

# "Assessing the Opportunity"



# Today's Agenda:

1. Speaker bio & overview of New Ventures BC
2. The basics of putting together an elevator pitch or business opportunity statement
3. Who wins? 2009 Winner, LightIntegra, [www.lightintegra.com](http://www.lightintegra.com), Elisabeth Maurer, President and CTO
4. Blow-by-blow walk-through and guidance for winning the 2010 NVBC competition

# Bob de Wit – quick bio

- Entrepreneur
  - Canadian V-Chip Design, TechBC Corporation, Flintbox
- Investor, Advisor, Mentor
  - WUTIF, GreenAngel Energy, Axonwave Software, Pangaea Ventures, Energy Aware, ClearVision, RIP.TV, VANTEC, BC Technology Business Mentorship Program (dozens of companies)
- Consultant
  - Talent Technology Corp, Wurldtech Security, Visiphor, SFU, UBC, BCAHC, etc
- Community service
  - NVBC, FVTN, Shad Valley
- Contact info: e. [bob@newventuresbc.com](mailto:bob@newventuresbc.com) , t. 604.916.3434

# Introducing:



## New Ventures BC

Education. Networking. Mentorship. Prizes.

**A province-wide competition for early stage  
technology start-ups. \$309,000 in prizes.**

**[www.newventuresbc.com](http://www.newventuresbc.com)**



## Entering its 10th year, the New Ventures BC Competition

supports early-stage technology companies by giving them the tools & resources to build a viable business.

### NVBC offers:

1. Education via a comprehensive seminar series
2. Mentoring via 1:1 and mentor panels
3. Prizes, including \$119+k to the first prize winner
4. Networking - several networking events



## ELIGIBILITY

- B.C.-based, privately held company that has not been incorporated for more than five years
- The clear intent is to build an economically viable, for-profit, new business
- Less than \$500,000 of equity financing has been raised from outside investors (i.e. investors other than friends, family and company founders)
- It must meet NVBC's criteria of being an innovative product or service involving new technology.



### What Defines an Innovative Product?

- a. It utilizes new technology. (“technology” defined as: The application of a practical system of knowledge concerning the physical world and its phenomena); or
- b. It combines existing technologies in a way that results in new intellectual property; or
- c. It utilizes technologies to develop new or improved existing products or services; or
- d. It utilizes technologies to develop new or improve existing production processes; or
- e. It is the early-stage development of a new technology.



## EDUCATION & NETWORKING: 2009 Seminar Series

- Seminar 1 - “Assessing the Opportunity”
- Seminar 2 - “Managing your Intellectual Property”
- Seminar 3 - “The Business Plan”
- Seminar 4 - “Basic Finance for Business Plans”
- Seminar 5 - “Perfecting Your Pitch”
- Seminar 6 - “Marketing Overview”
- Seminar 7 - “Corporate Structure & FFF Financing”
- Seminar 8 - “Early stage financing: Dialing for Dollars”
- Seminar 9 - “Planning Your Exit”

- All Vancouver events will be webcast and blogged live
- Events are FREE to all students with valid ID Card



# new VENTURES BC COMPETITION

## Overview of New Ventures BC 2010:

|           | Round 1<br>April 19                       | Round 2<br>April - June                | Round 2<br>Stage 2<br>June             | Round 3<br>June -<br>August            | Round 4<br>September                   |
|-----------|-------------------------------------------|----------------------------------------|----------------------------------------|----------------------------------------|----------------------------------------|
| Who?      | Inventors,<br>entrepreneurs &<br>students | Early-stage<br>technology<br>companies | Early-stage<br>technology<br>companies | Early-stage<br>technology<br>companies | Early-stage<br>technology<br>companies |
| How many? | Open<br>(~180)                            | Up to 160                              | Top 40 +<br>ties                       | Up to 25                               | Up to 10                               |
| Rqmt.s:   | 2-page<br>online<br>description           | 5-page<br>business<br>overview         | Oral pitch<br>to jury with<br>feedback | 8-page<br>executive<br>summary         | Oral Pitch<br>to the Final<br>Jury     |
| Benefits: | Seminars,<br>networking<br>events         | Seminars,<br>networking<br>events      | 1:1 Pitch<br>mentoring                 | 1:1<br>Mentoring,<br>mentor<br>panels  | \$ to the<br>winners,<br>glory to all  |



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## MENTORING

- Top 25 teams each year...
  - Are paired up with 2-3 mentors each
  - Attend marketing, financial, and public speaking workshops
  - Attend a mentor panel where you pitch your business and receive feedback from a group of experienced mentors
  - Gain valuable recognition that can (and has!) lead to investor interest



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## PRIZES

- \$119,000 first prize package including BC Innovation Council \$100,000 Proof-of-Concept award
- \$63,000 second prize package including BC Innovation Council \$50,000 Proof-of-Concept award
- A \$37,000 third prize package including BC Innovation Council \$30,000 Proof-of-Concept award (TBC)
- BC Hydro Sustainability \$40,000 prize.
- BC BioEnergy \$20,000 prize
- Economic Impact \$20,000 prize



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## **Past Winners -- Success Stories**

**Metalogix** - won the competition in 2002

**AirG** - won the competition in 2001

**LightIntegra** - won the competition in 2009

**Saltworks** - won the competition in 2008



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## How you can participate

- Enter your company or project!
- Entry deadline is April 19 2010
- \$200 entry fee per individual or team
- Sign-up for the seminars only (free for students)
- Be a mentor. Email your bio: [mentor@newventuresbc.com](mailto:mentor@newventuresbc.com)



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## **SPONSORS**

### **Title Sponsor**

BC Innovation Council

### **Gold Sponsors**

BC Hydro

BC BioEnergy Network

Ernst & Young LLP

Fasken Martineau DuMoulin LLP

The Vancouver Sun

Western Economic Diversification

BCIT

### **Silver Sponsors**

Simon Fraser University

University of British Columbia

University of Victoria

### **Bronze Sponsors**

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Canadian Financing Forum

Techvibes.com

Vancouver Enterprise Forum

Webnames.ca

Thompson Rivers University

For more information visit

[www.newventuresbc.com](http://www.newventuresbc.com)

or email: [contact@newventuresbc.com](mailto:contact@newventuresbc.com)

Join facebook group for updates (search for “New Ventures BC”)

## Questions?



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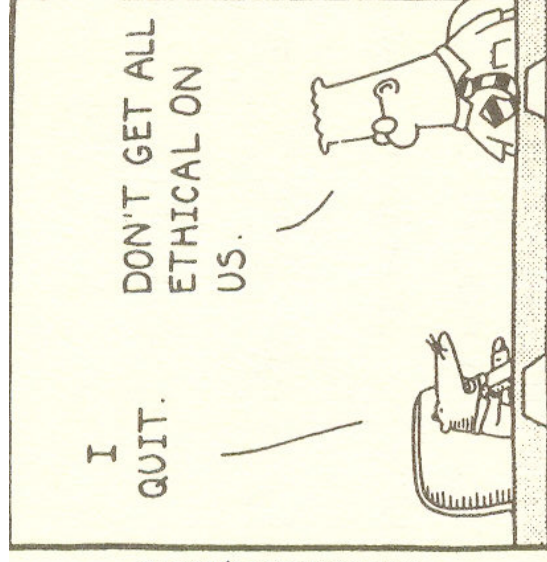
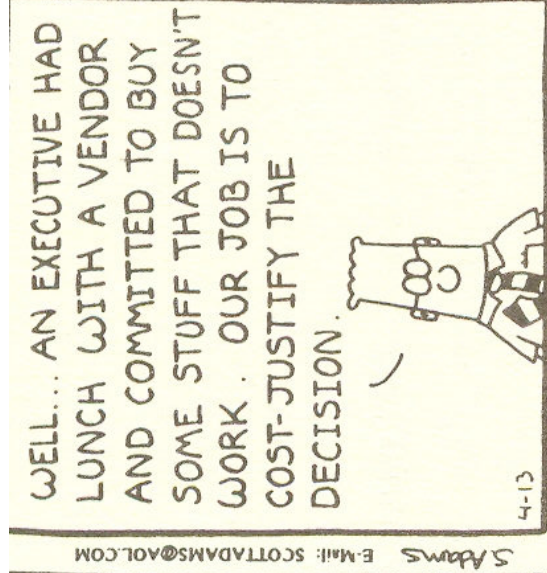
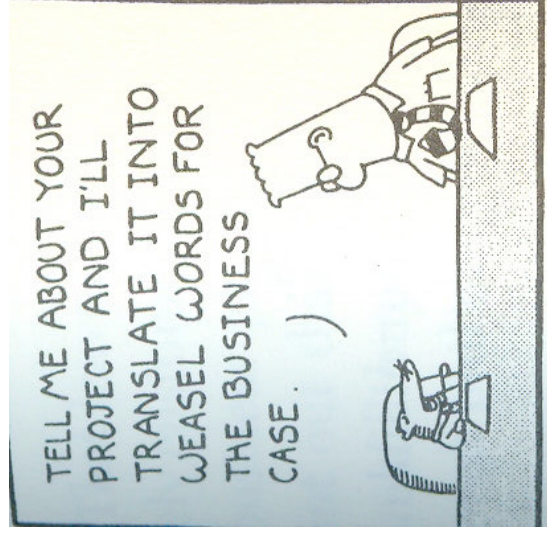


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# Today's Agenda:

2. Crafting an Effective Business Opportunity Statement  
(or elevator pitch)
  - Say what you do
  - Define the pain;
  - Define the solution;
  - Why anyone should care;
  - How you're going to win; and
  - The call to action (i.e. show me the money)

# Sounds Easy Right?



## 100 – 200 Words:

<say what you do in one sentence> +  
<describe the pain in 1-2 sentences>  
+ <describe your solution in 1-2  
sentences> + <why it matters in 1-2  
sentences> + <how you win in 1-2  
sentences> + <call to action in one  
sentence>

Not Easy!

Blaise Pascal (not Mark Twain) said:

"I have made this letter longer than usual,  
only because I have not had time to make  
it shorter."

Let's try an example:



Saltworks Technologies

- 2008 NVBC 1<sup>st</sup> Prize & Sustainability Prize winners
- My unauthorized version of their business (i.e. don't blame them for this, blame me!)

## What Saltworks Does:

Saltworks has developed a breakthrough solar desalination technology that reduces energy consumption by 80% compared to the leading commercial process.

The pain Saltworks is addressing:

Global demand for freshwater is rapidly growing while supplies are diminishing. Substantial investments in desalination are being made worldwide to meet rising water demand; however, desalination is very energy intensive.

## The Saltworks Solution:

Harnessing solar heat and atmospheric dryness Saltworks has created a wholly-new way of desalinating water using its low-pressure salt water ionic “battery.”

Why you should care:

The addressable market for industrial desalination systems is estimated at \$10B for 2013 and growing.

Saltworks is positioned to capture \$150M of the market in 2013 and \$1.7B in 2015, with increasing market share thereafter.

How Saltworks will win:

Building on its patent-pending technology, Saltworks' strategy is to first develop a pilot plant by leveraging grants and industrial partnerships and then target the small- and mid-scale segments to prove performance and reliability before entering the large-scale market.

What Saltworks needs next:

To fund growth, Saltworks is envisioning three investment rounds: (1) \$K to <details deleted>; (2) \$x-xM to <details deleted>, and (3) \$xxM <details deleted>

Translating the elevator pitch into an investor pitch:

- Added detail
- 10-20 minutes instead of 30 seconds
- 10-12 (meaningful) slides
- Consider the audience (investor v. customer)
- Example: LightIntegra, 2009 NVBC winner

# Today's Agenda:



## 3. Getting to the money round of New Ventures BC

- Step-by-Step: Round 1, The Idea
- Step-by-Step: Round 2, Feasibility Test

# Round 1 Entry, The Idea

- Deadline for entry is April 19, 2010
- Entry is done via [www.newventuresbc.com](http://www.newventuresbc.com)
- Judging is all about determining eligibility
- Four 'big' questions to answer, only two matter

# Round 1 Questions

1. Describe the product or service offering
2. Describe the innovation behind the idea without disclosing proprietary technology (what it does, not how it works)
3. Briefly describe the technology sector your business stems from
4. Provide a brief analysis of the market and competition

# Our (WIPO) Definition of IP:

- “Creations of the mind”
  - inventions, literary and artistic works, and symbols, names, images, and designs used in commerce
- Two Categories:
  - **Industrial Property:** inventions (patents), trademarks, industrial designs, and geographic indications of source
  - **Copyright** (software, databases, web pages, literary and artistic works such as novels, poems and plays, films, musical works, artistic works such as drawings, paintings, photographs and sculptures, and architectural designs)

# Round 2 Entry, Feasibility Test

- Deadline for entry is May 10, 2010
- Important to understand judging criteria
- Five judges will review your submission; the top 40 companies based on weighted-average results move on to a second stage of judging based on an oral pitch. Of the 40, 25 companies will move on to the third round
- Nine 'big' questions to answer; all of them matter
- Only five pages. Remember Blaise Pascal.

# Round 2 Judging Criteria

- Nine questions, grouped into:
  - Baseline questions; and
  - Evaluation questions
- Baseline questions (four in total) aren't judged but are important – where you 'sell' the judge on your venture
- Evaluation questions (five in total) are reviewed by judges using the following scale:
  - Poor = 1; Fair = 2; Good = 3; Very good = 4; Excellent = 5
- Points are awarded on the basis of the clarity and credibility of your submission.

# Round 2: Baseline Information

- no more than one page to describe:
  - Product/Service. Describe your product or service and the nature of the technology
  - Technology Development. Describe the development stage of your product/service
  - Team. Describe your company's strengths. List the credentials of your technical and management teams, and if applicable, advisors and board of directors. If you don't have a team, describe the key positions and critical skill sets that you plan to add.
  - Business Plan Status: What research has been conducted, and what remains to be done. What key sources are included to document and support your plan?

# Q1: Intellectual Property

- Describe the various forms of intellectual property related to your product/service that you own or are developing under license
- Describe your IP strategy, including any plans for IP protection and how your IP gives you a defensible competitive advantage
- Remember: IP is not just patents! Don't forget: trade secrets, know-how, copyright, trademark, industrial design, databases, customer-lists, etc, etc
- Important: if patents are important to your strategy, make sure you're not hindering your ability to file by disclosing too much. What it does vs. how it does it.

## Q2: Market

- Describe the target market in terms of size, segments, and trends – BE SPECIFIC!
- Describe your ideal customer-type and the value your customers will derive from purchasing your products or services (what's their ROI? And/or what is the payback period?). Why will they become customers?
- Describe your revenue model (how you plan to make money)
- Explain what your market-penetration goals are (by market share, by number of units, by revenue)

## Q3: Distribution

- Explain the go-to-market plan (how you plan to market and sell to your ideal customer type)
- What, if any, alliances do you intend to strike? Why and when?
- Explain how the product/service is produced.



## Q4: Competition

- Describe your company and product's primary competitive differentiators
- What makes you unique, better? What is your relative value proposition? (refer back to customer ROI)
- Describe substitutes for your product or service (existing or potential – please do not say “none!”)
- What are the barriers to competition?

## Q5: Financial (key numbers)

- What have you spent to date?
- What funds have been raised? From where?
- How much money do you need? (for the current business plan; to reach cash-flow positive)
- When will your venture be cash-flow positive?
- What kind of return can investors expect? When? How?
- Include your key assumptions that drive your forecasts

# *Parting thoughts. Successful* Entrepreneurs understand:

- the market to which their product is sold;
- the key *defensible* qualities that gives their product or service an edge against competition;
- that they must have a strong supporting team around them; and
- that "cash is king"

# Top 10 Tips:

1. Find mentors and advisors who inspire you to expand the vision for your company
2. Don't over-plan – take action!
3. Hire people who are smarter than yourself
4. Know thy customer inside and out – make sure your market is well segmented – develop an “ideal customer profile” that describes who your customer is, how they buy, why they buy and how often they might buy, and whether they'll tell their friends by-the-bye to buy
5. Always know what your “cash runway” is and manage it carefully, but know when not to be cheap!

# Top 10 Tips:

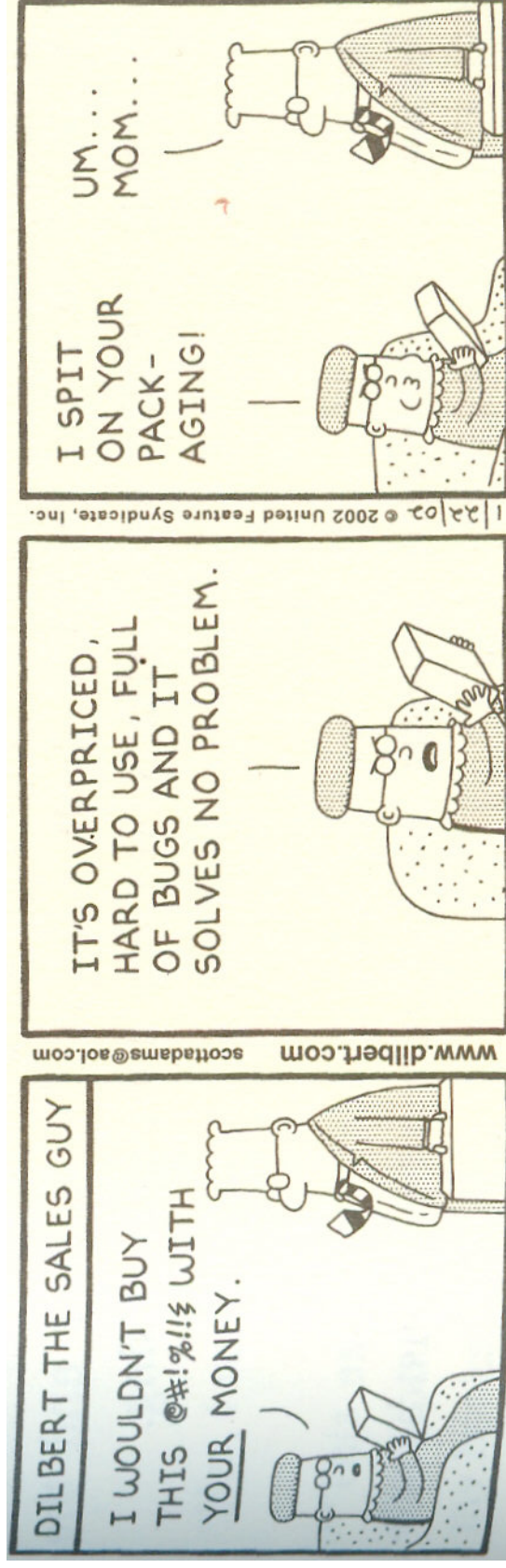
6. Develop an elevator pitch. Tailor it to different audiences – use the Mom/Grandma test
7. Play to win, but be willing to risk failure. Perfectionists make better employees than employers
8. Acknowledge the enemy (or make one up) – never say “there is no competition!”
9. Is your baby ugly? Don’t let the hosers get you down!
10. Above all: have fun and don’t take yourself too seriously!

# Where to Look for Help:

- Your regional Science Council
- NRC IRAP: [irap-pari.nrc-cnrc.gc.ca](http://irap-pari.nrc-cnrc.gc.ca)
- New Ventures BC Competition: [www.newventuresbc.com](http://www.newventuresbc.com)
- Mike Volker's web site: [www.sfu.ca/~mvolker/biz/index.htm](http://www.sfu.ca/~mvolker/biz/index.htm)
- [www.ventureblog.com](http://www.ventureblog.com)
- [http://www.angelblog.net/Angel\\_Term\\_Sheet\\_Evolution\\_Part2.html](http://www.angelblog.net/Angel_Term_Sheet_Evolution_Part2.html)
- [www.angelblog.net](http://www.angelblog.net)

# Where NOT to Look (at first):

- Your bank
- Your family and friends (usually)
- Outside your home market
- Business planning consultants



Thank You!

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