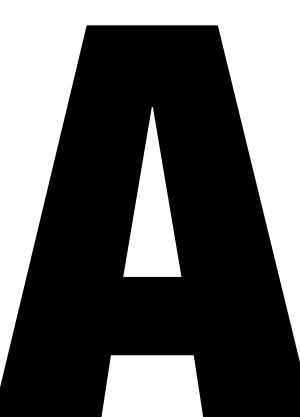
APPLIED ENTREPRENEURSHIP TODAY ;-)



NOVA SCHOOL OF BUSINESS & ECONOMICS

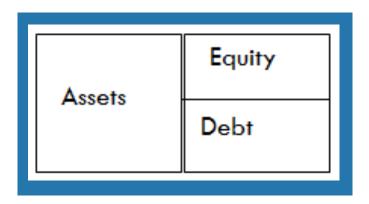


STARTUP FINANCES

1. BALANCE



1. BALANCE



BALANCE CASHFLOWS



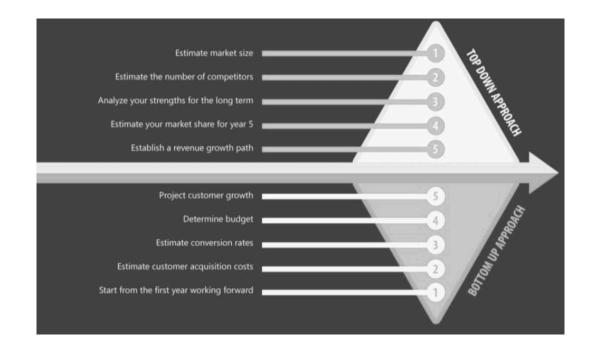
BALANCE CASHFLOWS

		0		1		2		3		4		5		6
Sales QUANTITY				10,000.00		12,000.00		15,000.00		15,500.00		12,000.00		
Revenues			€	50,000.00	€	60,000.00	€	75,000.00	€	77,500.00	€	60,000.00		
Costs			€	22,500.00	€	27,000.00	€	33,750.00	€	34,875.00	€	27,000.00		
EBITDA			€	27,500.00	€	33,000.00	€	41,250.00	€	42,625.00	€	33,000.00		
Depreciation			€	2,000.00	€	2,000.00	€	2,000.00	€	2,000.00	€	2,000.00		
EBIT			€	25,500.00	€	31,000.00	€	39,250.00	€	40,625.00	€	31,000.00		
Taxes			€	10,200.00	€	12,400.00	€	15,700.00	€	16,250.00	€	12,400.00		
Earnings			€	15,300.00	€	18,600.00	€	23,550.00	€	24,375.00	€	18,600.00		
Depreciation			€	2,000.00	€	2,000.00	€	2,000.00	€	2,000.00	€	2,000.00		
Capital Expenditure	€	10,000.00												
WC			€	2,500.00	€	3,000.00	€	3,750.00	€	3,875.00	€	3,000.00		
Change in WC			€	2,500.00	€	500.00	€	750.00	€	125.00	€	(875.00)	€	(3,000.00)
Cash Flow			€	14,800.00	€	20,100.00	€	24,800.00	€	26,250.00	€	21,475.00	€	3,000.00
DCF			€	13,143.87	€	15,853.29	€	17,371.47	€	16,329.61	€	11,864.28	€	1,471.94
Hurdle rate		12.60%												
NPV	€	66,034.45												



Top-Down Bottom-Up Approach

Top-Down Bottom-Up Approach



Top-Down

Bottom-Up Approach

Internet/Users Approach

Measuring past rec	ords						·	Year (
-reasoning past ret	ionas	Viert year selling, after impleme	and and have a second					i var
		January	Februaru	March	April	Mau	June	Jul
		vanuary	rebluary	Maich	April	relay	Jourie	Jun
Online Acquisition								
Payied Basis					1			
Facebook adds	Users Acquired	I						
	Money spent		1					
	Cost per User	0	- o	0	0	0	. (0
	New Users Contribution		0	0	0	a	a	2
		-	· · · · · · · · · · · · · · · · · · ·	· · · · · · · · · · · · · · · · · · ·	-			
Google adds	Users Acquired						1	1
	Money spent							-
	Cost per User	0	0	0		0	(n
	New Users Contribution	i i		a				
		<u>۴</u>	r.	e e	v	v		
Other adds		1						
Veile the name at the other	Users Acquired					1	T	1
	Money spent							-
	Cost per User	0	1 0	0	0	0	1	
	New Users Contribution	, a		, n	a			
	new osers contribution		t,	t,		Į.		
Non Advertisemen	. Basic							
nen marennsemen	12000	1						
Social Networks C	n Lleare Acquired			1			1	T
Concept Explanation	Money spent							+
	Cost per User	0) 0	0	0	0	L	_
	New Users Contribution	l a		0				
	New Users Contribution	U U	U	U		U		·
		1	1	1	1	1	1	-
Blogs/Press	Users Acquired					L	L	_
Concept suparation	New Users Contribution	0	0	0	0	0	0	۲ <u>ــــــــــــــــــــــــــــــــــــ</u>
			1		1			_
Users base ¥irality					-		L	
Concept Explanation	New Users Contribution	0	0	0	0	0	0	<u></u>
Offline Acquisition								
	Users Acquired					1	1	1
	Money spent						+	-
	Cost per User	0) 0	0	0	0	l (n –
	New Users Contribution	i a		a				



4. COSTS

Add Cost DelCost Insert Cost name Insert Cost name View common Examples Total COGS Controls for SW&S: Delete Group Wages & Salaries(Gross - Final Out flow) Add Cost DelCost Insert Cost name Insert Cost name View common Examples Total W & S Controls for S,M&R: Delete Group Sales, Marketing & Representation Costs Add Cost DelCost Insert Cost name Insert Cost name View common Examples Total S, M & R Controls for T&E: Delete Group Technology & Equipment Costs Add Cost DelCost Insert Cost name Insert Cost name View common Examples Total T & E Controls forAdim. Costs: Delete Group Administrative Costs Add Cost DelCost Insert Cost name Insert Cost name View common Examples Total Adim. C Controls for P,L&A .:: Delete Group Professional, legal & accountancy fees Add Cost DelCost Insert Cost name Insert Cost name View common Examples Total P, L & A Total cash expenses

Variable Costs

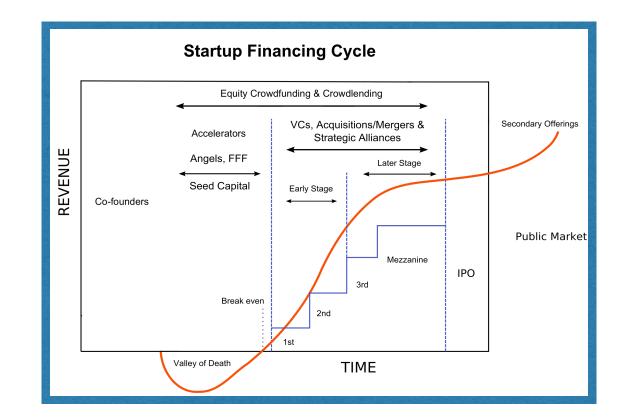
Cost of Goods Sold

Controls for COGS: Delete Group

BALANCE CASHFLOWS DEMAND COSTS FUNDING



5. FUNDING



5. FUNDING

A	Equity	>
Assets	Debt	

BOOTSTRAP FFF

5. FUNDING

Acceto	Equity	
Assets	Debt	

ACCELERATORS CROWDFUNDING

1. BALANCE 2. CASHFLOWS 3. DEMAND

5. FUNDING





4.	C	S	Т	S



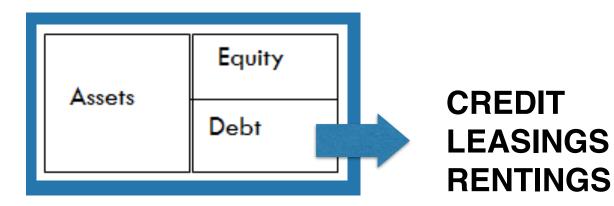
Assets

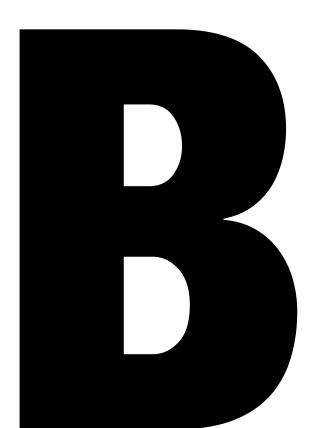
Equity

Debt

INVESTORS:
BUSINESS ANGEL
VENTURE CAPITAL

5. FUNDING





STARTUP FUNDING TIPS & TRICKS



Types of Funding...

Types of Funding...

DEBT

- •often "investment grade"
- passive investment
- •no loss of equity
- •fixed sum (or structure)
- •fixed time period
- •fixed rate of return
- •hefty (and onerous) covenants
- risk-averse asset

EQUITY

- •investor "participates in upside"
- actively avoid lower risk
- •higher returns required
- loss of equity
- active investment (controls, board roles, etc)
- •suitable for riskier investments
- •often part of a portfolio

HYBRID

Entrepreneurial Finance Framework

Capital Intensive, Proven Technologies

(Commercial banks; project finance; strategic investors)

Capital Intensive, New Technologies

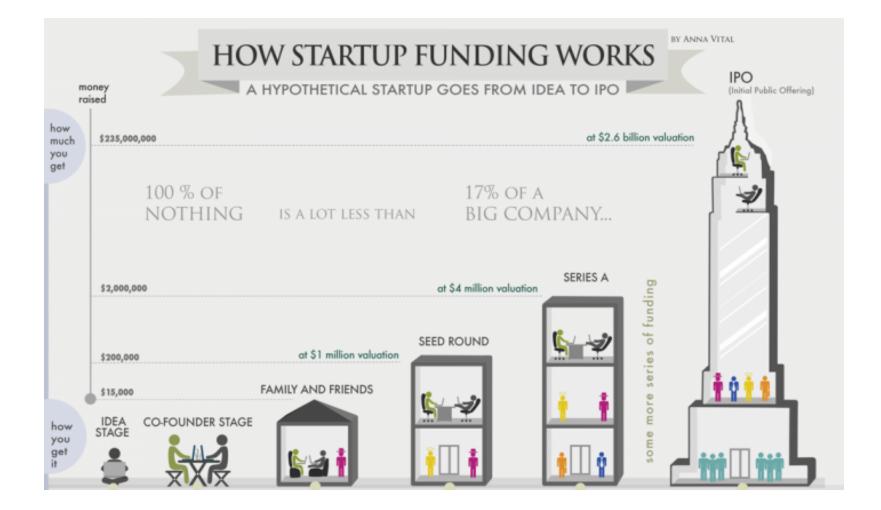
(Hard to fund – "valley of death")

Small Businesses

(Personal credit; bank loans)

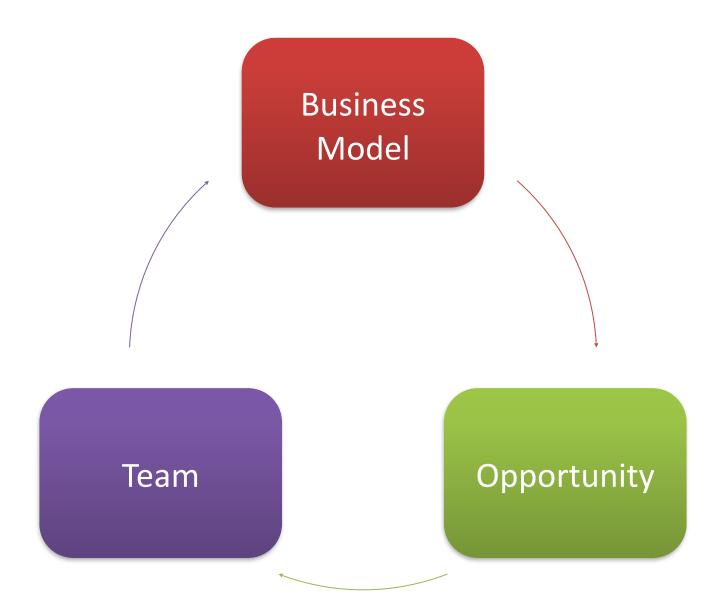
New Technologies

(Angel investors; venture capital)



What do VC's look for?

What do VC's look for?

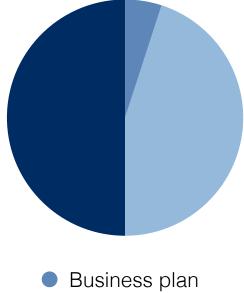


What to Expect with a VC! - (Via France Digitale) The Process 40% OUT Weekly 90% OUT Dealflow Executive investment instruction Summary committee analyst full team **Business Plan** try to avoid this step by meeting them before you need funds (chances almost x2) First meeting analyst + partner Party Slideshow >10% OUT everyone cool Champaign 85% OUT 40% OUT Negotiation Instruction 2 partners/1 partner-1 analyst at least one partner + Everything you got focus on specific points, "friendly" due diligence /!\ due diligence

chance of raising: 100*(1-40%)*(1-90%)*(1-85%)*(1-40%)*(1-10%)=0,48%

Tip #1: Find your lead investor early.

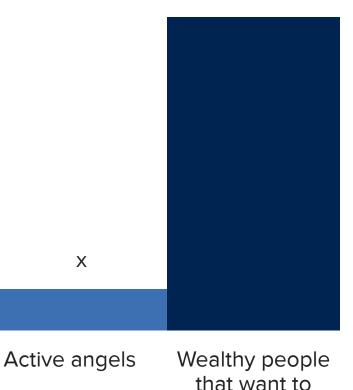
Investors follow the herd. They care more about who else is investing than what you do as a company. Don't go broad until you have your lead lined up. How investors make decisions



- Team
- Other investors

Tip #2: Your angel investors don't have to be in tech.

Don't limit your search to active tech angels. Think more broadly about who would support your company.

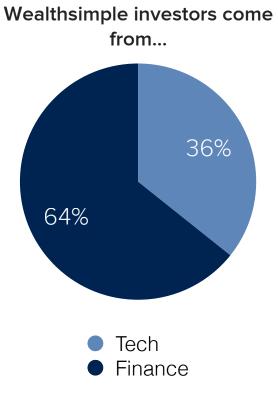




invest in tech

Tip #2: Your angel investors don't have to be in tech.

Think broadly about your ideal investors. "Smart money" can make a big difference.

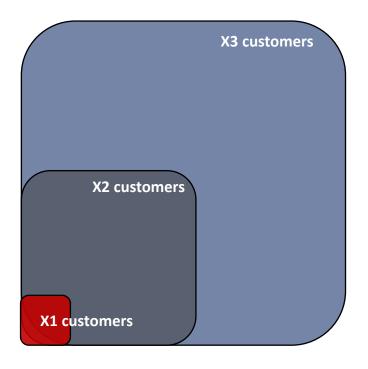


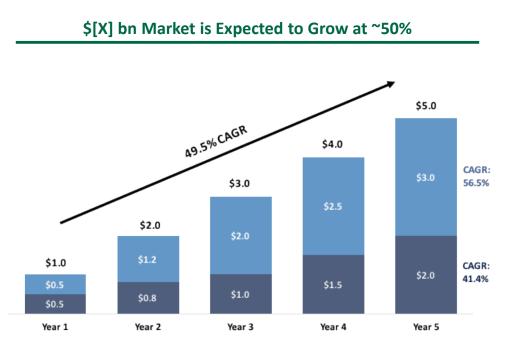
Tip #3: Set a deadline.

Once you have a leader investor, move fast to close your round. Closing will always take longer than you expect.



Addressing a Sizable and Growing Market





Source: [Insert your source here]

Startup economics

(\$M)	2017E	2018E	2019E	Comments
KPI1 (e.g. customers)	X1	Y1	Z1	[Insert comment]
KPI2 (e.g. channels, locations)	X2	Y2	Z2	
Revenues	\$X	\$Y	\$Z	
Gross Margins	A%	В%	C%	
R&D	\$(R1)	\$(R2)	\$(R3)	[Insert comment]
S&M	\$(S1)	\$(S2)	\$(S3)	
G&A	\$(G1)	\$(G2)	\$(G3)	
Operating Expenses	\$(OE1)	\$(OE2)	\$(OE3)	
Net Cash Burn	\$(C1)	\$(C2)	\$(C3)	[Insert comment]
# of Employees	А	В	С	[Insert comment]

Startup economics

(\$M)		2017E	2018E	2019E	Comments			
KPI1 (e.g. customers))	X1	Y1	Z1	[Insert comment]			
KPI2 (e.g. channels, l	ocations)	X2	Y2	Z2				
Revenues		\$X	\$Y	\$Z				
Gross Margins		A%	В%	С%				
R&D		\$(R1)	\$(R2)	\$(R3)	[Insert comment]			
S&M		±	±,	*****				
G&A	Term		Definition			Examp		
Operating Expenses	Average Selliı (ASP)	ng Price	 Annual average revenue per customer Can be monthly as well as long as consistent across 					
Net Cash Burn			 Profit after the optimized in the optimized					
# of Employees	Gross Profit		 Gross margins x 			\$80		
	Customer Life Useful Life	etime	 1 / annual churr If annual churn 		% = 5 years	5 Year		
	Customer Life Value (CLV)	etime	 \$80 Gross Profit 	x 5 years		= \$40		
	Customer Acc Cost (CAC)	quisition	 Annual sales and 	d marketing ex	penses / gross customer adds	\$120		
	CLV / CAC		>3x is considere	d healthy, susta	ainable scaling	~3.3		

Startup economics

(\$M)		2017E	2018E	2019E	Comments	
KPI1 (e.g. customers)		X1	Y1	Z1	[Insert comment]	
KPI2 (e.g. channels, lo	ocations)	X2	Y2	Z2		
Revenues		\$X	\$Y	\$Z		
Gross Margins		A%	В%	С%		
R&D		\$(R1)	\$(R2)	\$(R3)	[Insert comment]	
S&M		±	1,11,	1		
G&A	Term		Definition			Example
Operating Expenses	Average Selliı (ASP)	ng Price	Annual averageCan be monthly		stomer as consistent across	\$100
Net Cash Burn # of Employees	Gross Profit		 Profit after the Gross margins x		product or service	\$80
	Customer Life Useful Life	etime	 1 / annual churn If annual churn 		% = 5 years	5 Years
	Customer Life Value (CLV)	etime	 \$80 Gross Profit 	x 5 years		= \$400
	Customer Acc Cost (CAC)	quisition	 Annual sales an 	d marketing exp	oenses / gross customer adds	\$120
	CLV / CAC		 >3x is considere 	d healthy, susta	ainable scaling	~3.3x

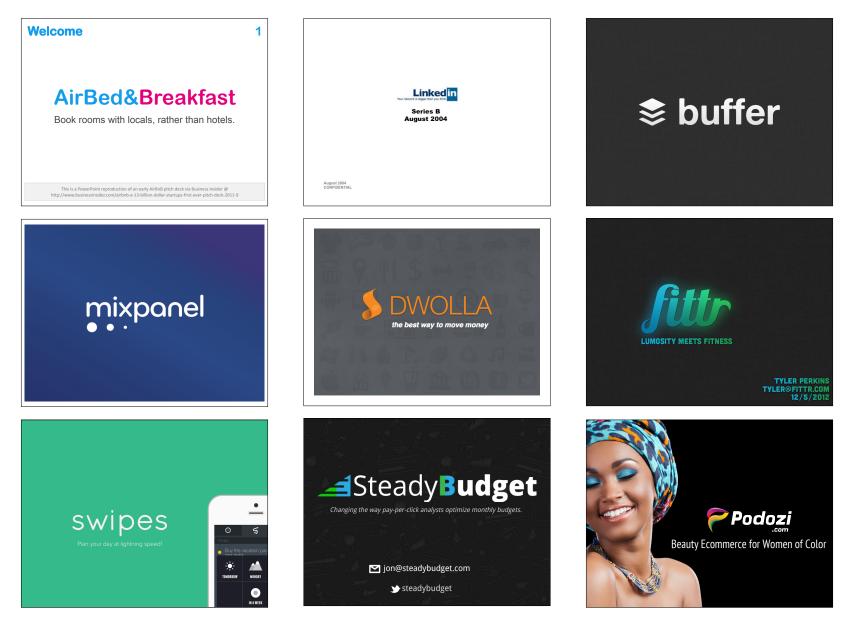
Investors economics

RO	Ventures			Amoun Investe	2362	Total		Aver	
ROI Multiple	Number	% of Total	Average Invested	Total	% of Total	Total	ROI Multiple	% of Total	Average Time to Exit
0	31	26	73,920	2,291,525	23	0	0	0	2.6
>0 to <1	26	22	146,651	3,812,914	38	1,878,426	0.5	4	3.6
1	23	20	29,192	671,422	7	671,422	1	1	2
>1 to 10	21	18	89,073	1,870,541	19	5,614,653	3	11	5
> 10x	16	14	80,633	1,290,132	13	42,927,748	33.3	84	8.6
All	117	100		9,936,534	100	51,092,249		100	4

Tip #5: Make a hell of a pitch-deck... most suck.

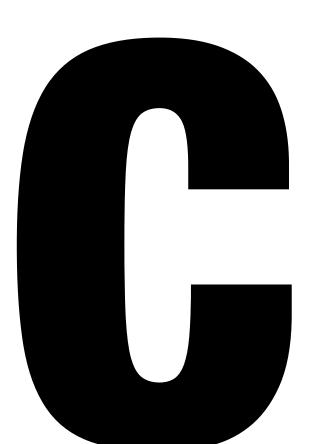
A compelling deck is short, clear, and well designed.

Tip #5: Make a hell of a pitch-deck... most suck.



Tip #6: Put money where your mouth is (if you can).

- If you can afford it, investing in your own round goes a long way
- Signals to investors that you are committed, aligned, and will be a responsible steward of their capital
- Surprisingly few teams invest in their own rounds so it can also help you stand out.



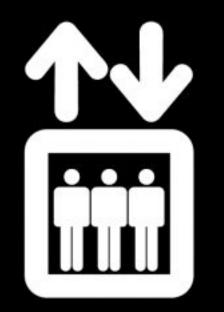
REMEMBERING: PITCH TIPS



PITCH ?!







THE PITCH



IF YOUASK ME FOR A &5 NOTE YOU CAN HAYE ONE

































SHIPPHPHULLESS





THE JURY



SELLING ?????

der 1



RESTAURANT





TELLA STORY



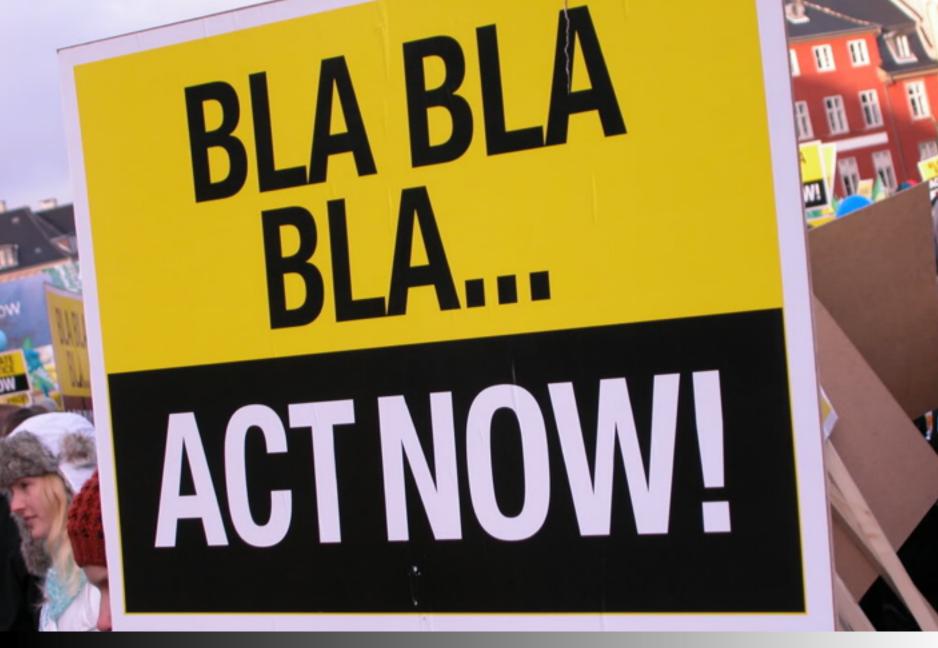
web technologies

Ð

-

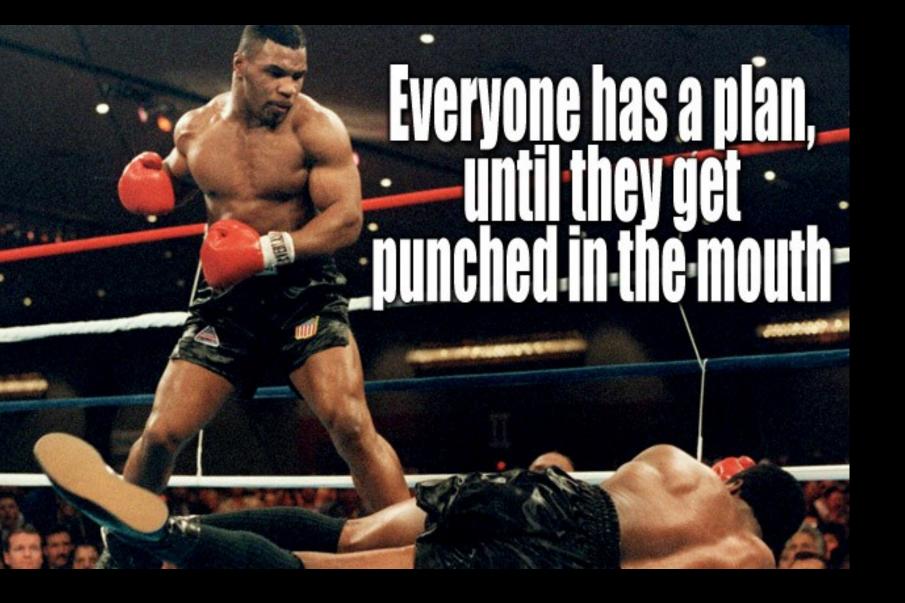


AVOID BEING ONE



CALL TO ACTION & CLOSING

FINAL TIPS



LAST WORDS

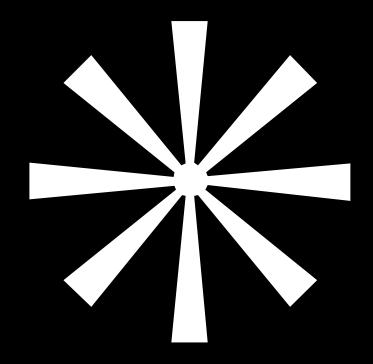
em·pa·thy noun \'em-pə-thē\

the action of understanding, being aware of, being sensitive to, and vicariously experiencing the feelings, thoughts, and experience of another of either the past or present without having the feelings, thoughts, and experience fully communicated in an objectively explicit manner



WATCH OUT FOR THE LIES

The power of the asterisk*



* hidden lies

BE HONEST



- NO hype
- NO marketing
- NO hard sell
- NO buzz
- NO viral

In other words...

NO BULLSHIT!

13,000,000,000 Huh?

BE FACTUAL... AND CLEAR

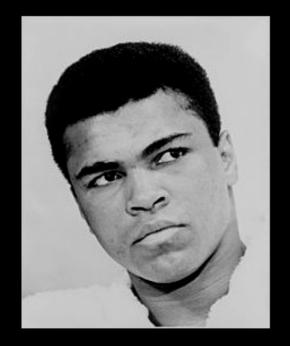


write hard speak easy

BE SURE YOU ADD VALUE

speak slooowleeeee





Float like a butterfly, sting like a bee. (Muhammad Ali)

DRUM DRUM

KISS ME



KISS ME Keep lt Simple Short & MEmorable



T. HANKS



DON'T FORGET THE Q&A

FAQ:

We have separated the questions into three categories:

- A) Business
- B) Financials
- C) Management

Disclaimers:

- The questions are not listed in any particular order
- Not all of the questions will apply to your business
- You can expect to be asked a lot more questions than included in this presentation
- Be prepared to answer industry-specific questions which we did not include here

A) BUSINESS

- 1. What is your industry and your business?
 - 2. What problem are you trying to solve?
 - 3. Why is this worth solving? Have you got validation
 - 4. How big is this problem/market?
- 5. How will your company grow?
- 6. What is the biggest challenge for your company?
- 7. How does the economy affect your business?
- 8. What gives your company a competitive advantage?
- 9. Who are your customers?
- 10. How do you plan to acquire and keep customers?
- 11. Why did you choose this market over another market?
- 12. What drives customer satisfaction for this industry and this product/service category?
- 13. What is the projected lifetime of your product or service?
- 14. Is there a proven demand for your product/service? What research supports that?
- 15. What is your pricing model based on?
- 16. What is your legal liability concerning your products/services?
- 17. Do you have proprietary intellectual property in the form of patents, trademarks, etc.?
- 18. What's the barrier of entry for competition? How easily can you be copied?
- 19. What's going to stop a big company from copying you?
- 20. What is your strategy to handle competition?

B) FINANCIALS

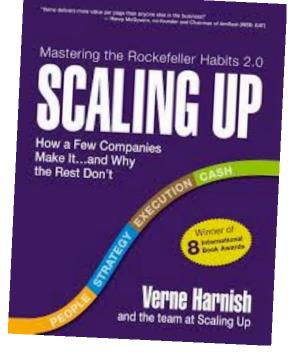
- 21. How did you get your initial startup capital?
- 22. What did you do with your initial startup capital?
- 23. What's your revenue model?
- 24. What is additional funding going to do for you?
- 25. Why are you raising the amount of money that you want to raise?
- 26. How long do you expect this investment capital to last? When and how are you planning on securing more funding?
- 27. What is your current revenue and how much of that is profit?
- 28. Explain the fixed and variables costs in your business model?
- 29. Who else have you spoken to concerning this investment?
- 30. What is your investment proposal? What are you offering?
- 31. What is your exit strategy?
- 32. How much money can I potentially earn as an investor and what happens if the company goes bad?
- 33. How much do you have invested in your own company?
- 34. What and how are you being compensated from this project and/or investment?
- 35. How much have other people invested into your company and what has been their return so far?

C) MANAGEMENT

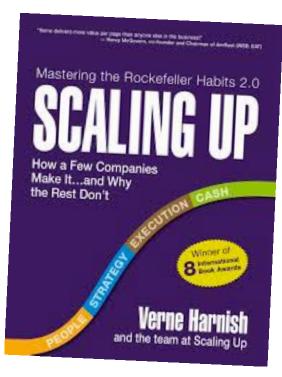
- 36. What does your team look like and what is their background?
- 37. What selection criteria have you used to assemble your current management team?
- 38. What kind of experience does your management team have in this field?
- 39. Do you and your partners have any relevant diplomas, degrees, certifications etc.?
- 40. Are all the key people in place? Are there any management gaps?
- 41. What do you expect to be my involvement/role as an investor in the company?
- 42. Are you currently doing something else for money or are you running your business full-time?
- 43. What makes you sure that you will succeed with this business?

44. Why you are the best team to implement this idea?



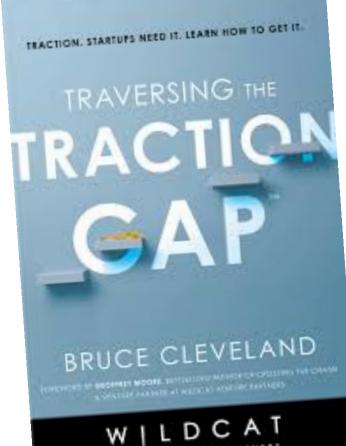




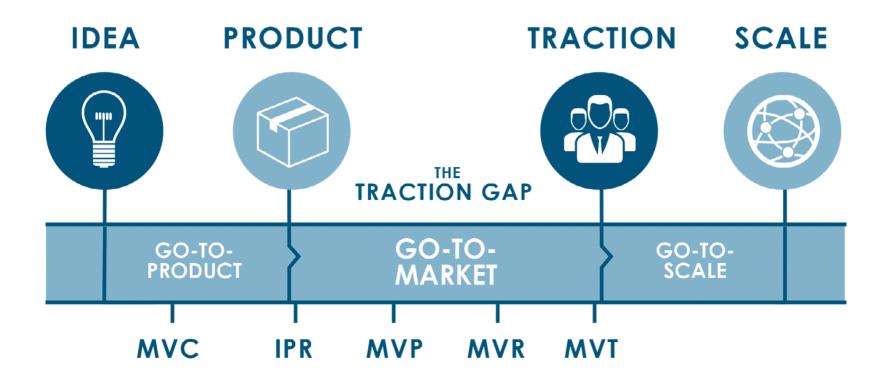


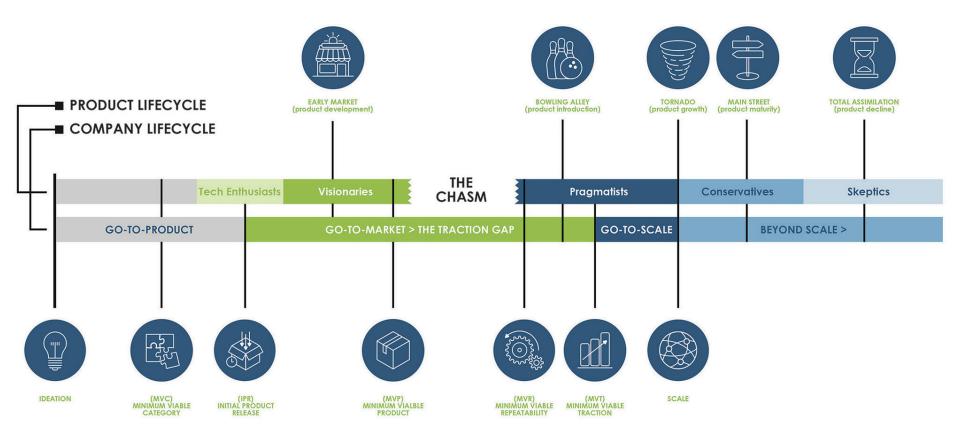


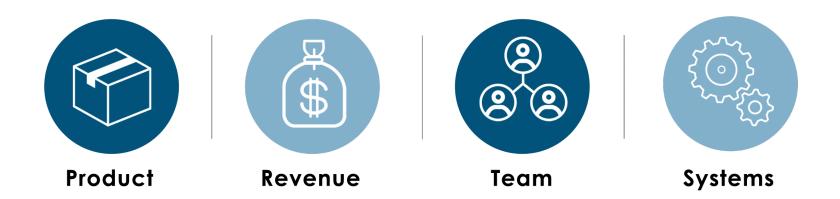
Are you ready to scale up 10x? RECUTION CASH **Develop a distinct Strategy** -Can you articulate your company's strategy simply, Stay afloat with enough Cash and is it bringing sustainable growth in revenue and gross Do you have steady margins? (and ideally internal) sources of cash to State C power your business Attract and retain the right People growth? Are stakeholders happy & Execute perfectly with 3 key habits engaged in the business, and would you choose to work Are all processes running smoothly with them again? and driving superior profitability?















STARTUP CAPITAL NEEDS (FOR EACH VALUE INFLECTION POINT)

		A MVC	IPR	MVP	KOR MVR	<u> </u>
CAPITAL \$ RAISED	* 1 ^ /	\$1M	\$1M	\$5M	\$11M	\$20M
PRE-MONEY VALUATION	\$5.3M	\$5.3M	\$5.3M	\$14.2M	\$40M	\$77M
VALUATION STEPUP FROM IDEATION	N/A	N/A	N/A	Зx	8x	15x
DILUTION FROM PRIOR ROUND		16%	16%	26%	22%	21%

		₩VC	👹 IPR	MVP	💿 MVR	<u>™</u> MVT
REVENUE (ARR)	\$0	\$0	\$0	\$0	\$2M	\$6M
MAX MONTHLY NET CASH BURN	\$100K	\$100K	\$100K	\$250K	\$500K	\$750K
% R&D SPEND	80%	80%	80%	80%	70%	50%
% SALES & MARKETING SPEND	0%	0%	0%	0%	10%	35%
% SALES/ MARKETING SPLIT	0%	0%	0%	0%	70/30%	70/30%
% G&A SPEND	20%	20%	20%	20%	20%	15%
CAC RATIO (MEDIAN)	0	0	0	0	2	1.2
% GROSS MARGIN (LICENSE)	0% 0%	0%	0%	0%	78%	78%
% CHURN RATE (MEDIAN)	0%	0%	0%	0%	10%	10%
HEADCOUNT	4-6	4-6	4-6	10-12	15-25	35-50

Source: Wildcat & Mattermark 2014 Startup Traction Report

PRODUCT



e TEAM



IDEATION	Focus on product-engineering tasks: Perform statistically valid market research and prioritize initial product features based upon that market research.
MVC	Capture statistically valid market feedback to produce a verified product and feature list.
IPR	Don't build everything. Obsess about the things that users really rely on and actually use. Develop a market-first mindset and process.
MVP	Measure your customer engagement and usage rates, not just the number of customers.
MVR	Measure your product's success and communicate those metrics with customers to influence retention.
MVT	Prioritize removing technical debt over new features.

	PRODUCT		्श् श्र श्र
IDEATION	Focus on product-engineering tasks: Perform statistically valid market research and prioritize initial product features based upon that market research.	Focus on market-engineering tasks: Build draft business model and initial value propositions—estimate customer acquisition costs and marketing/sales funnel conversion rates.	
MVC	Capture statistically valid market feedback to produce a verified product and feature list.	Define or redefine the category you intend to build/compete in; lock in your initial value propositions, pricing models, and positioning.	
IPR	Don't build everything. Obsess about the things that users really rely on and actually use. Develop a market-first mindset and process.	Focus on a subset of a market, then expand outward from there.	
MVP	Measure your customer engagement and usage rates, not just the number of customers.	Select revenue metrics carefully and maintain a disciplined focus around them.	
MVR	Measure your product's success and communicate those metrics with customers to influence retention.	Leverage reference selling to fuel a repeatable sales engine.	
MVT	Prioritize removing technical debt over new features.	Refine pricing models, customer acquisition strategies, hire sales resources slightly ahead of demand.	



EXPERSENCE STREMS

	PRODUCT		e TEAM
IDEATION	Focus on product-engineering tasks: Perform statistically valid market research and prioritize initial product features based upon that market research.	Focus on market-engineering tasks: Build draft business model and initial value propositions—estimate customer acquisition costs and marketing/sales funnel conversion rates.	Invest solely in people who can specify and build the product.
MVC	Capture statistically valid market feedback to produce a verified product and feature list.	Define or redefine the category you intend to build/compete in; lock in your initial value propositions, pricing models, and positioning.	Do not hire anyone who cannot accelerate initial product release.
IPR	Don't build everything. Obsess about the things that users really rely on and actually use. Develop a market-first mindset and process.	Focus on a subset of a market, then expand outward from there.	Hire only the best people, preferably those you've worked with previously.
MVP	Measure your customer engagement and usage rates, not just the number of customers.	Select revenue metrics carefully and maintain a disciplined focus around them.	Hire slow, fire fast—quickly remove toxic team members.
MVR	Measure your product's success and communicate those metrics with customers to influence retention.	Leverage reference selling to fuel a repeatable sales engine.	Not everyone is good at every stage of the company. Remove anyone who isn't consistently producing.
MVT	Prioritize removing technical debt over new features.	Refine pricing models, customer acquisition strategies, hire sales resources slightly ahead of demand.	Deliberately construct a high- quality board—and advisers.

	PRODUCT		e TEAM	SYSTEMS
IDEATION	Focus on product-engineering tasks: Perform statistically valid market research and prioritize initial product features based upon that market research.	Focus on market-engineering tasks: Build draft business model and initial value propositions—estimate customer acquisition costs and marketing/sales funnel conversion rates.	Invest solely in people who can specify and build the product.	Implement basic systems for engineering, collaboration, and back-office functions.
MVC	Capture statistically valid market feedback to produce a verified product and feature list.	Define or redefine the category you intend to build/compete in; lock in your initial value propositions, pricing models, and positioning.	Do not hire anyone who cannot accelerate initial product release.	Establish your startup's initial governance and core values.
IPR	Don't build everything. Obsess about the things that users really rely on and actually use. Develop a market-first mindset and process.	Focus on a subset of a market, then expand outward from there.	Hire only the best people, preferably those you've worked with previously.	Keep your systems incredibly lightweight at this stage.
MVP	Measure your customer engagement and usage rates, not just the number of customers.	Select revenue metrics carefully and maintain a disciplined focus around them.	Hire slow, fire fast—quickly remove toxic team members.	Keep your burn low—too much funding can cause bad behavior.
MVR	Measure your product's success and communicate those metrics with customers to influence retention.	Leverage reference selling to fuel a repeatable sales engine.	Not everyone is good at every stage of the company. Remove anyone who isn't consistently producing.	Spend more time on finance than you think you should; make sure the math works.
MVT	Prioritize removing technical debt over new features.	Refine pricing models, customer acquisition strategies, hire sales resources slightly ahead of demand.	Deliberately construct a high- quality board—and advisers.	Implement advanced front and back office systems.

APPLIED ENTREPRENEURSHIP

Thank You.



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