Agenda

- 5:30 - 5:45 : Congratulations – Now What? - Larry
- 5:45 – 6:00 : Developing Your Pitch Deck - Dan
- 6:00 - 6:15 : How to Win - Dan
- 6:15 - 7:00 : Track Tips & Tricks – Breakout Sessions
THANKS TO OUR SPONSORS

UCI Applied Innovation  UCI Blum Center for Poverty Alleviation

Stradling Attorneys at Law  Irvine Company Office Properties

Thanks to our Boeing for sponsoring workshops related to business and entrepreneurial skills.
COMPETITION STRUCTURE

Teams are evaluated for using UCI intellectual property (IP)* as a core element of their business plan.

*If more than 8 semi-final teams in track
2018 Concept Paper Finalists

- Teams submitted **98 concept papers**
  - 30 Life Sciences
  - 25 Consumer Products
  - 16 Consumer Services
  - 15 Business Products and Services
  - 12 Social Enterprise

**Teams moving to the next round:**
- 22 Life Sciences
- 12 Consumer Products
- 12 Consumer Services
- 13 Business Products and Services
- 12 Social Enterprise

- **25 of above Tech Surge**
2018 Key Dates

- **APRIL 2** > **WORKSHOP #4**: “Track Tips and Tricks”
- **APRIL 17** > **WORKSHOP #5**: “How to Build a Financial Model”
- **MAY 1** > **WORKSHOP #6**: “How to Build a Pitch Deck”
- **MAY 8** > **WORKSHOP #7**: “How to Pitch and Deal with Q&A”
- **MAY 18TH** > **NVC COMPETITION & AWARDS CEREMONY**
PHASE 2: Pitch Deck

- Problem/pain you’re addressing
- Solution/value proposition
- Clearly-defined target market
- Market size & validation
- Clear competitive edge
- How you make money!
- Evidence to make it believable
- Team capability & completeness
MAY 18\textsuperscript{TH} 
Presentation Details

Team Presentation \hspace{1cm} 12 Minutes
Q&A \hspace{1cm} 8 Minutes
Judges’ Decision Write Up \hspace{1cm} 5 Minutes
/ Transition
From Concept Paper to Pitch Deck
The Mission Model Canvas

<table>
<thead>
<tr>
<th>Key Partners</th>
<th>Key Activities</th>
<th>Value Propositions</th>
<th>Buy-in &amp; Support</th>
<th>Beneficiaries</th>
</tr>
</thead>
<tbody>
<tr>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Key Resources</th>
<th>Deployment</th>
</tr>
</thead>
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<tr>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Mission Budget/Cost</th>
<th>Mission Achievement/Impact Factors</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tr>
</tbody>
</table>

**Mission/Problem Description:**

**Designed by:**

**Date:**

**Version:**

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**Designed by:** Strategyzer AG & Steve Blank

The makers of Business Model Generation and Strategyzer
A business model describes the rationale of how an organization creates, delivers, and captures value
# Customer

<table>
<thead>
<tr>
<th>Step</th>
<th>Start-Up</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value Proposition</td>
<td>What are you offering? What are the Gains? What are the Pains? What is the Job Being Done? Do they Care?</td>
</tr>
<tr>
<td>Customer Segments</td>
<td>Which customers will you serve? Primary vs. secondary? What is market potential? Where are customers located?</td>
</tr>
<tr>
<td>Customer Channels</td>
<td>How does each segment want to be reached? Through which interaction points?</td>
</tr>
</tbody>
</table>

---

13
The Value Proposition Canvas

Gain Creators

Pain Relievers

Products & Services

Gains

Pains

Customer Job(s)

Copyright Strategyzer AG
The makers of Business Model Generation and Strategyzer
<table>
<thead>
<tr>
<th>Key Partners</th>
<th>Key Activities</th>
<th>Value Propositions</th>
<th>Customer Relationships</th>
<th>Customer Segments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Key Resources</td>
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<td></td>
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</tr>
<tr>
<td>Cost Structure</td>
<td></td>
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</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue Streams</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
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</tbody>
</table>

The Business Model Canvas

Designed by: Strategyzer AG

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# Business Design

<table>
<thead>
<tr>
<th>Step</th>
<th>Start-Up</th>
</tr>
</thead>
<tbody>
<tr>
<td>Key Activities</td>
<td>Which activities do you need to perform well in your business model?</td>
</tr>
<tr>
<td></td>
<td>What is crucial? Proprietary?</td>
</tr>
<tr>
<td></td>
<td>What can be added later?</td>
</tr>
<tr>
<td>Key Resources</td>
<td>Which resources underpin your business model (staff, R&amp;D, technology,</td>
</tr>
<tr>
<td></td>
<td>facilities)?</td>
</tr>
<tr>
<td></td>
<td>Which assets are essential?</td>
</tr>
<tr>
<td>Key Partnerships</td>
<td>Which partners and suppliers leverage your model?</td>
</tr>
<tr>
<td></td>
<td>Who do you need to rely on?</td>
</tr>
<tr>
<td></td>
<td>What is risk profile?</td>
</tr>
</tbody>
</table>
## Financial Model - APRIL 17TH WORKSHOP

<table>
<thead>
<tr>
<th>Step</th>
<th>Start-Up</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue Streams</td>
<td>What are customers really willing to pay for?</td>
</tr>
<tr>
<td></td>
<td>What is pricing model?</td>
</tr>
<tr>
<td></td>
<td>Transactional or recurring revenues?</td>
</tr>
<tr>
<td></td>
<td>Market size and potential?</td>
</tr>
<tr>
<td>Cost Structure</td>
<td>What are direct costs? Indirect costs?</td>
</tr>
<tr>
<td></td>
<td>Overhead? Fixed vs. variable?</td>
</tr>
<tr>
<td></td>
<td>Development vs. on-going</td>
</tr>
<tr>
<td></td>
<td>Which are key elements?</td>
</tr>
<tr>
<td></td>
<td>What is variability/risk?</td>
</tr>
</tbody>
</table>
Value Proposition – Elevator Version

Our ______________

help(s) ______________

who want to ______________

by ______________

and ______________.

(Unlike ______________)
The Business Model Canvas

Validate the Hypothesis
Customer Validation

- Who do you want to learn from?
- What do you want to learn?
- How will you get to them?
- How can you ensure an effective session?
- How do you make sense of what you learn?
Talk to a Variety of Customers
Talk to a Variety of Partners, Channel Participants
Great Value Propositions Checklist

- Are embedded in great business models
- Focus on few pain relievers and gain creators, but do those extremely well
- Focus on jobs, pains, or gains that a large number of customers have or for which a small number is willing to pay a lot of money
- Align with how customers measure success
- Focus on the most significant jobs, most severe pains, and most relevant gains
- Differentiate from competition in a meaningful way
- Address functional, emotional and social jobs all together
- Outperform competition substantially on at least one dimension
- Are difficult to copy
- Focus on unsatisfied jobs, pains, and gains
Learning Card

STEP 1: HYPOTHESIS
We believed that

STEP 2: OBSERVATION
We observed

STEP 3: LEARNINGS AND INSIGHTS
From that we learned that

STEP 4: DECISIONS AND ACTIONS
Therefore, we will

Hypothesis  ➔ Validation
Or Pivot
## Business Model Canvas

<table>
<thead>
<tr>
<th>KEY PARTNERS</th>
<th>KEY ACTIVITIES</th>
<th>VALUE PROPOSITIONS</th>
<th>CUSTOMER RELATIONSHIPS</th>
<th>CUSTOMER SEGMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image1.png" alt="Image" /></td>
<td><img src="image2.png" alt="Image" /></td>
<td><img src="image3.png" alt="Image" /></td>
<td><img src="image4.png" alt="Image" /></td>
<td><img src="image5.png" alt="Image" /></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>KEY RESOURCES</th>
<th>CHANNELS</th>
<th></th>
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</thead>
<tbody>
<tr>
<td><img src="image6.png" alt="Image" /></td>
<td><img src="image7.png" alt="Image" /></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>COST STRUCTURE</th>
<th>REVENUE STREAMS</th>
</tr>
</thead>
<tbody>
<tr>
<td>$$$</td>
<td>$$$</td>
</tr>
</tbody>
</table>


---

## Pitch Deck

- **Problem/pain you’re addressing**
- **Solution/value proposition**
- **Clearly-defined target market**
- **Market size & validation**
- **Clear competitive edge**
- **How you make money!**
- **Evidence to make it believable**
- **Team capability & completeness**

Powered by the Beall Center for Innovation and Entrepreneurship and UCI Applied Innovation
Developing Your Pitch Deck

Dan Jenkins
a pitchdeck...

① what? engaging & compelling story
② why? get the next meeting w/ investors
③ when? during fundraising
④ how?
  • selling the “VISION” (1 person)
  • highlighting key business elements
  • serving it up with energy & PASSION!

people like a good story!
the “best” format

① length: 10–12 slides max (not including cover slide)
② background:
   a) “white” (black or very light/dark neutral OK)
   b) simple & uncluttered (5 bullets max/slide; ideally 3)
③ words: 20 max per slide > use images/charts
④ palette: 2 contrasting colors max + gray/black/white
⑤ fonts: 30-pt min > 2 max > sans serif > normal/bold
⑥ Use consistent formatting throughout!

w...h...y...?
because you don’t want this…

resist the temptation to include everything!
the desired goal:

“Simplicity means the achievement of maximum effect with minimum means.”

— Dr. Koichi Kawana
so...

what slides do I need?
Simple, intriguing, memorable... “hook them at hello”
Let the storytelling begin!

Remember when...
- Your imagination ran wild!
- You dreamt of faraway lands!
- You created magical creatures!

Too bad they are gone forever

Problem
Why do so few people garden? *

<table>
<thead>
<tr>
<th>Problem</th>
<th>% of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Find it interesting</td>
<td>94%</td>
</tr>
<tr>
<td>Have interest</td>
<td>83%</td>
</tr>
<tr>
<td>Not cost averse</td>
<td>81%</td>
</tr>
<tr>
<td>Have space</td>
<td>62%</td>
</tr>
<tr>
<td>Have time</td>
<td>47%</td>
</tr>
<tr>
<td>Some</td>
<td>42%</td>
</tr>
</tbody>
</table>

* Out of 55 respondents

connect with audience
physical evidence!
the problem
draw a conclusion
surveyed evidence!
the problem
slide #2: market opportunity

realistic & substantiated – it’s not $200 Billion

cite credible sources!

market trends?

why you now?

TRIPS BOOKED (WORLDWIDE)
Total Available Market

BUDGET&ONLINE
Serviceable Available Market

TRIPS W/AB&B
Share of Market

TAM
SAM
SOM
in the end, it's **always** about “better, faster, cheaper”
slide #4: team

“We are the right team to execute this plan!”
slide #5: traction

“We’ve accomplished ‘X’ with only bootstrapping!”
There is **always** competition: if just the status quo!
How do you make money – that’s all investors care about!

Business Model

We take a 10% commission on each transaction.

CAC? LTV?

pricing fee/ % /sub

as simple as it gets

$84M → $25 → $2.1B

TRIPS W/AB&B
Share of Market

AVG FEE
$80/hour @ 3 nights

Projected by 2011

New Venture Competition
Presented by: Beall Center for Innovation and Entrepreneurship and UCI Applied Innovation
Reasonable even if overstated by 2x, or be shot down!

CAC ? LTV ?
realistic supported assumptions

1-5% market share realistic

point out key metrics

Financial Model and Project:
- Assumptions:
  - Investment: $20m
  - Stake: 20%
  - Hurdle Rate: 15%

IRR of 55%
Sale or IPO at 2.5x US Revenue

- Revenue
  - $10.59 $74.11 $223.34 $400.21 $476.25
- EBITDA
  - 0.03 4.45 20.01 44.02 52.39
- EBIT
  - 0.32 2.96 13.34 28.01 33.34
- EBIT Margin
  - 3% 4% 6% 7% 7%
- Operating Margin
  - N/A 3% 16% 82% 36%
- Gross Margin
  - N/A 21% 15% 50% 55%
- OPEX
  - N/A 43,340 229,230 678,815 1,457,264
- EBIT
  - (230,000) 8,060 (119,749) (20,049,269) 3,338,717
- Cum. (Loss)/Gain
  - (252,000) (21,945) (345,888) 705,808 2,011,278
- Gross Profit
  - (220,000) 8,060 (119,749) (20,049,269) 3,338,717
- Net Income
  - (230,000) 8,060 (119,749) (20,049,269) 3,338,717
- CAGR = 226%

financial projections

Point out key metrics

slide #8: financial projections

Reasonable even if overstated by 2x, or be shot down!
How is investor money being put to work?

**Investment Opportunity**
- raising $1M
  - 6% interest rate
  - 20% discount
  - 18-month term
  - $300K committed
  - $150K soft commitment
  - $250K founder investment

- use of funds (12 mos)
  - hire sales
  - expand pipeline
  - deliver APIs & SDK

**Why now for urgency**

**Terms of note**

**Financial**

- Angel Round
- Initial investment opportunity

- TRIPS W/A/B&B
- Avg $25 fee

- Revenue
- Over 12 months

- $500K
- $80K
- $2M

**No explicit use of funds!**
slide #10: closing slide

“Thank You!” + “Questions” + “Next steps?”

Rehema Feleke, co-founder and CEO
funbandinc.com

seeking $750K
lean startup model
high margins
2-year breakeven
2 local pilots
utility patent pending

more fun! less worry...

usually stays on screen
add phone & email too

reinforce key messages
“How to Win”
final thoughts:

- Everyone (*trust me*) has a different opinion about constructing pitch decks: the # of slides, content, order and look/feel
- Cover only points critical to your business
- It’s better to be a master at one thing than a participant in many
- Focus on target market’s primary problem
- Develop quickly and cheaply, then iterate, iterate, iterate...pivoting only when necessary
- There are lots of great ideas, but execution is everything
- In the end, **all that matters** is what the prospect/customer thinks!
Winning Team Tips

① Compelling & Believable
② Clear & Concise
③ Team Composition & Dynamics
④ Great Presentation & Q&A
⑤ Well-Rehearsed & On-Time
Track Tips & Tricks
Breakout Sessions

Bob Salem  
Matt Zimmer  
Location

Howard Mirowitz  
Location

Simon Loo  
Location

Ahmed Zobi  
Location

Chad Trainor  
Location
2018 Key Dates

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Thank You & Good Luck