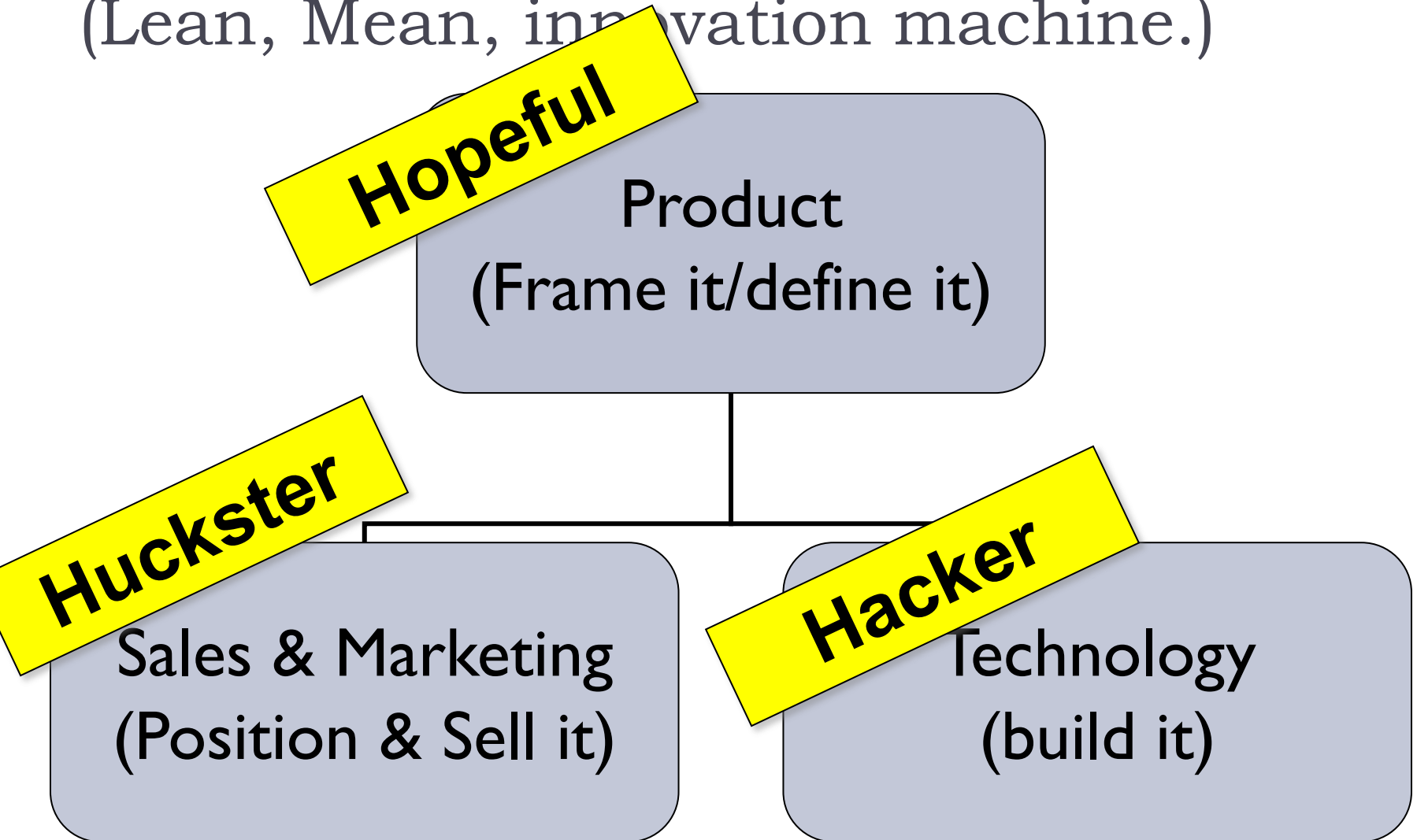
➤ **INVESTMENT** (Fuels growth)

TRUST: Trust is Key to Success Corruption in Emerging Markets #1 Problem

- World Bank: “Corruption is the **single largest** obstacle to economic and social development”
- **\$1 Trillion** in bribes paid globally
- Reduction of corruption could increase per capita GDP by **400%**



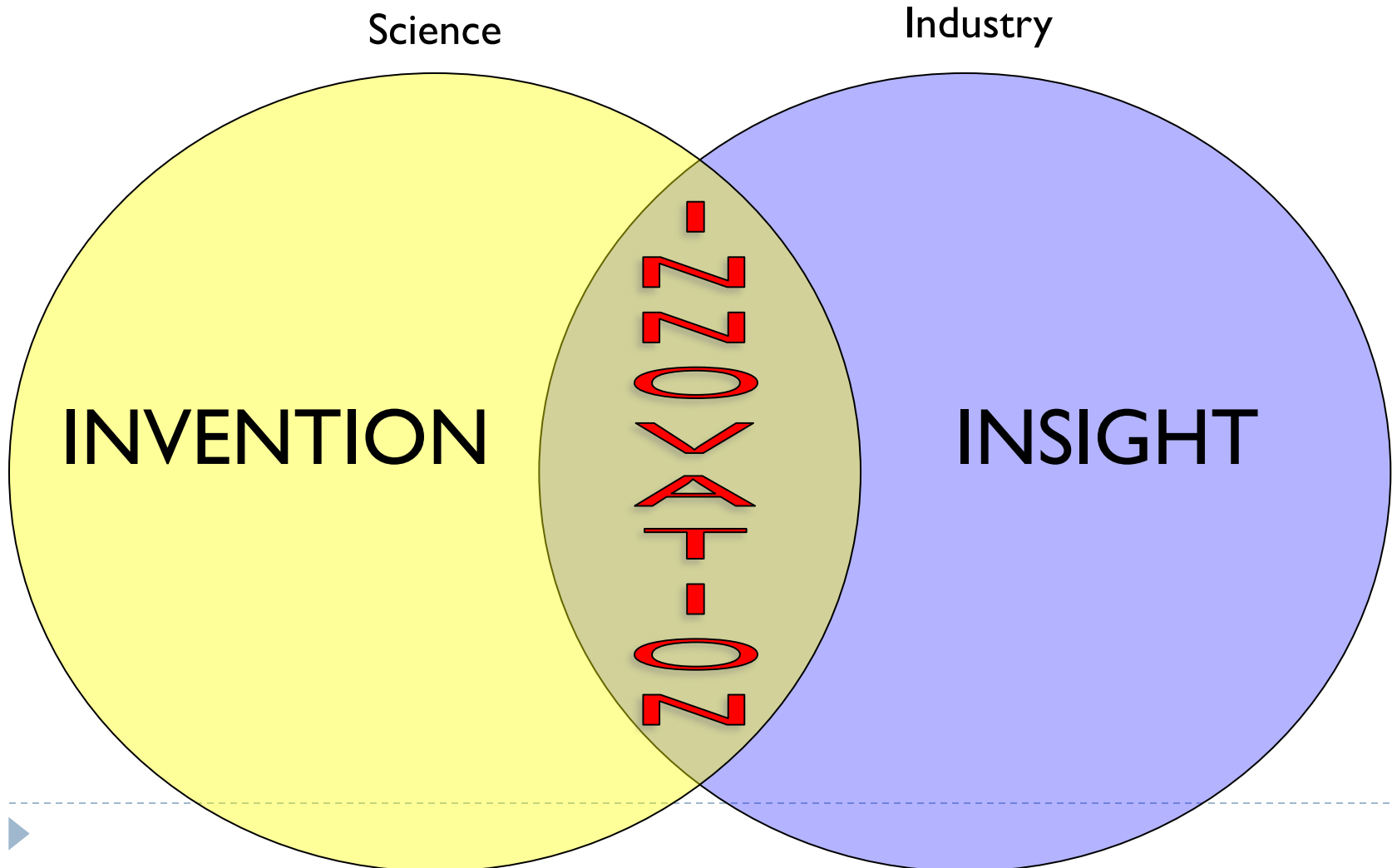
Observation: Small Teams are the Right Size to innovate, learn and adjust.
(Lean, Mean, innovation machine.)



Observation: All entrepreneurs are working hard to innovate



Observation: Few understand what is innovation



Two Categories of Innovation:

1) Incremental & 2) Disruptive

► Incremental

- Better, Faster, Cheaper
- Sustaining, Iterative

► Disruptive

- Blue Ocean (creates entirely new markets)
- 10X improvement
- Disruptive Innovation (opens new markets or disrupts old markets)

Be Disruptive

► Many areas in which you can innovate

- | | | |
|------------------------|-----------------|------------------------------|
| 1. Technological | Flash Memory | New portable storage |
| 2. Product Performance | Intel | Moore's Law |
| 3. Business Model | Dell | Custom ordered online |
| 4. Supply Chain | Staples | Direct from manuf. |
| 5. Business Process | LendingTree.com | Mortgage bids online |
| 6. Service | Lexus, Mercedes | Offer loaner cars |
| 7. Customer Experience | Starbucks | Emotional, feel good (*Katz) |

Successful Companies are Innovative & Disruptive

nest.



Nest is 10X Better

facebook.



thermostat

Exiting Market
Curve

Disruptive Market
Entrants



snapchat



Instagram

Time

Observation: Great companies understand and leverage their core competencies

FORTUNE
500



Observation: Few entrepreneurs & companies understand their core competency. **Know Thyself!**



**Be World Class At
Something!**



What is Honda's Core Competency?



What is Honda's Core Competency?

HONDA
ENGINES



Honda's Core Competency: Engines



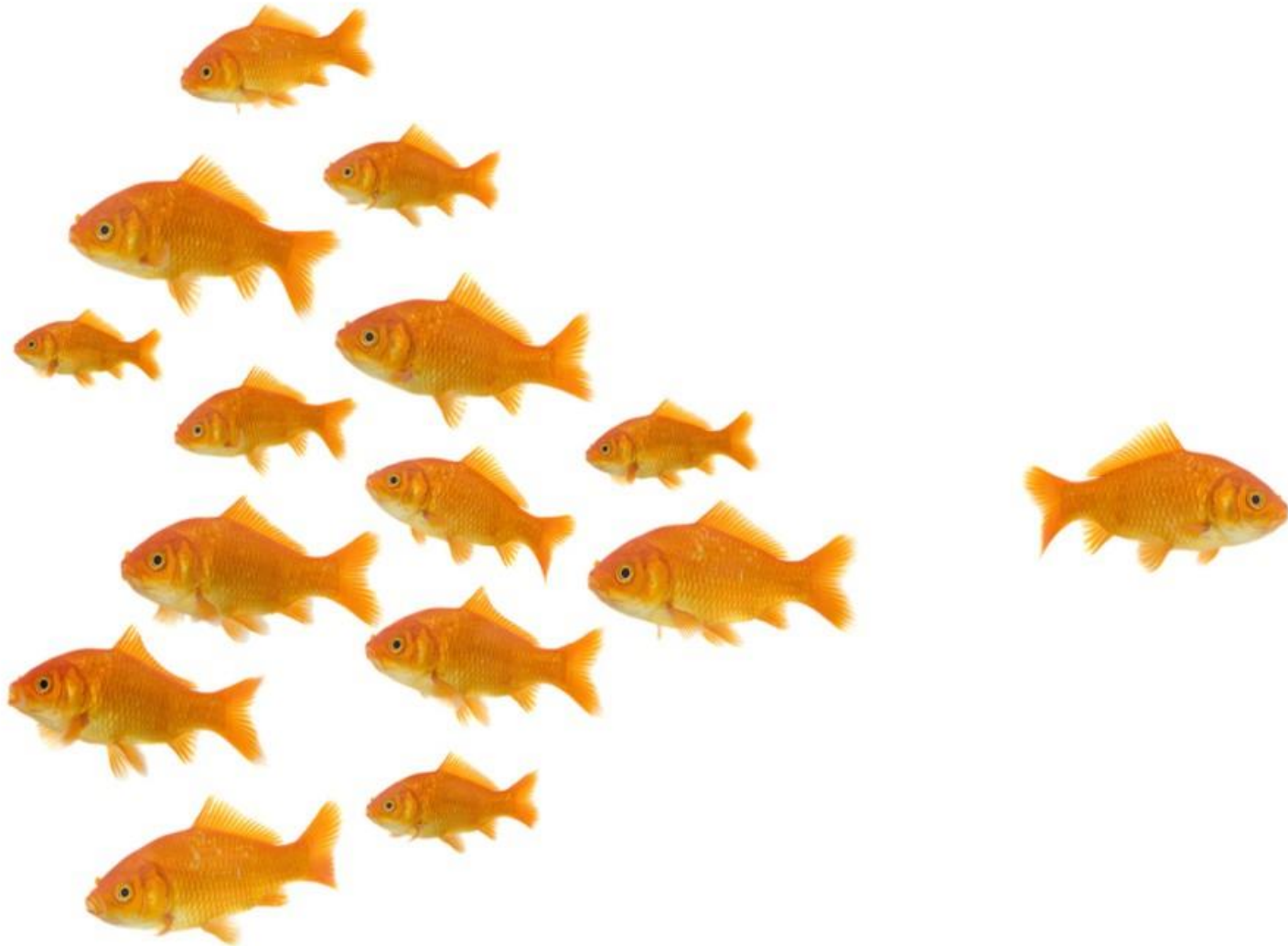
HONDA
ENGINES



Why Nail It Then Scale It?



Entrepreneurs are craving New Models that Work!



The Roots of the startup failure are traced back to the Traditional Product Development Model

- ▶ Based on the Waterfall Product Development Model



What Is the Traditional Startup Process

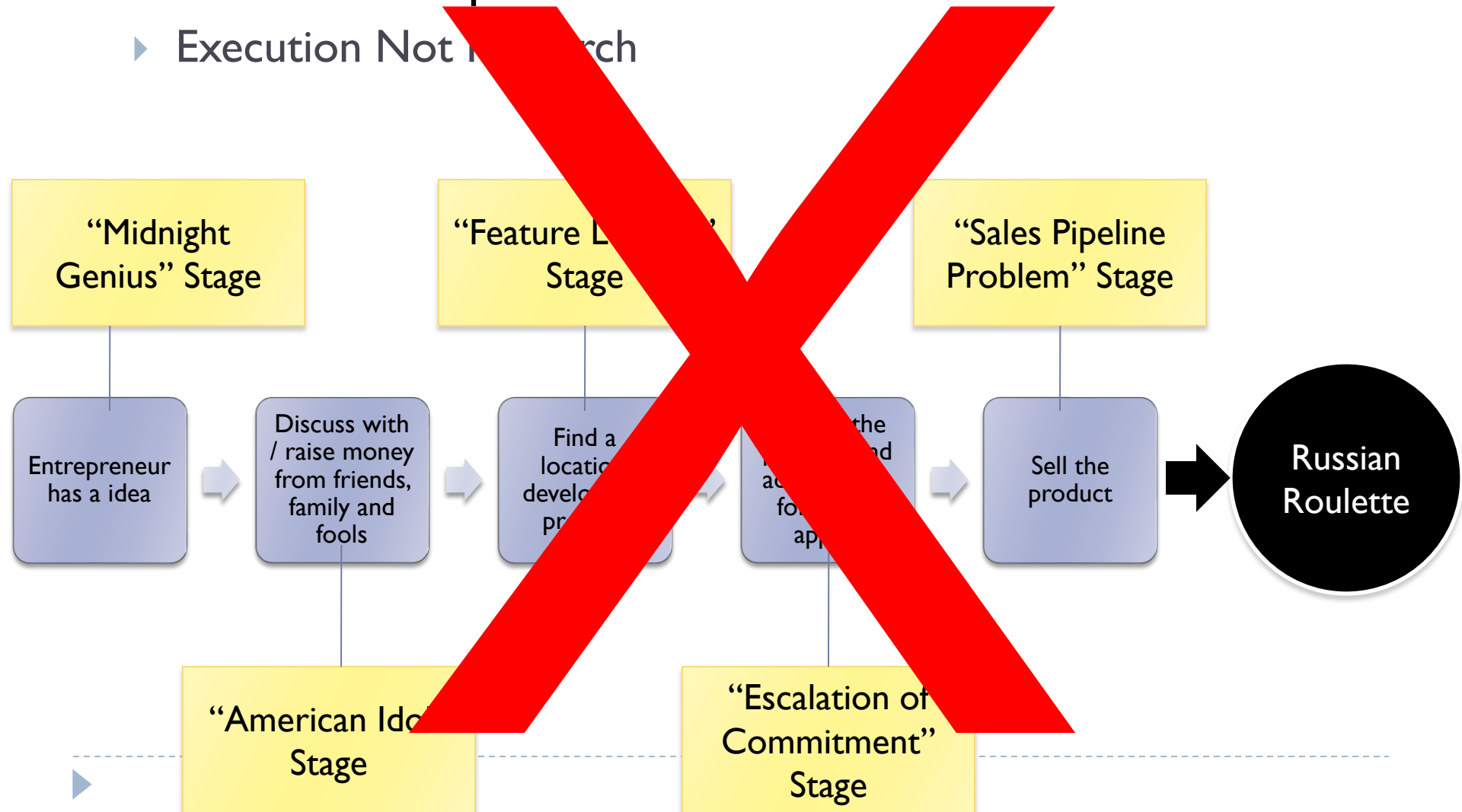
- ▶ Build Now, Sell Later How NOT to build
- ▶ Reinforced in most universities & VC plan class

**You are not a large company
Don't use their model!**



The Broken Model

- ▶ Product Development Model Based on
 - ▶ Execution Not Research



Once you have an an idea...



Ask yourself: Is your idea based on your
or your team's core competency?

HONDA
ENGINEERING

Must have competency to proceed!



What about the customer?

- ▶ “Who is the customer is the wrong unit of measurement.”*
- ▶ Not just the customer, but the context of how your product fits the job the customer is trying to accomplish.
- ▶ What is the pain the customer has and how are you solving that pain?



What is the problem that I am trying to Solve?

- ▶ Why would I buy glasses?



Pain Pays

“Any big problem is a big opportunity... No one will pay you to solve a non-problem.”

–Vinod Khosla (Kleiner Perkins)

Shark Bite

VS.

Mosquito Bite



Why Focus on a Monetizable Pain?

- ▶ As a startup you have...

- ▶ No reputation
- ▶ No brand
- ▶ No track record
- ▶ No money
- ▶

Pain Pays!

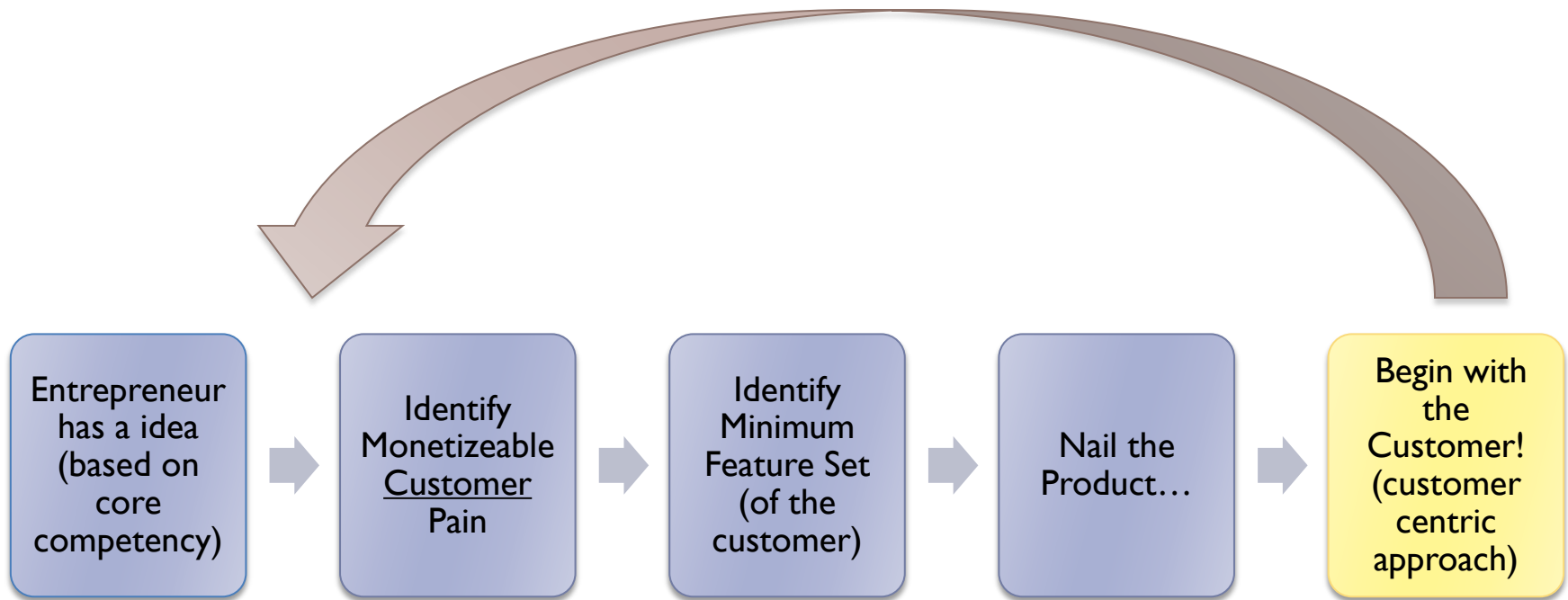


- ▶ Building your business on a **monetizable pain** will **exponentially** increase your odds of success



Q: How to Fix a Broken Model?

A: Put the customer up front in the process



Deliver breakthrough customer centric innovation.

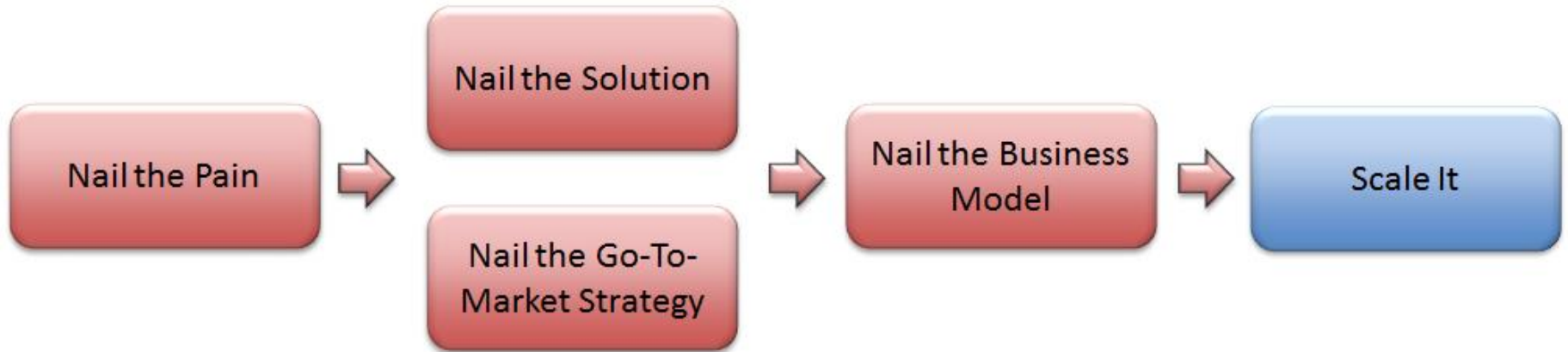


The Entrepreneur's & Customer's Role

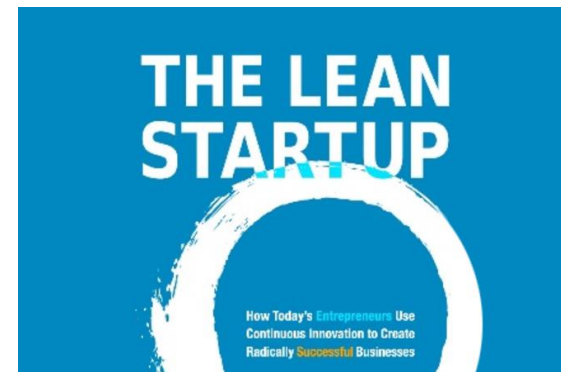
- ▶ Entrepreneurs innovate
- ▶ Customers validate



Five Stages of NISI



Disruption: New start-up process is changing everything we know about Entrepreneurship



NISI Fundamentals

1. Get into the Field
 2. Change or Fail Fast
 3. Brutal Intellectual Honesty
 4. Keep it Simple
 5. Hire Smart People
1. Start Small



Fundamental #1: Get Into the Field (customer centric)



heck

“Get the hell outside the building!” –Steve Blank

2. Change or Fail Fast

“Successful startups are the ones who have enough money left over to try their 2nd idea.”

– Clayton Christensen

- ▶ Rapidly test assumptions
- ▶ Iterate swiftly
- ▶ Change direction or try a new idea



3. Brutal Intellectual Honesty

“The issue I set the most store by is whether entrepreneurs are honest with themselves.”

– Arthur Rock

Your role isn't to be right,
your role is to discover truth!

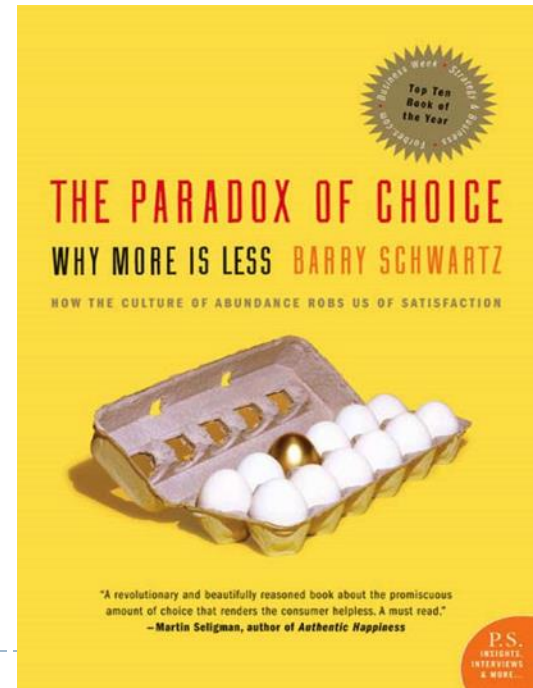
▶ Entrepreneurial kryptonite

- ▶ Unwilling to see information that does not confirm their perspective
- ▶ Reusing ideas where they may no longer be appropriate
- ▶ Confusing overconfidence with determination



4. Keep It Simple

- ▶ Modern market creates complexity
- ▶ As human beings we are happier with simplicity
- ▶ Applies in business
 - ▶ Jam experiment
 - ▶ Camera sales
 - ▶ Vanguard
- ▶ Goal: Start by identifying the Minimum Feature Set and then create the Minimum Viable Product (MVP)
- ▶ Example: Classtop



YHOO: \$ 40.6 Billion Market Cap on \$4.6 Billion in Annual Sales

The screenshot shows the Yahoo! homepage with the following elements:

- Top Bar:** "Get Y! Toolbar | Make Y! your home page" on the left and "Yahoo! Music: Check out top videos, lyrics, photos, and more." on the right.
- Search Bar:** Features the "YAHOO!" logo, tabs for "Web", "Images", "Video", "Local", "Shopping", and "more", a search input field, and a "Web Search" button.
- Navigation:** "Yahoo! Home" and "My Yahoo!" buttons on the left; "Mar 7, 2008" and "Page Options" on the right.
- Left Sidebar:** A vertical menu with icons and links for: Answers, Autos (UPDATED!), Finance, Games, Groups, HotJobs, Maps, Mobile Web, Movies, Music, Personals, Real Estate, Shopping, Sports, Tech, Travel, TV, Yellow Pages, Video (UPDATED!), More Yahoo! Services, Small Business, and Marketplace.
- Main Content Area:**
 - Featured:** Includes a "6 easy sleep tips" article with a photo of a woman sleeping, a "Play Video" button, and three smaller article teasers: "Six surprising and easy sleep tips", "Golfer kills protected hawk with shot", and "7 top cities for a great weekend trip".
 - In the News:** A section titled "As of 12:06 a.m. MST" listing various news items such as "Haitians go hungry as tons of food aid sits rotting in ports", "Colombian president: Raid in Ecuador was justified", "Al-Qaida may be plotting to attack the U.S., general says", "Authorities probe 'We Did It' letters", "Times Square bombing", "Paul hints to supporters that he's quitting the campaign", "'08 race", "IRS urges non-taxpayers to use 'Free File' for stimulus aid", "Paris Hilton's little brother may be headed to jail for DUI", and "NBA · NCAA Hoops · NHL · MLB · NFL · NASCAR · Soccer". It includes links for "More: News | Popular | Election '08".
 - Markets:** Displays "Dow: -1.8% Nasdaq: -2.3%" and is "Sponsored by: Scottrade".
- Right Sidebar:**
 - Links for "Check your mail status: Sign In" and "Free mail: Sign Up".
 - Buttons for "Mail", "Messenger", "Radio", "Weather", "Local", and "Horoscopes".
 - A large advertisement for "Too Irate and Run-down to Even Discuss" featuring a quote: "I hate late night TV. And not falling asleep." with a link for "For more information - Ad Feedback".
 - An "Inside Yahoo! Sports" section titled "Take a shot at \$5,000,000" with a photo of a basketball player and text: "Play Tourney Pick 'Em 2008 and you'll have a chance at \$5 million dollars!" and a "Play Now" link.

GOOG: \$393 Billion Market Cap on \$60.1 Billion in Annual Sales



Keep It Simple – Less Is More.



Chinese Menu



5. Hire smart people. How good is your founding team?

- ▶ "Entrepreneurship is hard, it is even harder when you are stupid." – Paul Ahlstrom
 - ▶ "Really smart people clearly give an early-stage company an advantage" John Doerr
 - ▶ Entrepreneurs must be able to create clarity out of confusion
- ▶ **Social IQ** - "Leaders with "people smarts" find it much easier to forge crucial relationships with fellow management team members, employees, customers, suppliers, strategic partners, financiers and the media. People rally around people with "people smarts." -- David Beirne, Benchmark Capital



6. Start Small

- ▶ **Average venture-backed startup is 15-20 people**
 - ▶ Selling but not clear exactly what
- ▶ **Big teams create problems**
 - ▶ Communication problem
 - ▶ Political problem
- ▶ **Small teams are better for market discovery**
 - ▶ Need 2-3 people to run Nail and Scale It
 - ▶ Internal commitment to keep each other honest
 - ▶ Too few will be subject to bias of interpretation



NISI Mantra

Dream Big...

Start Small...

Stay Flexible!



Summary: NISI Provides Organizational Alignment with Customer's needs

Customer Centric NISI Goals –

- ▶ **I. Establish right vision.** Scientific Process to inform your gut. (right market, right customer, right product)
- ▶ **II. Team Buy In.** Align all key stakeholders with the founding team's vision (employees, board, investors)
- ▶ **III. Customer Traction.** Make it comfortable for customers to purchase.
- ▶ **What NISI can promise**
 - ▶ Help create a common language within your organization
 - ▶ Discover if an idea is worth pursuing
 - ▶ Build Something someone wants to buy





Nail It then Scale It The Fundamentals

Nail The Pain – Case Studies

Phase 1: Nail the Market Pain



- **Step 1:** Write Down Monetizable Pain Hypothesis
- **Step 2:** Write Down Conceptual Solution Hypothesis
- **Step 3:** Quick Test of Hypotheses
- **Step 4:** Quick Exploration of Market Dynamics & Competition

Phase 1: Nail the Market Pain

▶ Objective:

- ▶ Understand your teams core competency and how that intersects with the customer problem/market
- ▶ Discover the **Monetizable Customer Pain**
 - ▶ Discover the “job” your customer is trying to get down without being biased by the solution
- ▶ Develop the **Big Idea Hypothesis**

▶ Steps:

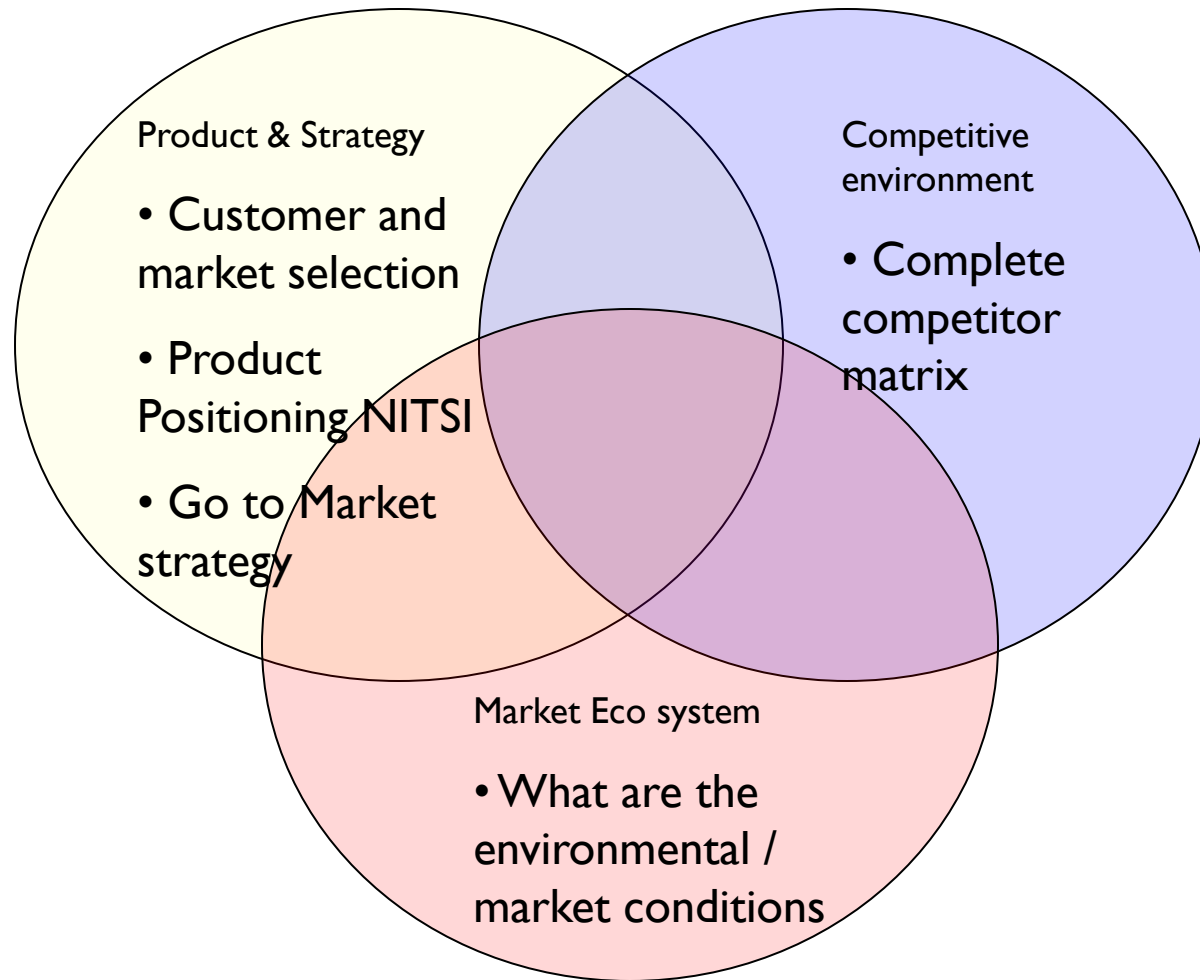
- ▶ Step 0: Don' t build anything
- ▶ Step 1: Write down Monetizable Pain hypothesis
- ▶ Step 2: Write down Big Idea Hypothesis
- ▶ Step 3: Quick test of Hypothesis with customers
- ▶ Step 4: Exploration of market dynamics & competition

▶ Test:

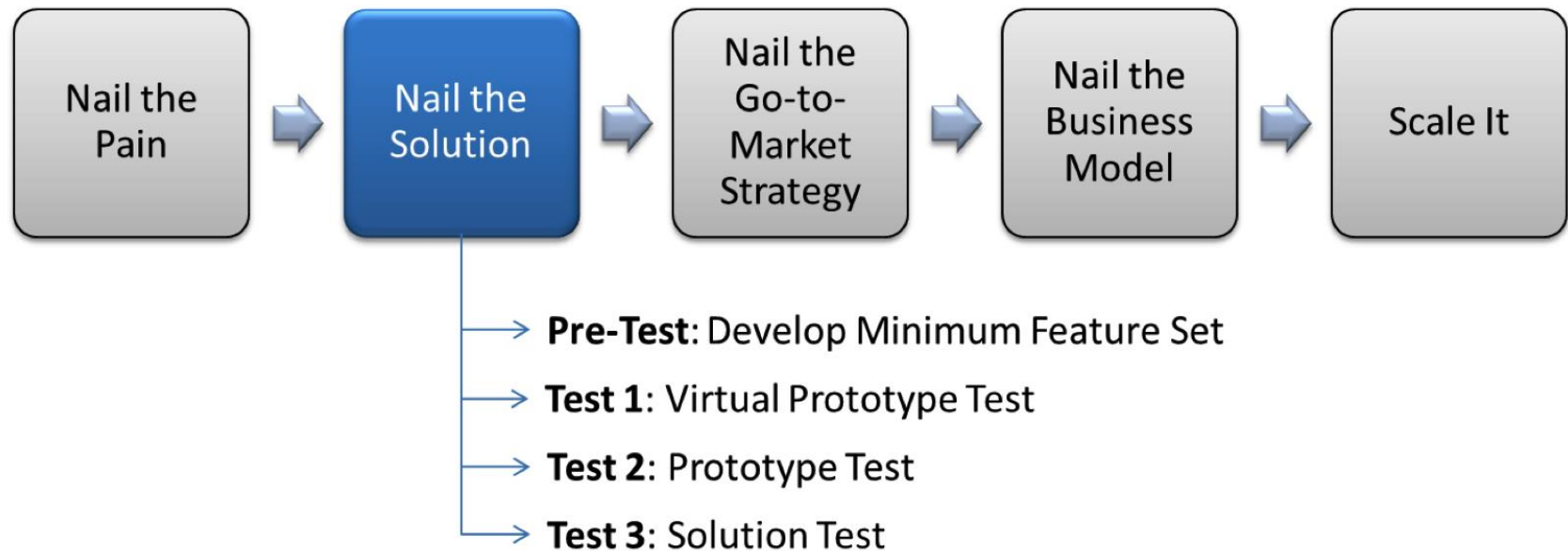
- ▶ Customers return your cold call

▶ Examples:

Market Assessment – Exploring Market Dynamics



Phase 2: Nail the Market Solution



Google Glass-Value of Rapid Prototyping

Rapid prototyping Google Glass - Tom Chi



Phase 2: Nail the Market Solution

- ▶ Objective:

- ▶ Discover the **Minimum Feature Set** that drives **purchase**

- ▶ Steps:

- ▶ Test 1: Virtual Prototype Test
 - ▶ Test 2: Prototype Test
 - ▶ Test 3: Solution test

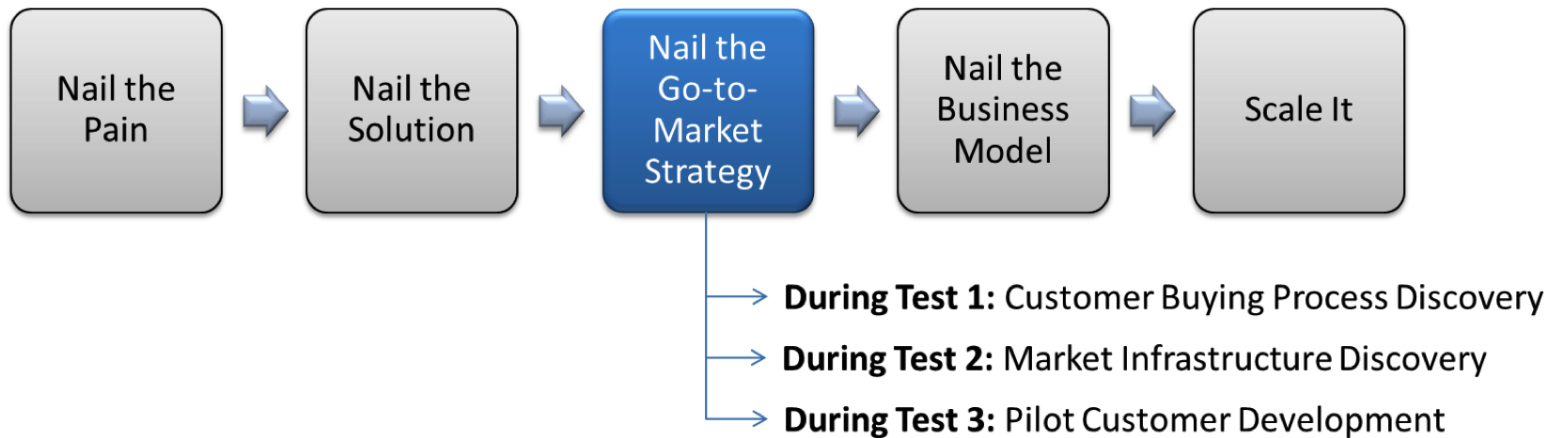
- ▶ Test:

- ▶ Customers purchase

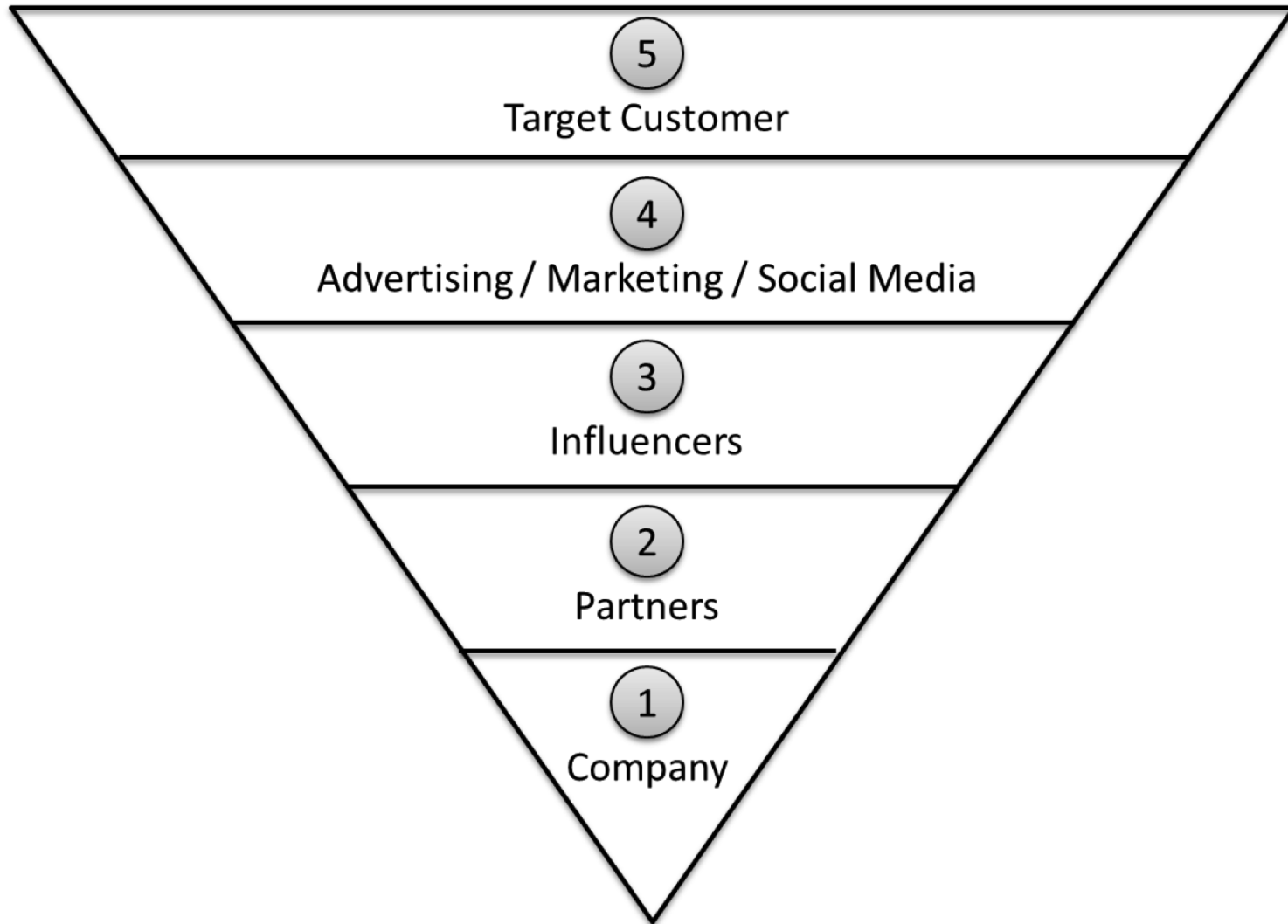
- ▶ Examples:

- ▶ Intuit (Quickbooks: Simple Start), Motive Communications, Classtop, CrimeReports, IMVU, Craigslist, Ford, Google ...

Phase 3: Nail the Go-to-Market Strategy



Next Phase: Go to Market Plan (Market Infrastructure Mapping.)



Phase 3: Nail the Go-to-Market Strategy

- ▶ Objective:

- ▶ Discover **customer buying process** and **unique sales process** for your customers

- ▶ Steps:

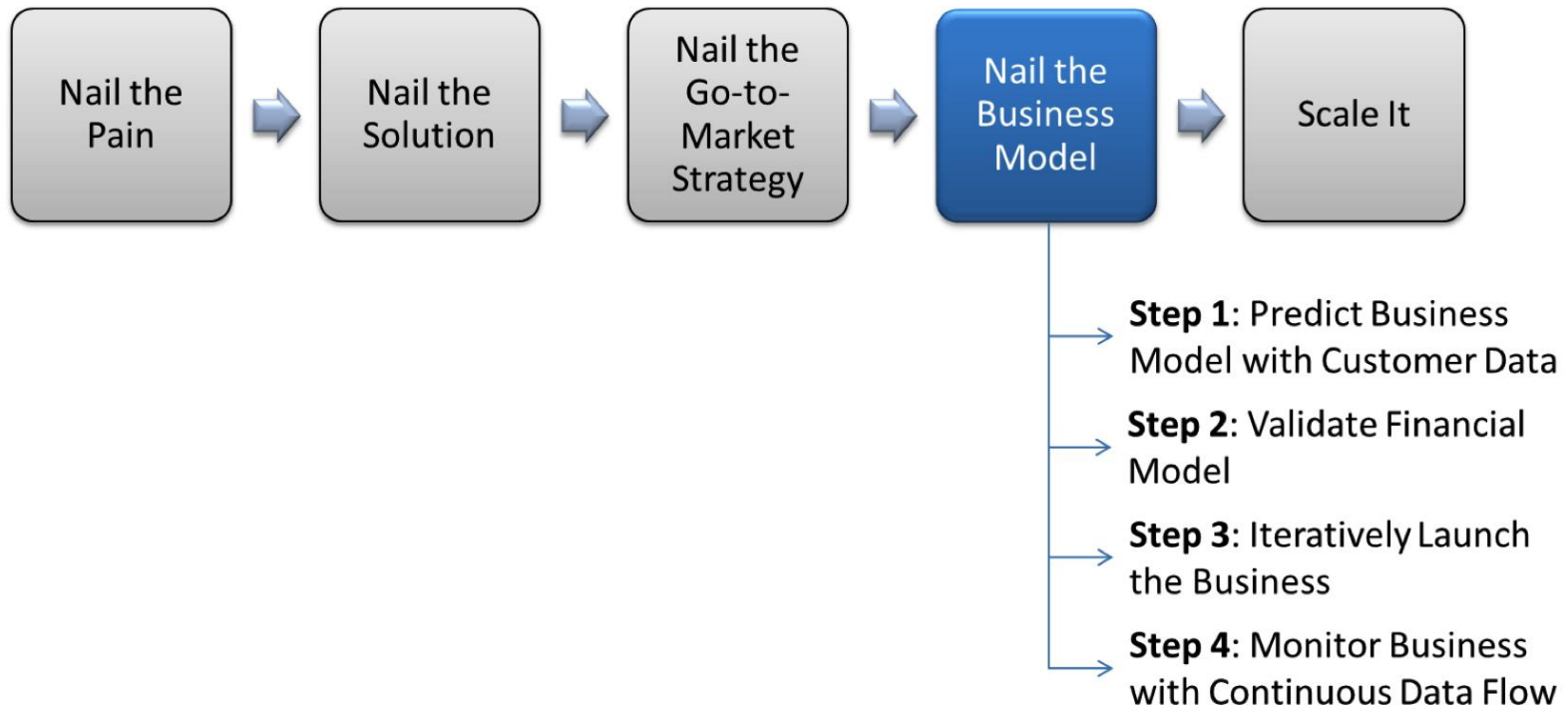
- ▶ Test 1: Buying process discovery
 - ▶ Test 2: Market infrastructure discovery
 - ▶ Test 3: Pilot customer validation

- ▶ Examples:

- ▶ Intuit (Quicken)
 - ▶ Supermac
 - ▶ Motive Communications

- ▶ Knowlix, Aeroprise, Design within Reach, ...

Phase 4: Nail the Business Model



Phase 4: Nail the Business Model

- ▶ **Objective:**

- ▶ Validate financial model & ignite business model

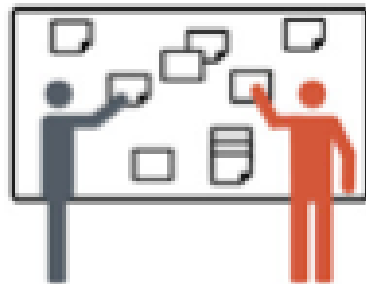
- ▶ **Steps**

- ▶ Leverage customer conversations to predict business model
 - ▶ Validate the financial model
 - ▶ Iteratively launch product and go-to-market strategy
 - ▶ Business dashboard with continuous information flow
 - ▶ Adjust speed depending on market type

- ▶ **Examples:**

- ▶ Webvan
 - ▶ Webmetrics, Knowlix, Yahoo

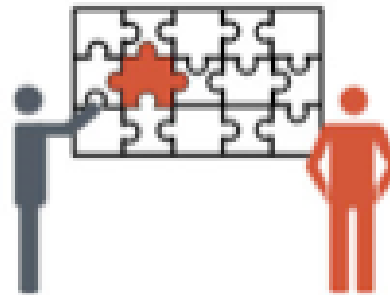
3 steps of business model design



1

VISUALIZE

→ describe existing business model



2

ASSESS

→ assess strengths and weaknesses

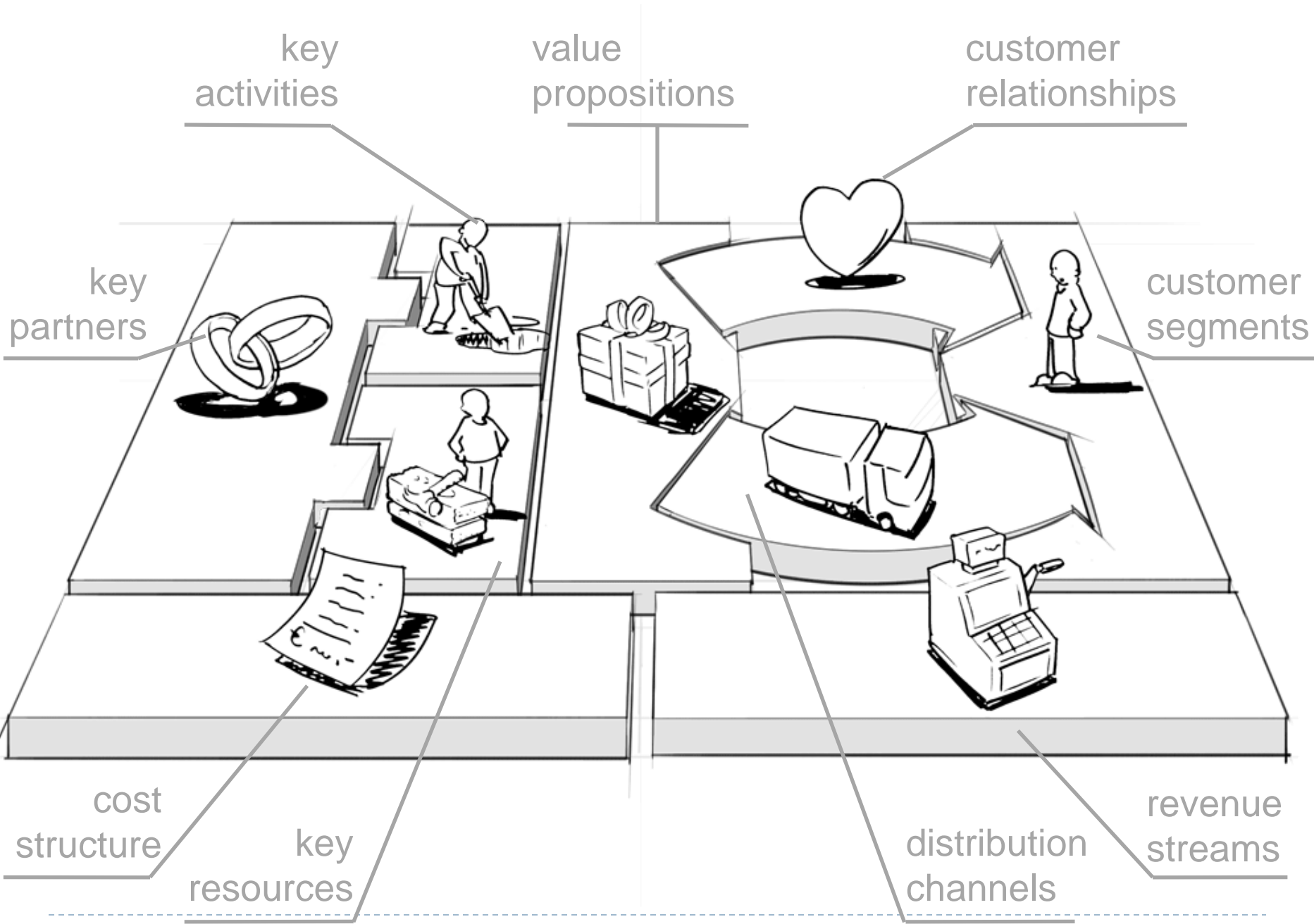


3

INNOVATE

→ brainstorm on improvements & opportunities





The Business Model Canvas

Designed for:

Designed by:

Once
Iteration:

Key Partners



Who are our Key Partners?
Who are our key suppliers?
Which Key Resources are we acquiring from partners?
Which Key Activities do partners perform?

KEY PARTNER RELATIONSHIPS:
Complement and enhance
Reduce risk and uncertainty
Increase efficiency and activities

Key Activities



What Key Activities do our Value Propositions require?
Our Distribution Channels?
Customer Relationships?
Revenue streams?

KEY ACTIVITIES:
Production
Problem Solving
Platform Network

Value Propositions



What value do we deliver to the customer?
Which one of our customer's problems are we helping to solve?
What bundles of products and services are we offering to each Customer Segment?
Which customer needs are we satisfying?

VALUE PROPOSITIONS:
Newness
Performance
Customization
"Convenience" (Saving the Job Done)
Price
Brand Status
Risk Reduction
Compatibility
Interoperability/Compatibility

Customer Relationships



What type of relationship does each of our Customer Segments expect us to establish and maintain with them?
Which ones have we established?
How are they integrated with the rest of our business model?
How costly are they?

CUSTOMER RELATIONSHIPS:
Personal Assistance
Self-Service
Automated Services
Communities
Co-creation

Customer Segments



For whom are we creating value?
Who are our most important customers?

CUSTOMER SEGMENTS:
Mass Market
Niche Market
Segmented
Individual
Multi-sided Platform

Key Resources



What Key Resources do our Value Propositions require?
Our Distribution Channels? Customer Relationships?
Revenue Streams?

KEY RESOURCES:
Physical
Intellectual
Human
Financial

Channels



Through which Channels do our Customer Segments want to be reached?
How are we reaching them now?
How are our Channels integrated?
Which ones work best?
Which ones are most cost-efficient?
How are we integrating them with customer routines?

CHANNELS:
1. Direct sales
2. Indirect sales
3. Partners
4. Retailers
5. Suppliers
6. Other

Cost Structure

What are the most important costs inherent in our business model?
Which Key Resources are most expensive?
Which Key Activities are most expensive?

COST STRUCTURE:
Cost of Goods Sold (COGS)
Operating Expenses (OpEx)
Capital Expenses (CapEx)
Research and Development (R&D)
Marketing and Sales
General and Administrative (G&A)
Interest and Taxes

COST STRUCTURE:
Fixed Costs
Variable Costs
Semi-variable Costs
Overhead Costs



Revenue Streams

For what value are our customers really willing to pay?
For what do they currently pay?
How are they currently paying?
How would they prefer to pay?
How much does each Revenue Stream contribute to overall revenues?

REVENUE STREAMS:
1. Product Sales
2. Service Fees
3. Subscription Fees
4. Licensing Fees
5. Royalties
6. Other





STRATEGIC PARTNERS



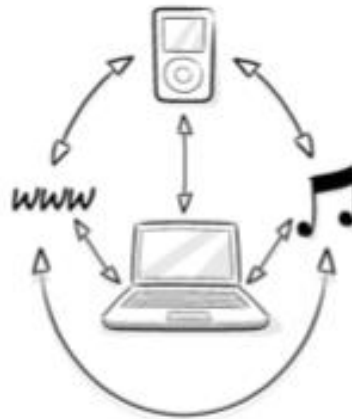
KEY ACTIVITIES



KEY RESOURCES



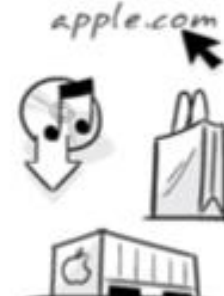
VALUE PROPOSITION



CUSTOMER RELATIONSHIP



DISTRIBUTION CHANNELS



CUSTOMER SEGMENT



COST

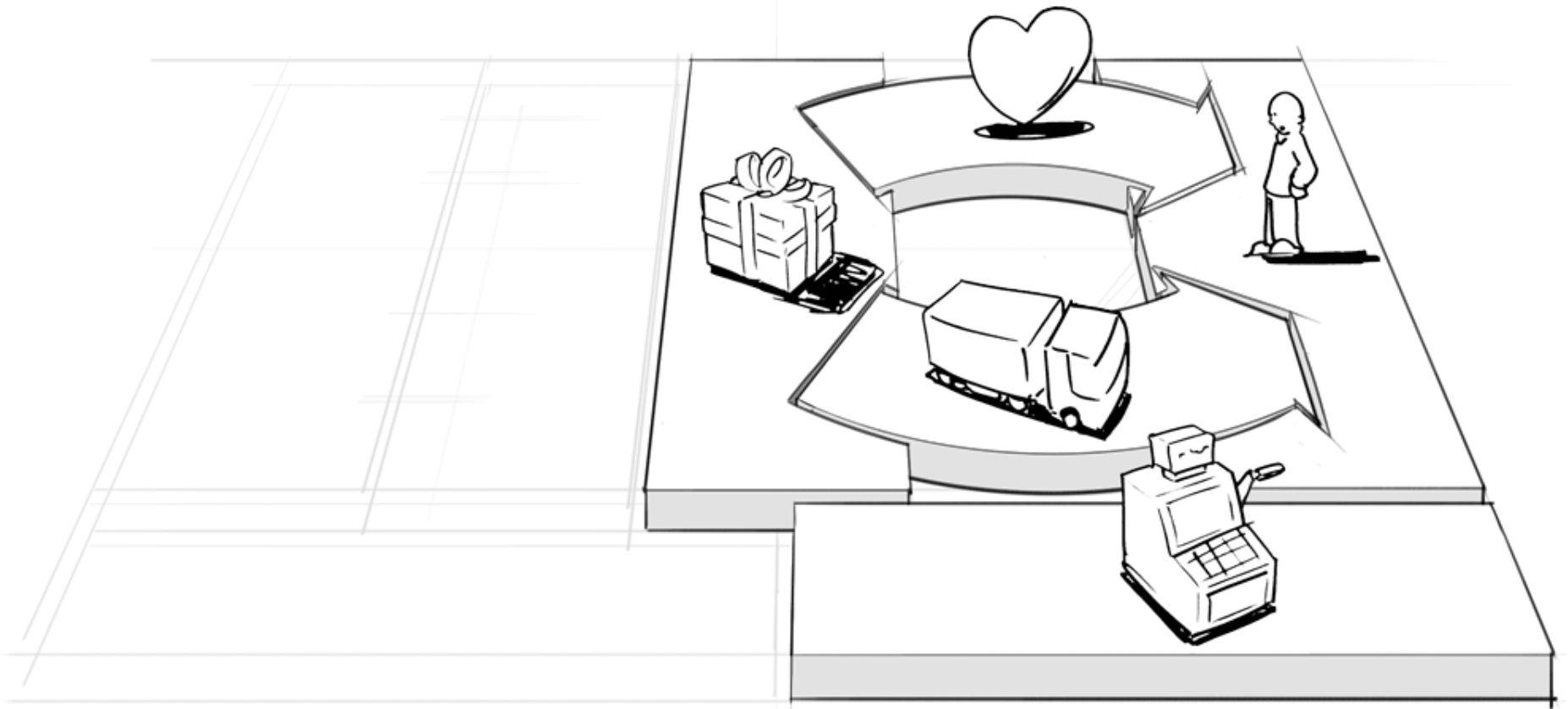


REVENUES



Let's Look at an Example of One Segment

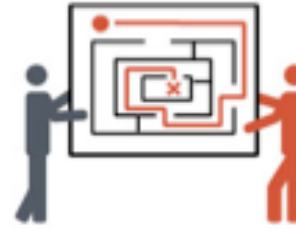
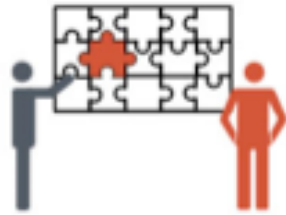
REVENUE STREAMS



Ways to generate revenues

- ▶ Asset sale
- ▶ Usage fees
- ▶ Subscription fees
- ▶ Lending/Renting/Leasing
- ▶ Licensing
- ▶ Brokerage fees
- ▶ Advertising
- ▶ Fixed pricing vs dynamic pricing

5 steps of business model design



1 VISUALIZE

2 ASSESS

3 INNOVATE

4 PLAN

5 IMPLEMENT

→ describe existing business model

→ assess strengths and weaknesses

→ brainstorm on improvements & opportunities

→ turn new model into a project roadmap

→ communicate & implement



International Business Model Competition

"No Business Plan Survives First Contact With A Customer"

The International Business Model Competition represents a radical departure from the past and the crest of a new paradigm in entrepreneurship. The IBMC is not a business plan competition. Participants won't be rewarded for doing lots of library research, drawing fancy graphs, or crafting the perfect sales pitch to venture capitalists. Instead the IBMC rewards students for:

- Breaking down their idea into the key business model assumptions
- Getting outside the building and testing their assumptions with customers
- Applying Customer Development / Lean Startup principles to make sure they nail the pain and solution, and
- Learning to pivot (change) until they have arrived at a customer-validated business model.



International Business Model Competition Winners

2012 IBMC Winner
XoomPark

2013 IBMC Winner
Owlett



See winning IBMC presentations on YouTube

Student Business Model Competitions Based on New Startup Models – Nail It Then Scale It!



Phase 5: Scale It

▶ Objective:

- ▶ Scale discovered model until it breaks
- ▶ Whole Product Solution
 - ▶ Phase change recognition & management
 - Recognize changes
 - Shift process, structure and employees
 - Emphasize with visual management
 - ▶ Consciously define culture
 - ▶ Succession and transition
 - ▶ Leaping between markets

▶ Examples:

- ▶ Intuit, Fusionsoft, Craigslist, SodaStart, IMVU



Keep it Visual!



Summary of Five Phases

Product development

- ▶ Before you build anything:
 - ▶ Identify hypotheses about customers
 - ▶ Test those hypotheses as cheaply as possible
 - ▶ Identify exactly customer pain and your solution with customer
 - ▶ Use a virtual prototype

▶ Sales development

- ▶ Discover exactly how customers buy
- ▶ Develop a replicable sales model



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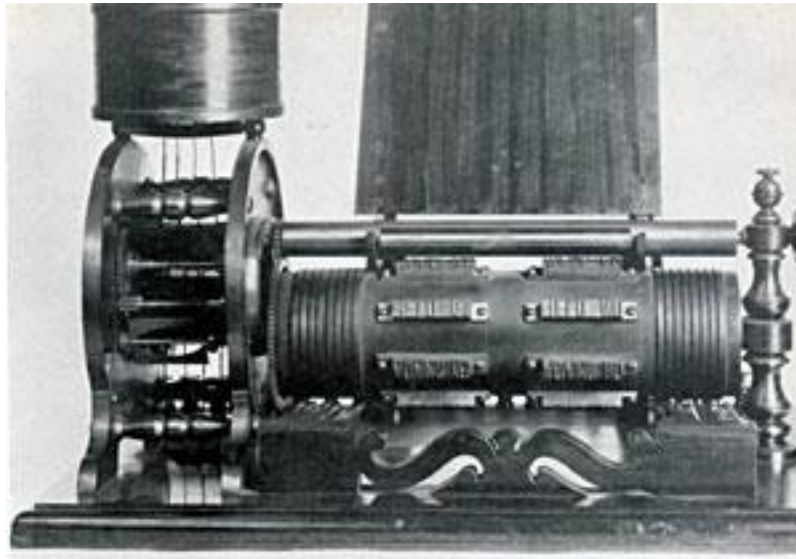
Historical Examples of NISI



Thomas Edison



Vote Counter



- ▶ "if there is any invention on earth that we don't want down here, that is it."

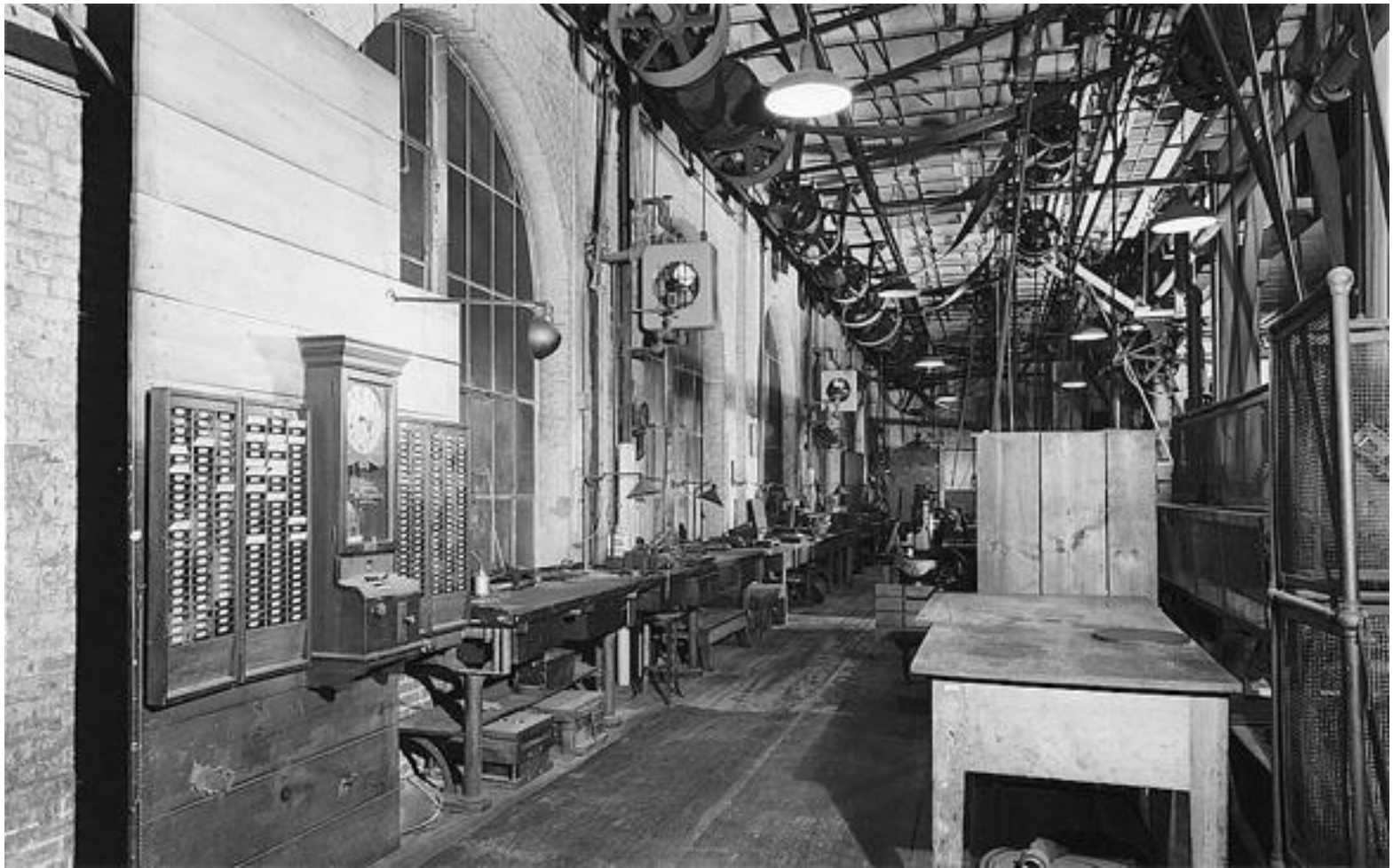
Ten Years Later Edison Patented the light bulb



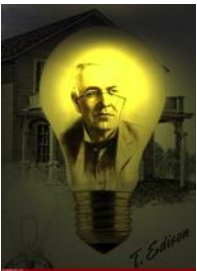
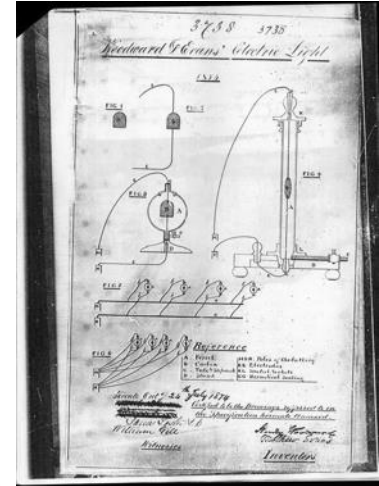
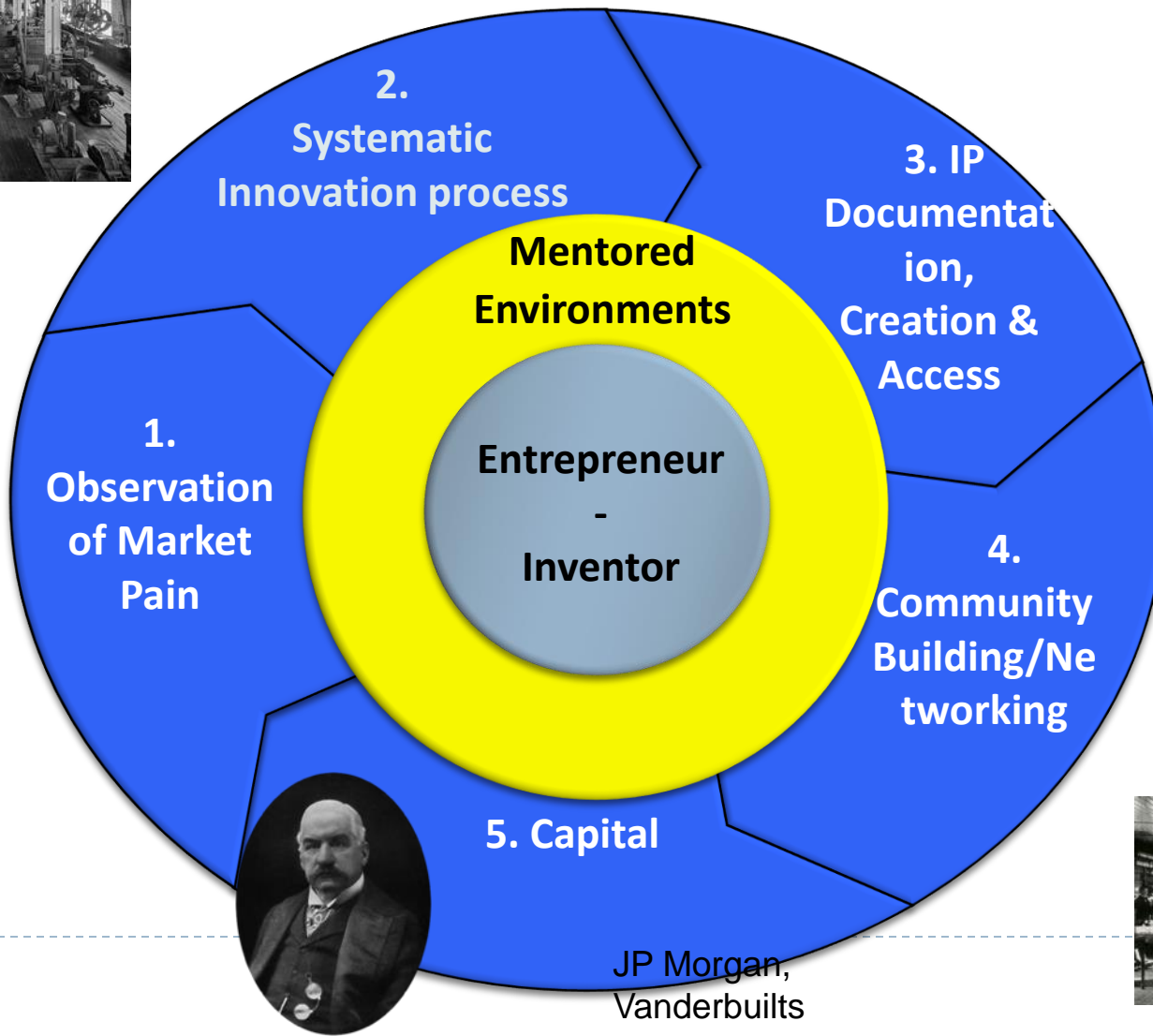
Thomas Edison's process driven innovation







Thomas Edison's Technology Commercialization Model





1958 Ford Edsel

1964 Ford Mustang



Presenting
the unexpected...
new Ford Mustang!

\$2368* f.o.b. Detroit



This is the car you never expected from Detroit. Mustang is so distinctively beautiful it received the Tiffany Award for Excellence in American Design... the first time an automobile has been honored with the Tiffany Gold Medal. Mustang has the look, the fire, the flavor of the great European road cars. Yet it's as American as its name... and as practical as its price—just \$2,368 f.o.b. Detroit.

* That's the suggested retail price for the basic Mustang Hardtop. It does not include, of course, destination charges from Detroit, options, state and local taxes and fees. If any. Whitealls are \$33.90 extra and the vinyl roof covering is \$75.80 extra.

It does include, however, at no extra cost, a polished instrument panel and full wheel covers, which cost extra on most other cars...

See the Mustang and ride Walt Disney's Magic Skyway at the Ford Motor Company's Wonder Rotunda, New York World's Fair.

as well as bucket seats; floor-mounted shift; wall-to-wall carpeting; vinyl upholstery; arm rests; cigarette lighter; room for four; sensibly sized trunk; sports steering wheel; courtesy lights; a 170-cu. in. Six... and more!

The basic Mustang is an eminently practical and economical car, yet, it was designed to be designed by you. You can make your Mustang into a luxury or high performance car by selecting from a large but reasonably priced group of options.

For added luxury choose such options as air conditioning, push-button radio, vinyl roof covering, 5-speed Cruise-O-Matic, power brakes, power steering—you name it.

Or, for sports car performance add the big 289-cu. in. V-8 engine (the same basic V-8 that powers the famous Cobra), 4-speed stick shift, synchro in all forward speeds, and Rally Pac (tachometer and clock).



Ford Mustang Convertible

AdClassix.com

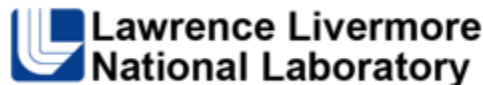
SPECIALIST IN ORIGINAL VINTAGE ADVERTISEMENTS
FORD & MUSTANG ARE REGISTERED
TRADEMARKS OF FORD MOTOR CO. LTD.



Turn Invention Into Innovation

Technium is a collaboration with the International Business Model Competition and laboratory partners spanning federal, university, and corporate labs to unlock the technologies and put them into your hands to create the next groundbreaking company and spark new innovation.

Winners of the IBMC will earn \$150,000 in investment from Alta Ventures and investment partners and a license to the technology. Additional resources will be given by the respective lab for commercialization.



Nail It Then Scale It:

Twitter: @paulahlstrom

www.NailThenScale.com



Sectors That VCs Invest In

Technology



Consumer



Education



Security



Non-banking



Healthcare



Sectors That VCs Invest In

Telecomm



Big Data



E-Commerce



Clean Tech



Mobile & Entertainment



Preparing To Raise Money From A Venture Capitalist



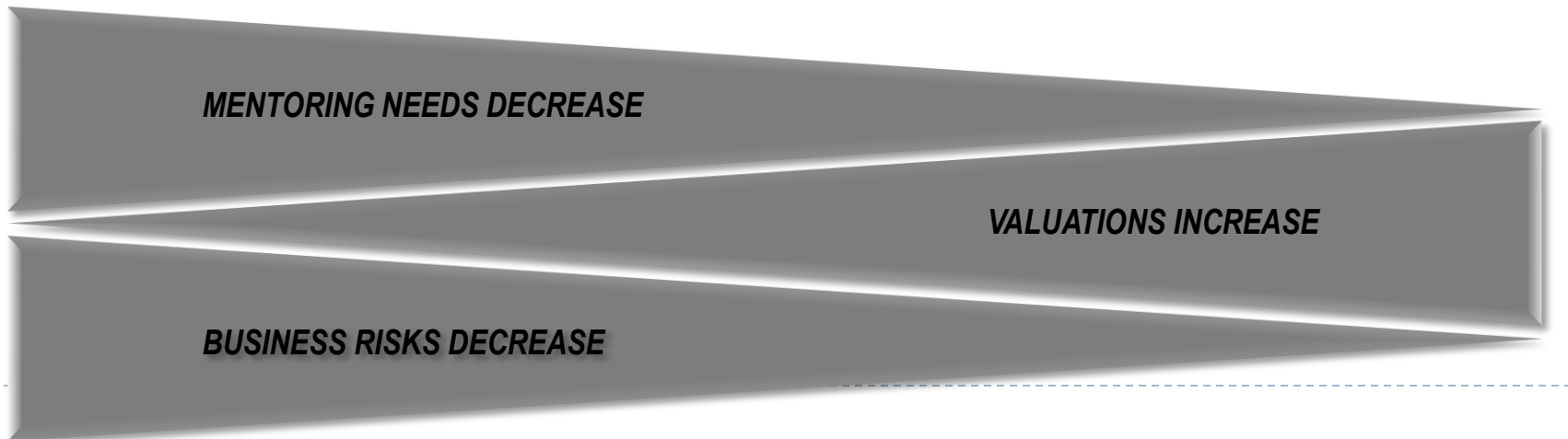
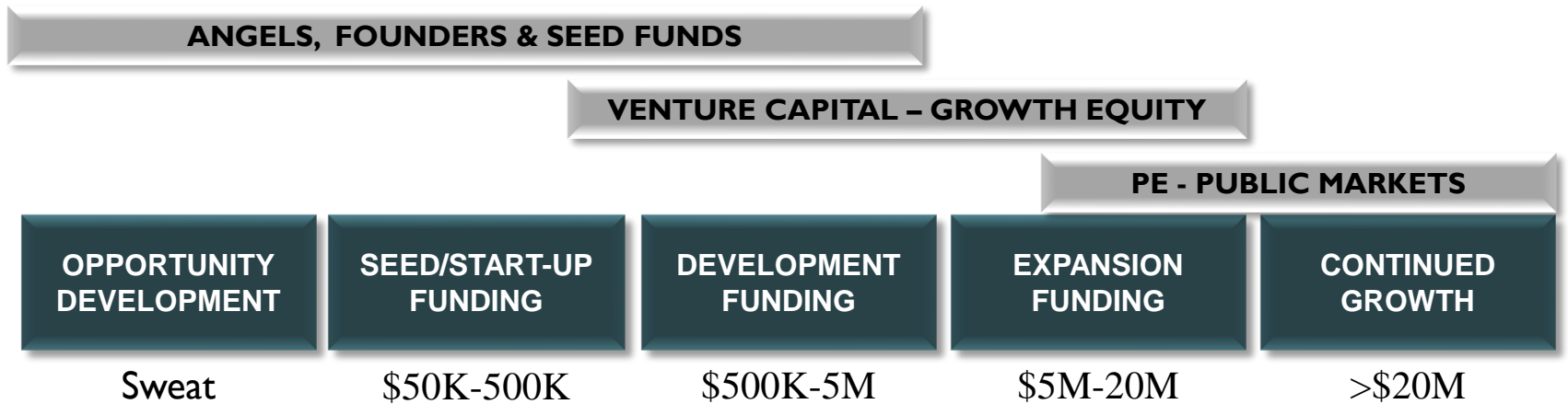
What Kind of Company Are You Starting?

- ▶ Necessity Business
- ▶ Opportunity / Lifestyle Business
- ▶ Gazelle Company
Or “Bolt” company 😊



Investment Funding Continuum

From seed to venture to growth to private equity



What Type of Investors Do You Want to Approach?

- ▶ Family, Friends, and Fools

- ▶ Government: **STARTUP**  JAMAICA
Get up. Start up

- ▶ Foundations:  **Rawson**
CENTRE OF ENTREPRENEURSHIP

- ▶ Angel Groups: First Jamaican Angel Group

- ▶ Strategic Investors

- ▶ Crowd Funding: **KICKSTARTER**



- ▶ Institutional Investors

Create a Killer Story and Pitch Deck

Dave McClure

HOW TO PITCH A VC



10 SLIDES TO AN AWESOME PITCH!

1

Elevator Pitch

Teaser slide
goes here

2

The PROBLEM

3

The Solution

DEMO
goes here

4

Market Size

5

Business Model

6

Proprietary Tech

7

Competition

8

Marketing Plan

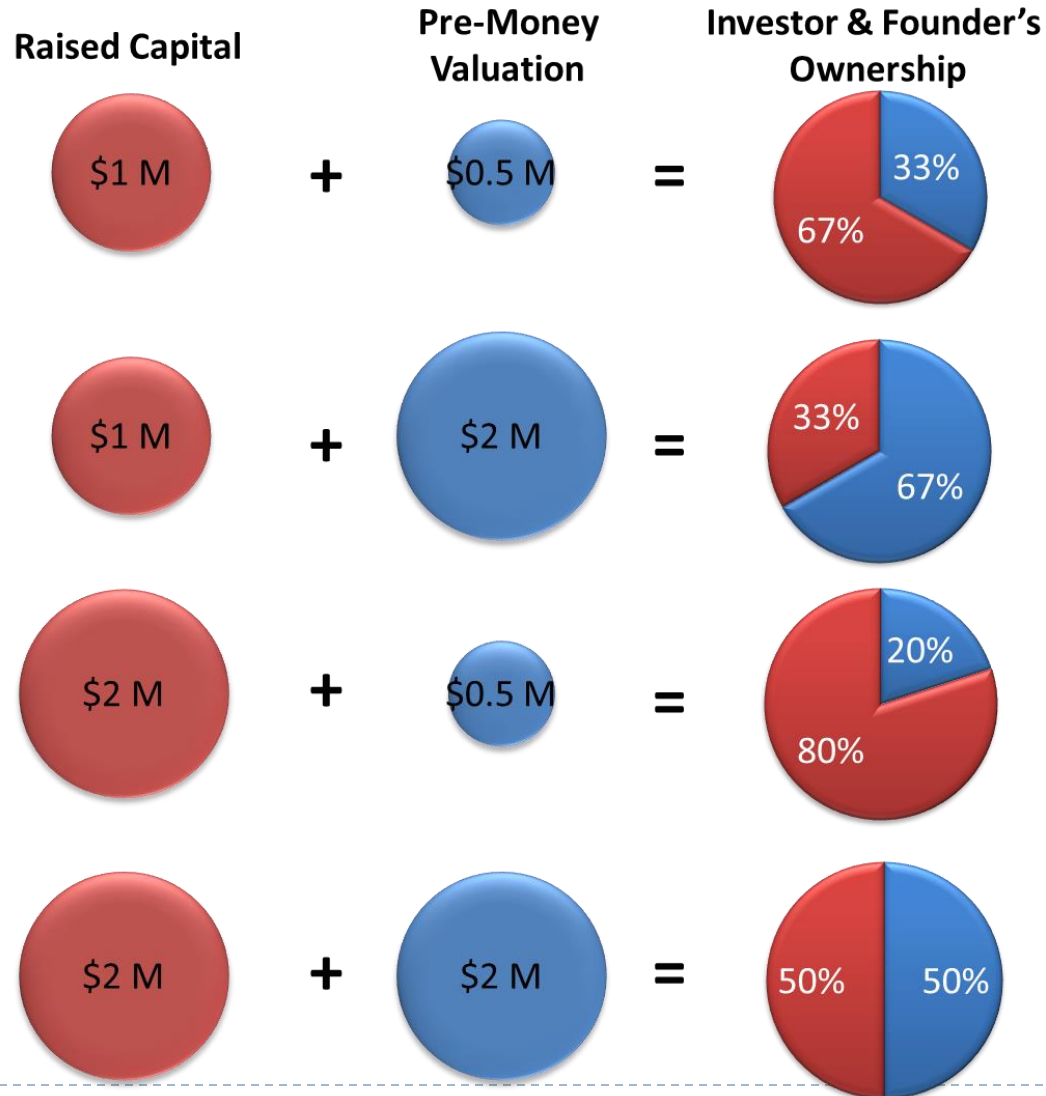
9

Team

10

Money

Mechanics of Raising Equity



What Type of Entity Should I Form?



How Do You Select A Board of Directors and a Board of Advisers

Board of Directors	Board of Advisers
<ul style="list-style-type: none">• Governing body that oversees management• Provides managers with guidance and advice• Fiduciary duty—legal obligation to act in best interest of company, stockholders• Review and approve major business decisions and strategies (exec. hiring, annual budgets, mergers & acquisitions)• Prepare for and attend regular board meetings	<ul style="list-style-type: none">• Provides managers with guidance and advice• No fiduciary obligations• Can meet with all leadership together, but may just meet independently with the CEO to provide assistance



To grant or not to grant...



The Marshmallow Challenge



Thank you Jamaica!

