

Let's make a plan ...

T.A. McCann

UW presentation

January 21, 2010

## Don't believe me because;

- I've never written a good business plan
- I am an engineer
- I don't have an MBA
- I just do what I think is right, react later
- I have lots of smart people who help me
- I have never had a major exit

# The stuff I worked on...

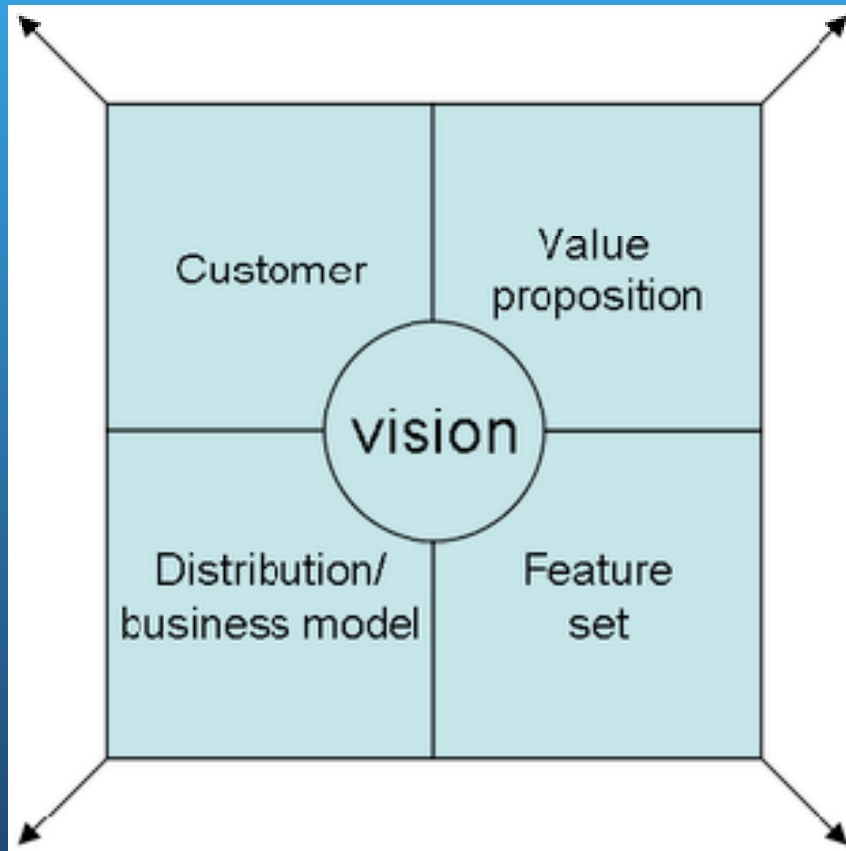
- HelpShare (angel funded)
- Microsoft - Hosted Exchange, MS Anti-spam, Exchange 2003, Mobile SDP (think iPhone app store)
- Message Gate (VC- Polaris EIR)
- MOD Systems (strategic VC)
- Jump2Go (bootstrap/customer funded)
- Zooppa, h-farm, Wishpot - advisor
- Evri and Gist (VC)

*Lessons learned: it always takes longer, pick a customer you want to embrace,  
Know your own space*

# Why are you writing this?

- Form follows function;
  - To win a competition
  - Practice for a future idea
  - **To raise money**
  - **To run the business**
- Less is more,
  - 10 slide pitch deck (PPT)
  - 1 page overview - make it tight and compelling
  - Excel for operations and finances
  - The plan is more for you than them (ops vs. biz)

# Strategy - magic quadrant



- Create the vision that is big enough
- You can only change 1 thing/quarter
- This is your elevator pitch
- Say it and listen to the response
- Refine, refine, refine...

*Lessons learned: it should not be complicated*

# Mad libs...

(Company name) is focused on (customer). We deliver (features)/(benefits). We will monetize by (business model) and our better than the (current solution or competitor).

Gist is focused on business professionals, saving them time and delivering key insights aggregated from social networks, social media and news in one integrated solution. We charge end-user subscriptions and are more dynamic than LinkedIn, more comprehensive than Google Alerts and more integrated into the users workflow than stand alone web solutions.

# Strategy - know your customer



- Personify your customer
- Focus on pain vs. opportunity
- Economic buyers vs. users
- Know 10-50 by name
- Sell them your PPT
- Make sure they pay
- Understand their toolset/integration

*Lessons learned: this is the fun part and you should love it, iterate quickly*

# Market sizing

- **Bottoms up**
  - Bob does X
  - Bob is like Sue
  - I know Bob and Sue and they will buy and promote
  - There are lots of Bob and Sue in my broad population
- **Tops down**
  - Analysts
  - Media
  - General populations
- **Competitors**
  - Public filings
  - Press announcements



# Product

- Make it look like it exists
- Hire a good designer
- Why is this hard to copy?
- Fancy graphs, numbers... demonstrates that this is hard!

# Aspirin or Vitamin



- Pain is more valuable than opportunity
- Quantify the pain in smart ways (\$, time...)
- Use real examples that translate broadly

# Team

- How close are you to doing it again...?
  - Role
  - Industry
  - Connections
  - Synergy across the team
  - Requirements of the business
- The best advisors/investors are only one small step away from conflict of interest
- Value = 5(passion) + 2(brains) + 1(experience)

# You are the VP of Marketing

- Make yourself a brand and thought leader
  - Goto and present at conferences
  - Become a guest contributor
- Communicate online and in-person
  - Blog (1-2 per month)
  - Twitter (1-2 per day, blend of personal, content and business)
  - Facebook (connect to Twitter and your blog)
  - LinkedIn
- Understand what resonates, the message the space and timing, the competition
- Sell, Sell, Sell your idea and yourself

# Operations

- Plan and Pitch in PPT (lies), Operate in Excel (truth)
- Time bound and list your goals - stay honest with yourself
- Deliver email status updates every 2 weeks to your investors/board/advisors
- Always cut yourself off one quarter earlier than you need and 2 quarters before you think you should

*Lessons learned: good entrepreneurs will make too many sacrifices*

| Qtr End | Qtr End | Qtr End | Qtr End | Qtr End | Year End |
|---------|---------|---------|---------|---------|----------|
| Dec-09  | Mar-10  | Jun-10  | Sep-10  | Dec-10  | 2010     |

|                                   |  |
|-----------------------------------|--|
| Revenue, COGS & Opex              | Revenue  |
|                                   | Co-loc/Bandwidth                               |
|                                   | Third Party Licensing                          |
|                                   | Staffing                                       |
|                                   | Engineering Support                            |
|                                   | HR & Recruiting Support                        |
|                                   | Marketing Support                              |
|                                   | Other Outside Support                          |
|                                   | Travel   |
|                                   | Facilities                                     |
|                                   | Office & Equipment                             |
|                                   | Marketing Expense                              |
|                                   | Other (Income) / Expenses                      |
|                                   | Total Operating Expenses                       |
| NIBT                              |  |
| HC                                | Headcount                                      |
|                                   | Total HC (not constant)                        |
| Cash                              | Mo. Burn                                       |
|                                   | Ending Cash                                    |
|                                   | Cash w/o Revenue                               |
|                                   | Cash w/ 50% Rev                                |
| User Stats                        | Total Users                                    |
|                                   | Paying Users (not of users)                    |
|                                   | Rev/Paying User/Mo                             |
|                                   | Total COGS/Total Users/Mo                      |
|                                   | % of Base Inviting <b>Per Month</b>            |
|                                   | Recurring # of Users Inviting by Qtr End       |
|                                   | # of <b>Converted</b> Invites / User / Mo      |
|                                   | % of Base Requesting Profiles <b>Per Month</b> |
|                                   | Recurring # of Users Req Profiles by Qtr End   |
|                                   | # of <b>Converted</b> RFP / User / Mo          |
|                                   | # Channel Sales Partners                       |
|                                   | # Paying Users / Partner / Mo                  |
|                                   | <b>Gross Adds by Source:</b>                   |
|                                   | Direct (Mktg & Referral)                       |
| User Invite                       |  |
| RFP driven                        |  |
| Channel Sales Partner             |  |
| Total Gross Adds                  |  |
| <b>Paying Users by Source:</b>    |  |
| Direct                            |  |
| User Invite                       |  |
| RFP                               |  |
| Channel Sales Partner             |  |
| Total Paying Users (not of users) |  |

## Operations

- know your keys areas
- can you do the job
- who do you need to hire

## Cash

- how much do you need
- when does it run out

## Customers/users

- cost to acquire
- cost to support
- can you make money
- where do they come from

## Triangulation

- does it make sense
- aligned with standards
- can you achieve it

# Raising capital

- Angels take just as much time as VCs
- Your plan is your plan
- **Plan - Promise - Prototype - Product - Performance**
- 25-50% of the investors decision is out of your control
  - Wrong space, wrong size, wrong partner, wrong metrics, wrong time, already invested, once burned...
- Do your homework, but interview your investors as well
- Know what you are looking for (skills)

# Investment summary

- This round
  - What do you need?
  - What will you do with it? (be specific)
  - How long will it last?
- What else do you want from your investors?
  - Skills
  - Connections
  - Experience
  - Location



# Summary

- Stay focused on the customer
- Presentations and documents should help you run the business
- Focus on tangible results vs. big plans
- Build a passionate team that loves what they are doing

T.A. McCann  
[tam@gist.com](mailto:tam@gist.com)

[gist.com/tamccann](http://gist.com/tamccann)

[tamccann.blogspot.com](http://tamccann.blogspot.com)

[twitter.com/tamccann](https://twitter.com/tamccann)

[linkedin.com/in/tamccann](https://linkedin.com/in/tamccann)

# Know More About Who You Know.

Gist helps you build stronger relationships by connecting the inbox to the web to provide business-critical information about the people and companies that matter most.



**Sign Up.**

**Beta!**

Full Name

Email

Sign Up

# Dashboard - *what I need to know about my network*

The screenshot shows the Gist dashboard interface. At the top, there's a navigation bar with 'Dashboard', 'People', and 'Companies' tabs. A search bar is on the right. Below the navigation, there are three main sections:

- Recent News:** A list of news items with filters for 'People' and 'Companies', a 'Tagged' dropdown, and a 'Sorted by Importance' dropdown. A profile card for Brad Feld (19) is highlighted, showing his importance level and a tweet about an RSS feed.
- Messages From Gist:** A list of messages with dates and event names.
- Upcoming Events (147):** A table listing events for Thursday, January 21, 2010.

At the bottom left, there is a date stamp: 1/29/2010.

1/29/2010

# Profile - 360 degree view of my key contacts, automagically

**Gist.** Your 11 accounts have been uploaded successfully. News updated about 10 hours ago. 2 new facts more ▾

T.A. McCann Account Admin Help ▾ Sign out

Dashboard People Companies Search...

### Brad Feld

Public profile +3 ▾

Foundry Group

Gist user

Last contacted about 4 hours ago by email

Importance 100

investor VCs VIP running Salesforce ▾

Dossier Merge Delete Make company Request profile Share contact Stop watching Download vCard

#### What's New

100+ unread items Mark all read Stop watching News Settings

Last 24 hours

- am i missing something or is <http://www.thegatesnotes.com> missing an RSS feed. Dear @billgates - I want to subscribe. From twitter.com Today
- @im2b yeah - i know - but it's dark, full of cars, and raining. From twitter.com Today
- Excercise Fail: I went to run on a treadmill. All six had people on them. Guess I'll try again tomorrow - but earlier. From facebook.com Today
- @thredup i like everything but the glens From twitter.com Today
- Letters to My Dad <http://goo.gl/fb/nnf7>

#### Notes

#### Correspondence (4117)

| Sender       | Subject                       | Date       |
|--------------|-------------------------------|------------|
| Kelly Taylor | Intros - Seattle specific     | 01/21/2010 |
| Steve Newman | Surprising Google Patent      | 01/21/2010 |
| David Thomas | Re: Thank you sushi           | 01/21/2010 |
| T.A. McCann  | Re: Thank you sushi           | 01/21/2010 |
| Brad Feld    | RE: Intro Brad Feld/ Alistair | 01/21/2010 |

#### Links (951)

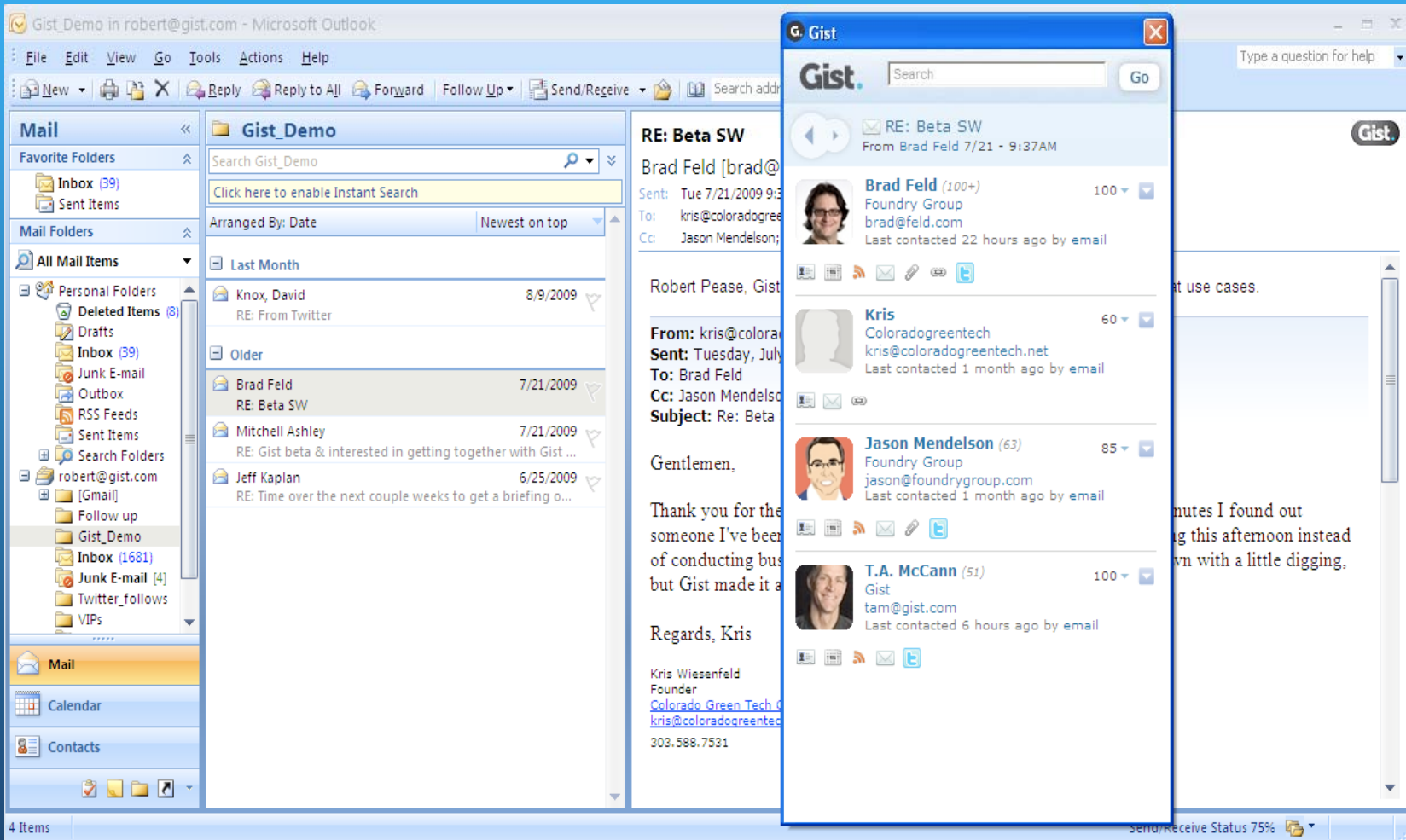
#### Attachments (233)

#### Shared Contacts with Brad Feld (30)

|  |  |  |  |
|--|--|--|--|
|  | <b>Steve Newman</b><br>Gist              | steve@gist.com<br>206-902-8670         |  |
|  | <b>Steve Hall</b><br>Vulcan Capital      | StephenHa@vulcan.com<br>(206) 342-2133 |  |
|  | <b>Robert Pease</b><br>Gist              | robert@gist.com<br>(206) 313-5728      |  |
|  | <b>Greg Meyer</b><br>Gist                | greg@lauckhart.com<br>4254427401       |  |
|  | <b>Kelly M. Collins</b><br>Foundry Group | kelly@foundry.com<br>(303) 642-4001    |  |



# MS Outlook - *delivering Gist value in context (email)*



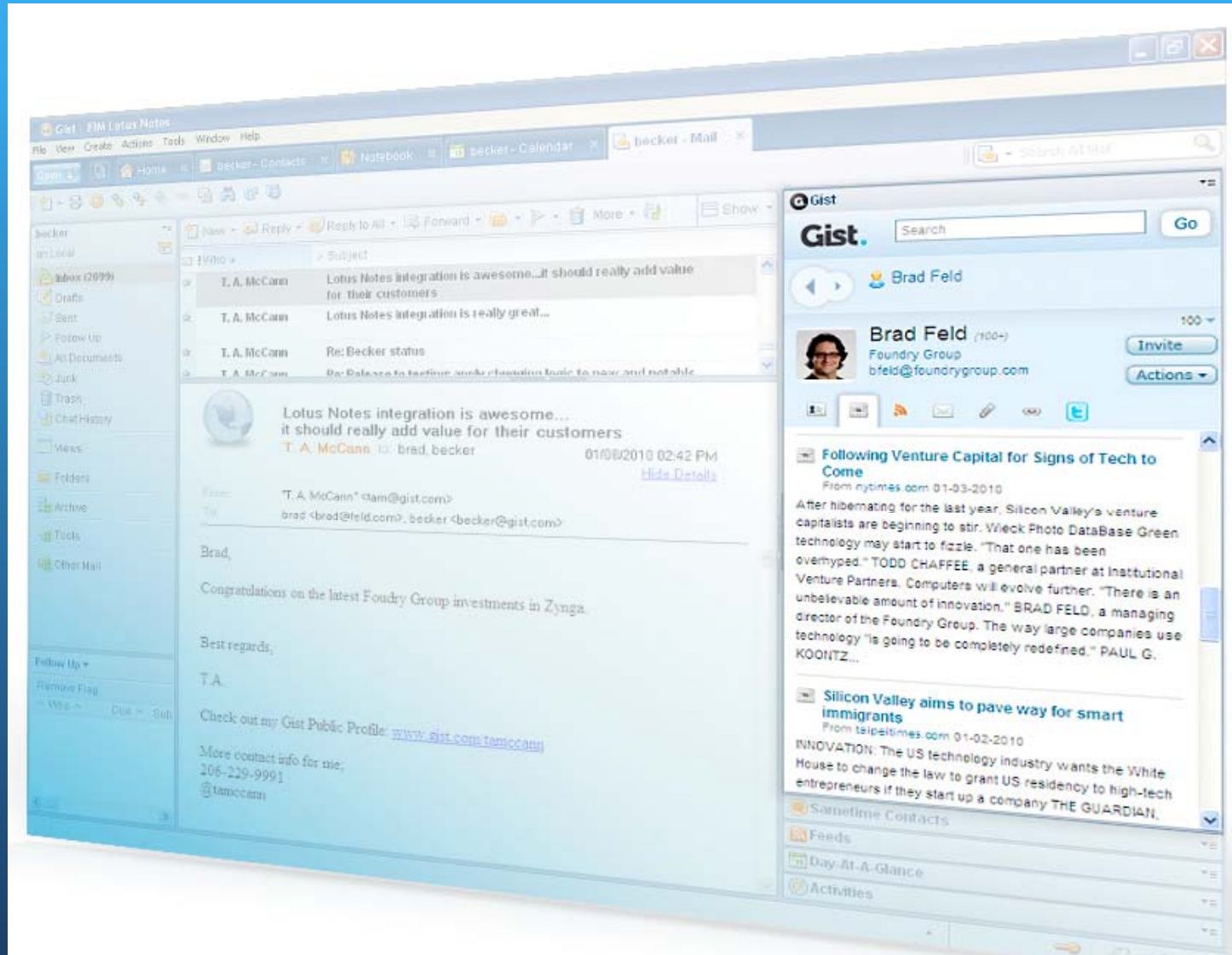
# Salesforce (CRM) - starting the customer conversation...

The screenshot displays the Salesforce CRM interface for a contact named Brad Feld. The page is organized into several sections:

- Header:** Includes the Salesforce logo, navigation tabs (Home, Accounts, **Contacts**, Opportunities, Reports, Gist Wiki, Gist), and utility links (Setup, System Log, Help & Training, Logout) along with the user's name (Sales).
- Search:** A search bar with a "Search All" dropdown and a "Go!" button. Below it are options for "Limit to items I own" and "Advanced Search...".
- Recent Items:** A list of recently viewed items including Brad Feld, Foundry Group, Mark Abramowitz, TJ Ripper, Intel, Darren Austin, Salesforce, Robert Pease, Wu Tang, and MOD.
- Contact Detail:** A section for Brad Feld with fields for Name, Account Name (Foundry Group), Title, Description, Phone, Mobile, Email (brad@feld.com), and Email 2. Action buttons for Edit, Delete, Clone, and Request Update are present.
- Get the Gist:** A section featuring a profile picture of Brad Feld, his name, company (Foundry Group), and a "View on Gist" button. Below this is a "Correspondence" table with columns for Sender, Subject, and Date.
 

| Sender       | Subject                                     | Date       |
|--------------|---|------------|
| T.A. McCann  | Re: Gist Marketing Bi-Weekly Update - 9/5/0 | 09/07/2009 |
| T.A. McCann  | Re: Gist Marketing Bi-Weekly Update - 9/5/0 | 09/07/2009 |
| Robert Pease | Re: Gist Marketing Bi-Weekly Update - 9/5/0 | 09/07/2009 |
- What's New:** A section with tabs for News, Blogs, and Tweets. It shows a list of unread items, including a tweet from @abatchelor and a blog post from antyweb.pl.
- Additional Information:** A section for social media and other details, including Twitter (bfeld), Twitter URL (See Their Twitter Stream), Website (http://www.foundrygroup.com), Blog, Department, Reports To (View Org Chart), and Birthdate.

# Lotus Notes - *delivering Gist value in mail, calendar, contacts...*





# iPhone (mobile) - just what I need to know, in one click...



# Tools that cost very little money

- Open source stack
  - Prototype + LowPro, Ruby/Rails, Java, AMQ, MySql
  - Textmate/Netbeans, SVN, Rspec, CruiseControl
- Google is our friend
  - Google Domains (mail and docs)
  - Google forms (interview and VC feedback tracking)
  - App engine - web site hosting
  - Analytics - web data tracking
- [PBWiki](#) - corporate plans and broad strategy, [Unfuddle](#) - bug and feature database and [Skitch](#) - screen caps and comments
- Soft Layer - hosting, Amazon S3 - storage
- [Survey Monkey](#) - end user surveys, [Vertical Response](#) - keeping the beta users engaged and [GotoMeeting](#)- presentations, [TweetDeck](#) - monitoring the Twitter stream