



15.390 New Enterprises

How to Present Your Business Plan

Class Eighteen

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Howard Anderson

Scott Stern

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How to Present Your Business Plan

or

I am comfortable – actually excited with my plan ... now how do I get others motivated to provide me the additional resources I need?



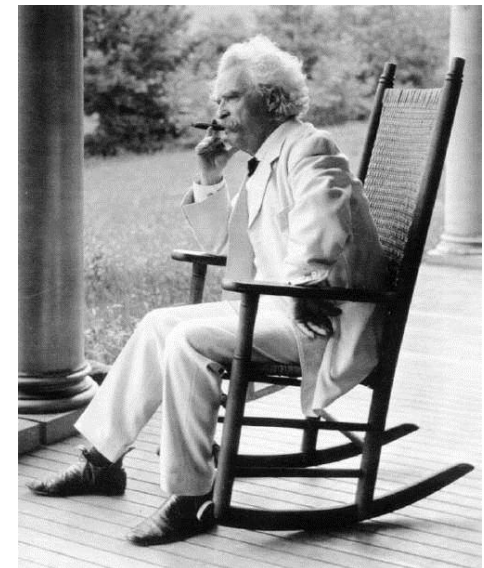
Key Points

- Know your audience and target the right ones
- Determine what the investor is most interested in
- Effective Communications Techniques
 - ▶ Elevator pitch
 - ▶ 5 Minutes Business Plan
 - ▶ Always with passion and confidence



Be Brief

“I don't have time to write you a two page letter so I am writing you a twenty page letter,” -- Author unknown



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Importance

- Attacker vs. Defender
- Gain needed resources
- Instantaneous view into your abilities

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Audience

- Customers
- Potential Employees or Partners
- Investors
- Influencers (e.g., Press, analysts)

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Objectives to Gauge Success

- Gives you and your new venture credibility
- Gain concurrence, or enthusiasm, for a follow on meeting
- Sets a mental model in person's mind so you can later succeed



Base Line

- Connect immediately – it is about *them* not you
- Be professional and likeable – must prove to be someone they want to do business with
- Stand out – you are an attacker not a defender; a tie or incremental benefit does you no good



Key Elements

- Pain today (1st)
- Customers (1st)
- Preferably in the form of a **question** which will be answered “yes!”
- Your offering (product/service)
- Value Proposition
- Why you
- Why now
- Vision of what it can be (economic and non-economic)
- What I am asking of you and what you will gain



Intangibles for Success

- **Passion** – enthusiasm
- **Empathy** – make them feel like the most important person in the world
- **Prepared** – do your homework & practice, practice, practice



Formula for Failure

- Talk about technology – technology is a means to an end; this is a venture not a lab
- Talk about yourself – it is about them
- Not prepared and go too long – disrespectful
- Lack confidence – who will follow then?
- Fishing expedition – not clear on objectives
- They “didn’t get it”



Layers of Commitment

- Elevator Pitch (1 minute)
- Escalator Pitch (3 minutes)
- Taxi Cab Pitch (10 minute)
- Commuter Train Pitch (30 minutes)
- Plane Pitch (45 minutes)



The “Ten Minute”* Business Plan

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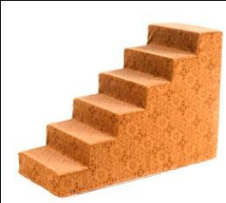
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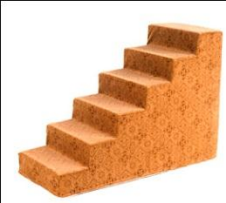
First Question

- What does your audience want?
- Do your homework
- Adjust your message
- Try to connect before the presentation if possible at a personal level



The Ten Minute Business Plan

- Core seven slides
- Apply these suggestions with reason
- Feel free to expand, remove, consolidate and/or customized to your situation
- In the end, it must tell a compelling & logical story that covers these key points
- But you have to stay in the time allowed!!!



Slide #1: Introduction*

- Name of Company
- Compelling Tag Line
 - ▶ Will resonate with targeted customer base
 - ▶ Focuses on ***benefits*** not features or functions
 - ▶ Differentiates you from alternatives
- Make it very visual
- Story demonstrating target customer, as is state, urgency, desired & possible state, your value proposition (use case)
- Tell him what you want them to remember – three key points

* - *super important slide (Callas Law)*



Callas Law

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***There are only two things that matter ...
How you enter the room
And how you leave it.***

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Slide #2: Target Customer/Pain

- Who is the Target Customer? Present a Persona
- How many of them are there? (Who)
- What is their pain or opportunity? (Why)
- Speed of adoption? (Why Now)
- Who has the money? (Who Pays)
- Specific examples you have met...
- Name your first ten target customers with specificity



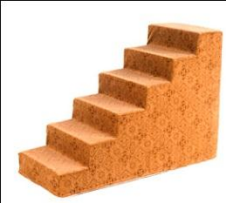
Slide #3: Your Solution

- Explain your solution and use visuals where ever possible (“pencil sell”) (What)
- Quantified Value Proposition (How Much)
- Unique Selling Proposition (Why You)



Slide #4: Go To Market Strategy

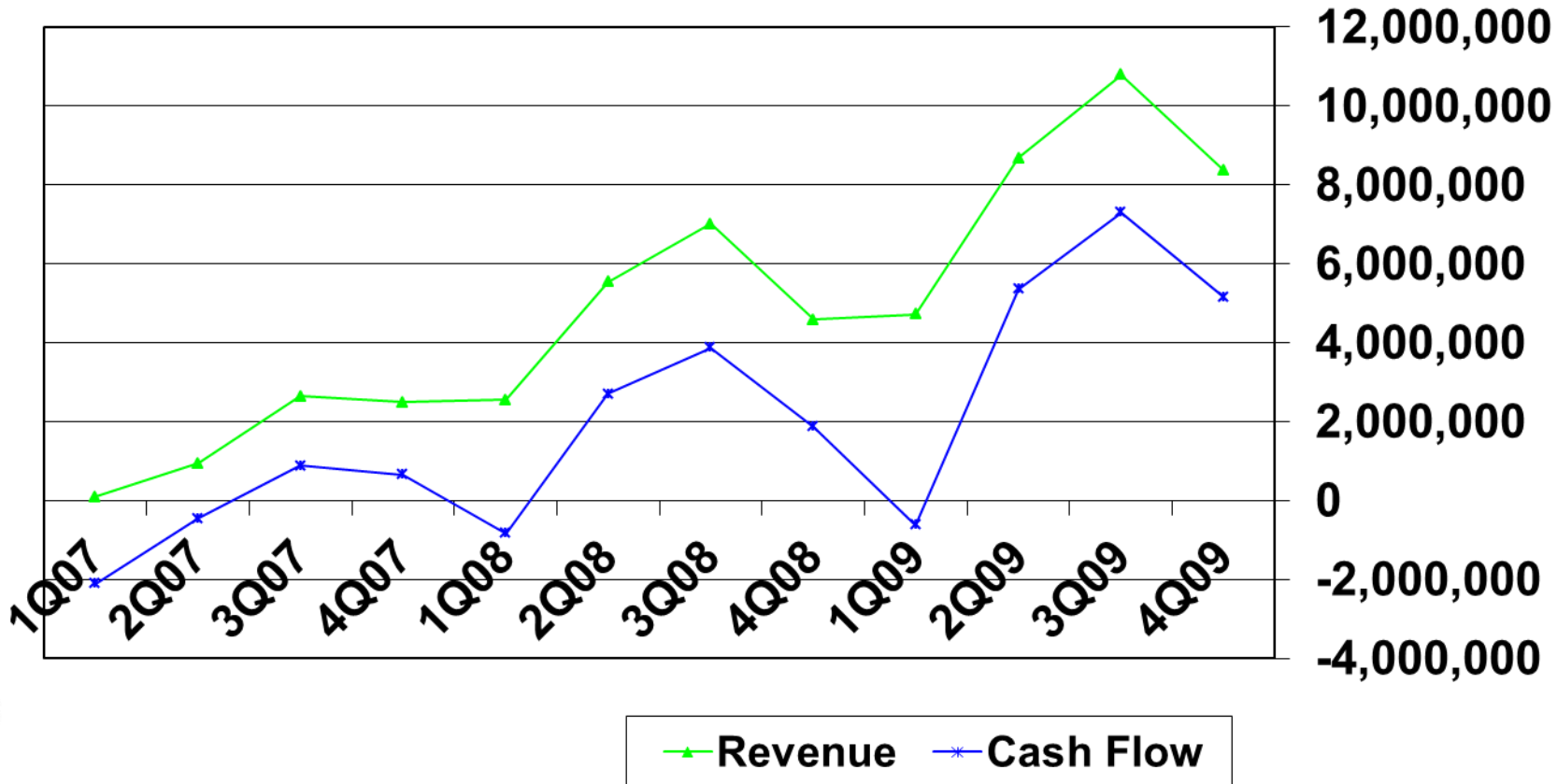
- How will you get to the customer and create demand? Fulfill demand?
- Who will be your first set of customers? (by name) Are they “light house” customer that will influence others?
- What will be your COCA?
 - ▶ Initially
 - ▶ Over time
 - ▶ Market penetration
- What will be your LTVOAC?
 - ▶ Business Model
 - ▶ Pricing
 - ▶ LTVOAC calculation



Slide #5: Financials

- Be careful not to overload!
- Simple graph with top line growth and cash flow –and a few other things (less is more)
- Key Factors to know and possibly include:
 - ▶ Units installed
 - ▶ Costs
 - ▶ Key Milestones driving financials
 - ▶ Value of company estimations & exit strategy

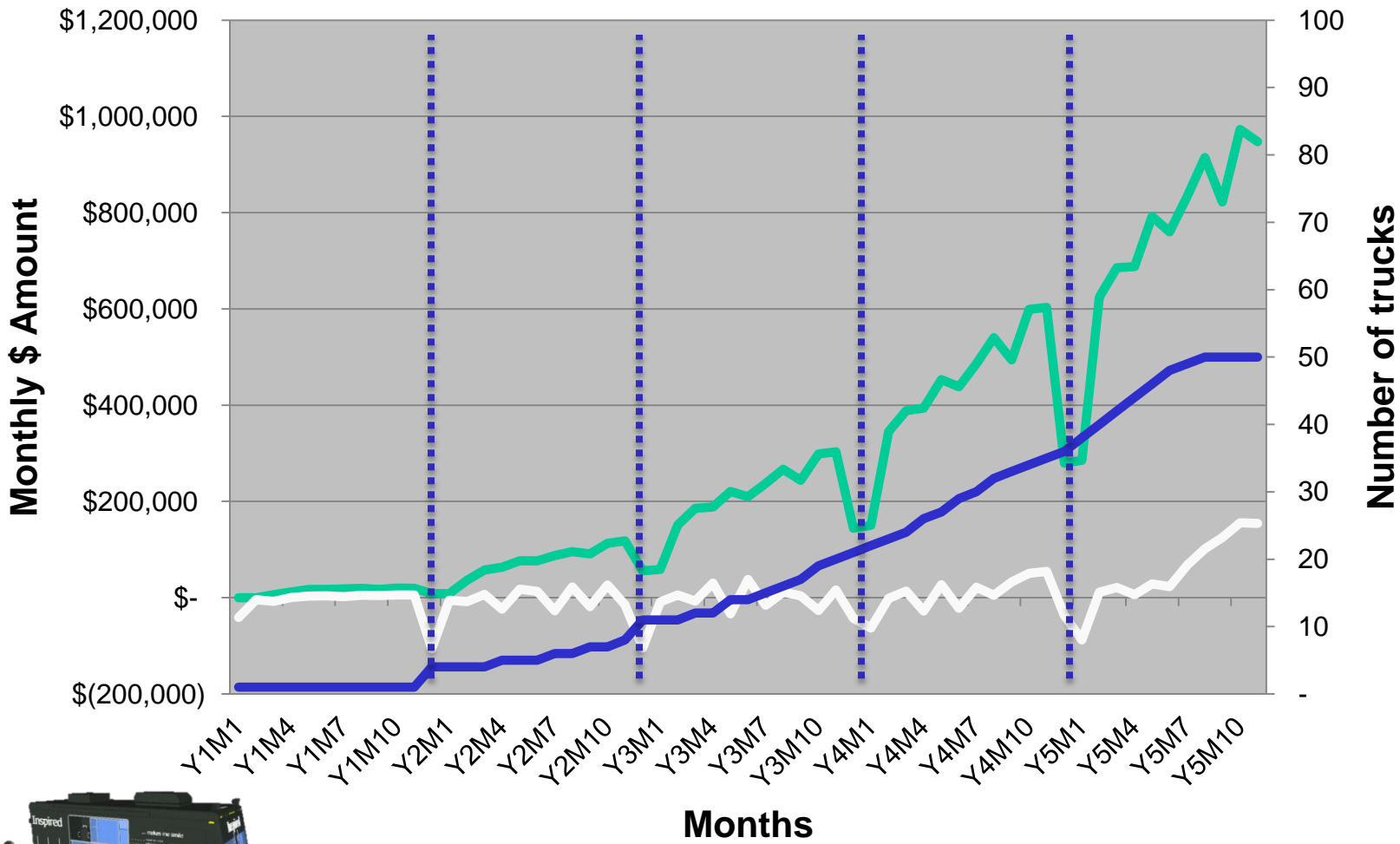
Summary Quarterly Financials





Financial Summary

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— Monthly Revenue
 — Cashflow
 — Fleet size

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Slide #6: Team & Competition

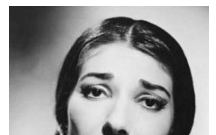
- Team today (Why You II)
- Roles & Qualification
- Anticipated future additions to the team
- Competitors and Sustainable Competitive Advantage

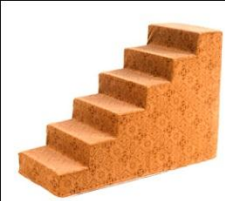


Slide #7: Summary & ASK*

- Summary of three key points
- Call to Action
 - ▶ How much are you asking them for?
 - ▶ What are the possible exits?
 - ▶ What types of returns are possible and/or likely?
- Then have your “ASK”!

* - *super important slide (remember Callas Law)*





Back Up Slides

- Have back up slides for when standard questions are asked
- Examples:
 - ▶ More detailed financials (top line, assumptions, sensitivity analysis)
 - ▶ DMU and DMP
 - ▶ HR plan
 - ▶ Product plan over time
 - ▶ Board of Advisors
 - ▶ Detailed use case
 - ▶ Deeper dive into technology as appropriate
 - ▶ Analysis of competition
 - ▶ Additional primary market research
 - ▶ Additional general market research



Critical Success Factors

1. Passion
2. Referenced in
3. Market opportunity
4. Proven customer value proposition/traction
5. Team → Quality of Presentation and Ability to Tell the Story
6. Sustainable competitive advantage
7. Return on Investment
8. Technology
9. Partnership/trust/fun factor
10. Synergies with rest of portfolio
11. Ability to answer questions

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Is There Only One Way?

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Example(s)

- 5 Things you like (most important)
- 5 Things you don't and how you would fix them (most important)



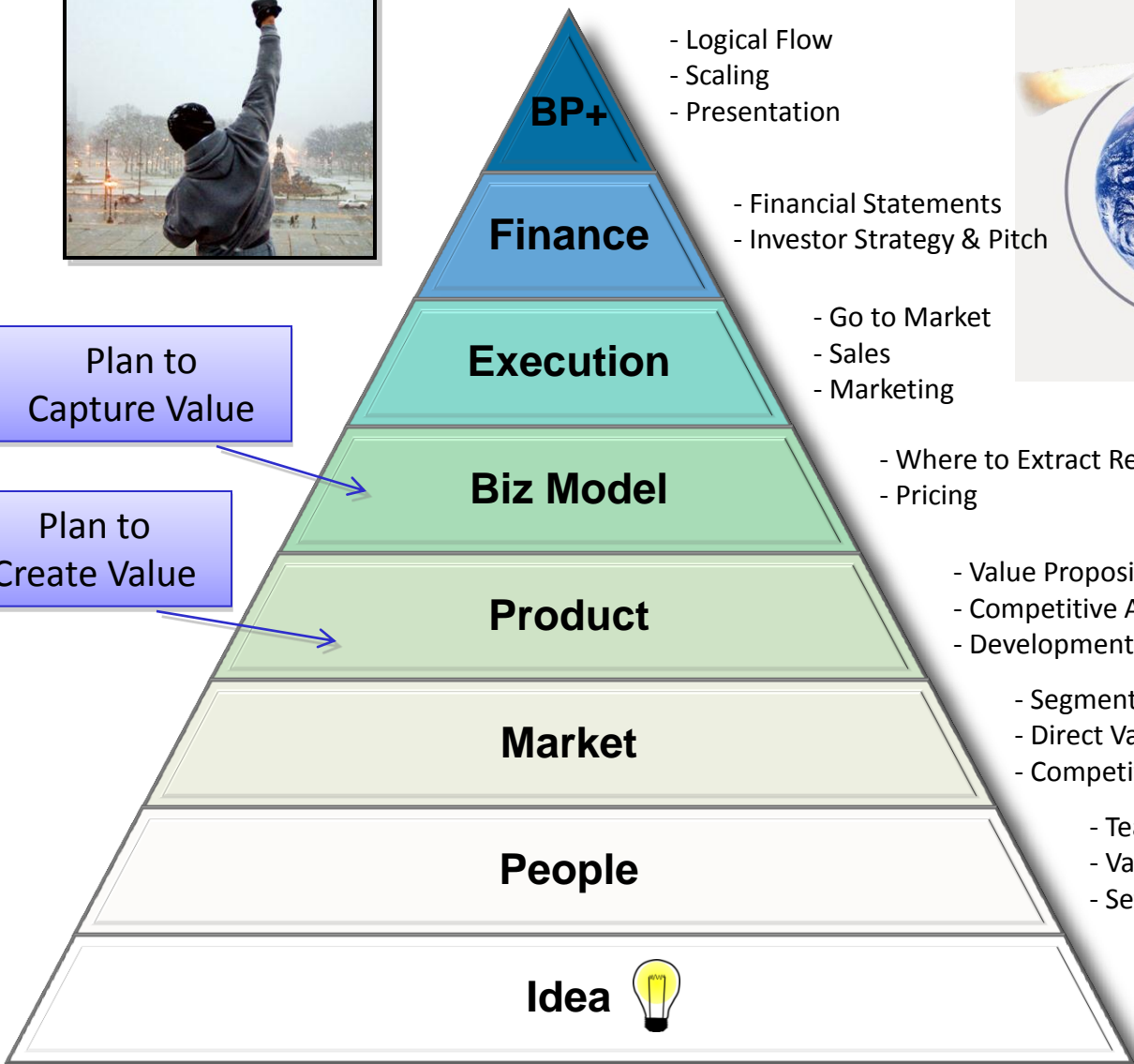
Location of inTouch Video

- http://link.brightcove.com/services/player/bcpid736993845001?bckey=AQ~~,AAADiQGn6E~,gFH7JsZ4oD_7WPNEqM0OFIXIK1fB9TAD&bctid=1409810603001
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Sneak Peak Ahead



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The end.

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