Let's make a plan ...

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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** (angle 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
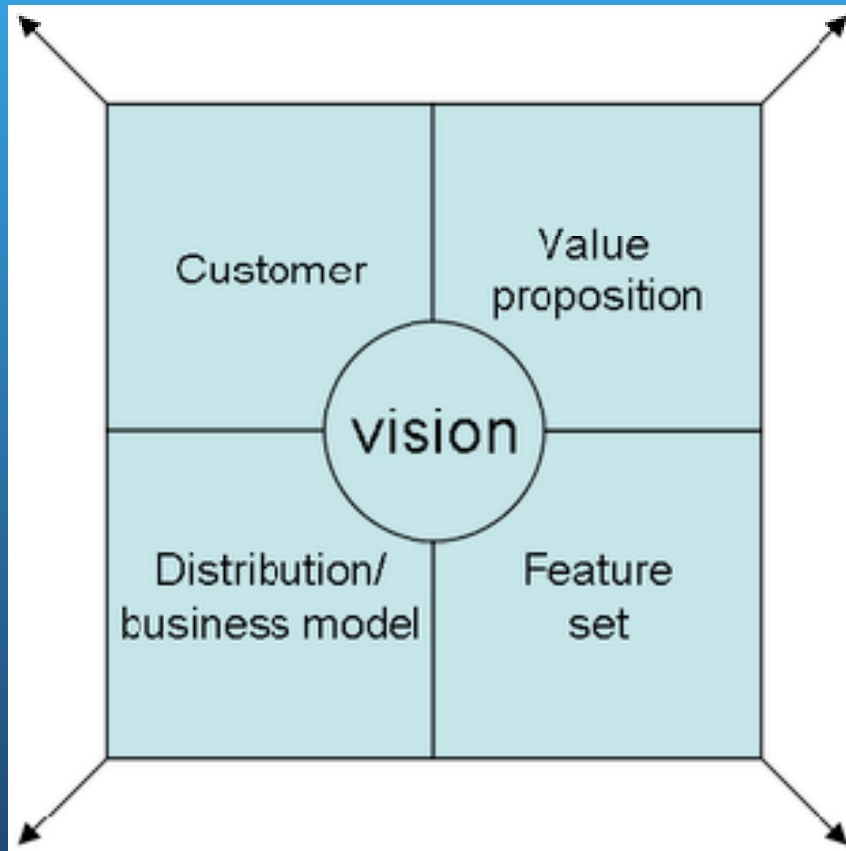
- Create the vision that is big enough

- 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

GIST

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

Revenue, COGS & Opex

Revenue
Co-lo/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 (incl contractors)

Cash
Mo. Burn
Ending Cash
Cash w/o Revenue
Cash w/ 50% Rev

User Stats
Total Users
Paying Users (net of churn)
Rev/Paying User/Mo
Total COGS/Total Users/Mo

% of Base Inviting Per Month
Recurring # of Users Inviting by Qtr End
# of Converted Invites / User / Mo

% of Base Requesting Profiles Per Month
Recurring # of Users Req Profiles by Qtr
# of Converted RFP / User / Mo

Channel Sales Partners
Paying Users / Partner / Mo

Gross Adds by Source:
Direct (Mktg & Referral)
User invite
RFP driven
Channel Sales Partner
Total Gross Adds

Paying Users by Source:
Direct
User invite
RFP
Channel Sales Partner
Total Paying Users (net of churn)

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

- Angles 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

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Dashboard *– what I need to know about my network*

Profile *– 360 degree view of my key contacts, automagically*

MS Outlook – delivering Gist value in context (email)
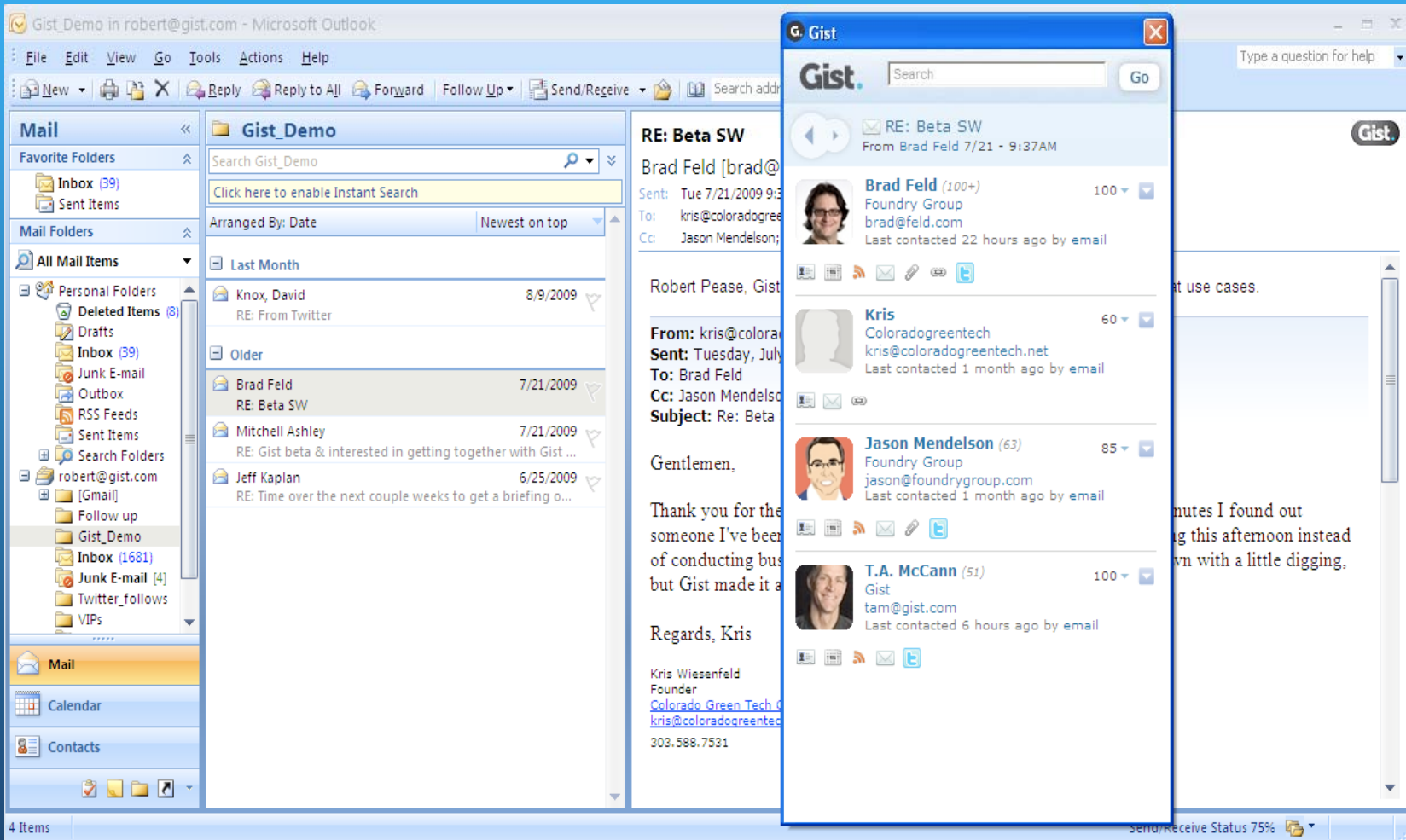
Salesforce (CRM) – *starting the customer conversation...*

Lotus Notes *– delivering Gist value in mail, calendar, contacts...*
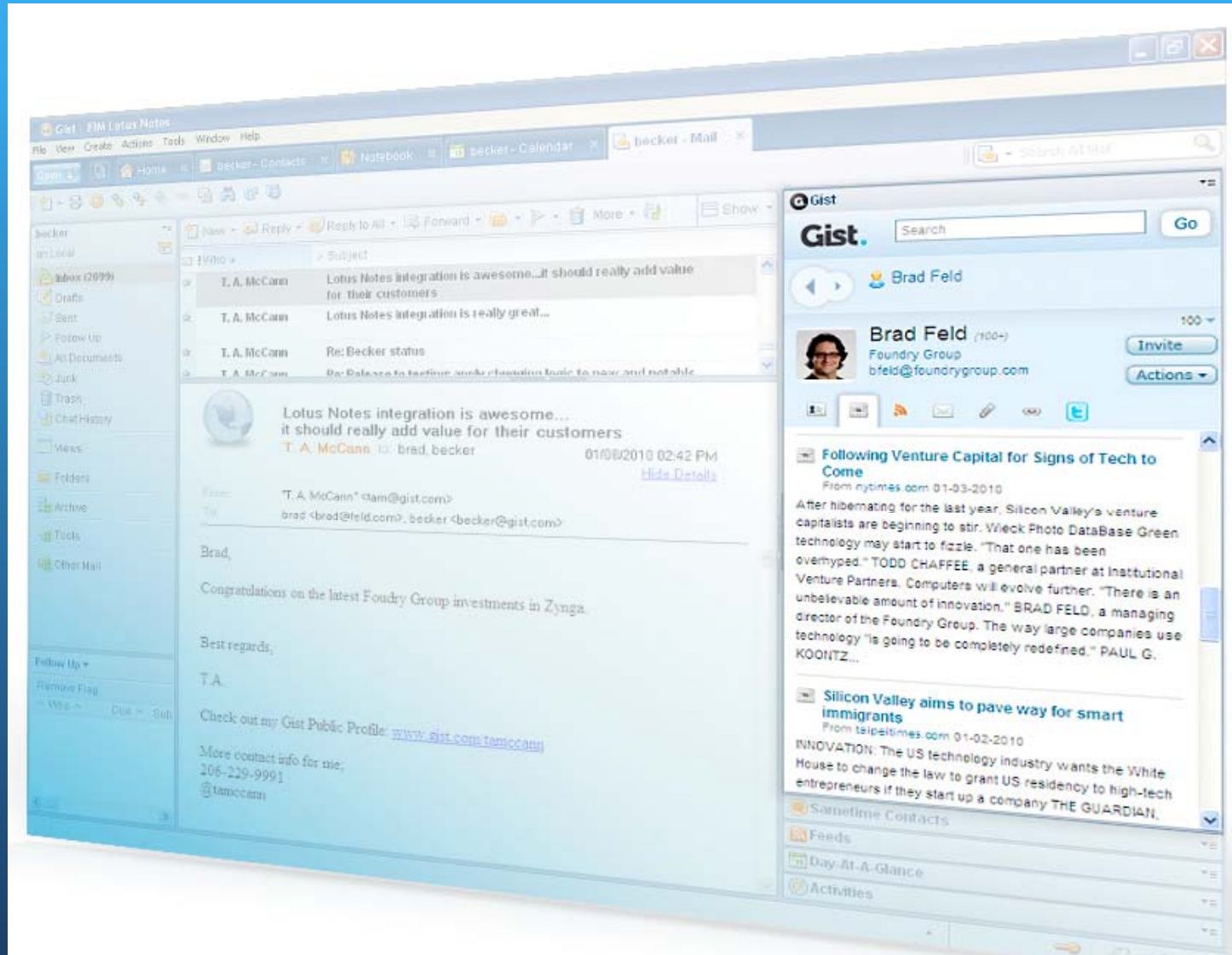
iPhone (mobile) *– just what I need to know, in one click...*

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