Golden Egg Check

to accelerate your business

Workshop Commit Community Days - 14/10/2015

Agenda (9.00 - 10.00)

- Introduction Golden Egg Check, track record

- Differences and similarities proposals
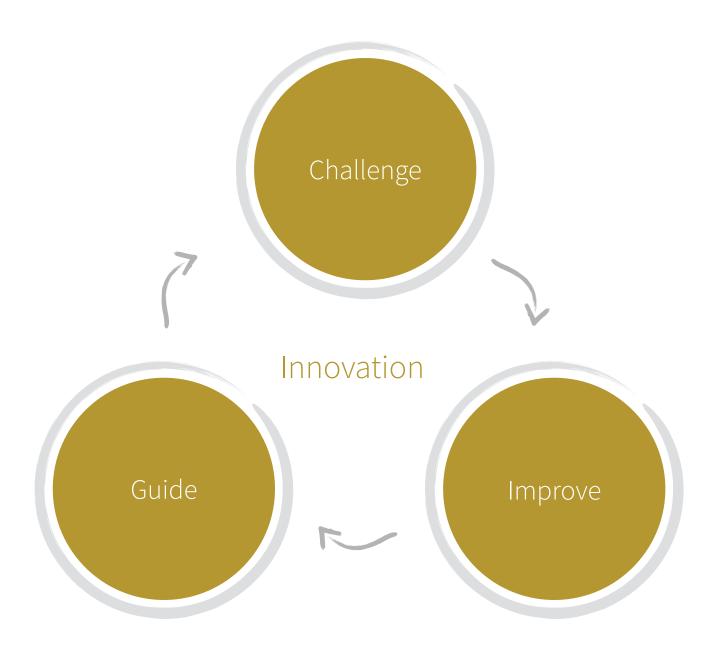
- Criteria

- Pitching

- Q&A

Getting acquainted

Gilles Meijer   1st

Co-founder at Golden Egg Check

Enschede Area, Netherlands | Market Research

Current   B&M Business Development, Golden Egg Check, Student
             Union (University of Twente)
Previous   C-it
Education   University of Twente

[Send a message ▼]   500+
                                                          connections

- Researchers/ entrepreneurs?

- Experience with proposals? Critical success factors?

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• Build - your business model, business case and roadmaps

• Challenge - (from investors point of view) to know where to work on

• Learn - to improve your proposition invite coaches and experts

and scale your idea to a successful business.

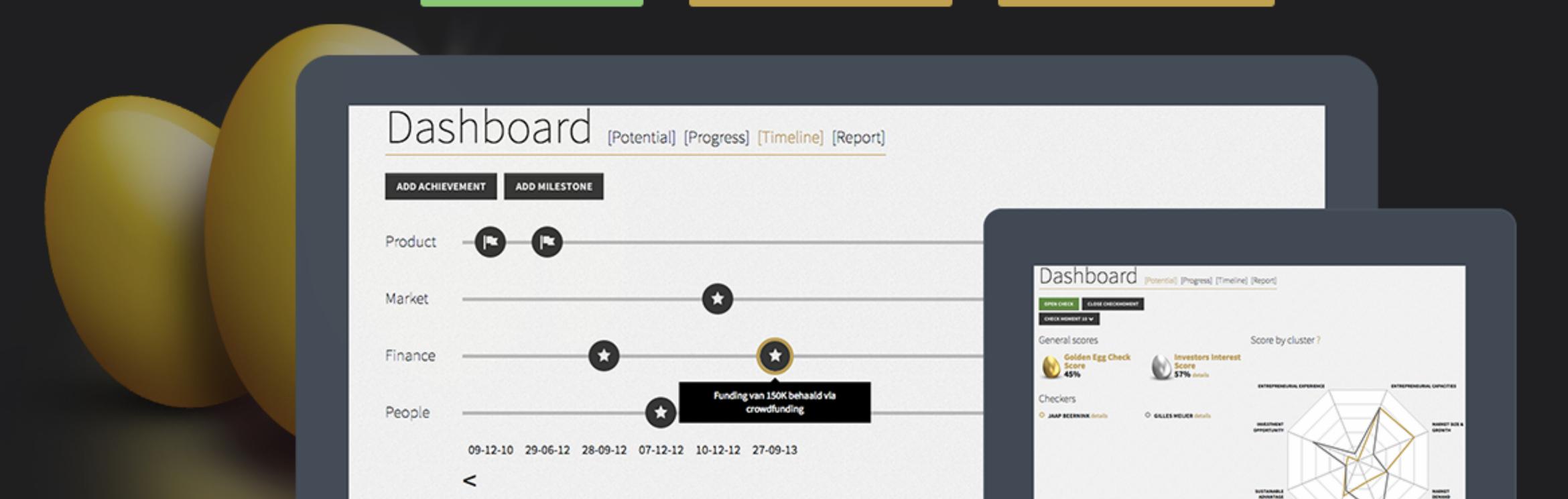………………………... Backed by services to help with this process.

To accelerate your business

The Golden Egg Check is an easy-to-use online (portfolio) toolset to challenge, improve and accelerate new business within startup and established companies. By offering complementary services (i.e. market research and dedicated coaching) we empower our customers.

START FOR FREE   REQUEST LIVE DEMO   ABOUT OUR SERVICES

Dashboard [Potential] [Progress] [Timeline] [Report]

ADD ACHIEVEMENT   ADD MILESTONE

Product

Market

Finance

Funding van 150K behaald via crowdfunding

People

09-12-10   29-06-12   28-09-12   07-12-12   10-12-12   27-09-13

<

Dashboard [Potential] [Progress] [Timeline] [Report]

OPEN CHECK   CLOSE CHECKMOMENT

CHECK MOMENT 16

General scores   Score by cluster ?

Golden Egg Check   Investors Interest
Score   Score
45%   57% details

Checkers

JAAP BEERNINK details   GILLES MEIJER details

Track record proposals

- Experience with supporting/ helping proposals to raise finance:

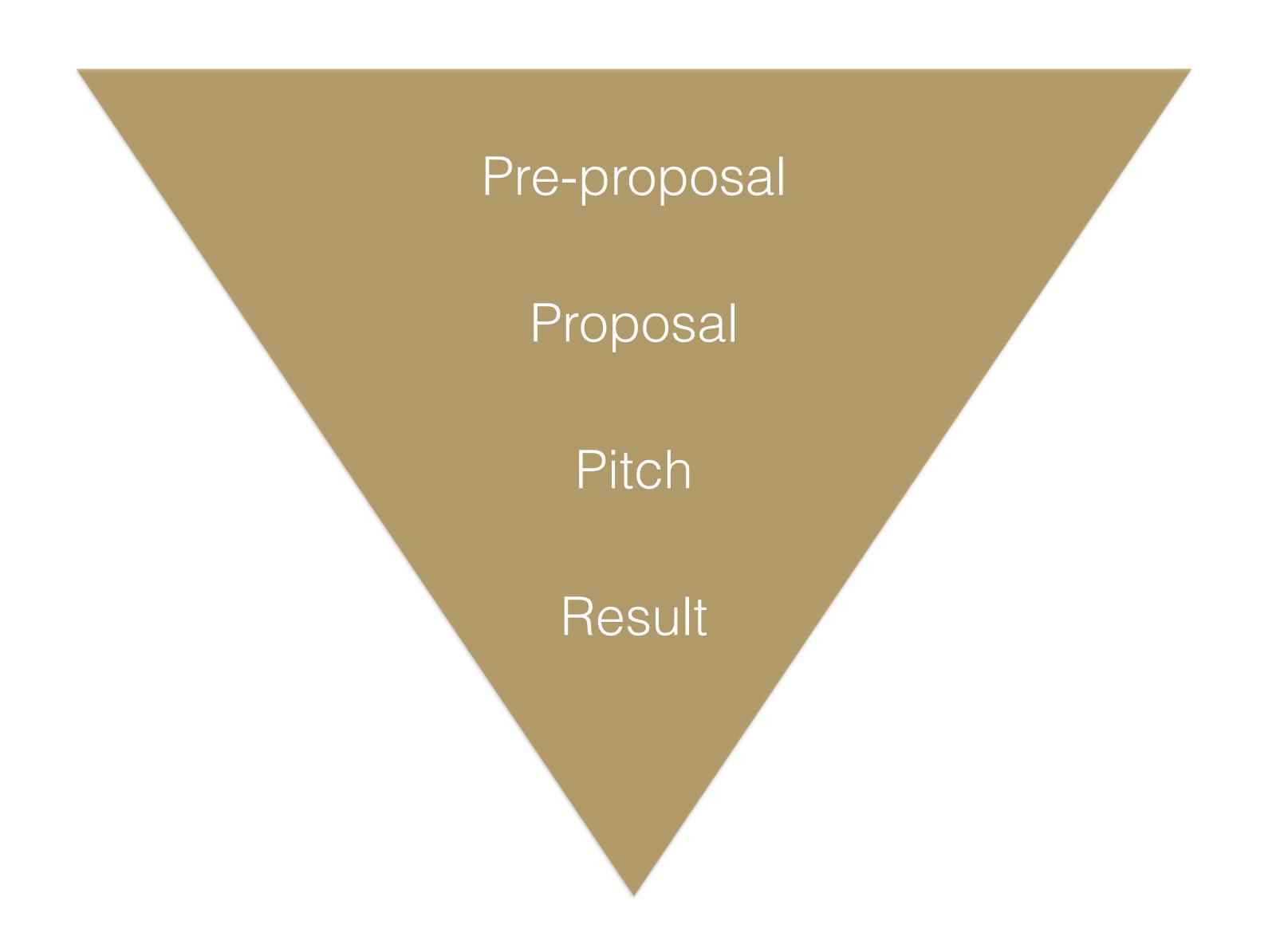|	#proposals	% success rate	regular success rate
STW Take Off/ VG	Dozens	75 - 80%	40%
ERC Grants	< 10	67%	10-20%
EFRO/ Innovatiekrediet	< 10	60%	?
(Pre) seed funds	> 60	60%	?

- Around 2,000 entrepreneurs in Golden Egg Check database

- Due diligence trajectories for investors

- Expanded the knowledge by finding other experts

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Differences and similarities proposals

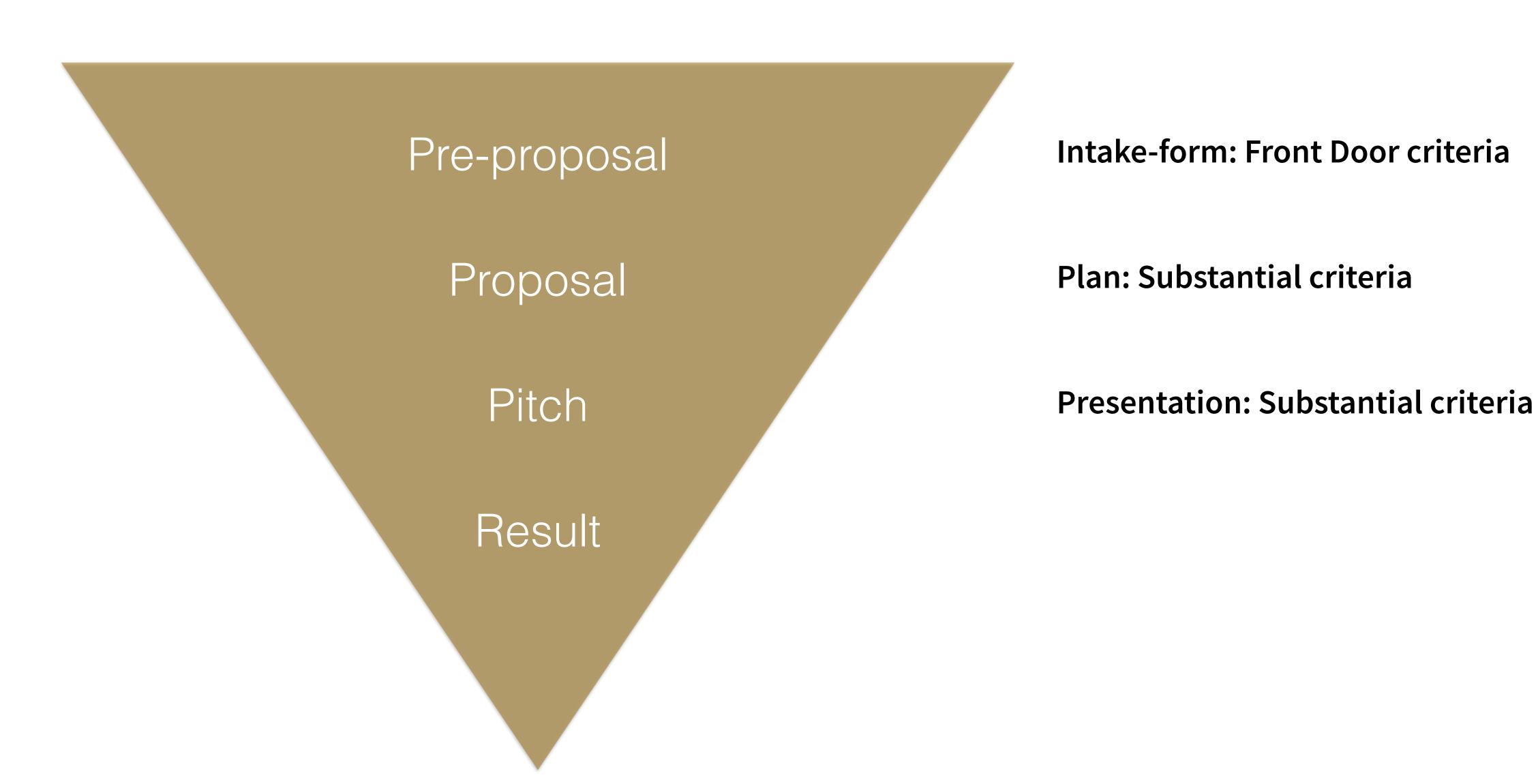# Differences and similarities proposals

Every proposal <u>needs to be treated different</u>, due to:

- Different committee-/ council-/ jury members/ assessors

- Different focus of the program

- Where is the money used for: feasibility study/ proof of concept or valorisation of the technology?

- Different financing structure: "who is financing this program"? —> Europe? Dutch government? Regional program? Specific cluster?

- And: different assessment criteria

Similarity: every proposal will go through stages

Pre-proposal

Proposal

Pitch

Result

Similarity: every proposal will go through stages

Pre-proposal

Proposal

Pitch

Result

Intake-form: Front Door criteria

Plan: Substantial criteria

Presentation: Substantial criteria

Differences and similarities proposals

Apart from the differences, these tips & tricks are valid:

Subsidy Guru Seán McCarthy at "University of Twente" 8/10/2015

1) 'Understand the evaluators, become one'

Gilles Meijer: "Or know one", research at your peers

2) Start with filling out the introduction form

From 26,000 proposals in 2014, ….. are rejected due to a failure in the first form.

Differences and similarities proposals

Apart from the differences, these tips & tricks are valid:

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1) 'Understand the evaluators, become one'

Gilles Meijer: "Or know one"

2) Start with filling out the introduction form

From 26,000 proposals in 2014, 418 are rejected due to a failure in the first form.

This is 1,6%, or: 1 out of 62 "smart people" is making this childish mistake

3) Make it easy for the evaluators, incorporate the crucial aspects in the abstract/ management summary

4) Try to explain the importance of your research/ solution, not the technology itself. **"Selling rather than telling"**

Differences and similarities proposals

Summary of the tricks:

Read carefully

- What kind of program is it?

- What are the required documents, maximum # of pages, deadlines, etc.?

- Who can be the main applicant?

Be concise, make it easy for your evaluators, watch out for the technical details

Pay attention to the summary

Disclaimer

The remainder of this presentation is to give insights in assessment criteria, provide tips & tricks to increase the chance of success in getting (public or private funding).
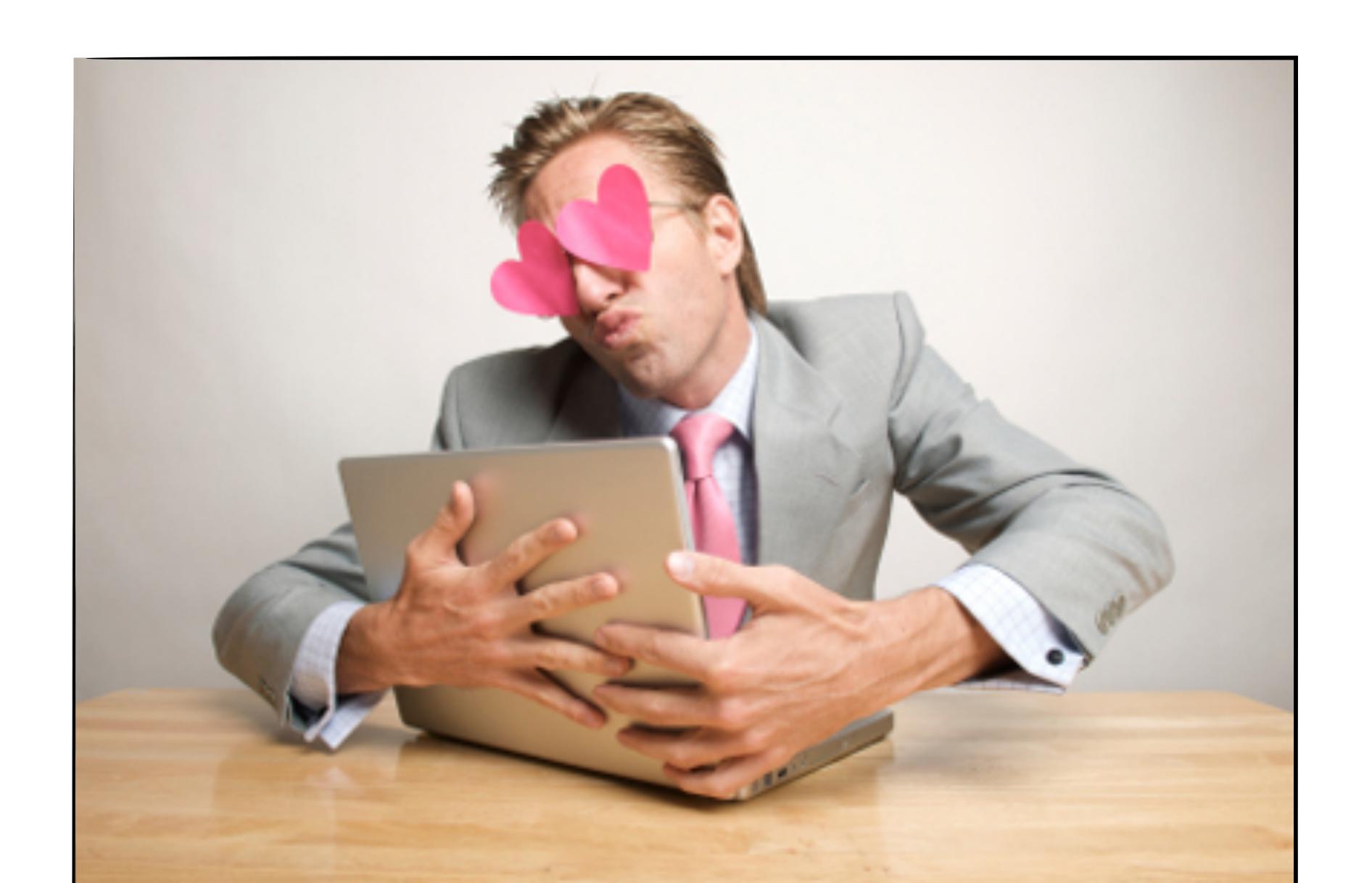
However, every financing/ subsidy organization needs to be treated differently. So there is no **'1 Holy Grail'**.

And, finally: **soft factors** (being polite, being on time, stick to the program) play a role as well.

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Motivation Golden Egg Check

Research Golden Egg Check

Scientific research in cooperation with NIKOS, University of Twente.

Problem statement:

What investment criteria do ICT VC's use - and how important are these criteria - when they evaluate ventures' proposals?

Data collection: literature review, preliminary questionnaire, semi-structured interviews, case studies (Netherlands, Sweden, Singapore)

Four categories of criteria:

- Team
- Product/ solution
- Market
- Financials/ plan

Substantial criteria: based on Golden Egg Check

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- Team

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Which category is considered to be most important to investors?

Substantial criteria: based on Golden Egg Check

Four categories of criteria, each has multiple criteria**:**

- Team

- Product/ solution

- Market

- Financials/ plan

Which category is considered to be most important to investors?

Confirmation that overall the **team related criteria are most important to VCs**

Substantial criteria: based on Golden Egg Check

Four categories of criteria:

- Team

- Product/ solution

- Market

- Financials/ plan

For ICT startups/ ideas: what would be **important criteria to assess** a business plan/ project proposal?

Substantial criteria: based on Golden Egg Check

Most important criteria:

Rank	The Netherlands Criterion	Mean	Singapore Criterion	Mean	Sweden Criterion	Mean
1	The revenue model is scalable	4.83	The technology is scalable	4.64	The technology provides a sustainable competitive edge	4.40
2	The technology is scalable	4.67	The revenue model is scalable	4.55	People will pay for the product	4.22
3	The entrepreneur can demonstrate a market demand	4.67	The technology provides a sustainable competitive edge	4.45	The venture has a large growth potential	4.22
4	The target market has a large growth potential	4.67	Capable of sustained intense effort	4.45	The product has a strong value proposition for a specific target market	4.22
5	People will pay for the product	4.64	The target market has a large growth potential	4.45	The implied growth rate between the ventures' size today and in 3-5 years is realistic	4.22

Substantial criteria: based on Golden Egg Check

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Substantial criteria: based on Golden Egg Check

Knock out criteria

Criteria	Rejection rate		
	The Netherlands ↓	Singapore	Sweden
The revenue model is scalable The entrepreneur can demonstrate a market demand	100%	64%	30%
The revenue model is scalable People will pay for the product	100%	73%	60%
The revenue model is scalable The technology is scalable	92%	73%	30%
The revenue model is scalable The target market has a large growth potential	92%	64%	20%
The revenue model is scalable The product has a strong value proposition for a specific target market	92%	73%	50%
The entrepreneur can demonstrate a market demand The technology is scalable	92%	64%	20%
The entrepreneur can demonstrate a market demand The target market has a large growth potential	92%	73%	20%
The technology is scalable People will pay for the product	92%	82%	70%
The entrepreneur can demonstrate a market demand The product has a strong value proposition for a specific target market	83%	73%	40%
The entrepreneur can demonstrate a market demand People will pay for the product	83%	64%	70%

Substantial criteria: based on Golden Egg Check

Confirmation that **overall** the t**eam related criteria are most important** to VCs, because on average the criteria that relate to the entrepreneur's personality category scores high in all three countries.

However, when the criteria are analyzed **individually**, it can be seen that there is a large number of individual **product and market related criteria that score higher** (thus are more important), have a higher rejection rate, and are less likely to have a zero rejection rate than entrepreneur related criteria.

Substantial criteria: based on Golden Egg Check

Four categories of criteria:

- Team

- Product/ solution

- Market

- Financials/ plan

For ICT startups/ ideas: what would be **least important criteria to assess** a business plan/ project proposal?

Substantial criteria: based on Golden Egg Check

Least important criteria:

Rank	The Netherlands Criterion	Mean	Singapore Criterion	Mean	Sweden Criterion	Mean
76	The product is different than the trend in the market	1.92	I am already familiar with the entrepreneur's reputation	2.73	The product is different than the trend in the market	2.13
75	The venture will create a new market	2.33	The product is different than the trend in the market	2.82	The venture will create a new market	2.38
74	I am already familiar with the entrepreneur's reputation	2.58	The venture will create a new market	2.91	The venture will transform the market	2.50
73	The venture found a niche market	2.64	The revenue model is proven internationally	2.91	I am already familiar with the entrepreneur's reputation	2.56
72	Has a personality compatible with mine	2.67	The product is conform the trend in the market	3.00	The product is consistent with corporate strategy of my company	2.60

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Substantial criteria: Golden Egg Check in-depth

Golden Team Check (2015)

For ICT startups/ ideas: what would be **most important criteria to assess** a team?

Golden Team Check (2015)

1	**Prior start-up experience**	Number of prior start-ups of team member
2	**Industry specific experience**	Years of specific experience of team member
3	**Multiple founders**	Number of founders
4	**Capability to act on feedback (customer metrics)**	The use of customer metrics for supporting managerial decisions
5	**Helpful mentors**	(best-practice) Mentors involved with the entrepreneurial team
6	**Commitment**	Number of hours per week by team members
7	**Managerial experience**	Years of managerial experience of team member
8	**Education level**	Education level of team member

Market

A solid market chapter consist of:

- Market characteristics: size, growth, trends & developments

Size: bottom-up vs. top down approach

Find data via Google Code: from searching to finding

- Competition analysis: competitors, state of the art and future threats (substitutes)

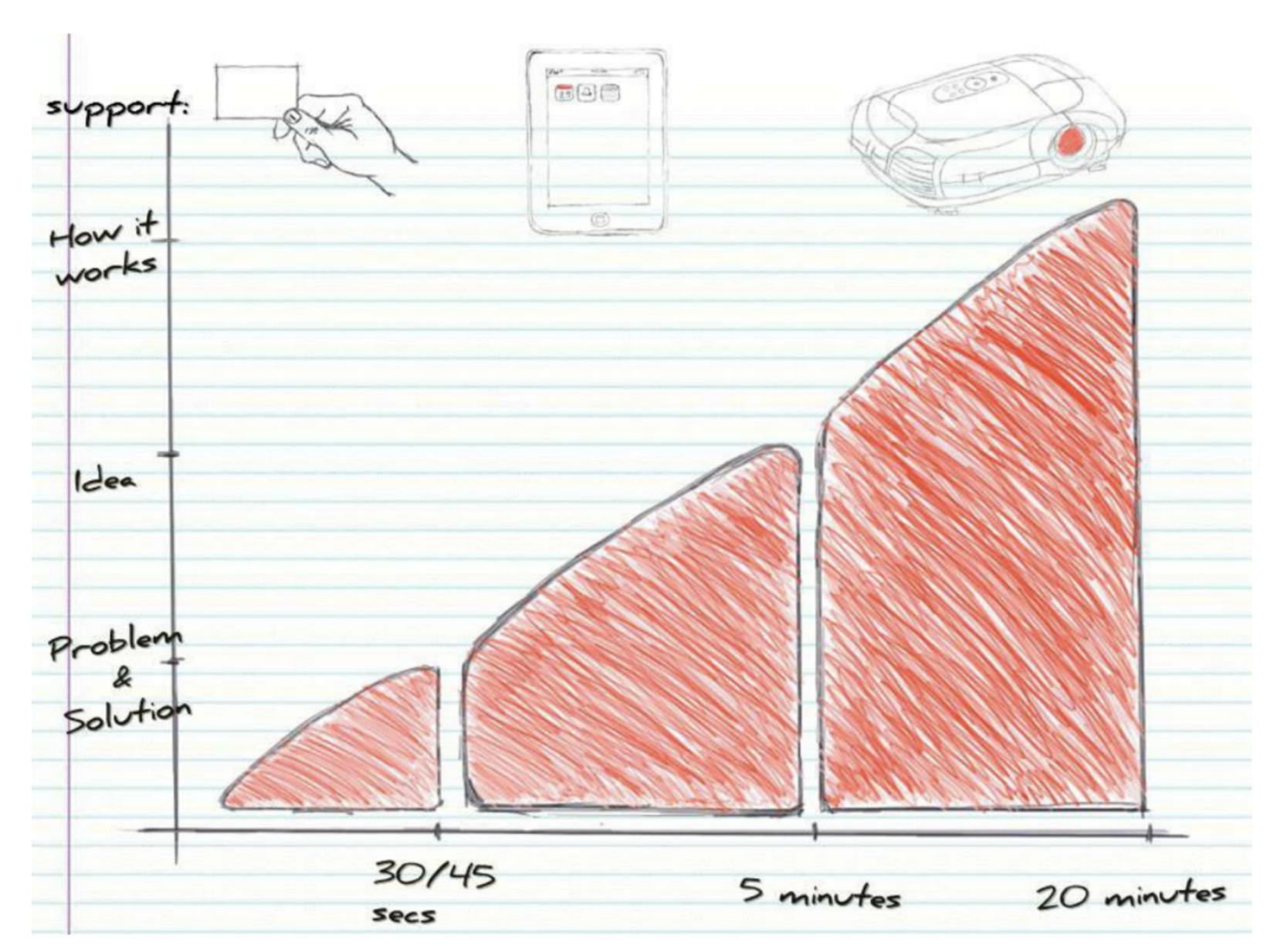- Customer description, early adopters, letters of intent/ support

- Go-to-market plan

Plan (tips & tricks, TTopstart March 2015)

1. **Too much focused on the project** and not enough on the business opportunity; Focus on the business opportunity and not too much on your project

2. **Not convincing** when describing the **company**; Explain why your company will succeed and not your competitor

3. Not providing enough information on **competing solutions**; Map the competitive landscape in a thorough manner

4. Having an **insufficient level of innovation**, planning to develop a product that already exists on the market; Deliver breakthrough technology by comparing your innovation to the state-of-the-art

5. Proposing **just an idea** without any concept for its commercialization; Think of the business opportunity but the commercialization process is just as important

6. Just **trying their luck** (is not a lottery!); Talk to experts in the field to value your idea.

7. **Form also matters**: Take time to think about a catchy title and to craft an attractive abstract. These two elements are very important as they will be the first impression the evaluators will get from your project.

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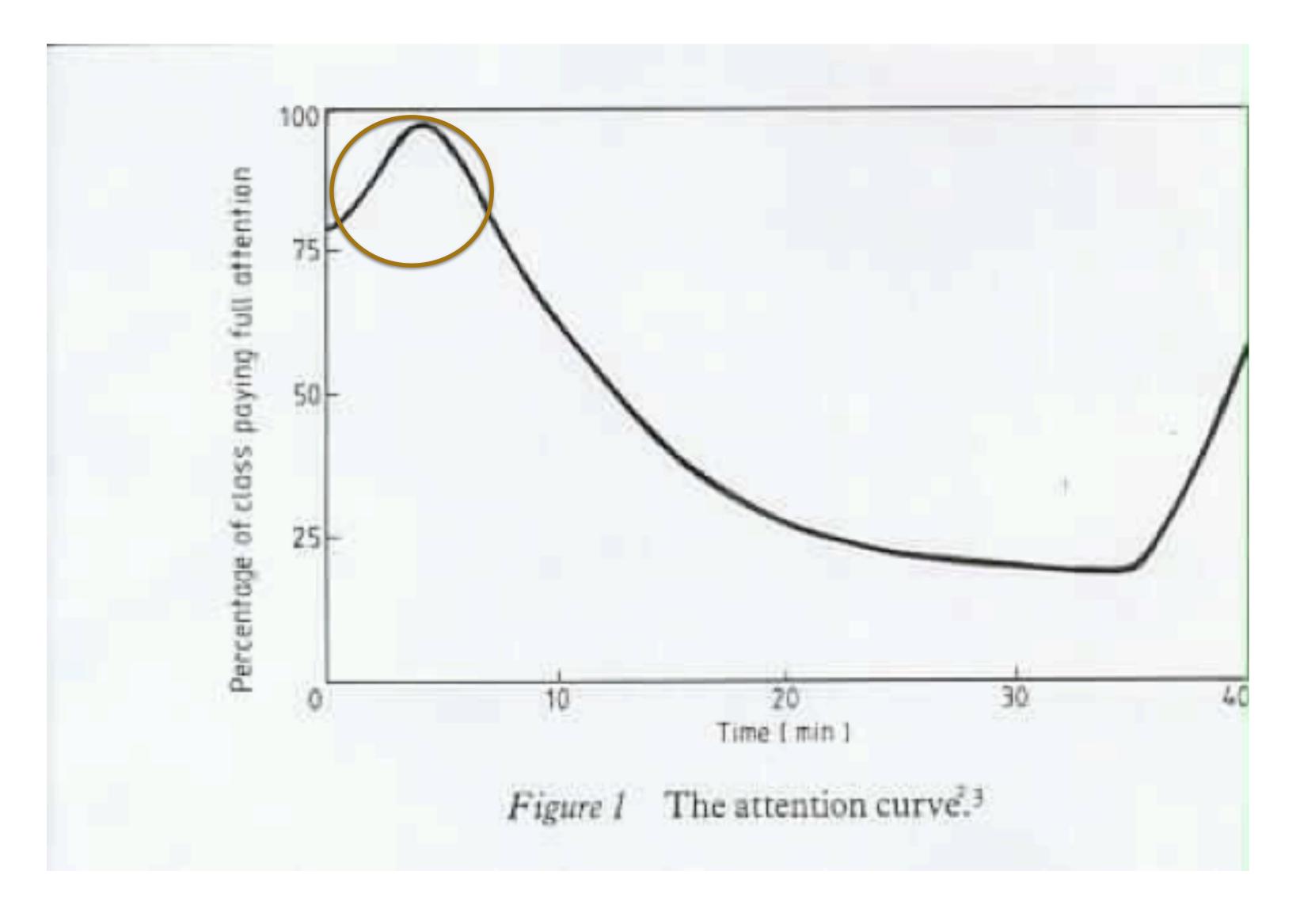to accelerate your business

Pitch

Pitching: 3 depths

Pitch: building blocks

For an average defense/ pitch the time is somewhere between 10 - 15 minutes. Two/ three people is ideal, one is leading though.

Key building blocks are (in this order):

- Intro sheet (small intro team)

- (Market) Problem

- Solution, business model/ revenue model

- Uniqueness of the solution

- IP position/ strategy

- Market (target market, size/ growth/ competition)

- Plan, key milestones

- Financial projection (Key assumptions, Profit & loss account, Break even point)

- Team

- Final sheet —> what do you want to be presented in the final slide?
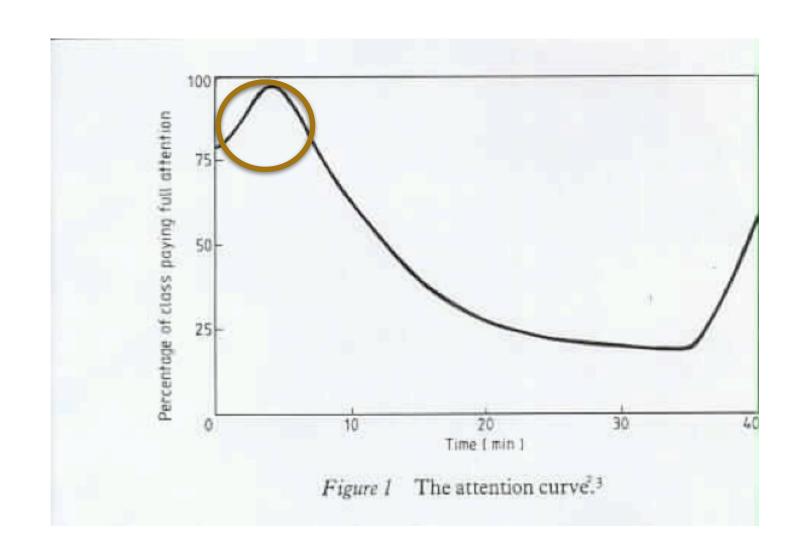
Pitch: Attention Span

Figure 1   The attention curve.[2,3]

Are there multiple pitches that day?

(Are you the first or final one?)

Make your pitch stand out

Eliminate "bullshit bingo"

Pitch: Attention Span

Figure 1   The attention curve.[2,3]

Use the first 5 minutes wisely: what do you want to sell? What are the strong aspects of your solution?

 - Intro sheet (small intro team)

- (Market) Problem

- Solution, business model/ revenue model

- Uniqueness of the solution

The rest is detail

Pitch: Bullshit Bingo

Pivot	Traction	Viral marketing	Big Data	MVP (minimally viable product)
Paradigm shift	Game changer	Long Tail	Low hanging fruit	I went to EBS, WHU, ...
Our revenue estimates are really conservative	According to Gartner, the market is X bn by 2018	THE STARTUP PITCH BULLSHIT BINGO (free square)	Leverage	Gamification
800 pound gorilla	Ecosystem	Lock-in effect	Freemium	Cloud based
Internet of Things	We have no competition	Disruptive	Tipping point	Bootstrap

My own:

- "We are the next Facebook/ Uber/ Airbnb"

- "There is no competition"

- "Complementary team"

- "We are continuously searching for IP possibilities"

- "Marketing: we will actively use social media"

Who are the evaluators?

Who are the evaluators?
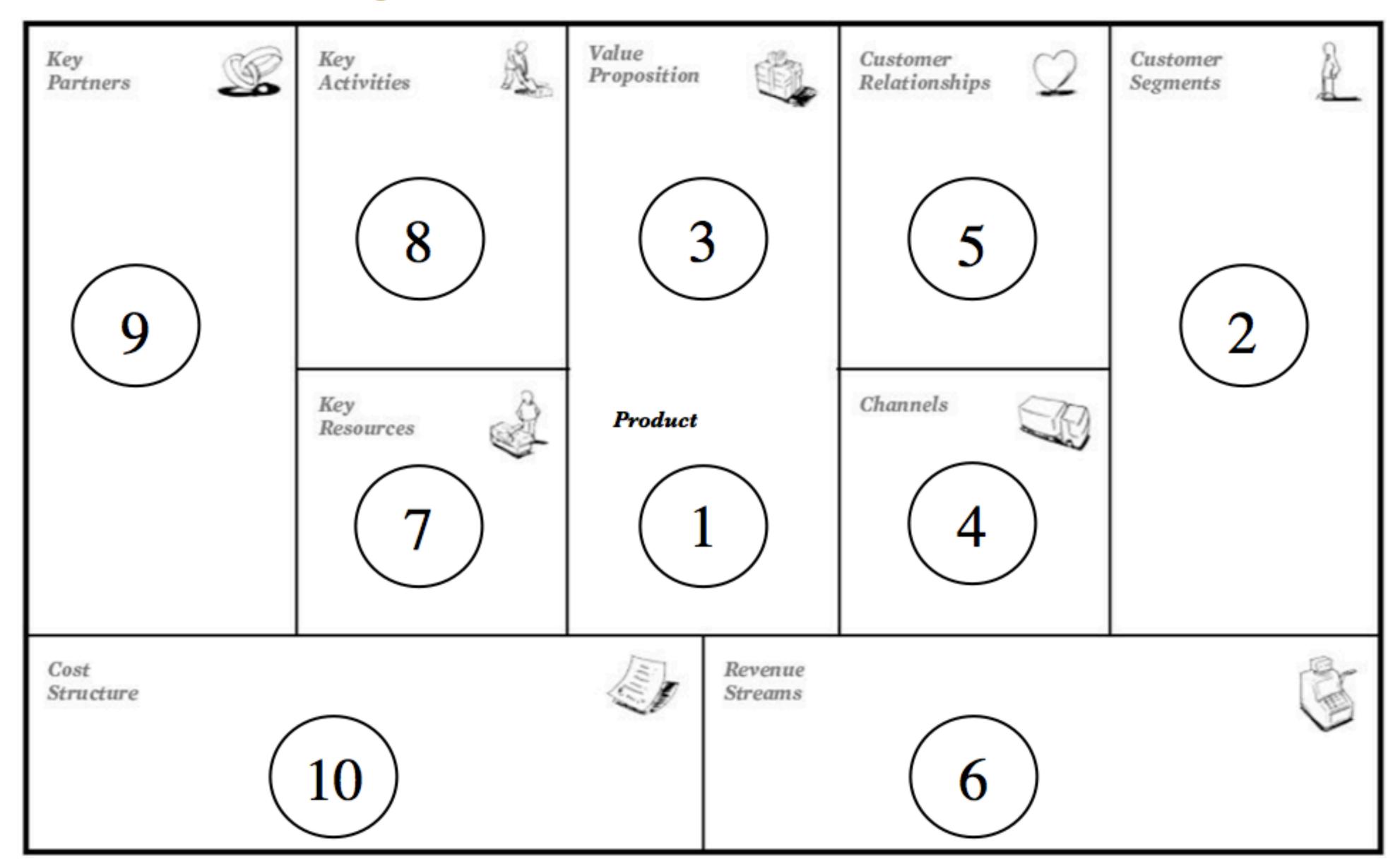
Be general
Explain the opportunity

Stick to the format

Be specific
Explain the technology

Elaborate on and
eliminate the risks

Explain the future,
exit opportunity

Pitch: using the business model canvas

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