

THE BIG IDEA

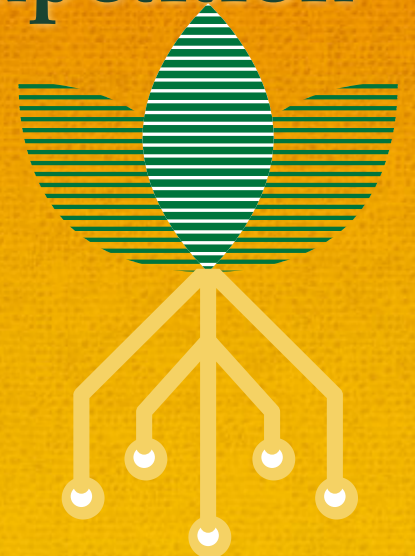
The Crowdrated Business Plan Competition

Sponsored by:

Silicon Prairie Portal & Exchange
Silicon Prairie Online

David V Duccini, Founder & CEO

“Where Good Ideas Grow”



What is The Big Idea ?

- A multi-state business plan competition, initially covering:

Minnesota, Wisconsin, Iowa, North & South Dakotas

- A crowd-rated approach versus hand selected judges
- Top rated plans as selected by the crowd will have the opportunity to try raising capital using one of Silicon Prairie's Regulation Crowdfunding Portals
- Every team can build a Pitch Deck and Business Plan for FREE!

Caution: Vampires Ahead!

- The vast majority of competitions are vetted by hand selected "judges" who may or may not :
 - understand the business models proposed
 - have a bias towards teams from their own school or program
 - apply standards consistently in all categories
- Most competitions have limited "prizes" funded by "sponsors"

Sunshine is the Best Disinfectant

- Using a gamified voting system thebigidea.com will help teams build their crowds with the intent to convert “voters” into “investors”
- The voting system becomes a “prediction market” for surfacing the most investable ideas
- Using “espoused values” and “enacted values” winning teams can use Equity Crowdfunding to ask voter supporters to “vote with their dollars”

Speed Dating for Entrepreneurs

- Have a Big Idea but need a Code Ninja?
- Are you a developer looking for something with meaning or purpose?
- Is your team missing that dream marketing magnet?
- "More Fun with a Friend"
 - Example: Netflix prediction competition saw the top two teams joining forces to win the prize

Team Builder? Done! (TBD)

- "It's 99% Perspiration"
 - Big Ideas do not build themselves
 - Team and execution are single largest success factor
- Most plans assume you have everyone it takes to make it happen
- Just because your team is short some talent doesn't mean it's not ready to launch? Your use of funds might be to go get that development team
- Why should someone join your team? Hint: Mission Statement ahead!

Pitch Perfect

- Your pitch and pitch deck are NOT distilled versions of your business plan
- Your deck is your strongest opportunity to make an impression to invite a potential investor to ask to see your full plan*
- There is no point wasting time on building potential financials that show “hockey-stick” like growth if you do not know who your target market is and how you’re going satisfy them

** NEVER ever send someone your business plan without them asking for it.*

Not Your Parents Deck

0. Title Slide / Lean Canvas / A3 Knowledge Brief
1. Problem Statement / Market Opportunity
2. Current Solutions (aka The Competition)
3. Your Proposed Solution
4. Compelling Story / Unfair Competitive Advantage
5. Execution: Business Model to Scale & Key Metrics
6. Financial Assumptions / Break Even Analysis
7. One Year Goal
8. Current Status
9. Funding Request / Use of Funds

Title Slide / Cover

- Why let a perfectly good white space go to waste?
- The secret to happiness is managing expectations. Don't waste a second slide with the contents or agenda.
- Your cover slide should be treated like the cover jacket to a best selling book!
- This is the place to lay out your "one thing" statement / tagline.
- Very few people enjoy murder mystery novels -- this is no time for a "slow reveal"

Problem Solved?

- This should be where you lay out WHO, WHAT, WHY
- Pick your leading persona / target customer and talk about what unmet or underserved need they have right now.
- This is not the time to show coverage. Other use cases should be within your plan as secondary opportunities.
- Market Size estimation is critical to socialize at this time.
- If your audience agrees with your problem statement they will immediately want to know the magnitude of the “problem” -- market size!

The Competition

- Of course you have competition! No serious investor is going to believe you if you claim you do not.
- Your target market is already getting their needs met somehow, including doing nothing.
- You are laying the foundation for the next phase of the pitch, namely your solution and competitive advantage.
- You should include a mix of national, regional and local competitors.
- Be honest about it. Anyone can “Google” your market and see who is at least paying for “adwords” to claim the space.

Your Better Solution

- You obviously have seen a better brighter future!
- What do you know about the space that your competition does not?
- Why will your target market LOVE you?
- If your audience likes the solution they will immediately begin wondering if YOU and your team are the ones to solve it.

A Little Background Goes A Long Way

- “Inspiration” -- if you have a short narrative about your “a-ha moment”, now is where you tell it. This is where you can let your guard down a little and show your human side.
- Being passionate is a good thing!
- Most people understand “price” and “value” as advantages and being the low-cost leader is not in and of itself compelling -- you face an uphill education battle with the entrenched established brands and suppliers to show parity.
- When it comes to products and services you get :
 “Price-Speed-Quality: Pick any two”
- But if you know or have observed something that the rest of the crowd has missed you may have an “unfair competitive advantage.”

Horses & Carts

- Assuming your audience believes there is a problem to solve and you and your team are the ones to do it, it is time to show how you will execute and measure progress to goal.
- Top of mind will be questions like:
 - “How will you market your idea?”
 - “How will you scale?”
 - “Do you have all the talent needed to get to the next level?”
 - “What resources are you going to need to get there?”
- How will you measure success? Your key metrics should be present in terms of new accounts, sales, cost per unit sold, etc.

Break-Even is the New Benchmark

- Forget showing “hockey stick” charts. Most savvy investors don’t believe them anyway and some are complete hypocrites if you leave them out, my advice is simple:

“Don’t Feed the Bears”

- Early stage ventures need to demonstrate one thing and one thing only; a break-even analysis. NOTHING else matters in a startup or early stage company!
- Show your potential investors that you know what it takes to stop bleeding cash.
- If your potential investor does not appreciate a ‘break-even analysis’ and the fact that you’re laser focused on monitoring towards that goal do not take their money! They will be a constant distraction calling you at all hours wondering when you’re going to make them rich.

Picking Winning Lottery Ticket Numbers

- Unless you've got a proven track record of picking winning lottery ticket numbers your horizon should be ONE YEAR. Doing financials beyond two years is a "Fool's Errand." The reality is that 90% of the businesses started today will not make it a full year. Of those that do, another 90% will fail in year two. Put simply:

For every 100 new ventures launched today, only 2-3 will survive to see their third anniversary.

- One of the purposes of a business plan is to help calibrate year over year what you got right and what you got wrong. Most startups are going to "pivot" at least 1-3 times if they are going to survive.

“If you’re so smart...”

- If your potential investors are concerned that you’re not planning far enough ahead you should ask them for an iconic example of a plan that “nailed it” -- get ready to hear some polite coughing.
- You CAN alleviate concerns by putting out updated financials, quarterly that demonstrate you are executing to goal or getting ready to pivot.

Let's Be Honest

- Cards on the Table Time:

“The Good. The Bad. The Ugly!”

- Unless you're just practicing your pitch in front of your family, friends and fans, it's time to face the music. You've got this far on pure talent, calculated risks, moxy and maybe even luck. To get to The Next Level (TNL) you're going to need some help!

“If it takes a village to raise a child it must also take a village to raise a village idiot” -- @TheLittleDuke

Tap Tap Tap....

Is this thing on?

- Pitching is not always about a pure capital investment.
- You might pitch because you need a strategic partner or even a co-founder.
- You're selling the vision but you **NEED** something and your audience knows it. If everything was going great you'd be throwing a party and taking credit for all your awesomeness.
- This is the time to reflect on how far you've come and where you think you can go -- use of a timeline graphic is an ideal way to convey where you are on the journey and where your potential investors can join you!

So About that Check...

- What is the minimum amount of money you need to get to The Next Level (TNL) ?
- If it's funding a large payroll, you will likely not be successful.
- If you need the paycheck then you should go get a day job.
- Investors want their money put to productive work, not covering your rent or mortgage payments.
- Also? Venture Capitalists are spending OTHER peoples money so don't take it personally if they say NO

Plan Your Dive Dive Your Plan

- A business plan does NOT need to be 30-50 pages
- thebigidea.com will be able to produce a basic business plan enhanced from your Team and Pitch Deck
- Two template options will be available:
 - A Modern Clean Template
 - An SBA compatible form suitable for taking to a bank

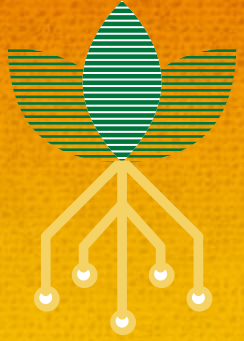
Release The Hounds!

- The crowd will be able to “spend” up to 100 points on plans or people
- Votes can be changed anytime before the contest ends!
- Feedback will also be gathered anonymously through up and down voting on individual sections
- Every team will also have a message board to take feedback and answer questions from the crowd

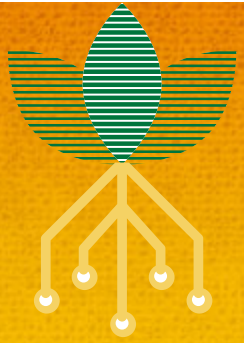
2018 SCHEDULE

- January 16th, Official Announcement
- January 30th, Q&A at 5th Annual Crowdfunding Symposium
- March 7th, Launch at 8th Annual Entrepreneurs Kickoff
- April 20th, Application Deadline
- May 21st, Plans Frozen
- May 28th, Voting Ends
- June 6th, The Big Party

Q & A



Contact Us



<http://thebigidea.com>