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NEW VENTURE COMPETITION

2018

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THE NEXT GENERATION OF ENTREPRENEURS

THE NEXT GENERATION OF **ENTREPRENEURS**

I ILLINOIS

Module 3: *Partners & Pitching*

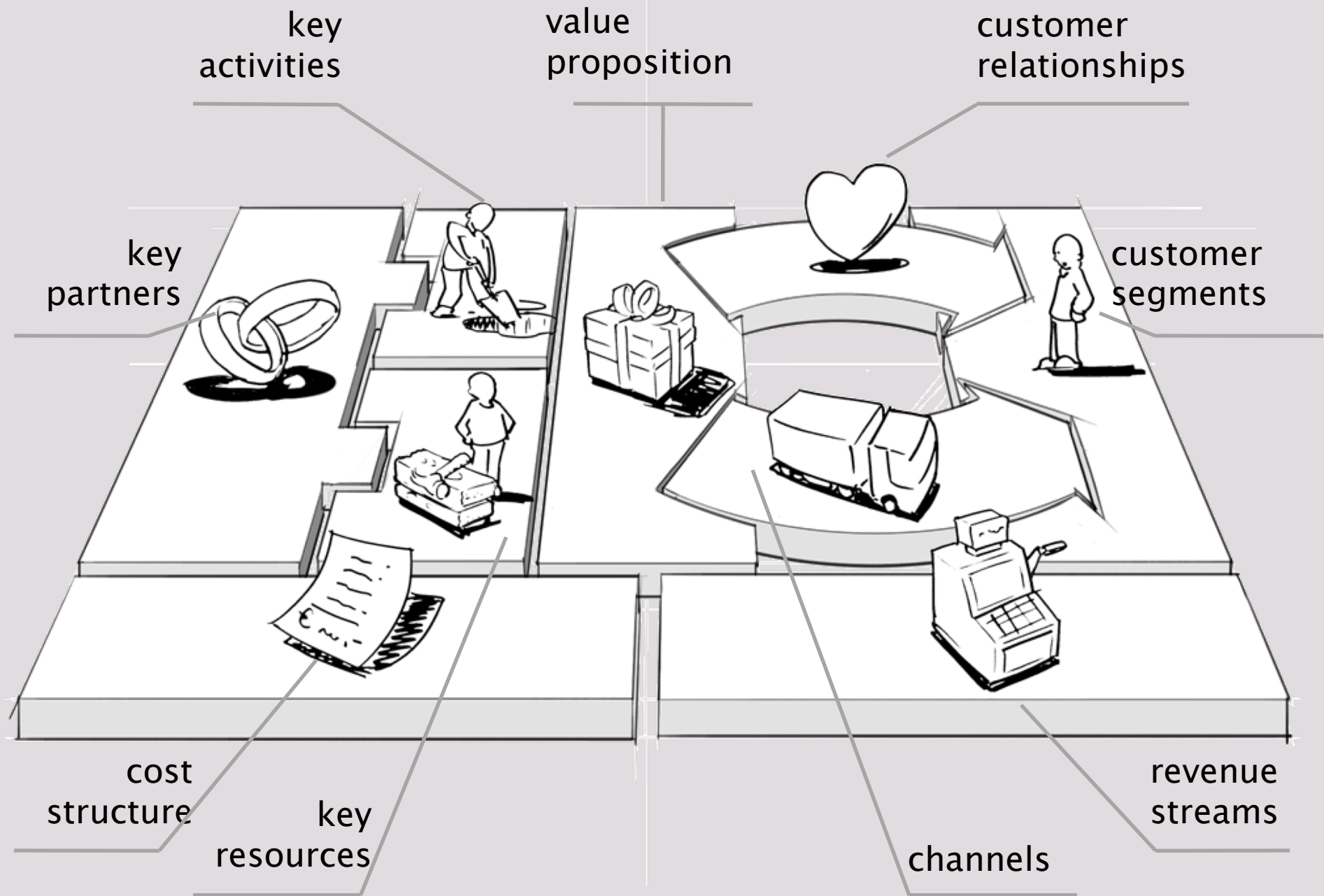
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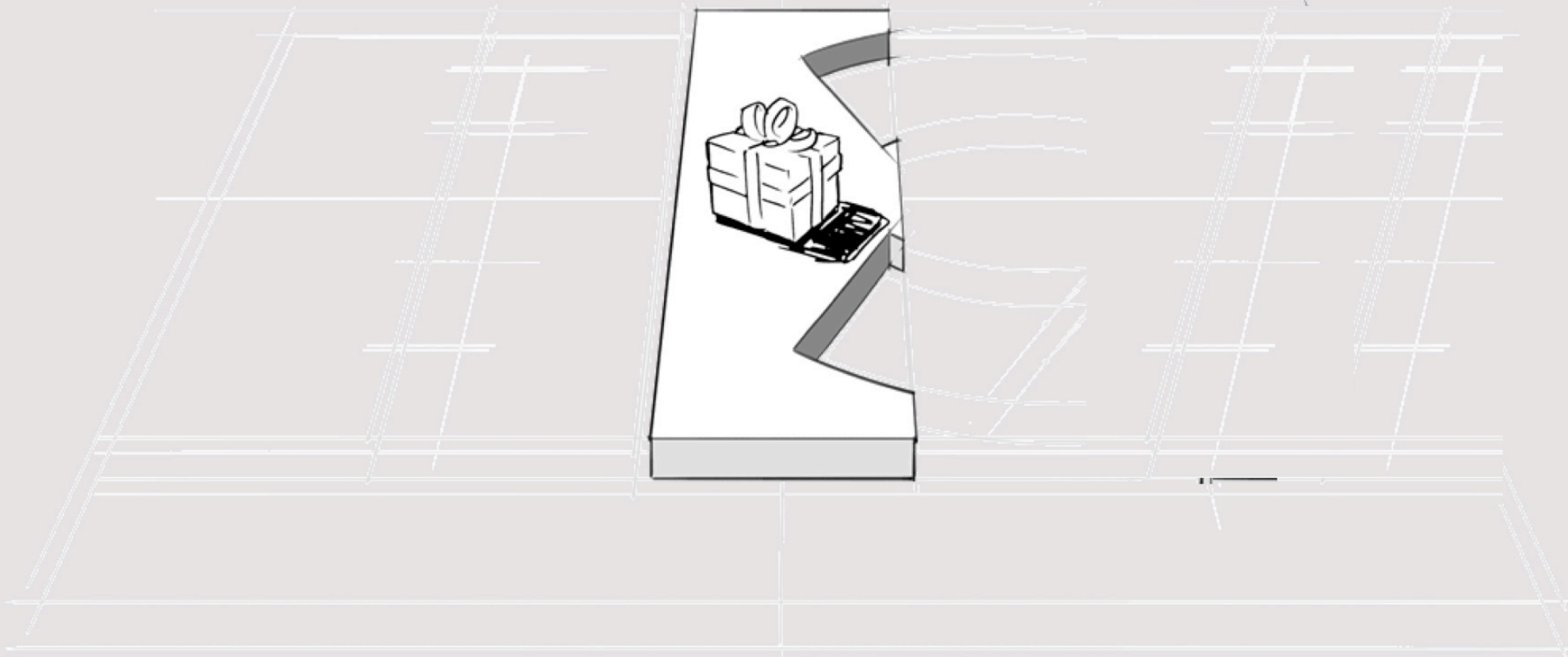
CORPS
NSF Innovation Corps

MWIN MIDWEST
I-CORPS NODE

I ILLINOIS

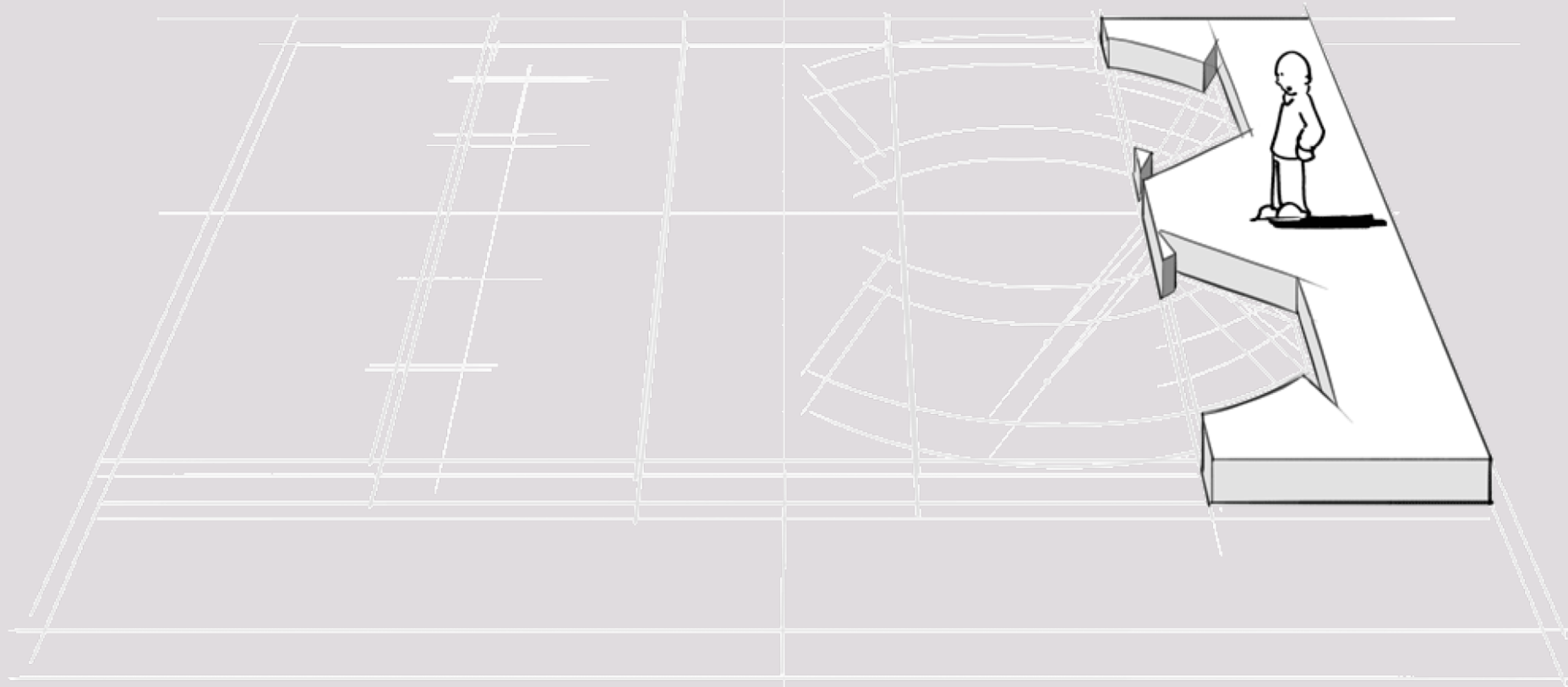


VALUE PROPOSITIONS



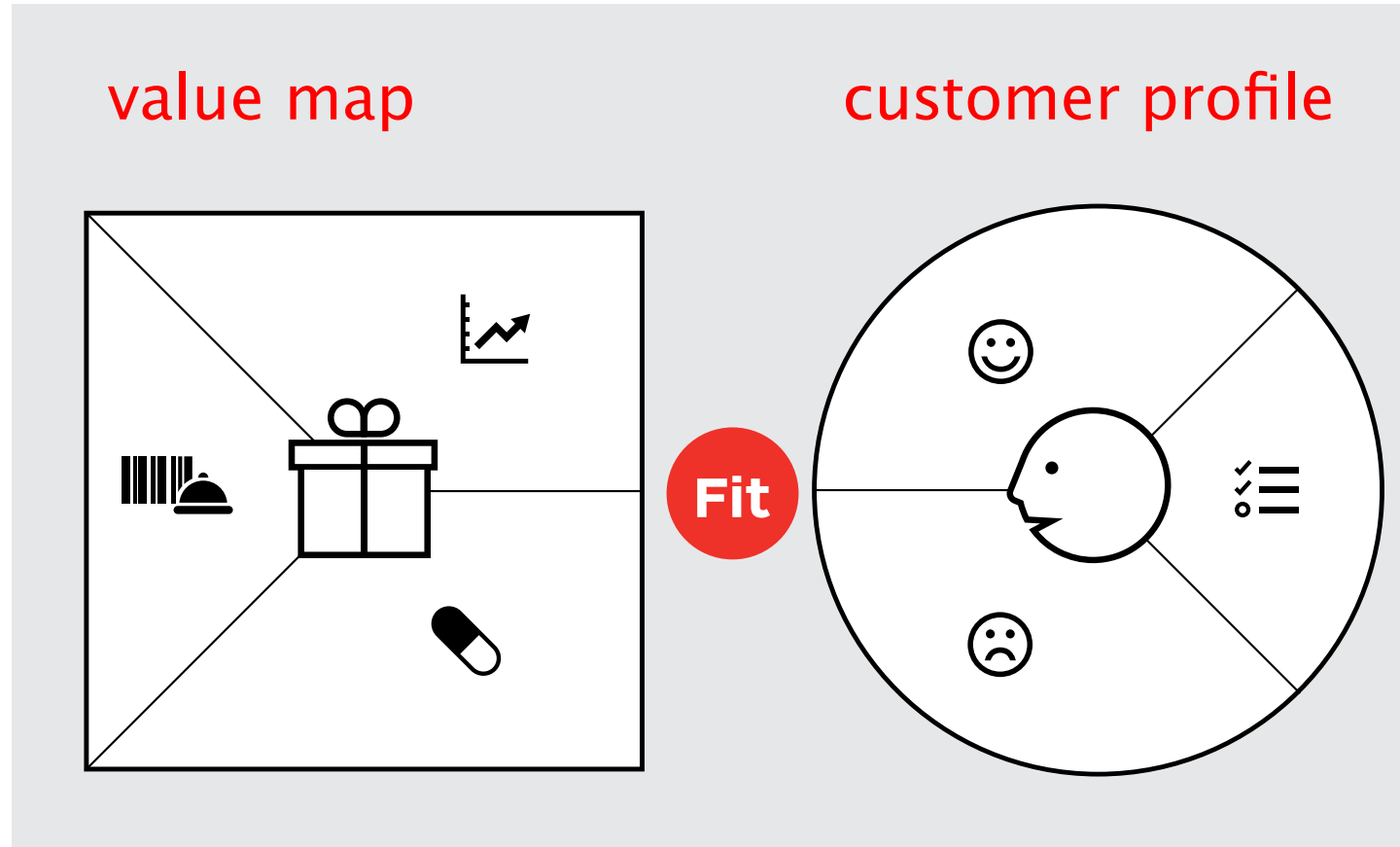
what are you offering them? what is that
getting done for them? do they care?

CUSTOMER SEGMENTS

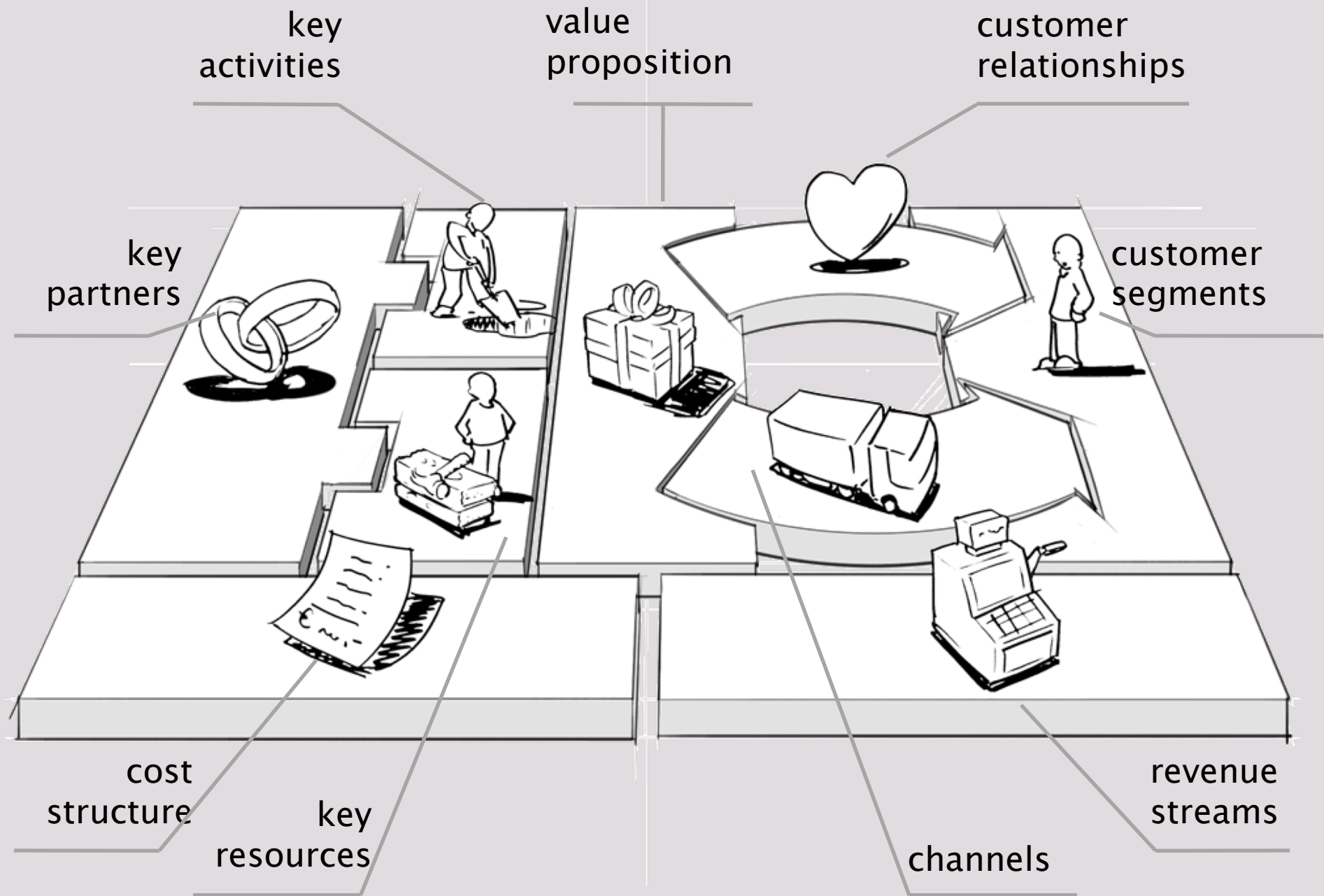


which customers and users are you serving?
which jobs do they really want to get done?

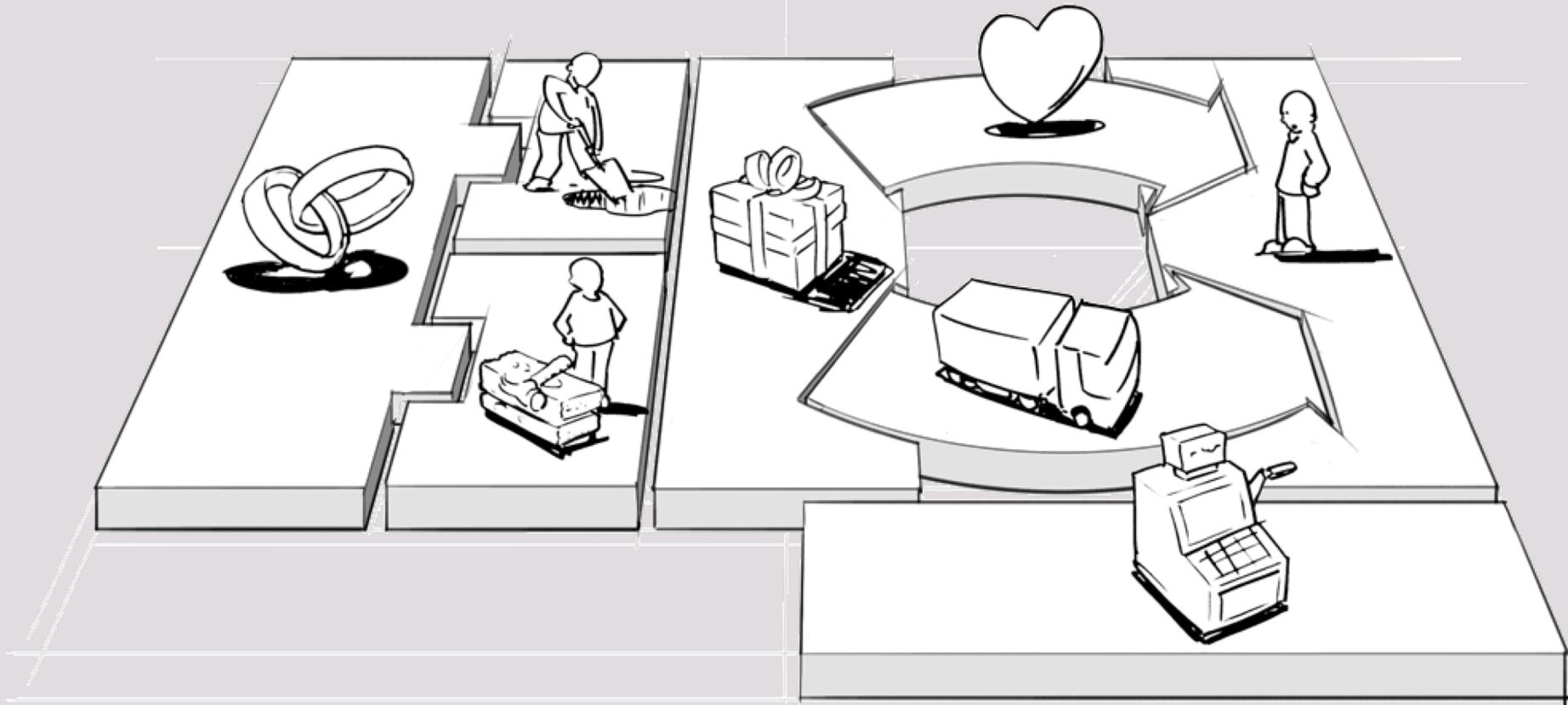
Product-Market Fit = 1:1



Gain Creators = Customer Gain
Products & Services = Customer Jobs
Pain Killers = Customer Pain



KEY PARTNERS



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



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Partner Advantages

- Shared Economics
- Economies of Scale
- Money/Resources
- Access to Customers
- Access to Brand
- Faster time-to-market
- Complete solution
- Capital efficiency



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Thought Exercise:
*For what reasons might you
want to form partnerships?*

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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?

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Types of Partnerships

- Strategic Alliance
- Joint Development Agreement
- Joint Business Development
- Joint Venture
- Co-opetition
- Key Suppliers
- Strategic Investors



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Thought Exercise:
*What kinds of partnerships
might you find useful?*

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Partnering with (BIG) companies



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Protectable Leverage

...is the way to make it work



THEM

YOU

1. Complementary products
2. Sales/Mktg support
3. IP (FTO)

1. Technology / Products
2. New customers
3. IP (blocking)

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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



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Thought Exercise:
What risks might you face?

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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?

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Thought Exercise:

What are the potential benefits of exclusive partnerships?

What are the potential risks of exclusive partnerships?

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Partners

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

--

Type of company	Partnership type	What's in it for them	What are the risks?	Potential partners

Elevator Pitches: April 4

Objectives:

1. Get the next meeting
2. There is no number 2.

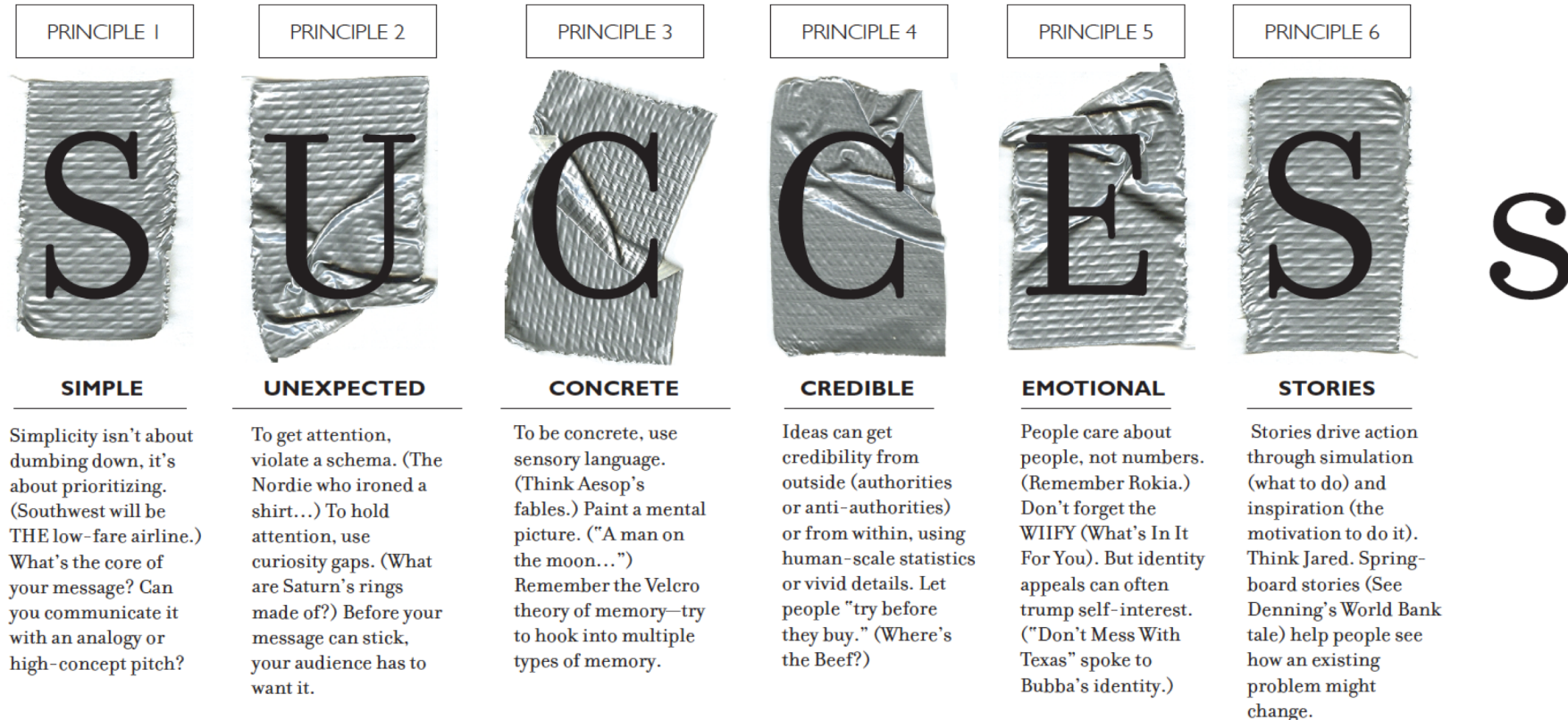
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MADE to STICK SUCCESS Model

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!)



Abstract

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



General

groups

individuals

Specific



Pro Tip: choose sensory words

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

Concrete

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PRINCIPLE 3



CONCRETE

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PRINCIPLE I



SIMPLE

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★ “PERFECTION IS ACHIEVED, NOT WHEN THERE
IS NOTHING MORE TO ADD, BUT WHEN THERE IS
NOTHING LEFT TO TAKE AWAY.”

ANTOINE DE SAINT-EXUPERY

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Getting to the Core



- Weed out superfluous info
- Prioritize ruthlessly



If everything is important, then nothing is. **I ILLINOIS**

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PRINCIPLE 2



UNEXPECTED

1. Capture Attention...

- Break a pattern = Surprise



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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.

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Credible

1. External sources
authorities/anti-authorities

2. Internal sources
speaker/listener

A. Details

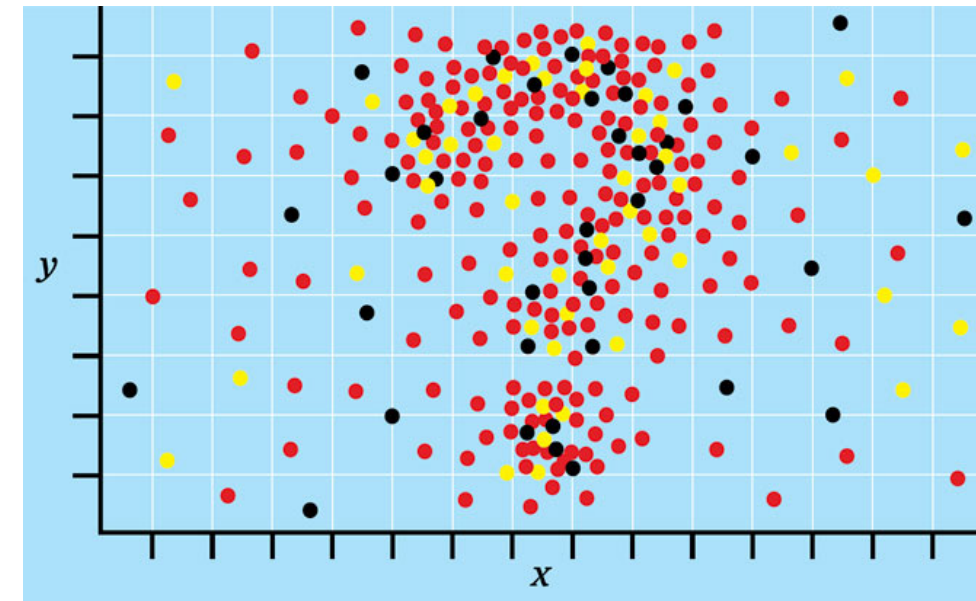
B. Statistics

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

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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

WHY?

WHY?

WHY?

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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

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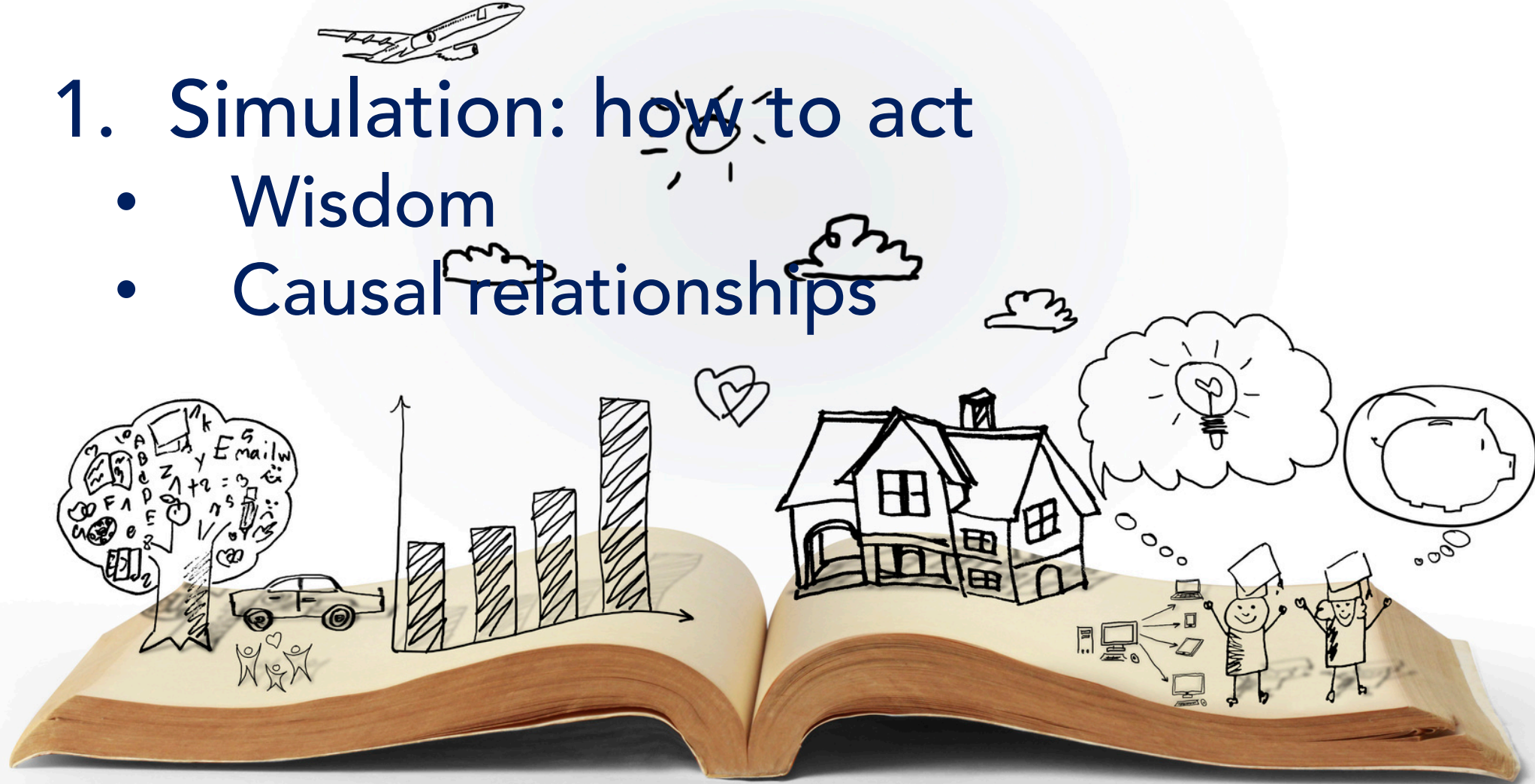
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How do Stories drive action?

1. Simulation: how to act

- Wisdom
- Causal relationships



2. Inspiration: motivation to act

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Why do some pitches work?

- Attention Span
- “Anchor & Twist”
- Don’t wing it, script it
- ‘Why’ comes before ‘What’
- Storytime
- Steal like an Artist

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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?
4. Competition/Competitive Advantage – What makes you unique? How do you differentiate?
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.

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Business Thesis Exercise: Getting to WHO? WHAT? WHY?

My Company, _____,
(Team Name)

is developing _____
WHAT? (Solution)

to help _____
WHO? (Customer Segment)

with _____
(Problem)

because _____.
WHY? (Value Proposition)