COZAD
NEW VENTURE COMPETITION 2018
THE NEXT GENERATION OF ENTREPRENEURS
Module 3: Partners & Pitching
VALUE PROPOSITIONS

what are you offering them? what is that getting done for them? do they care?
CUSTOMER SEGMENTS

which customers and users are you serving?
which jobs do they really want to get done?
Product-Market Fit = 1:1

Gain Creators = Customer Gain
Products & Services = Customer Jobs
Pain Killers = Customer Pain
which partners and suppliers leverage your model?
who do you need to rely on?
What is a Partner?

• An entity that provides access to:
  • a Key Resource, or helps with
  • a Key Activity

• A company with whom you have a “less than arm’s length” relationship

• Isn’t a (typical) supplier, customer or channel

• Usually includes contractual obligations
Partner Advantages

- Shared Economics
- Economies of Scale
- Money/Resources
- Access to Customers
- Access to Brand
- Faster time-to-market
- Complete solution
- Capital efficiency
Thought Exercise:
For what reasons might you want to form partnerships?
Defined by Mutuality

- Shared economics
- Shared success / failure
- Co-development/invention
- Common customer

What’s in it for you?
What’s in it for them?
Types of Partnerships

- Strategic Alliance
- Joint Development Agreement
- Joint Business Development
- Joint Venture
- Co-opetition
- Key Suppliers
- Strategic Investors
Thought Exercise:
What kinds of partnerships might you find useful?
Partnering with (BIG) companies
Protectable Leverage

...is the way to make it work

<table>
<thead>
<tr>
<th>THEM</th>
<th>YOU</th>
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<tbody>
<tr>
<td>1. Complementary products</td>
<td>1. Technology / Products</td>
</tr>
<tr>
<td>2. Sales/Mktg support</td>
<td>2. New customers</td>
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<tr>
<td>3. IP (FTO)</td>
<td>3. IP (blocking)</td>
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Partnership Risks

• Impendence mismatch
• Longest of partners schedule becomes your longest item
• No clear ownership of customer
• Products lack vision due to shared product design
• Different underlying objectives in relationship
• Churn in partner’s strategy or personnel
• IP issues
• Difficult to unwind or end
Thought Exercise:
What risks might you face?
Strategic Investment

• How much control over governance of company?
• How much control over product roadmap?
• Who’s the sponsor? What’s the motivation?
• Business ops verses venture
• Primary or adjacent market?
• Are there ROFR options?
• Exclusivity requirements?
Thought Exercise:
What are the potential benefits of exclusive partnerships?
What are the potential risks of exclusive partnerships?
# Partners

What capabilities do you need from the partner?
What will this help you achieve?

<table>
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<tr>
<th>Type of company</th>
<th>Partnership type</th>
<th>What’s in it for them</th>
<th>What are the risks?</th>
<th>Potential partners</th>
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Elevator Pitches: April 4

Objectives:
1. Get the next meeting
2. There is no number 2.
MADE to STICK

SUCCESSs Model

A sticky idea is understood, it’s remembered, and it changes something. Sticky ideas of all kinds—ranging from the “kidney thieves” urban legend to JFK’s “Man on the Moon” speech—have six traits in common. If you make use of these traits in your communication, you’ll make your ideas stickier. (You don’t need all 6 to have a sticky idea, but it’s fair to say the more, the better!)

PRINCIPLE 1
SIMPLE
Simplicity isn’t about dumbing down, it’s about prioritizing. (Southwest will be THE low-fare airline.) What’s the core of your message? Can you communicate it with an analogy or high-concept pitch?

PRINCIPLE 2
UNEXPECTED
To get attention, violate a schema. (The Nordie who ironed a shirt…) To hold attention, use curiosity gaps. (What are Saturn’s rings made of?) Before your message can stick, your audience has to want it.

PRINCIPLE 3
CONCRETE
To be concrete, use sensory language. (Think Aesop’s fables.) Paint a mental picture. (“A man on the moon…”)

PRINCIPLE 4
CREDDIBLE
Ideas can get credibility from outside (authorities or anti-authorities) or from within, using human-scale statistics or vivid details. Let people “try before they buy.” (Where’s the Beef?)

PRINCIPLE 5
EMOTIONAL
People care about people, not numbers. (Remember Rokas.) Don’t forget the WISFY (What’s In It For You). But identity appeals can often trump self-interest. (“Don’t Mess With Texas” spoke to Bubba’s identity.)

PRINCIPLE 6
STORIES
Stories drive action through simulation (what to do) and inspiration (the motivation to do it). Think Jared. Springboard stories (See Denning’s World Bank tale) help people see how an existing problem might change.

www.MADEtoSTICK.com

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Abstract

refer to ideas & concepts without physical referents
definitions are dynamic/mutable/relative

Concrete

refer to objects that are available to the senses
definitions are fixed

Pro Tip: choose sensory words
“PERFECTION IS ACHIEVED, NOT WHEN THERE IS NOTHING MORE TO ADD, BUT WHEN THERE IS NOTHING LEFT TO TAKE AWAY.”

ANTOINE DE SAINT-EXUPERY
Getting to the Core

- Weed out superfluous info
- Prioritize ruthlessly

If everything is important, then nothing is.
1. Capture Attention...

• **Break a pattern** = Surprise
2. Keep Attention…
Create a Knowledge Gap

The smaller the knowledge gap, the greater the curiosity.

70% = passing
99% = maddening

If there's a knowledge abyss, provide enough context to make a listener care and reduce it to a gap.
Credible

1. External sources authorities/anti-authorities

2. Internal sources speaker/listener

A. Details
B. Statistics
C. References
It’s NOT about the Numbers

• Stats are rarely meaningful in and of themselves.
• Stats should illustrate a relationship
  • It’s more important for people to remember the relationship than the number
• Make them human scale
• Don’t lie: use stats as input, not output
Emotional Appeal Self-Interest or Identity
Appeal to Self-Interest

WIIFY – What’s In It For You

• should be a central aspect of every message
  • people matter most to themselves
  • Say “you” not “someone”
• Emphasize benefits, not features
• Ask “Why?” 3X
Appeal to Identity

Who am I?

What kind of situation is this?
What do people like me do in this situation?

• No calculations, only norms & principles
Why close with Stories?

Unexpected → captures attention
Credible → makes them believe
Emotional → makes them care
Stories → tells them how to act
How do Stories drive action?

1. Simulation: how to act
   • Wisdom
   • Causal relationships

2. Inspiration: motivation to act
Why do some pitches work?

• Attention Span
• “Anchor & Twist”
• Don’t wing it, script it
• ‘Why’ comes before ‘What’
• Storytime
• Steal like an Artist
The Pitch in Six Steps

1. Problem – What is the issue?
2. Solution – How do you solve it?
3. Market – Who cares? How many are there?
5. Team – What makes you uniquely qualified? What credibility do you offer?
6. Request – What do you need?

The order is generally interchangeable. Adjust to suit your story.
My Company, __________________________________________________________, (Team Name)

is developing __________________________________________________________

WHAT? (Solution)

to help _______________________________________________________________

WHO? (Customer Segment)

with __________________________________________________________________

(PROBLEM) (Problem)

because ______________________________________________________________.

WHY? (Value Proposition)