



Alliance of Angels:

Providing the Venue for Angel Investors and Startup Companies to Meet

**Business Plan Competition
Resource Night ~ March 6, 2008**

*Rebecca Lovell, Program Director
Alliance of Angels*



The Entrepreneur-Friendly Angel Organization

Who We Are:

A membership organization of more than 50 individual accredited investors and representatives of 15 investment firms

Our Mission:

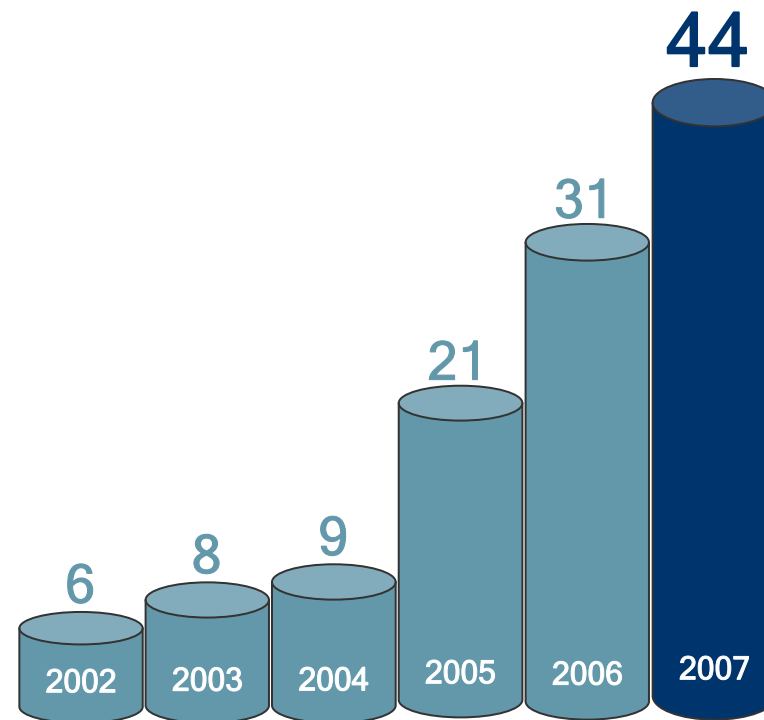
To support high-growth early stage companies in the Pacific Northwest by providing access to financing and entrepreneur education.



Record-Breaking Year

- Established in 1997
- Over **2,000 company submissions**
- Over **300 company presentations** to our membership
- **\$35 MILLION** direct investment by AoA members in **115 companies**
- **\$34 MILLION** additional investment in AoA companies through our network

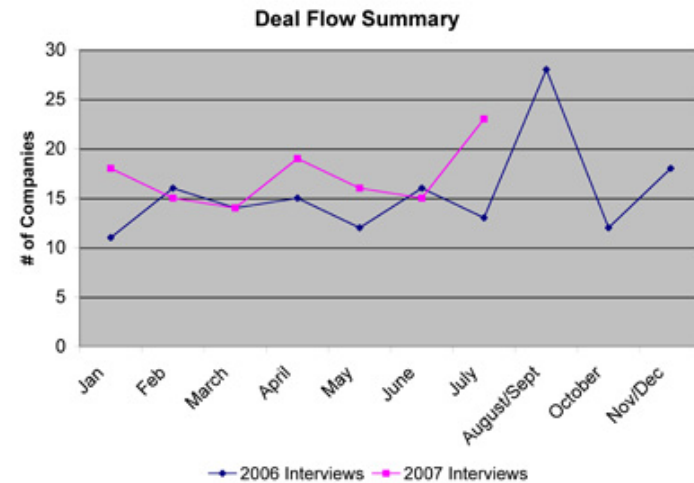
AoA Deals per Year 2002-2007



Expanding AoA's Impact

The Angel Angle: AoA Blog

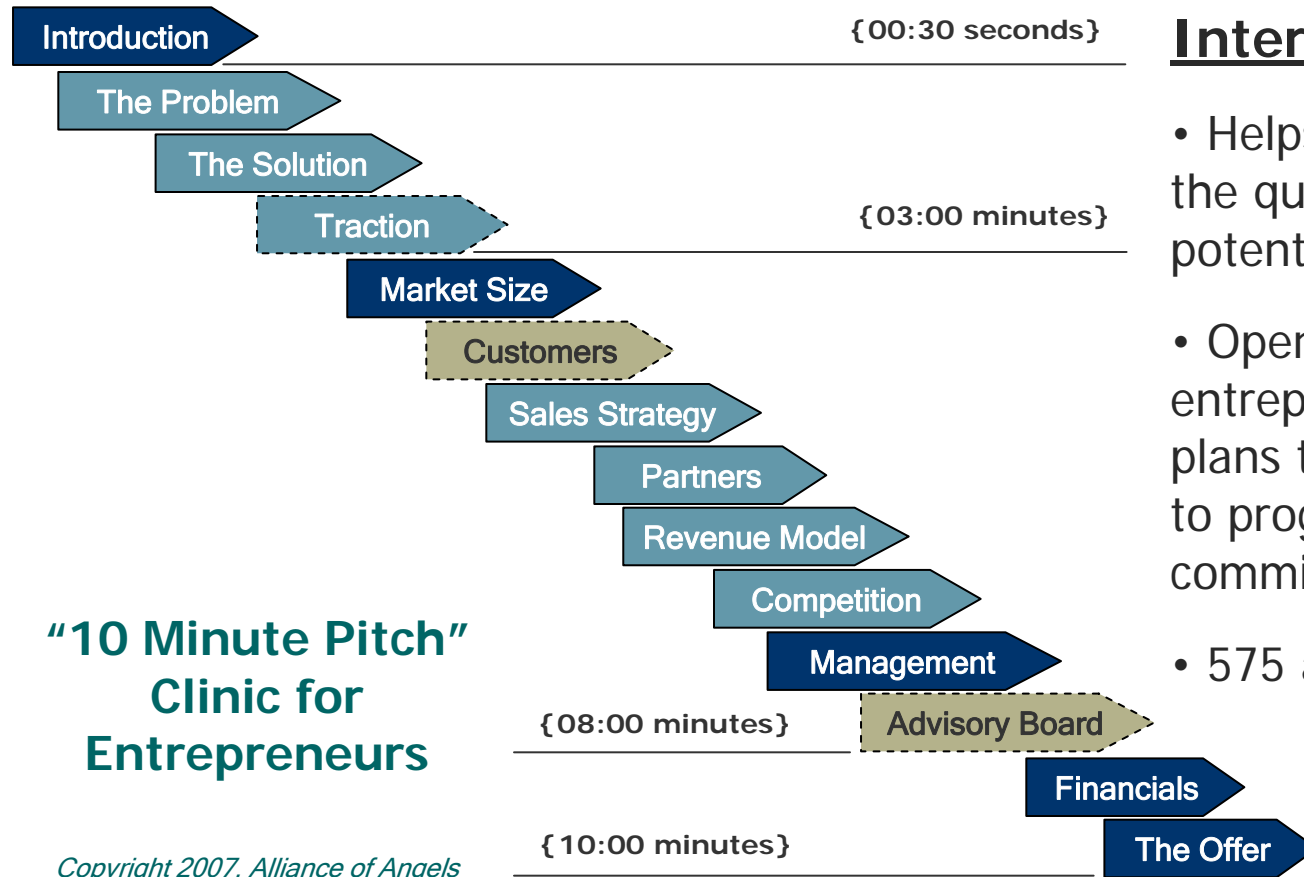
Providing an inside look at angel deals, entrepreneurial innovation, and startup activity in the Pacific Northwest.



Advancing Entrepreneur Education & Investor Value

- 4 investor-only events, 1 investor/entrepreneur event
- Quarterly (free) entrepreneur roundtables
 - *160 attendees to date*
- 10 pitch clinics Seattle office, 4 road shows

Perfect Pitch



“10 Minute Pitch” Clinic for Entrepreneurs

Copyright 2007, Alliance of Angels

Interactive workshop:

- Helps entrepreneurs improve the quality of their pitch to potential investors
- Open to anyone; free to entrepreneurs who submit plans to AoA but are not ready to progress to screening committee
- 575 attendees to date



Alliance of Angels:

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*10 Minute Pitch Clinic ~ March 6,
2008*

*Rebecca Lovell, Program Director
Alliance of Angels*

The Problem

The Problem



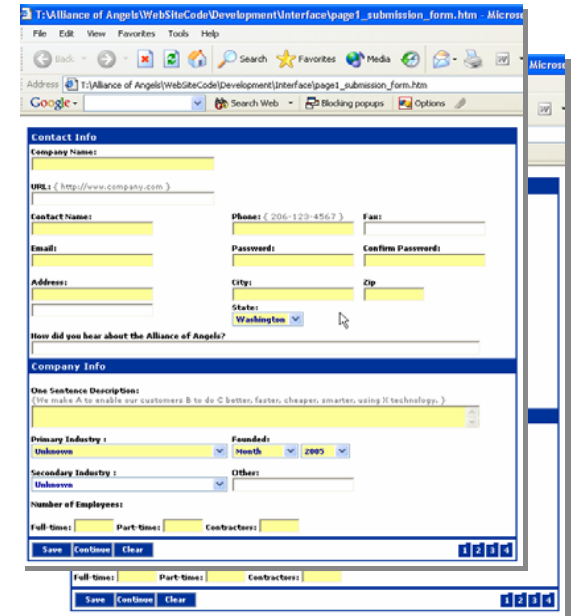
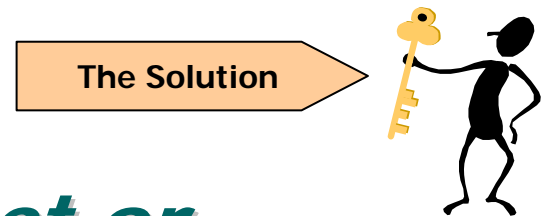
- *Define the problem and WHO has this pain*
 - Graphs
 - Pictures
 - Describe a problem scenario /usage case

The Solution

Overview of primary product or service that will solve the problem

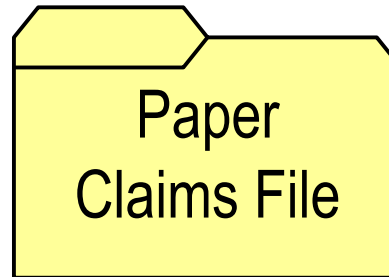
- Use multiple slides if necessary
- Product Photos, Screen shots
- Logical Flow and Architecture diagrams
- Short list of Features/Benefits

Be clear about the status of product development



The screenshot shows a web browser window displaying a form. The form is divided into two main sections: 'Contact Info' and 'Company Info'. The 'Contact Info' section includes fields for Company Name, URL, Contact Name, Phone, Fax, Email, Password, Confirm Password, Address, City, State (set to Washington), and Zip. The 'Company Info' section includes a One Sentence Description, Primary Industry (set to Unknown), Secondary Industry (set to Unknown), Founded (set to Month), and Number of Employees (with sub-fields for Full-time, Part-time, and Contractors). The form has 'Save', 'Continue', and 'Clear' buttons at the bottom.

The problem: Recorded Claims



Weeks and Months

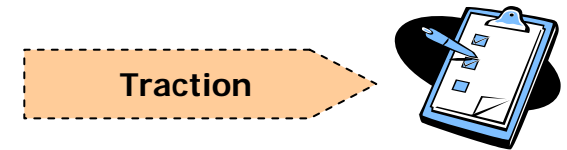
- **Expensive**
- **Tied to office**
- **"Off The GRID"**

The solution: Digital Service



- **\$15M Savings (Per Yr): Farmers Insurance**
- **24 x 7 x 365 Availability**
- **Indexed, searchable Data Asset**

Traction Slide



- Founded in 2006
- 3 full-time employees, 3 part-time
- Released v.1 fall of 2007
- 15 Beta Users, 10 Paying customers
- Signed up 3 channel partners
- Received ABC certification
- 1 provisional Patent filed
- Press coverage, awards

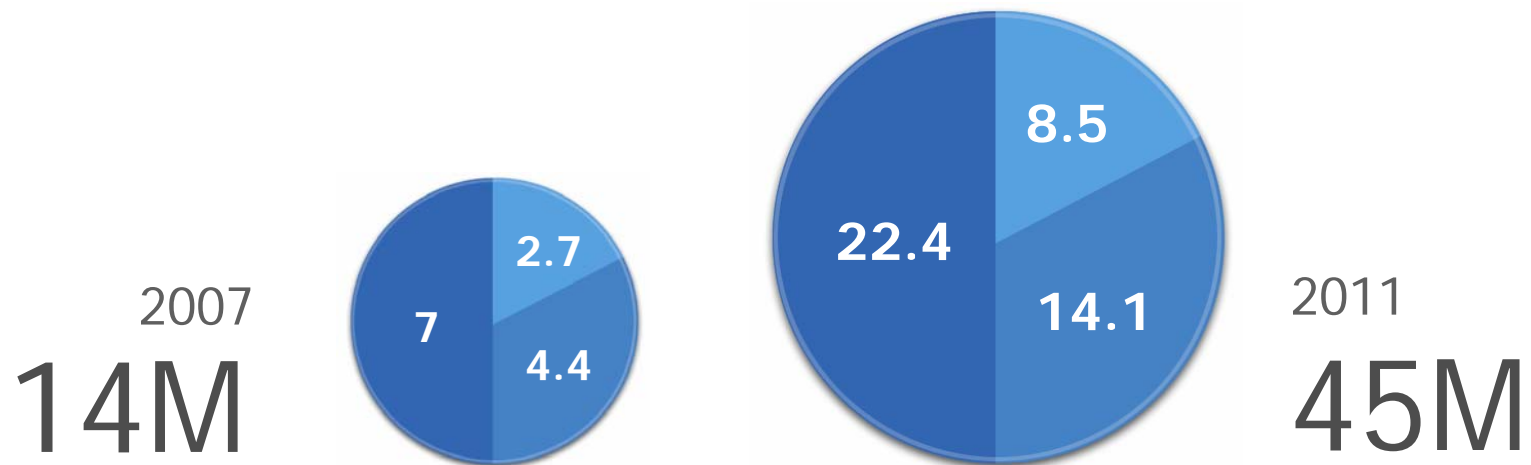
Market



- Build the number from the ground up
 - Total **Addressable** Market
- Show segmentation
 - Pie Graph works well
 - Explain how you prioritize the segments
 - “This is our initial market” (speak to why)
- Explain drivers behind growth

Market Opportunity Example

Total Addressable Market: US home broadband users
ages 12 to 34 who actively consume internet video



18-28yrs 12-17yrs 29-34yrs

Go to Market Strategy

Sales Strategy



B to B

Direct:

- How many sales people?
- How long does it take to close a deal?
- Who is the key decision maker?

Channel:

- Who are the partners?
- How many are required?
- What is each partner's reach?

B to C

- Traffic
- Rate of growth
- Conversion Rate
 - Visitors to members
 - Free users to premium subscribers
- Data on referrals



Partners



- Revenue share
- Content provider
- Distribution partner/broker

Targeted Partners

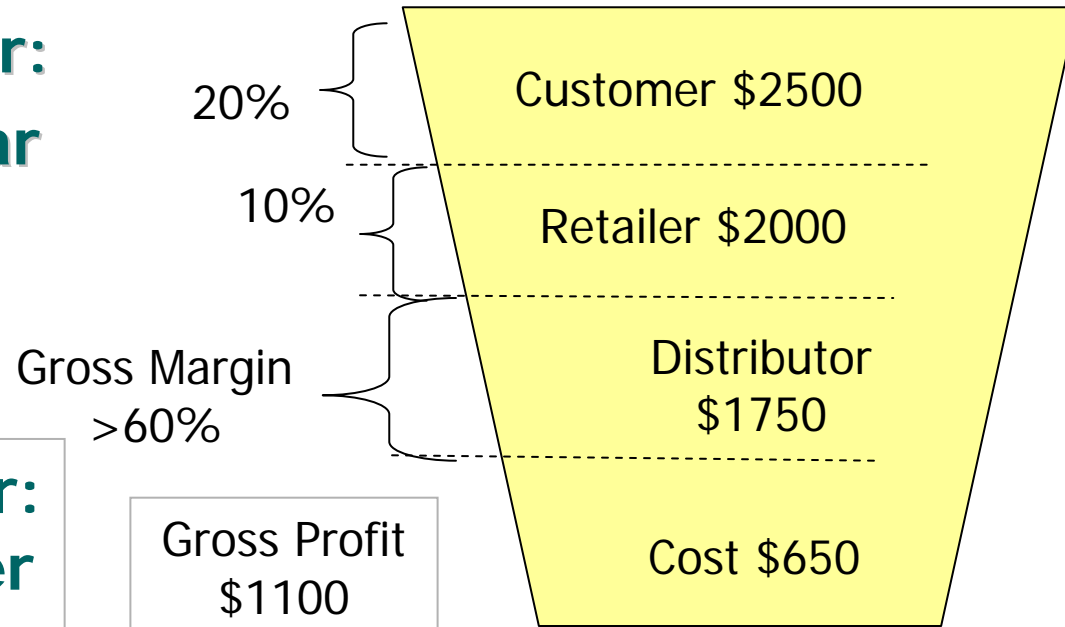




Revenue Model

- Avg Customer:
\$60,000/year

• Avg Customer:
24 Widgets per
year





Competition

Competition

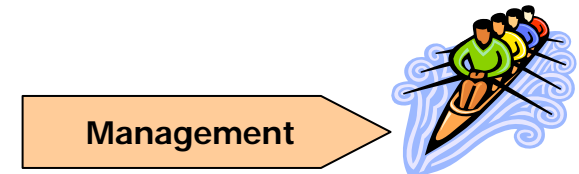


- **Indirect Competition**
 - Summarize the current alternatives
- **Direct Competitors**
 - Logos are easier to read than text
- **Use a matrix if possible**

Competition

| | <i>ABC</i> | <i>B Co</i> |  | <i>XYZ</i> |  |
|-----------------------|----------------------------------|----------------------------------|---|----------------------------------|---|
| <i>Time efficient</i> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| <i>Cost effective</i> | <input checked="" type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input checked="" type="radio"/> |
| <i>Flexible</i> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| <i>Accessible</i> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

Management Team



- **Name, Position**
 - Prior Company, Position (VP or above), Years
 - Prior Company, Position (VP or above), Years
- **Name, Position**
 - Prior Company, Position (VP or above), Years
 - Prior Company, Position (VP or above), Years
- **Name, Position**
 - Prior Company, Position (VP or above), Years
 - Prior Company, Position (VP or above), Years
- **Open positions**
 - VP Sales
 - Head of QA

Advisory Board

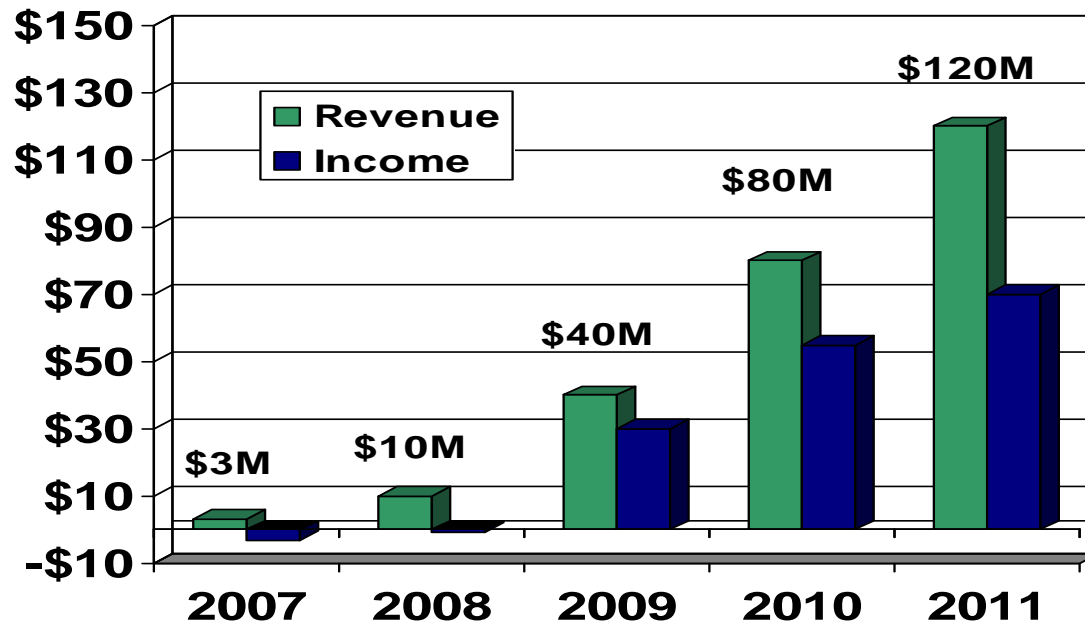
Advisory Board



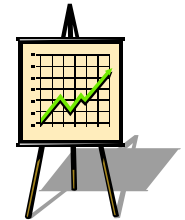
- **Name, Area of Expertise**
 - Company, Position (VP or above), Years
 - Prior Company, Position (VP or above), Years
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 - Prior Company, Position (VP or above), Years

Financial Projections

Five Year Projections (Millions, US)



Financials



Assumptions:

- In 2011, \$__ per sale
- In 2011, __ customers
- 2011 market share: __ %
- In 2011, __% from new sales; __% from recurring
- U.S. market only
- Does not include future product extensions

Questions?

Funding Requirements

The Offer



Prior Funding:

- \$ from founders, \$ from outside investors, \$ grants

Current Round:

- Seeking \$1 million (\$500,000 raised)
- Pre-money valuation: \$2 million

Use of Funds:

- Finish v 2.0 Prototype
- Launch in xxx market
- File patents

Future rounds:

- *Series A of \$ million expected in late 2008*

Exit Strategy:

- Acquisition (perhaps Microsoft, IBM, Nike, or Gatorade)