The Blackstone LaunchPad at Bird Library is an innovation hub connecting Syracuse University’s ecosystem with a global network that provides support for aspiring entrepreneurs, inventors, and creatives.

An experiential program for faculty, staff, and students from all academic disciplines, the LaunchPad helps those interested in innovation, invention, and creative approaches to entrepreneurship.

Entrepreneurship is the creative process of exploring ideas, identifying problems and solutions, testing assumptions, thinking strategically, building teams, and iterating through continuous discovery. For some participants, this process leads to venture creation. For others, it leads to critical thinking and skills that better positions them to become global leaders and citizens.

Funded by the Blackstone Charitable Foundation, it is one of only 20 LaunchPad programs around the world. Our location in Bird Library reflects the important role of SU Libraries as an innovation hub for exploration and discovery. Our inviting space is ideal for ideation, interaction with mentors, co-working and team meetings, networking events, workshops, venture demos and product launches, as well as other collaborative activities. It is staffed by professionals, Syracuse University student Global Fellows, and supported by a network of mentors and subject matter experts.
THE BLACKSTONE LAUNCHPAD’S FEATURES

**CAMPUS-WIDE ACCESSIBILITY** open to students across all majors, with a focus on inclusive entrepreneurship.

**ONE-STOP CONNECTIONS** to the university’s robust network of entrepreneurial resources, programs and activities, through a “hub and spoke model” that is highly collaborative.

**ONE-ON-ONE MENTORING** that cultivates entrepreneurial thinking and helps ventures from ideation to acceleration. The LaunchPad program can be applied to for-profit and non-profit enterprises, and can facilitate innovation within organizations, as well as new venture development.

**SPECIALIZED TOOLS** to help get startups off the ground and scale, including an exclusive technology platform developed by Blackstone and Techstars for ventures to showcase their ideas.

**INTERDISCIPLINARY TEAM-BUILDING** that fosters a team approach to ideation and venture formation, utilizing collaboration and cross-functional teams to accelerate innovation.

**ACCESS TO WORLD-CLASS CONTENT AND SUBJECT MATTER EXPERTS**, including materials developed by the Blackstone LaunchPad, as well as connections to industry experts.

**REGIONAL, NATIONAL AND GLOBAL CONNECTIONS** to venture leaders and top accelerators to share best practices, engage with successful entrepreneurs, expand networks, and find partners.

**CAMPUS CHALLENGES, AND NATIONAL, STATE AND REGIONAL BUSINESS PLAN COMPETITIONS** that provide opportunities to connect and compete, win state and national prizes, and earn seed funding.

**WORKSHOPS AND TECHNICAL ASSISTANCE PROGRAMS** to build competence through experiential learning, and highly ranked Syracuse University entrepreneurship education programs.

**CONNECTIONS TO FUNDERS AND AN INVESTMENT-READY ROADMAP** that can help ventures prepare for funding, find sources of capital, and advance through the capital continuum.

**NETWORKING EVENTS** that build a university-wide innovation infrastructure, bringing together entrepreneurs, researchers, investors and funders, as well as technical service providers.
OUR DASHBOARD

COLLEGE ENGAGEMENT

- 17% College of Arts and Sciences
- 14% Martin J. Whitman School of Management
- 13% College of Visual and Performing Arts
- 12% College of Engineering and Computer Science
- 10% S.I. Newhouse School of Public Communications
- 9% Other colleges
- 3% Maxwell School of Citizenship and Public Affairs
- 2% School of Architecture
- 2% David B. Falk College of Sport and Human Dynamics
- 1% College of Law
- 1% School of Education
- 1% SUNY ESF
- 1% University College

*18% Alumni, University faculty/staff, and community members

AUGUST 2018 STATISTICS

- 3,114 PARTICIPANTS
- 482 VENTURE IDEAS
- $5.25 MILLION INVESTMENTS RAISED
- $1.75 MILLION WON IN COMPETITIONS
- 52 VENTURES INCORPORATED
- 91 COUNTRIES
- 50/50 FEMALE TO MALE RATIO
- 4,300+ EVENT ATTENDEES

Syracuse University Libraries

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/@LaunchPadSYR
/LaunchPad@syr.edu
SYRACUSE UNIVERSITY VENTURES

HAVE WON

30  PROVISIONAL PATENTS FILED
7   NONPROVISIONAL PATENTS FILED
3   PATENTS APPROVED

43 NORTH
$1,000,000 Awarded to SU Team

GENIUS NY
$250,000 Awarded to SU Team

NYS BUSINESS PLAN COMPETITION
$151,000 Awarded to SU Teams

COMPETE CNY/iPRIZE/HBW
$150,000 Awarded in Prizes

PANASCII BUSINESS PLAN
$90,000 Awarded in Prizes

FUZEHUB
$50,000 Awarded to SU Team

GRANTS FOR GROWTH
$25,000 Awarded to SU Team

BLACKSTONE TECHSTARS DEMO DAY
$15,000 Awarded to SU Team

GLOBAL STUDENT ENTREPRENEURSHIP AWARD
$10,000 Awarded to SU Team

IMPACT PRIZE
$5,000 Awarded in Prizes

HULT PRIZE
4 Teams Advanced to Global Regionals

STUDENT STARTUP MADNESS AT SXSW
1 Team Advanced to National Finals

ACC INVENTURE PRIZE COMPETITION
2 Teams Advanced to National Finals

Syracuse University Libraries
LaunchPad students come from around the world.

91 COUNTRIES

Afghanistan  Albania  Algeria  Argentina  Armenia  Austria  Australia  Azerbaijan  Bangladesh  Belgium  Bolivia  Bosnia and Herzegovina  Botswana  Brazil  Bulgaria  Cambodia  Canada  Chile  China  Colombia  Cyprus  Czech Republic  Egypt  El Salvador  France  Georgia  Germany  Ghana  Greece  Guatemala  Haiti  Holland  Hong Kong  Hungary  India  Indonesia  Iran  Iraq  Israel  Italy  Ivory Coast  Jamaica  Japan  Jordan  Kazakhstan  Korea  Kosovo  Kuwait  Kyrgyzstan  Lebanon  Liberia  Luxemburg  Macao S.A.E  Malaysia  Mexico  Mongolia  Nepal  Netherlands  Nicaragua  Nigeria  Norway  Pakistan  Palestine  Paraguay  Peru  Philippines  Poland  Puerto Rico  Romania  Russia  Rwanda  Saudi Arabia  Serbia  Sierra Leone  Singapore  Slovakia  South Africa  Spain  Sudan  Switzerland  Thailand  Turkey  Turkmenistan  Uganda  United Arab Emirates  United Kingdom  United States  Uzbekistan  Vietnam
STARTUP THINKING
SKILL SETS

The Blackstone LaunchPad is an innovation hub that focuses on:

**EDUCATION**
- Project management
- Critical thinking
- Problem solving
- Planning
- Negotiation
- Opportunity recognition
- Organization
- Persistence
- Persuasion
- Planning
- Public speaking
- Problem solving
- Project management
- Relationship building
- Research and discovery
- Resilience
- Resource development
- Risk management
- Team building
- Vision

**IDEATION**
- Agility
- Analysis
- Assessment
- Collaboration
- Communication
- Commitment
- Conflict resolution
- Creativity
- Critical thinking
- Decision-making
- Delegation
- Discipline
- Emotional intelligence
- Ethics
- Goal setting
- Initiative
- Leadership
- Listening
- Logic
- Motivation
- Negotiation
- Opportunity recognition
- Organization
- Persistence
- Persuasion
- Planning
- Public speaking
- Problem solving
- Project management
- Relationship building
- Research and discovery
- Resilience
- Resource development
- Risk management
- Team building
- Vision

**INCUBATION**
- Agility
- Analysis
- Assessment
- Collaboration
- Communication
- Commitment
- Conflict resolution
- Creativity
- Critical thinking
- Decision-making
- Delegation
- Discipline
- Emotional intelligence
- Ethics
- Goal setting
- Initiative
- Leadership
- Listening

**ACCELERATION**
- Agility
- Analysis
- Assessment
- Collaboration
- Communication
- Commitment
- Conflict resolution
- Creativity
- Critical thinking
- Decision-making
- Delegation
- Discipline
- Emotional intelligence
- Ethics
- Goal setting
- Initiative
- Leadership
- Listening

**COMMERCIALIZATION**
- Agility
- Analysis
- Assessment
- Collaboration
- Communication
- Commitment
- Conflict resolution
- Creativity
- Critical thinking
- Decision-making
- Delegation
- Discipline
- Emotional intelligence
- Ethics
- Goal setting
- Initiative
- Leadership
- Listening

Entrepreneurship does not necessarily mean starting a business or winning competitions. It is developing personal characteristics and practical skills to become better global citizens in a dynamic, interconnected world. LaunchPad participants learn key qualities of entrepreneurship as they build teams, and engage in critical thinking and problem solving. Students apply these experiential skills in the classroom, enriching their SU experience. Faculty gain entrepreneurial experiences that can lead to teaching innovation, increased commercialization activity, and new research. Alumni enjoy opportunities to engage, mentor, and stay connected to SU. Creating this “crossroads” of creativity, research and discovery, within a nurturing and challenging innovation campus ecosystem, is fundamental to the Blackstone LaunchPad’s mission.

Working with innovators from different academic disciplines and cultures, as well as mentors and subject matter experts, LaunchPad participants learn important interpersonal skills that include:

- Agility
- Analysis
- Assessment
- Collaboration
- Communication
- Commitment
- Conflict resolution
- Creativity
- Critical thinking
- Decision-making
- Delegation
- Discipline
- Emotional intelligence
- Ethics
- Goal setting
- Initiative
- Leadership
- Listening
- Logic
- Motivation
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- Planning
- Public speaking
- Problem solving
- Project management
- Relationship building
- Research and discovery
- Resilience
- Resource development
- Risk management
- Team building
- Vision

LaunchPad alumni achieve rapid success after graduation, whatever path they pursue, and distinguish themselves as business and civic leaders around the globe as part of a collaborative, and innovative work environment.
Creating a venture means identifying a problem in need of a solution, or an opportunity worth pursuing. Often, coming up with an idea is the hardest part. It helps to think about big global trends as you brainstorm. This process is called ideation, which can be described as the creative process of generating and developing ideas from concept to implementation.

What are some of the top trends driving global innovation? Here are ideas some of our LaunchPad participants are exploring.

- 3D printing
- Alternative financing
- Artificial intelligence
- Augmented reality/virtual reality
- Autonomous cars, trucks and planes
- Autonomous data
- Avatars
- Battery life extension
- Big data and data analytics
- Biinformatics
- Biomedical devices
- Biotechnology advances
- Blockchain and cryptocurrency
- Brain-machine interfaces
- Cashless economy
- Civic innovation
- Clean energy
- Clean water
- Consolidation of everything
- Consumer convenience
- Content development
- Co-working
- Crowdfunding
- Crowdsourcing
- Cybersecurity
- Data consolidation
- Data visualization
- Deep learning
- Digital centralization
- Digital democracy
- Digital divide
- Digital identity
- Digital exponentiality
- Digital nomad lifestyles
- Digital storytelling
- Digital trade
- Disease management
- Distribution and ecommerce
- DNA sequencing
- Drones
- Edtech
- Energy harvesting
- Energy storage
- E-sports
- Fashion, apparel and global style
- Fintech
- Fitness and health tracking
- Food entrepreneurship
### MORE IDEATION CHALLENGES AND OPPORTUNITIES

<table>
<thead>
<tr>
<th>Food security</th>
<th>Multiculturalism</th>
<th>Smart buildings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gamification</td>
<td>Nanotechnology</td>
<td>Smart cities</td>
</tr>
<tr>
<td>Geopolitics</td>
<td>Neuroscience</td>
<td>Smart clothes</td>
</tr>
<tr>
<td>Geospatial tech</td>
<td>No collar economy</td>
<td>Smart grid</td>
</tr>
<tr>
<td>Gig economy</td>
<td>On-demand economy</td>
<td>Smart speakers and voice AI</td>
</tr>
<tr>
<td>Global health and disease eradication</td>
<td>On-line consumerism</td>
<td>Smarter cloud</td>
</tr>
<tr>
<td>Global ubiquity</td>
<td>On-line education</td>
<td>Social and political activism</td>
</tr>
<tr>
<td>Global warming</td>
<td>Open web vs. cloud capitalism</td>
<td>Social entrepreneurship</td>
</tr>
<tr>
<td>Good design</td>
<td>Organics</td>
<td>Social networks</td>
</tr>
<tr>
<td>Grassroots activism and globalism</td>
<td>Personal safety/security</td>
<td>Space exploration and colonization</td>
</tr>
<tr>
<td>Health and human performance</td>
<td>Personalization</td>
<td>Streaming and self-distribution</td>
</tr>
<tr>
<td>Healthy aging in place</td>
<td>Portable charging</td>
<td>Sustainability</td>
</tr>
<tr>
<td>Immersive cloud</td>
<td>Precision medicine</td>
<td>Technological centralization</td>
</tr>
<tr>
<td>Influencers and lifestyle business</td>
<td>Private label brands</td>
<td>Technology altering behavior</td>
</tr>
<tr>
<td>Integrated streaming systems</td>
<td>Production technologies</td>
<td>The Internet of Things</td>
</tr>
<tr>
<td>Localism</td>
<td>Quantum computing</td>
<td>Video production and distribution</td>
</tr>
<tr>
<td>Logistics and distribution</td>
<td>Resource management</td>
<td>Virtual personal assistants</td>
</tr>
<tr>
<td>Machine learning</td>
<td>Recycling</td>
<td>Voice activation and voice search</td>
</tr>
<tr>
<td>Merging of man and machine</td>
<td>Robotics</td>
<td>Waste management</td>
</tr>
<tr>
<td>Micro brands</td>
<td>Self-charging devices</td>
<td>Wealth inequality</td>
</tr>
<tr>
<td>Miniturization</td>
<td>Self-distribution</td>
<td>Wearable technologies</td>
</tr>
<tr>
<td>Mobile payments</td>
<td>Sharing economy</td>
<td>Wireless devices</td>
</tr>
</tbody>
</table>

We hope these could spark your next big idea!
FROM IDEA TO LAUNCH

### FIRST EXPLORE
- Take classes in ideation and entrepreneurship
- Attend innovation events
- Become a member of the Blackstone LaunchPad, the Couri Hatchery or other campus programs
- Join E-clubs and go to meet-ups
- Read and learn about the startup process
- Enroll in programs like Invent @SU Invention Accelerator

### THEN TEST
- Identify a problem
- Think about solutions
- Flesh out your ideas
- Test your assumptions
- Get feedback from research and customer discovery
- Learn how to create a business canvas model
- Do some rapid design and use a feedback loop to improve your idea
- Test out a “lean startup” approach to decide if your idea is viable and feasible
- Strategize the best path forward
- Make a go or no-go decision

### GO BUILD
- Do focused primary and secondary research
- Build a team with the skill sets you need
- Find mentors and advisors with outside expertise
- Explore your patent strategy
- Develop your business canvas model into a more robust plan
- Develop your MVP
- Get feedback, iterate, and test
- Create a funding strategy with milestones
- Compete in pitch fests and competitions and raise early stage funds
- Build your professional team with legal, accounting, insurance, and finance expertise
- Find strategic partners to help you get to market
- Launch and build capacity to scale
THE BLACKSTONE LAUNCHPAD is an experiential innovation, invention and entrepreneurship program that is open to faculty, staff, students and alumni. We offer intensive coaching on ideation and venture creation, and help move concepts to commercialization. We are the connector to an innovation ecosystem that brings together entrepreneurs, researchers, industry experts, and technical service providers from across campus, and around the world. We facilitate connections to regional, national and global resources, investors, and venture leaders, in order to share best practices, engage with subject matter experts, and help find strategic partners. For those ventures seeking early stage investment, we can help that process through our strategic roadmap.

While not all participants commercialize their ideas, LaunchPad members learn how to think more creatively and strategically. They learn to identify opportunities, solve problems, build teams, engage in discovery and iteration, scope out and manage complex projects with milestones, develop financial models, and pitch their ideas. This makes them more competitive in the marketplace, better equipped to navigate change, and effective global business and civic leaders in an entrepreneurial world.
The Business Model Canvas (BMC) was developed by Swiss business management theorist Alexander Osterwalder and Belgian computer scientist Yves Pigneur in 2008 based on research on “Business Model Ontology.” The model has been adopted by other theorists as a template to help a venture turn an idea to a basic business model. It can be a helpful exercise to visually design, describe, or pivot a venture. With its nine building blocks, the BMC can help a startup focus on the big picture. The Value Proposition Canvas “zooms in” on two of those building blocks, according to its authors.

“The tools work best in combination. One does not replace the other.” - Osterwalder.

<table>
<thead>
<tr>
<th>KEY PARTNERS</th>
<th>KEY ACTIVITIES</th>
<th>VALUE PROPOSITIONS</th>
<th>CUSTOMER RELATIONSHIPS</th>
<th>CUSTOMER SEGMENTS</th>
</tr>
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<table>
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<tr>
<th>KEY RESOURCES</th>
<th>CHANNELS</th>
<th>COST STRUCTURE</th>
<th>REVENUE STREAMS</th>
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</table>
Value Proposition Canvas (VPC) was developed by Alexander Osterwalder, Yves Pigneur and Alan Smith to help a venture understand how to develop products that customers want. “I’m a big fan of the Lean Startup movement,” says Osterwalder, “and love the underlying principle of testing, learning, and pivoting by experimenting with the most basic product prototypes imaginable - so-called Minimal Viable Products (MVP) - during the search for product-market fit. It helps companies avoid building stuff that customers don’t want.” Yet, there is no underlying conceptual tool that accompanies this process. The VPC is their model to design, test and build a value proposition to customers in a structured and through way.
CUSTOMER INTERVIEW WORKSHEET

CUSTOMER # _______ OF _______

CUSTOMER’S NAME: ____________________________

CUSTOMER’S RELATIONSHIP: ____________________________

CONTACT DETAILS:  

EMAIL: ____________________________  

PHONE: ____________________________  

OTHER: ____________________________

BEGIN ASKING QUESTIONS

QUESTION ONE: ____________________________

RESPONSE: ____________________________

QUESTION TWO: ____________________________

RESPONSE: ____________________________

QUESTION THREE: ____________________________

RESPONSE: ____________________________
YOUR DEBRIEF AND ANALYSIS
BUSINESS RESEARCH TIPS:

RESEARCH YOUR INDUSTRY:

IDENTIFY INDUSTRY CODES (NAICS & SIC) FOR REPORTS AND FINANCIALS:

☐ If looking for industry reports, use the codes here
  - Business Insights: Essentials
  - IBISWorld
  - Mergent Intellect (First Research module)

☐ If looking for industry financials, use the codes here
  - Bizminer
  - Mergent Intellect (Key Business Ratios module)

EXPLORE INDUSTRY DATA AND REPORTS PROVIDED BY THE U.S. GOVERNMENT:

☐ Bureau of Economic Analysis
  - BEA Industry Facts page
  - Data by Topic page

☐ Small Business Administration:
  - Market research and competitive analysis page
  - Office of Advocacy Research and Statistics page

☐ United States Census Bureau
  - American FactFinder (main portal to United States Census data)
  - Business & Industry page

IDENTIFY AND CONNECT WITH INDUSTRY ASSOCIATIONS:

☐ Identify relevant industry associations with businessresearch databases, such as
  - Business Insights: Essentials
  - Mergent Intellect (First Research module)
  - Plunkett Research Online

☐ Browse industry websites and social media to find relevant industry statistics, reports, and insights

☐ Join a reputable industry association if the benefits of membership would help your business goal

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RESEARCH YOUR POTENTIAL COMPETITORS:

MAKE LISTS OF COMPANY INDUSTRY CODES:
- Use relevant NAICS or SIC codes to create lists of companies in business databases, such as:
  - Mergent Intellect
  - ReferenceUSA: Business
  - Nexis Uni
- Find company financials, executive contact info, annual reports, SWOT analyses, and more:
  - Business Insights: Essentials
  - Mergent Online
  - PrivCo
  - Westlaw Campus Research

MARKET RESEARCH:

FIND DEMOGRAPHICS AND REPORTS ON CONSUMER BEHAVIOR AND MARKET:
- Explore government websites, such as the following:
  - American FactFinder (main portal to United States Census data)
  - Bureau of Economic Analysis (Consumer Spending page)
  - Bureau of Labor Statistics:
    - American Time Use Survey page
    - Consumer Expenditures page
- Search business research databases such as:
  - Business Insights: Essentials (Market Share Reports module)
  - eMarketer
  - MarketResearch.com Academic
  - Mergent Intellect (Demographics module and Consumer Data module)
  - Mintel Reports
  - MRI University Reporter
  - Richard K. Miller & Associates Publications
  - SimplyAnalytics
NEWS AND ARTICLES:

USE NEWS ARTICLES, TRADE PUBLICATIONS, AND ACADEMIC JOURNALS:

☐ Search business article databases, such as:
  ▶ ABI/INFORM Collection
  ▶ Business Source Elite

☐ Expand your search by exploring multidisciplinary databases, such as ProQuest

☐ Keep current with what is going on in your industry and related news by setting up a Feed Reader

ENTREPRENEURSHIP AND BUSINESS BOOKS:

☐ Browse the Blackstone Launchpad Entrepreneurship Book Collection
  This subcollection of books are located outside the Blackstone LaunchPad. The titles in this collection were selected from crowdsourced recommendations from faculty and students. These books offer practical advice or inspiration for entrepreneurs. About half the collection is checked out at any one time so be sure take a look at the full list of books on the shelf. Some titles are available as ebooks via Syracuse University Libraries. More books can be found in the Library.

☐ Explore business ebook collections, such as:
  ▶ Business Expert Press
  ▶ Skillsoft
  ▶ Springer ebooks

☐ Find print and ebooks via the Classic Catalog. Suggested subject headings include:
  ▶ Entrepreneurship
  ▶ New business enterprises
  ▶ Small business
  ▶ Social entrepreneurship
  ▶ Success in business

You can see the Business Information Guide at www.researchguides.library.syr.edu/business. There is a link to schedule an appointment for a research consultation with Syracuse University Libraries Business, Management, and Entrepreneurship Librarian Stephanie JH McReynolds, and her contact information.
ONE-PAGE EXECUTIVE SUMMARY

Create a very short executive summary sheet to synthesize your idea and share it with others. You will find this helpful to explain what you are working on, and to recruit mentors, advisors, key team members, investors or strategic partners. Customize the template with your branding.

GENERAL OVERVIEW

The executive summary is essentially your business resume. It is a one page document of approximately 1,000 words that can stand alone if it’s separated from the rest of the plan. It should very quickly and clearly convey to the reader the key elements of your business or idea: the problem you are solving; your solution and its competitive advantage; the industry, total addressable market, size and growth potential of your target market; the business model and how you will make money; your path to market and sales channels; skills and experience of your team; stage of growth; roadmap; and the funding gap or other need you are seeking to fill. The reader should be able to easily discern the nature of the business, status of the venture, traction to date, and understand its overall growth potential. Use it to clearly describe your compelling value proposition.

A sample template is on the reverse.

This document is your company calling card.
Have it handy and use it often.
YOUR LOGO

COMPANY PROFILE

INDUSTRY: i.e., Cleantech

FOUNDED: The year you started working on this

LOCATION: City, State

EMPLOYEES: # of employees, interns, and team members

FUNDRAISING:
Stage (i.e., Concept, Startup, Seed, A Round)

Funds raised to date.
Amount of investment that venture is currently seeking.

VERTICAL: Niche within your industry (i.e., energy controls)

PATENTS/IP: List any and filing status, N/A if not applicable.

EXECUTIVE TEAM: Founders

ADVISORY BOARD: Names, Companies

KEY COMPANY CONTACT:
Name | Title | Phone | Email

Put your company URL here and include social media handles.

TAGLINE: What is the company about? (four to six words that convey it)

SUMMARY: High level description of your business that frames the industry and your business thesis. This is not a detailed description of your product’s features or specific services you provide. This is the why of your business. Make it simple and understandable. Be precise and clear. Do not use jargon or try to be clever here.

PROBLEM: The problem statement is the premise of your business thesis.
☐ What is the problem you’re solving? How do you know there’s a need for this product, service, or technology? What primary and secondary research proves the existence of a significant problem? Can you point to customer discovery data?
☐ What forces are driving this particular problem: market, political, economic, social?
☐ How does this create a window of opportunity?

SOLUTION: This is the most critical section of your one-pager. Describe the product, service or technology you are developing in as much detail as possible, given the space constraint. What’s the value proposition? Be very specific.
☐ What makes your solution unique?
☐ What value will you be delivering to your target market?
☐ How does your product/service/technology solve the problem identified above?
☐ Were you on your development roadmap? When will you have a MPV?
☐ What are the next milestones and when do you expect to achieve them?

TARGET MARKET: This section should combine a quantitative analysis of your market (size, growth rate, location) with a qualitative discussion of your target user (psychographic, demographic, and behavioral). Demonstrate a thorough understanding of your market and its participants, as well as your go-to-market strategy. How are you reaching customers with the right message, at the right time, with the right offer?

COMPETITIVE ADVANTAGE: Every business has some sort of competition—direct, indirect, substitution. The worst thing you can say is that you have zero competition.
☐ What products or services do you competitors offer? At what price point?
☐ What is their customer acquisition strategy and how effective has it been?
☐ How are you different from your competition? What is your value proposition?

BUSINESS MODEL: Use this section to describe how your business will make money.
☐ What’s your basic business model? Business-to-business, business-to-customer, business-to-government, or a hybrid model? If multiple, what is the mix?
☐ What’s your path to market? What are your sales channels: wholesaler/distributor, direct/indirect, value-added reseller, dealer, retail, online? What is the mix?
☐ What are your key revenue drivers? Are they multiple revenue opportunities?
☐ What are key cost factors? What is your pricing strategy?
☐ When do you hit breakeven and profitability? What is your growth curve?
☐ Where are you in three to five years in terms of sales?
☐ What are you looking to raise and what milestones will you reach with that funding?

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# A Chart for Choice of Entity

## INSURANCE

<table>
<thead>
<tr>
<th>Limited Liability Company (LLC)</th>
<th>S-Corporation</th>
<th>C-Corporation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Health Insurance Deduction</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>100% (I.R.C. § 162(1)).</td>
<td>100% (I.R.C. §§ 162(1), 1372(a)).</td>
<td>Fully deductible if company reimburses taxpayer or their dependents for medical care expenses, even if discriminatory; not income to shareholder (I.R.C. §§ 105(a), 106).</td>
</tr>
</tbody>
</table>

| **Group Term Life Insurance**   |               |               |
| Premiums not deductible; paid with after-tax funds (I.R.C. § 264(a)). | If more than 2% shareholder, same as for LLCs. | Premiums deductible; exclude from shareholder’s income the cost of $50,000 worth of coverage (I.R.C. § 79(a)). |

| **Disability Insurance (Both Group and Personal)** |               |               |
| No deduction; paid with after-tax funds; proceeds not taxable (I.R.C. § 105(g); Rev. Rul. 58-90, 1958-1 C.B. 88.). | If more than 2% shareholder, same as LLCs. | Premiums deductible; not income to shareholder, but if premiums paid by corporation, proceeds are taxable to shareholder (I.R.C. §§ 105(a), 106). |

| **Payment of Uninsured Medical Expenses** |               |               |
| Payments generally not deductible; paid with after-tax funds (I.R.C. § 105(g)). | If more than 2% shareholder, same as LLCs. | If nondiscriminatory, deductible and excludable by shareholder. Annual physicals may be provided on discriminatory basis. (I.R.C. § 105(h); Reg. § 1.105-11(g)). |

Prepared by Lynn H. Smith, Special Counsel, Barclay Damon LLP
## INCORPORATION

<table>
<thead>
<tr>
<th>LIMITED LIABILITY COMPANY (LLC)</th>
<th>S-CORPORATION</th>
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<tbody>
<tr>
<td><strong>LIMITED LIABILITY</strong></td>
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<td><strong>FORMATION COSTS: NEW YORK</strong></td>
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### MAINTENANCE COSTS: DELAWARE

- **LIMITED LIABILITY COMPANY (LLC)**
  - Must pay an annual tax of $300 before June 1st of each year, must also continue to have Registered Agent in DE to accept notices (around $150 to $300 annually).

- **S-CORPORATION**
  - Each year must file Annual Report and pay DE corporation franchise tax which is based on the amount of authorized shares and assets the corporation possesses (with minimum for 5,000 or less shares authorized of $175 and an annual report fee of $50), must also continue to have Registered Agent in DE to accept notices (around $150 to $300 annually), and if doing business in New York, must pay $300 fee to NY State Dept. of Taxation each year.

- **C-CORPORATION**
  - Each year must file annual franchise tax report and pay franchise tax which is based on the amount of authorized shares and assets the corporation possesses (there are two methods to calculate with minimum of $75 and $350), must also continue to have Registered Agent in DE to accept notices (around $150 to $300 annually), and if doing business in New York, must pay $300 fee to NY State Dept. of Taxation each year.

### NEW YORK - ENTITIES IDIOSYNCRASIES

- **LIMITED LIABILITY COMPANY (LLC)**
  - Ten largest members (%) are jointly and severally liable for all debts, wages or salaries due and owing to any of entity’s employees (NY LLC §609(c)).

- **S-CORPORATION**
  - Ten largest shareholders are jointly and severally liable for all debts, wages or salaries due and owing to any of corporation’s employees or laborers. (N.Y. B.C.L. § 630).

- **C-CORPORATION**
  - Ten largest shareholders are jointly and severally liable for all debts, wages or salaries due and owing to any of corporation’s employees or laborers. (N.Y. B.C.L. § 630).
## LEVELS OF FEDERAL INCOME TAX

<table>
<thead>
<tr>
<th>LIMITED LIABILITY COMPANY (LLC)</th>
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<th>C-CORPORATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Generally, one</td>
<td>Generally one, but if it’s a former C corporation and has too much passive income or built-in gains under Sections 1374 and 1375, certain additional taxes may apply.</td>
<td>Two</td>
</tr>
</tbody>
</table>

## TAX YEAR

<table>
<thead>
<tr>
<th>LIMITED LIABILITY COMPANY (LLC)</th>
<th>S-CORPORATION</th>
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</thead>
<tbody>
<tr>
<td>Generally calendar</td>
<td>Generally calendar</td>
<td>Generally calendar, with some exceptions.</td>
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</table>

## USE OF CASH METHOD OF ACCOUNTING (SECTION 448)

<table>
<thead>
<tr>
<th>LIMITED LIABILITY COMPANY (LLC)</th>
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</thead>
<tbody>
<tr>
<td>Somewhat unclear; an LLC probably cannot use the cash method if it has a C corporation member or if more than 35% of the LLC losses are allocable to non-manager members; exceptions may be available for farming, personal services, and entities with less than $5,000,000 in gross receipts.</td>
<td>Generally permissible</td>
<td>Generally not permissible unless the corporation is a personal service corporation, a farming business, or has less than $5,000,000 in gross receipts.</td>
</tr>
</tbody>
</table>

## TAXATION OF CONTRIBUTIONS OF PROPERTY TO ENTITY

<table>
<thead>
<tr>
<th>LIMITED LIABILITY COMPANY (LLC)</th>
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</thead>
<tbody>
<tr>
<td>Nontaxable unless disguised sale, the member is relieved from debt, or the LLC would be treated as an investment company if incorporated. (I.R.C. § 721).</td>
<td>Taxable, unless the transferor meets the 80% control test of I.R.C. § 351, in which case the transfer is nontaxable except to the extent of debt relief.</td>
<td>Same as for S corporations.</td>
</tr>
</tbody>
</table>

## SPECIAL ALLOCATIONS OF TAXABLE INCOME AND LOSS

<table>
<thead>
<tr>
<th>LIMITED LIABILITY COMPANY (LLC)</th>
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<th>C-CORPORATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, provided allocations have “substantial economic effect.”</td>
<td>No</td>
<td>N/A</td>
</tr>
</tbody>
</table>
## Taxes

### Limited Liability Company (LLC)  
### S-Corporation  
### C-Corporation

### Deductability of Losses (and Basis for Entity-Level Debt)

- **A member may deduct allocable share of LLC’s losses only to the extent of the member’s basis in the LLC which includes the member’s allocable share of LLC debt (I.R.C. § 704).**
- **A shareholder may deduct allocable share of corporation’s losses only to the extent of the shareholder’s tax basis in his/her shares, which does not include any portion of the corporation’s debt.**
- **Shareholders may not deduct any of the corporation’s losses (unless shareholder is another corporation filing a consolidated return).**

### Taxation of Cash Distribution

- **Nontaxable to the extent of a member’s tax basis in LLC interest (I.R.C. § 731).**
- **Generally nontaxable to the extent of the shareholder’s tax basis in stock (I.R.C. § 1368).**
- **Taxable as dividends to the extent of the corporation’s earnings and profits, then nontaxable to the extent of the shareholder’s tax basis in his/her shares; then taxable as capital gain to the extent it exceeds basis.**

### Taxation of Distributions of Appreciated Property

- **Nontaxable to the extent of a member’s tax basis in LLC. Exceptions exist for marketable securities and non-contributed property (I.R.C. § 731).**
- **Generally nontaxable at corporate level but taxable at shareholder level through pass-through of corporate tax items of gain triggered on distribution (I.R.C. § 1368).**
- **Generally taxable to both corporation and shareholders. (I.R.C. § 331 (effect on shareholders); I.R.C. § 336 (effect on corporations)).**

### Taxation Upon Liquidation

- **Generally taxable to both corporation and shareholders. (I.R.C. § 331 (effect on shareholders); I.R.C. § 336 (effect on corporations)).**
- **Generally nontaxable at corporate level but taxable at shareholder level through pass-through of corporate tax items (I.R.C. § 1368).**
- **Generally taxable to both corporation and shareholders. (I.R.C. § 331 (effect on shareholders); I.R.C. § 336 (effect on corporations)).**
## GOVERNANCE

<table>
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<tr>
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<tbody>
<tr>
<td><strong>NUMBER OF OWNERS</strong></td>
<td></td>
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<tr>
<td>One member minimum (some states require two, but not NY or DE).</td>
<td>One to 100 (spouses counted as one) with rules permitting families for up to six generations to be treated as one person.</td>
<td>No restrictions</td>
</tr>
<tr>
<td><strong>TYPES OF OWNER</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Any type of owner</td>
<td>Ownership is generally limited to U.S. citizens, residents, and certain U.S. trusts. No corporate or partnership shareholders are permitted, except for certain tax-exempt charitable foundations, ESOPs, certain electing trusts and another S corporation owing 100% of the stock where the subsidiary S corporation has made the QSub election.</td>
<td>Any type of owner</td>
</tr>
<tr>
<td><strong>CLASSES OF OWNERSHIP</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Multiple classes are permitted</td>
<td>Only one class of stock is permitted. There can be differences in voting rights, however, and debt may be used.</td>
<td>Multiple classes are permitted.</td>
</tr>
<tr>
<td><strong>RESTRICTION ON OWNERSHIP OF SUBSIDIARIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No restrictions</td>
<td>No restrictions on ownership of C corporation subsidiaries. An S corporation may also have a wholly owned S corporation subsidiary (“QSub”) or own interests in an LLC or other partnership.</td>
<td>Generally, no restrictions</td>
</tr>
</tbody>
</table>

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### GOVERNANCE

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</thead>
<tbody>
<tr>
<td><strong>SECTION 1244 STOCK; ORDINARY LOSS ON THE SALE OR LIQUIDATION OF OWNERSHIP INTEREST</strong>&lt;br&gt;No</td>
<td>Yes, individual shareholders who are original investors may qualify for ordinary loss treatment under Section 1244 in an amount up to $100,000 per year per couple.</td>
<td>Same as for S corporations.</td>
</tr>
<tr>
<td><strong>SECTION 1202 STOCK; 100% EXCLUSION FOR SAL GAIN OF QUALIFIED SMALL BUSINESS STOCK</strong>&lt;br&gt;No</td>
<td>No, Section 1202 applies only to “qualified small businesses,” which extends only to C corporations (I.R.C. § 1202).</td>
<td>Yes, individual shareholders who are original investors when the corporation meets the requirements of Section 1202 may qualify for 100% exclusion of gain on sale of stock.</td>
</tr>
<tr>
<td><strong>SECTION 754 ELECTION TO ADJUST INSIDE BASIS OF OWNER AND ENTITY UPON SALE OF AN OWNER’S INTEREST OR DISTRIBUTION OF PROPERTY</strong>&lt;br&gt;Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td><strong>SELF-EMPLOYMENT TAX ON DISTRIBUTIVE SHARE OF INCOME</strong>&lt;br&gt;Not clear, but generally yes as to active members and any manager; no as to non-active members or as to returns on invested capital (i.e., rental income).</td>
<td>No</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>REASONABLE COMPENSATION ISSUE</strong>&lt;br&gt;No</td>
<td>No, but might be challenged if compensation set unreasonably low to avoid employment taxes.</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Prepared by Lynn H. Smith, Special Counsel, Barclay Damon LLP
BUSINESS PLAN

GENERAL OVERVIEW

BASIC BUSINESS PLAN PRIMER:
☐ 11 point font  ☐ single spaced  ☐ page numbers in lower left hand corner

COVER PAGE:
☐ Company Name  ☐ Lead Applicant Name  ☐ Address
☐ Website  ☐ Phone  ☐ Email

BUSINESS PLAN CONTENTS

EXECUTIVE SUMMARY:
☐ [one to two pages, no more than 1,000 words]
The executive summary should address the mission, project description, management and operations, experience, market and competition, basis for the financial model, sources and uses of funds, how the entire project is being financed, sustainability model, overall potential economic impact and how it relates to a city/regional plan. This succinct summary of the basic elements of the business plan should be able to stand alone if it is separated from the rest of the plan.

MISSION:
☐ Describe the goal and mission of organization and project

PROJECT OVERVIEW:
☐ Give a complete project description. What’s the pain in the market you’re solving? What is your solution, and what is your value proposition? What are you raising capital for? Describe the project in detail.
FEASIBILITY:
☐ How do you know there is a need for this product/service/facility/technology platform? What customer discovery, industry, competitive landscape, and market opportunity research have you done?
What makes it feasible, viable, and sustainable? How far along are you in the development continuum? Are you at MVP or proof of concept? (Both from a timeline and resource perspective).

MARKET
☐ Who are you serving? Specifically, how have you targeted that market? Based on what assumptions?
What do you know about that market? How have you tested the market need, interest, pricing, and competition? How are you reaching that market? What are your channels to market? What is your pricing strategy? Describe potential revenue and growth potential for this specific target market based on your primary and secondary research.

COMPETITION
☐ Describe key competitors and how they are currently reaching the market and pricing comparable offerings. Outline your detailed competitive analysis and your unique competitive advantage.
Re-state your value proposition.

RISKS
☐ Describe what risks the business/project faces and how you will respond to these risks.

MANAGEMENT TEAM
☐ Describe the management team (including formal and informal advisors) and what skills and experience they bring. Include total number of years of experience and talk about their specific skill sets. Include names of your professional advisors (attorney, accountant, banker, insurance agent, etc.)

FINANCIAL PLAN
☐ Describe your business model. Develop a three-year pro forma based on a revenue and expense model.
What are your financial needs? How much personal equity are you putting into this? What’s the gap?
What are your plans for financing the gap? What is your burn rate for the startup phase and when do you break even? How does your funding request relate to the gap? Lay out how these funds will be used as part of an overall project budget. Create sources and use charts. Lay out a three year financial forecast/pro forma. Describe the assumptions that are part of this plan.

SUMMARY: SUM UP THE VALUE PROPOSITION
☐ What is the value add of this product/project/service?
☐ Why should a funder care or invest?
There is no substitute for working with a seasoned finance professional to understand business basics. However, this simple glossary may help you understand some terms that you need to know as you gain financial expertise.

**WHAT ARE VARIABLE AND FIXED COSTS?**

All companies have two kinds of costs — variable and fixed. In general, *variable costs* vary with the amount produced, while *fixed costs* remain the same, no matter how much output a company produces. The dynamics from an accounting perspective are far more complex, but in general:

**VARIABLE COSTS:**
Variable costs are the *costs of the goods* or services a company produces. Variable costs typically increase and then decrease with the production volume - i.e., the fewer the number of units, the higher the variable costs. For instance, if an item costs $5 per unit for a startup to produce, and a company produces only 1,000 units, its variable cost will be $5,000. However, as the company grows, implements technology and automation, and achieves efficiencies of scale, the variable costs may go down. For instance, it may only cost $2 per unit if a company produces 200,000 units. *Variable costs vary with output.* Variable costs can also include wages, utilities, materials used in production - all of which can change based on the number of units sold.

**FIXED COSTS:**
*Fixed costs do not vary with output,* or the volume of production. A fixed cost does not change with the amount of goods or services a company produces, and tend to remain constant - such as rent, mortgages, taxes, machinery, equipment, loan payments, etc. Fixed costs are not affected by fluctuations such as seasonality, sales cycles, or other activity levels of the organization.
WHAT IS A BALANCE SHEET?

Your balance sheet is a snapshot of your financial picture, and includes your **assets** (cash and cash equivalents, inventory, receivables, fixed and other assets, etc.) and **liabilities** (accounts payable, debt or notes payable, capital leases, etc.). The difference between your assets and liabilities is your **net worth**. By reviewing a balance sheet, a lender or investor can understand your **liquidity** and **solvency**.

WHAT IS A PRO FORMA?

Lenders or investors require in-depth pro formas, which are financial models based on projections. Preparing a pro forma is a different process than preparing an accounting statement because pro forma is a future-looking profit and loss projection of a venture’s **income and expenses** over a period of time, based on well-researched assumptions. Typically, lenders require a five-year pro forma for a startup, with projections on a monthly quarterly basis for the first two or three years, and then quarterly, to help manage financial needs and cash flow. Equity investors do not require the same kind of detailed pro formas, but will expect to see well thought-out projections, and a **breakeven and profitability analysis**.

COMPONENTS OF A SIMPLE PRO FORMA TYPICALLY INCLUDE:

**INCOME**: Ways that a venture can make money (i.e., unit sales, subscriptions, memberships, advertising partnerships or sponsorships, product placement, service contracts, etc.)

**EXPENSES**: Costs that go into running a venture, (i.e., operational and administrative expenses, such as legal, accounting, insurance, salaries, internet and utilities, FFE, rent, marketing, etc.)

**NET**: Projected expenses subtracted from projected revenues. These estimates can help create the break-even and profitability analysis, which helps the venture understand when the business will break even, and if/when it will eventually achieve a profit. A break-even analysis also typically includes the number of units you need to sell to break even. It will also give you a perspective on your expected cash position over time, to help avoid running out of cash.
WHAT ARE STARTUP COSTS?

In addition to creating a pro forma, lenders or investors want to see that a venture has thought about all of the unique initial costs associated with launching. These can include software and hardware development to create initial and subsequent prototypes, testing, regulatory requirements, legal incorporation, IP, and other costs directly related to getting to production or beta sales. It is important to benchmark them against industry ratios, which are available through SU Libraries databases.

WHAT ARE SOURCES AND USES?

SOURCES OF CAPITAL: Lenders and funders will want to know how you are bootstrapping start-up costs. These early sources of capital typically include your own investment, support from family and friends, winnings from business plan or grant competitions, and perhaps crowdfunding or some early angel investors. They can also include working capital loans (typically with a government loan guarantee), or debt from alternative lenders, banks, or community loan funds. Funders or lenders will expect the founder to contribute 20% - 50%. This varies based on the founder’s experience, personal net worth, and the four C’s - credit, collateral, cash flow, and character. This percentage can also be based on the amount of capital needed.

USES OF CAPITAL: If you are borrowing funds, or taking on an investor, you will need to show what you will do with those funds, what milestones you will achieve, and where those funds get you on your overall roadmap. The difference between sources of capital and uses of capital will help you identify funding gaps and when they might occur.

WHAT IS A DEBT RATIO?

Lenders and investors they look at debt ratio as a way to measure a venture’s leverage. A debt ratio is calculated by dividing total liabilities by total assets, and it is expressed as a decimal or percentage. A ratio of 15% or lower is healthy. More than 20% or higher is a red flag to lenders because there may not be enough revenue to cover debt. A venture with little debt is under leveraged, but a business with too much debt is over leveraged, and at a higher risk of default (not paying as promised) on its debt obligations.
Debt and equity funding offer different advantages and disadvantages to startups. Here is a quick summary:

**DEBT** is a liability or obligation owned to a person or institution that is legally required to be paid by a specific date. Terms and conditions vary are set between parties. Examples include bank loans, government guaranteed loans, lines of credit, notes payable, accounts payable, trade credit, or leasing contracts, etc. Debt is typically less costly than equity because interest rates are less than investors expect as a rate of return. While it can be less flexible, and typically requires a personal guarantee, the founder does not give up any ownership of the business. It works extremely well for purchase of fixed assets that can be collateralized. It also works well as a line of credit, with the advantage of only paying interest on the amount of money that has been drawn for expenses. Bank debt for startups is typically guaranteed through loan guarantee programs that help minimize risk. Often, a bank can work with a startup to restructure the debt if needed. Many lenders also offer business advisory services.

**EQUITY** is funds raised by founders through the sale of Common Stock, partnership interests, or other ownership based interests. Typical sources of equity capital are the founders themselves, family, friends, business partners, private investors, key customers or suppliers, angels, investment bankers, or venture capitalists. Equity investments do not carry collateral requirements or personal guarantees, and repayment generally occurs when the business exceeds breakeven and reaches a certain level of profitability, or experiences a **liquidity event** such as sale of the business (exit event) or IPO. The disadvantage is that equity comes with a very high cost of funds, based on the investor’s expected rate of return. It entails ownership in the business, and may also require a seat on the board. Investors expect high growth, and can often make key management decisions - including executive staffing.
WHAT IS THE CAPITAL CONTINUUM?

Finding the best funding for your ventures depends on many factors - including your stage of growth. Ventures move through lifecycles and a “capital continuum” as they evolve.

OPTIONS FOR EARLY (START-UP) STAGE FUNDING:

- Founders equity and in-kind services
- Family, friends, and fools (FFF)
- Crowdfunding
- Lines of credit
- Customers, suppliers, or strategic partners
- Working capital loans and debt, often backed by loan guarantees
- Alternative lenders (such as government regulated CDCs, CDFIs, SBICs, etc.)
- Grants, competitions, incubator/accelerator funding
- Federal research funding through programs such as SBIR / STTR, etc.
- Convertible note / SAFE (simple agreements for future equity)
- Investors (angel, pre-seed $50,000 to $500,000; seed $500,000 to $2 million)

OPTIONS FOR GROWTH STAGE FUNDING:

- Debt: Regulated financial institutions and banks for fixed assets and operational expenses
- Equity: Corporate or institutional investors
- Equity: Series A to optimize with customer traction; $2 million to $10 million
- Equity: Series B to build and scale; $7 million to $15 million
- Equity: Series C for accelerated growth - fast and wide; $15 million to $150 million
- Government programs (State and regional low interest loan programs)

OPTIONS FOR EXPANSION STAGE FUNDING:

- Mezzanine funding (hybrid of debt and equity financing) is the highest-risk form of debt, with typical rates in the range of 12%-20% per year. It can be a preferred way to displace capital by equity investors.
- Recapitalization for global positioning
- IPO (selling shares to the public to generate capital)
SOME ADDITIONAL TIPS FOR YOU:

PITFALLS TO AVOID:

- You are borrowing from family and friends without written agreements in place
- You are borrowing against equity in your home, or retirement savings
- You are using credit cards as a source of startup capital
- You haven’t projected enough time or unforeseen costs for the start-up phase before you can actually start selling
- You haven’t budgeted enough for marketing, sales or business development to achieve customer traction
- Your expenses (headcount, operational expenses, facilities) don’t grow with revenue over the first five years
- Your cost of goods is out of line for your industry
- Your cost of sales is out of line for your industry
- Your projected revenue and sales curve is unrealistic
- You haven’t consulted professionals (attorney, accountant) to review statements, terms sheets or loan agreements
- You are not tracking if the venture cash flows properly, and do not have adequate capital reserves to cover inadequate cash flow or unforeseen expenses
- You are using on-line lenders with excessively high rates to manage cash shortages
- You do not have a contingency plan if the business is not growing as planned
- You constantly raising funds because you are running out of cash

ALSO...

Find a financial mentor. Get good legal and accounting advice. Ask for advice, and test every assumption as you raise or borrow outside capital to start and grow. You need money to commercialize your idea and reach profitability, but only raise or borrow as much as you need, and strive to self-finance through sales. Get fundraising out of the way, and get on with the business of building your business. Being prepared, and understanding your financial roadmap, can help make the journey easier.
In order to present a strong and effective pitch presentation, we have compiled a list of useful suggestions. Remember why you are making the presentation in the first place: because you are passionate about your idea and have done your homework. Stop by the Blackstone LaunchPad in Bird Library if you have any questions or need coaching advice.

**EFFECTIVE VS. WEAK PRESENTATIONS:**

- Uses clear, simple, and easy to understand language
- Visuals are clear, readable, and support points without being distracting
- Presentation sounds smooth and polished; easy to listen to
- Presenter’s gestures and references to visuals enhances the message
- Presenter stays within the allotted time frame
- Speaker enthusiastic about the concept and committed to the company
- Speaker is speaking to you (and not at you)

- Presenter rambles, uses too much jargon, and too many acronyms
- Visuals are unclear, difficult to read, complicated, or distracting
- Speaker is unprepared or has not done sufficient research
- Presenter’s gestures or references to visuals distract from the message
- Presentation exceeds the allotted time
- Presentation is awkward and uncomfortable to listen to
- Presenter does not connect with the audience

*Adapted from Wharton*
PRESENTATION
GENERAL TIPS

REHEARSE, REHEARSE, REHEARSE!
☐ Videotape yourself
☐ Practice in front of anyone that will listen: friends, your management team, and most importantly, your advisory team. Also practice in front of people who don't know you.
☐ Rehearse likely questions
☐ Have statistics and numbers ready
☐ Be open to advice and criticism

MAKE IT UNDERSTANDABLE
☐ Beware of too much detail or abstraction
☐ Beware of jargon
☐ Use analogies and metaphors

USE CHARTS INTELLIGENTLY
☐ One idea per graph
☐ Put a message in each title
☐ Minimize chart junk
☐ Clean and sharp so the idea comes out

THE CEO/FOUNDER DOES THE PRESENTATION
☐ Do not delegate the "delivery" responsibility to other management/personnel
☐ Demonstrate control and leadership
☐ Let your passion show
☐ No exaggeration, ungrounded claims
☐ Don’t say "conservative numbers"
☐ Present confidently

DON’T BE CHEESY OR TACKY - DO NOT INCLUDE THE FOLLOWING
☒ Animations
☒ Decorations or clip art
☒ Sound effects
☒ Canned or pre-made presentation layouts
PRESENTATION
GENERAL TIPS

REMEMBER THE AUDIENCE
☐ Stand out of the way of the screen
☐ Speak clearly and intelligibly
☐ Smile - be happy and enthusiastic
☐ Don’t speak to the screen - face out towards the audience and maintain eye contact
☐ Connect with the people in the room
☐ Turn, talk, and walk, but be fluid

BODY LANGUAGE
☐ Take everything out of your pockets, including your phone
☐ Gestulate and don't cross your arms or put your hands in your pockets
☐ Avoid filler words: 'um,' 'meaning,' 'like.' If you don’t have something to say, it's okay to say nothing
☐ Be engaging, have fun, and let your personality tell the story

TALK ABOUT THE BUSINESS
☐ Don’t oversell the business
☐ Explain how you’re going to make money
☐ Show and demonstrate that you can run a business

ANSWER TOP QUESTIONS, LIKE THESE:
☐ What is the opportunity?
☐ How big is it?
☐ How do you make money?
☐ Can you defend it in the market?
☐ Can you execute?
☐ What will you do with funds invested?

WHAT IS THE OPPORTUNITY?
☐ What kind of company are you?
☐ What do you sell?
☐ What problems do you solve?
☐ What customers do you attract/look for/solve problems for?
Now that you've learned about how to present a pitch effectively, we've provided a simple structure for a successful slide deck.

**POWERPOINT SLIDES: THE LAYOUT**

**FIRST SLIDE: PRE-INTRODUCTION**
- Include the presenter(s) name(s)
- Place your logo on the slide
- Identify the company’s name

**SECOND SLIDE: INTRODUCTION**
- Who are you?
- What is your company?
- Time limit: 20 to 30 seconds

( Spend no more than 20 to 30 seconds on this slide)
THIRD SLIDE: MARKET NEED
- What problem does your product/service solve?
- How significant a problem is it?
- How is the problem being handled now?
- How is the solution you propose better than the existing state of marketspace?
- How much better is your solution?
- What prevents people from ignoring your solution and continue what they’re doing now?

FOURTH SLIDE: COMPANY’S PRODUCT/SERVICE OVERVIEW
- What does the company produce or provide?
- How does the company’s product/service work?
- What does it do?
- What is unique about it (“special sauce”)?
- What should I, as an investor, be excited about it?

FIFTH SLIDE: COMPETITOR PROFILE
- What other companies are providing the same, or about the same, product/service?
- Direct/Indirect
- Potential
- How does their offering compare?
- How do they compete?
- How are they doing?
- How does the marketplace tell you apart?
SIXTH SLIDE: MARKETING AND SALES

- What is the target market?
- How big is the target market?
- How fast is it growing?
- Who is the customer?
- How do they decide to buy?
- How do they buy?
- Is the customer the end-user?
- Through which distribution channel do you reach the customer?
- How do you sell once you get through to the customer?
- What is your pricing strategy?
- How does that compare with the competition?
- How much income do you expect from each customer?
- How will you promote your product/service?

SEVENTH SLIDE: INTELLECTUAL PROPERTY

- What intellectual property exists?
- Can it be protected?
- What is your intellectual property protection strategy?
EIGHTH SLIDE: FINANCIAL REQUIREMENTS, SOURCES, AND USES OF CAPITAL

- How much is needed?
- How much funding has been raised to date?
- What are the sources of your current funding?
- How has your current funding been used?
- How much additional financing are you seeking now?
- How will it be used?

NINTH SLIDE: PROJECTED REVENUES AND EXPENSES

- Revenue model
- Actual and projected revenue growth 3-5 years
- Gross margins
- Break-even and profitability projections
- Is it sustainable?

TENTH SLIDE: MANAGEMENT TEAM

- Which positions have been filled?
- What is the experience of your present management team?
- Which positions are unfilled?
- What are your plans for recruiting to fill these positions?
- Other... advisory board?
ELEVENTH SLIDE: ROADMAP
- What milestones have you achieved?
- What are next key milestones and timeframe?
  - Technology/product development
  - Business development
- Display this visually

ROADMAP
Header/one liner statement (if needed)
What milestones have you achieved?
What are next key milestones and timeframe?
  - Technology/product development
  - Business development
Display this visually

TWELFTH SLIDE: SUMMARY
- What are the three or four key points you want people to remember from your presentation?
- What’s your ask?
- What’s your “grab” to close?
- Time limit: 20 to 30 seconds

SUMMARY
Header/one liner statement (if needed)
What are the three or four key points you want people to remember from your presentation?
What’s your ask?
What’s your “grab” to close?
(Spend no more than 20 to 30 seconds on this slide)

THIRTEENTH SLIDE: CONTACT INFORMATION
- Email
- Phone Number
- Website
- Twitter
- Facebook
- Other social media platforms
- Have a full “end slide” with all of your contact information, including your logo

CONTACT INFORMATION
Have a full “end slide” with all of your contact information, including your logo.
# A Typical Pitch Evaluation

## The Evaluation Scale

<table>
<thead>
<tr>
<th>1 (Poor)</th>
<th>2 (Adequate)</th>
<th>3 (Good)</th>
<th>4 (Very Good)</th>
<th>5 (Excellent)</th>
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## Problem

The problem or need is real, and has been identified in a clear and compelling way.

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## Scope

The problem has been "boiled down" to a scope that is addressable.

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## Viability of Solution or Idea

The proposed idea is feasible, viable, and implementable by this team. The solution has validity and the potential to move ahead in a meaningful way.

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## Market Opportunity

There is clear market opportunity and a well defined target market.

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## Competitive Advantage

The product/service is something unique that has a protectable competitive advantage in the proposed market.

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## Model

The team has done research and spent time working on a roadmap for developing its product/service/technology, as well as a sound business model.

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## Financial Strategy

The team has thought about its cost structure and how to make money. Projections are sound and based on good research and solid assumptions.

| 1 | 2 | 3 | 4 | 5 |
### MANAGEMENT CAPABILITY
The team has the skills and experience to develop the idea and address the risks associated with the venture.

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### ENTREPRENEURSHIP
The pitch demonstrates vision, passion, drive, and team commitment. The team is coachable and can take feedback.

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### SUSTAINABILITY
This is more than just an idea. It's a venture that can be launched and sustained. There's a high probability that this will be successful.

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### PITCH
This is a confident pitch that demonstrates a true value proposition and a clearly defined path to market. Clear, convincing, engaging, persuasive, and authentic.

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### INVESTMENT POTENTIAL
The business is a real investment opportunity and will produce an impact.

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Total Score: _______ of 60

### COMMENTS:
INVESTMENT READY CHECKLIST

The Blackstone LaunchPad at Syracuse University considers a venture to be ready to talk with funders or investors when it has developed these tools and achieved these milestones:

☐ The one-minute elevator pitch
☐ The one-page business statement
☐ The three to five-page executive summary/investor brief
☐ The 12 slide pitch presentation to include: problem, industry analysis/trends, addressable market, opportunity, business model, team (including advisory members), traction, go-to-market plan, competitive landscape, competitive advantage/value proposition, status/future roadmap, financials with breakeven and path to profitability, sources and uses of funds
☐ The 30-minute detailed presentation for investors prepared with professional advisors, including your accountant and attorney who will be structuring and reviewing all funding documents - typically a 25 to 30 slide deck with back up “pocket slides” to answer potential questions, or drill down in more detail
☐ The 15 to 20 page written business plan, backed up by detailed financial projections, including all assumptions that went into the financials

KEY MILESTONES

FINANCING

☐ Payback economics clear with well articulated ROI (return on investment)
☐ Accurate understanding of price and costs
☐ Funding strategy developed with clear sources and uses of funds, and three-year pro formas
☐ Time to revenue model in place that addresses realistic cash flow model
☐ Realistic growth curve in place
☐ Sources of funds identified (public and private, regional programs, etc.)
☐ Initial investor prospect list developed
☐ Investor packet prepared, along with vetted investor pitch and slide deck
☐ Exit plan identified
MANAGEMENT
- Core team identified and in place, with appropriate skill sets and expertise, including scale-up
- Advisory board established and BAIL (banker, accountant, insurance, legal) team in place
- Performing accountability process -- equity/profit sharing/participation
- Job description and deliverables

BUSINESS CONCEPT AND BUSINESS PLAN DEVELOPMENT
- Business concept validated through customer discovery
- Business plan drafted and reviewed by external advisors
- Business plan validated

TECHNOLOGY/PRODUCT DEVELOPMENT AND DEPLOYMENT
- Technology/platform/product identified/design complete
- Clear ownership of IP or license rights established
- Prototype developed
- Testing partner identified
- Proof of concept established
- Technology road map and product development plan outlined

SALES AND MARKETING DEVELOPMENT PLAN AND DEPLOYMENT
- Path to market and sales development
- Marketing plan developed
- Early adopters identified for beta testing, along with target markets for scale-up
- Sales and marketing plan deployed
- Customer channels (retail/wholesale assessment and development)

SCALE-UP PLAN DEVELOPMENT
- Production plan in place based on vetted realistic assumptions
- Distribution channels identified
- Issues identified on critical path that could change timing/scale of assumptions
- Supply chain partnerships and development relationships identified
- Sales/production/inventory plan outlined
- Manufacturing partnerships identified
- Initial scale-up space plan and capital needs identified
- Supply chain process controls (end-to-end)

STRATEGIC PARTNERSHIPS
- Key partners identified for potential joint ventures, co-funding, licensing, or distribution
BUSINESS PLAN PRIMER

A general understanding of how to create a business plan and the means to execute it.
START WITH A PLAN

It is a tool to help guide your thinking about how to design, build and grow a business. It is meant to a process, and not a static document.
START WITH A PLAN

A plan helps you...

- Define your business
- Identify your goals
- Allocate your resources
- Inform others about your strategy
- Make your roadmap
- Be ready for funding requirements
- Tools to assess management, operation, and finance
- Measure success
- Manage change
BEFORE YOU START...

Business plans serve three main purposes, which are crucial.
A business plan serves three main purposes:

1. Attract investment capital
2. Secure loans and credit, or public assistance (if applicable)
3. Attract strategic business partners

Also,

- It helps clarify if the business is capable of producing a profit
- It allows you to consider alternatives
- It’s a living document to be modified as you gain experience... and make mistakes
There is a basic framework to help think through constructing a business plan, but these are not set in stone. Use this as a helpful guide.
The components of a compelling business plan are:

- Executive summary
- Business identification
- Business description
- Management description
- Market analysis
- Marketing and sales strategy
- Financial model
- Supporting documents
The executive summary should be succinct, and be a tool that can be used separately from the main business plan. It may be the element you write last, to pull the document together.
The components that make an executive summary are:

- One-page business statement (use our template)
- Three to five page executive summary that can be separated from the rest of the plan as a stand alone investor brief:
  - Cover sheet with contact information
  - Problem/solution/opportunity
  - Business model and summary of key elements
  - Milestones/roadmap
  - Need (what are you seeking?)
  - Other pertinent information
A table of contents and page numbers are essential to help a reader easily navigate the material, and find pertinent information.
TABLE OF CONTENTS

Helpful tips:

- Break the plan into separate categories
- Use a thin three-ring binder for ease of duplication and to make changes easily
- Use tabs to separate sections
- Number the pages and use consistent format
- Use headers and footers for sections
- Include key contact info for ease of reference
BUSINESS INFORMATION

This is basic key information regarding your business in an easy to find format. Funders will want to have info this handy.
BUSINESS INFORMATION

Include the following:

- Business name and key contact information
- Organization type
- Patents (if applicable)
- Names and titles of all members of your business, including founders, C-suite execs, board members and advisors, and professional service providers (attorney, accountant, insurance)
Include an organizational chart, resumes, and in this section of your business plan. Include team members, advisors and board members. It will help outsiders understand your team, experience, connections to industry, and governance structure. Funders want to understand this.
A thoughtful and detailed marketing plan is imperative to business success. Funders want to see how you will achieve market power, and the specific tools and channels your will utilize. Be precise.
MARKET OVERVIEW

Use this to demonstrate you have done primary research (customer discovery) and secondary research:

- Define the product or service and how people use it
- Describe the market
- Describe the social or economic trends that affect potential sales
- Describe the competition
MARKET ANALYSIS

Along with customer discovery, there needs to be detailed research on the industry and market you are seeking to address.
MARKET ANALYSIS

Here are some questions to answer:

- What market research have you conducted?
- What consumer trends are on the horizon?
- What kind of people are your customers?
- What drives their purchases?
- Are your products and prices competitive?
- How does your business compare to your competitors?
- What are your customer’s lifestyles and buying habits?
- Have you done secondary research on the market?
- Have you utilized sources of research?
Positioning yourself against competitors helps define your unique value proposition.
A few things to answer:

- Who are your most direct/indirect competitors?
- Is their business growing, steady or declining?
- What can you learn from them?
- What are their strengths and weaknesses?
- How do they differ from you?

*Keep a file on your competitors. It will help assess industry/market change and better position your business.*
What to include in your competitive analysis:

- Names of competitors
- Summary of competitor’s products and services
- Competitor’s strengths and weaknesses
- Competitor’s strategies and objectives
- Market segments of competitors

*Is the market sufficiently growing to accommodate all the players entering the sectors*
Defining your customers will help identify your optimal path to market, and your sales channels. Are you B2B, B2C or B2G?
DEFINING YOUR CUSTOMERS

- What segments exist in your customer base?
- How will your customers learn about your product or service?
- What are customer’s patterns and habits?
- What qualities do your customers value most?
- Who are prospective customers that you are not reaching?
- What is your marketing cost compared to sales?
- What are the most low-cost, most effective marketing communications tools you can use?
MARKETING RELATES TO SALES GOALS

The most important thing to remember is being realistic. Demonstrate that your goals are based on assumptions that you can explain and justify.
MARKETING RELATES TO SALES GOALS

Be smart and realistic:

- Set measurable and achievable goals
- Select marketing wisely and stretch your budget
- Think about the lowest cost to get the highest impact value
- Create “effective frequency” - Sales is not a “one shot” effort
Your product and market development roadmap drive financials. Be realistic about your projections, and back them up with sound assumptions and projections that are achievable.
FINANCIAL INFORMATION

Things you need to think about:

- Balance sheet
- Breakeven analysis
- Pro-formas and cash flow
- Summary of financial needs and sources of funds
- Description of how much is needed and how it will be used
- Amount of equity provided by founders
THE FINANCIAL PLAN

Use a standardized format and get professional help. Accountants have tools to help you with the balance sheet and income statement.
THE BALANCE SHEET

This provides an overview of your company’s financial position
# THE BALANCE SHEET

## Split your assets and liabilities on your document:

<table>
<thead>
<tr>
<th>Assets</th>
<th>Liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Assets</td>
<td>Current Liabilities</td>
</tr>
<tr>
<td>Fixed Assets</td>
<td>Long Term Liabilities</td>
</tr>
<tr>
<td>Intangible Assets</td>
<td>All Other Liabilities</td>
</tr>
<tr>
<td>All Other Assets</td>
<td></td>
</tr>
</tbody>
</table>

*Result is your Net Worth*
ASSETS AND LIABILITIES

Here are the definitions of various assets and liabilities.
Assets are:

Current Assets:
- Cash and cash equivalents, securities, etc.

Fixed Assets:
- Property, improvements and renovations, equipment, etc.
  (They have accumulated depreciation or depletion.)

Intangible Assets
- Goodwill, brands/patents/customer list
  (They have accumulated amortization.)
Liabilities are:

Current Liabilities:
- accounts payable, short term debt, income taxes, etc.

Long Term Liabilities:
- Long term debt, bank debt, mortgages, all deferred taxes, etc.

Non-Current Liabilities:
- Subordinated debt, liability reserves, etc.
INCOME STATEMENT

An income statement provides information on financial performances over a given period of time.
In order to determine gross profit:

Net Sales
- Cost of sales/goods sold

= Gross Profit
In order to determine operating profit:

Gross Profit
- Operating Expenses

= Operating Profit
INCOME STATEMENT

In order to determine profit after taxes:

- Operating Profit
- One-Time Income/Expenses
- Income Tax

= Profit After Taxes
A few definitions for terms on an income statement:

Net sales:
- gross sales, less returns, discounts

Cost of goods sold:
- cost of raw materials and producing goods

Gross profit:
- net sales, less cost of sales

Operating expenses:
- all selling and general administration
A few definitions for terms on an income statement:

Operating profit:
- gross profit minus operating expenses

Other expenses:
- other items not included in general administrative expenses

Profit before taxes:
- operating profit less other expenses
SEEKING CONVENTIONAL FINANCING?

If you are seeking conventional financing, you should have an appendix that includes important information for financers.
SEEKING CONVENTIONAL FINANCING

Include the following in your appendix

- Tax returns from the past 3 years
- Personal financial statements
- Copies of leases/mortgages from your spaces
- Copies of various legal documents
- Copies of resumes
- Copies of letters of intent and/or interest from suppliers
SEEKING ANGEL INVESTMENT

For angel investors, you may be relying less on historical statements and more on projections. Work with advisors to create a 3 year pro forma, and lay out a sources and uses table tied to milestones. Create an investment grade pitch deck to augment the plan.
For angel investments, be sure you understand:

- Term sheet basics, pre/post valuations, governance
- Classes of stock, price per share, options
- Basic deal structures
- The difference between angel and institutional investors
- What investors are looking for in an entrepreneur
- Research investors on online sources
KEY TIPS TO PERFECT YOUR INVESTOR PITCH
Here are some suggestions:

- Less is more
- Show problem > solution
- More concrete than abstract
- Be specific
- Know the outcome you want
KEY TIPS TO PERFECT YOUR INVESTOR PITCH

Here are some suggestions:

- Demonstrate chutzpah
- Research who you are pitching
- Make it personal
- Practice, practice, practice
- If you get a “no,” remember - it’s about building relationships!
EXPECT QUESTIONS FROM INVESTORS
Eight common questions you might be asked are:

- What is your burn rate?
- How much skin is in the game?
- How did you get here?
- How well do the founders get along with each other?
- Who is on your advisory board?
- Can I talk to a real customer?
- How solid is the intellectual property (IP)?
- Are you incorporated in the United States?
OPTIONS FOR EARLY STAGE FINANCING

At the early stages, here are some ways to bootstrap funding as you launch and grow.
OPTIONS FOR EARLY STAGE FINANCING

There are many avenues for early stage funding:

- The founders sweat equity and in-kind services
- Yourself, family, friends, and fools (FFF)
- Crowdfunding
- Customers, suppliers, or strategic partners
- Conventional debt, regulated financial institutions/banks
  (can be backed by government loan guarantee programs)
- Alternative lenders (CDC’s, CDFI’s, SBIC’s, etc.)
- Grants, competitions, incubator/accelerator funding
- Investors (seed, angel, early stage, equity funds, etc.)
Startups tend to have a step-by-step process of getting funded.
TYPICAL STARTUP FUNDING STAGES

Here’s a few ways to get funded:

- Pre-seed:
  Forming the idea/concept

- Seed:
  Develop prototypes, research, feasibility

- First round:
  Seeing revenue from sales

- Subsequent rounds:
  Seeing accelerating growth
Here’s a few ways to get funded:

- Mezzanine round:
  Strong revenue, but need interim financing for further growth
- Recapitalization:
  Global positioning
- IPO:
  Shares to public to generate capital
- Sale of company:
  Exit strategy
Here are a few types of investors you might seek funding from.
Here are four types of investors:

- Angel investors:
  - Risk tolerant, often request partial ownership
- Venture capitalists:
  - Seeks rapid high growth return
- Corporate investors:
  - Good option for strategic reasons
- Institutional investors:
  - Private equity firms, CRF, etc.
CONVENTIONAL FINANCING
Here are a few conventional financing methods:

- Banks, credit unions, CDC’s, etc.
- Small Business Investment Companies (SBIC’s)  
  *Licensed by the SBA*
- Loans, mortgages, and lines of credits
- Based on collateral, credit, capacity to repay
- Requires personal guarantees
- Requires owner equity
- Often paired with U.S. SBA and USDA/Rural Development
There are a few government programs that can assist you.
Here are a few government programs:

- Variety of federal, state, regional, and local programs
- Few grants; low interest loans or loan guarantees with banks
- ESD/JDA and IDA’s
- Local Development Corporations (LDC’s)
- Regional revolving loan fund programs
- Small high-tech businesses may consider SBIR
FINAL THOUGHTS

A few things to remember about your business.
Be mindful:
- Be prepared to invest your own assets first
- Get professional advice if you’re borrowing equity or savings
- Avoid consumer credit cards
- Have written agreements if borrowing from family and friends
Get sound legal and accounting advice

Remember:
There is no substitute for qualified professional assistance
BUILDING A COMPELLING INVESTOR PITCH

Whether you are seeking capital from your first angel, or raising your first early stage funds, investors and funders expect you understand the basics of equity capital. Here are things to keep in mind as you engage with investors and funders, especially if you are a first time entrepreneur:

GET READY FOR THE CONVERSATION

☐ Demonstrate that you are solving a real problem, based on solid customer discovery.
☐ Build a team with people who are smarter than you, and who have the expertise and experience to create a solution.
☐ Assemble a professional services team (attorney, accountant, insurance, banker), and an internal finance manager to work together on your financial needs and funding strategy.
☐ Ensure that your product development road map and financial road map are aligned.
☐ Flesh out key milestones and KPIs (key performance indicators) to demonstrate how you will achieve traction.
☐ Understand your cost structure, projected cash flow and “burn rate” to truly understand how much capital you need to raise to achieve these milestones and KPIs.
☐ Understand what equity investors are looking for: realistic valuation, quick breakeven, scalability, rapid ROI and a promising exit plan (typically a liquidity event such as an acquisition, or more rarely, a public offering) that creates profitability for the investor.
☐ Keep in mind that investors demand a premium on returns, because of risk and uncertainty about performance and other variables.
☐ Understand that it is all about big winners, and that while investors diversify their portfolios with good
investments where they can find them, their ultimate goal is to increase the number of bit hits and minimize the number of complete write-offs.

- Understand what investors are looking for. Some focus on one or two sectors, while others are multi-sector. It is generally to your advantage to align with investors who know the space you are operating in, and have made investments in that sector. They are “smarter money” and better strategic investors.

- Do not create a business model that is simply aimed at attracting investors. Serious investors will see through that ploy. You need to achieve significant traction in a market large enough to justify an investment. You need to demonstrate "market power" and the ability to achieve accelerated growth in a big, accessible market with a differentiated product that offers a genuine value proposition.

- Think about external investment in terms of governance structure. Taking outside investment means dividing control between founders, management and investors. Understand investor expectations about board participation, governance, decision-making, and conflict resolution.

THINK ABOUT DEAL STRUCTURE

- Think hard about whether you really need to take on equity financing. The smartest money any startup can ever chase is sales. Pursue business plan competitions and grants as first non-dilutive sources of capital. Explore conventional debt (typically SBA backed loans) or alternative finance (such as through a CDFI) as more capital efficient ways to fund your venture. Think about revenue-based financing, which can also be a cost-effective way to fund a business while enabling founders to retain control and equity. This can be an effective tool if you can demonstrate potential revenue, since revenue-based lenders are repaid from a percentage of revenue streams.

- Consider a convertible note, which you can repay before it converts to equity. Convertible debt is widely known to investors. It is easy and quick to negotiate the interest rate, discount and cap, and has lower transaction costs than a placement involving issuance of stock or shares.

- Learn about SAFE, an acronym for “Simple Agreement for Future Equity” - an agreement by which an investor buys the right to buy stock in an equity round when it occurs. It can have a valuation cap, or not, like a convertible note, but since an investor is buying something that is more like a warrant, there is no need to negotiate an interest rate or fix a term.

- Always engage an experienced transaction/securities attorney to guide you through terms and details. Do not do this alone.
Typically, the first step is a brief conversation that provides essential information investors want to know. Investors sift through many ideas looking for the right fit - often investing in only one out of hundreds of entrepreneurs. It may take 30 approaches to different investors to get to the first indication of interest.

At that point, to make your way through the funding funnel, it is essential to have a well-articulated investor deck. This is different from a competition deck, because it needs to include information that is more detailed. Do not underestimate the importance of being well prepared for this pitch. You will not likely get a second chance. Before you pitch, learn as much as possible about the investor. Arrange for a warm introduction if possible. Expect to get no more than 30 minutes, with maybe another 15 if the investor is interested. Investors are trained to make quick judgements, so the first 10 minutes are critical. You may not get through the entire deck, so be sure it provides enough information as a stand-alone, if the investor asks for it. If you are invited back for a second meeting, which can typically be one to two hours, be prepared to drill down deeper into details. It can still take time to get to a decision, even after a second meeting. Often an investor will want to follow a team and a product, and watch how it is developing. Give the relationship time to season, and touch in every month or two with milestone updates.

Most importantly, say thank you at every step along the way. Even if the answer is no. Be sincerely gracious. Ask for feedback and do not be defensive. Take constructive advice and act on it. Each conversation is a learning experience. If an investor sees you are listening and iterating, that is an important signal.

If you are invited to make a formal pitch, the next page will walk you through the essentials of preparing a solid investor pitch deck.
ESSENTIALS TO COVER IN YOUR INVESTOR DECK

Here is a handy checklist of topics an investor will expect you to have prepared for a serious conversation, or for a full presentation to an early stage fund.

- Title slide with company name, logo, contact info
- Executive summary
- Problem statement
- Solution / value proposition / differentiator
- Market validation
- Market potential
- Why your particular solution has market power
- Customer discovery / user testimonials
- Competitive landscape
- Competitive advantage
- Business model: how will you make money at this
- Traction / milestones to date
- IP status if applicable
- Product development roadmap with projected timeline
- Regulatory barriers or third-party testing / validation required
- Strategic partnerships
- Current funding raised
- Funds needed, and key milestones they will achieve
- Three year projections: fixed and variable costs
- Breakeven analysis
- Sources and uses of funds
- Team: founders, board, advisors
- Exit strategy to produce value and return to investor
- Closing points
DUE DILIGENCE CHECKLIST

You’ve crafted the perfect pitchdeck, gone through the LaunchPad’s Investment Ready process, and reached out to investors or founders that may be interested in your venture. Now you’ve made a potential match and it’s time for the due diligence stage. Smart startups know that investors have limited time and resources, so it’s essential to know what investors are looking for.

EXPECT THESE QUESTIONS

INVESTMENT

① What will it take to get the venture from $1 to $3 million in revenue?
② How long will it take to get there?
③ How much is needed to get there?
④ What are you using it for?
⑤ What is the expected burn rate?
⑥ Why is the venture raising money?
⑦ What milestones will the venture achieve with this funding?
⑧ How far will this funding get the venture toward execution?
⑨ How much funding is needed next?
⑩ Are there clear lines for decision making? How is conflict resolved?
⑪ How coachable is the founding team? Can they take criticism?

PRODUCT/SERVICE

① Are there real customers the investor can talk to? to them?
② How solid is the intellectual property?

TEAM/LEADERSHIP

① Who is on the advisory or board of directors?
② Do the founders get along with each other?
③ Is the team focused on building a great product? With urgency?
④ How resilient is the team? Can they iterate or pivot? Recover quickly from failure?
⑤ Is the founder a great leader?
⑥ What if the answer is no?
⑦ Does the founder and team know the numbers cold?
⑧ Do the team have the required technical and business competence?
⑨ What does the venture want out of this investor relationship?
⑩ What are possible medium and longer term exit opportunities?
⑪ How much sweat equity and personal contributions came from the founders?

* Credit to New York Angels and Blackstone LaunchPad
INFORMATION NEEDED IN YOUR INVESTMENT LOOKBOOK

CORPORATE
- Management and operating structure
- Board of directors with bios
- Management resumes
- Historical financing terms
- References

BUSINESS MODEL/PLAN
- Business plan

PROOF OF CONCEPT
- Customer validation
- Revenue streams
- Market data
- Competitive landscape
- Future growth plan
- Sales and marketing plan
- Strategic alliances
- Affiliations
- List of business partners
- Contracts
- Letter of interest / intent
- Sales contracts
- Customer reference checks
- Sales materials
- Sales presentation to customer
- Consumer insight data
- Focus groups

FINANCIAL
- Financial model
- Cap table
- Cash flow statement
- Balance sheet
- Operating expense detail
- 3-5 year projections
- Income statement
- Burn rate by month
- Gross margin by product
- Future financing strategy

LEGAL
- IP
- Trademarks
- Regulatory requirements
- Testing requirements
- Licensing agreements
- Status of any litigation
- Corporate documents
- Contracts or other legal documents
- Operating agreements
- Corporate structure

DEAL TERMS
- Valuation
- Term sheet
- Use of funds and milestones
- Exit target
OUR CONTACT INFORMATION

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