

October 2009

VC Pitch Workshop for Next Gen NBN Retail Service Providers (RSPs)



Workshop conducted by Expara

VC Pitch Workshop for Next Gen NBN RSPs

Innovation to competitive advantage

- 9:30 AM Innovation and value proposition
- 10:00 AM Market identification and analysis and marketing strategy
- 10:30 AM Sustainable competitive advantage
- 11:00 AM Financial plan & presentation tips
- 11:30 AM End



Workshop organized by Expara

Confidentiality agreement

All attendees at this workshop agree that:

- You may acquire certain Confidential Information of the Companies involved in this workshop in the course of the workshop.
- The Confidential Information has independent economic value to the Companies and the Companies have taken steps to preserve and safeguard the secrecy of the Confidential Information.
- You will make all reasonable efforts to maintain the Confidential Information as confidential and secret proprietary information of the Companies.
- You will not, at any time nor in any fashion, form or manner, either directly or indirectly, divulge, publish, disclose, or communicate to any person, firm or company any of the Confidential Information, or use the same for your own benefit or to the detriment of the Companies.
- **Remaining in this workshop after this slide has been shown constitutes agreement with the terms of this Confidentiality Agreement**
- **Why do we need to agree to this? This confidentiality agreement is intended for the benefit of the companies.**

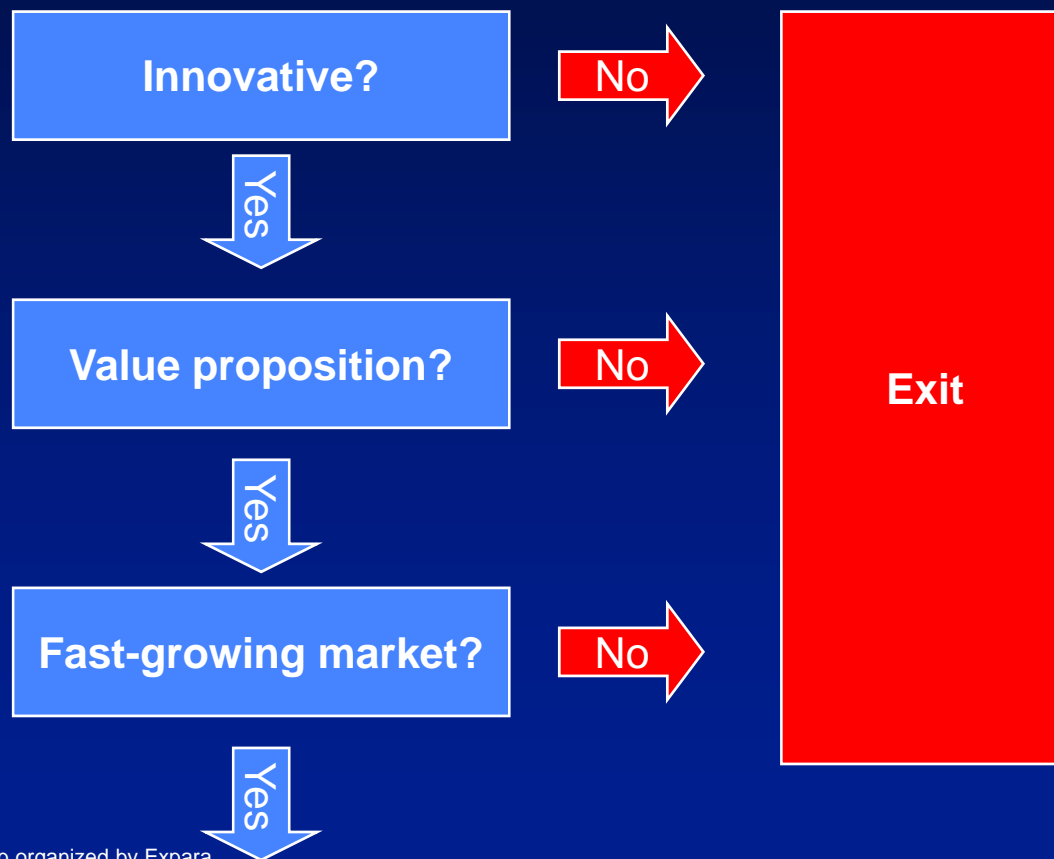
About the facilitator

- **Wharton MBA**
- **JP Morgan** – Vice President
IB Technology, GM Internet Marketing
- **Parallax Capital Mgmt** – Co-founder and MD
Venture investing
- **Extream Ventures** – Co-founder and MD
S\$20 million seed fund
- **Expara** – Founder and MD
IDM Ventures Incubator, advisory, training
- **First Meta** – Co-founder and CEO
Bank for virtual economies
- **NUS** – Adjunct Associate Professor, Business
School, Entrepreneurship



Workshop organized by Expara

The investor's decision tree



Communicating with investors

- Business plan
- Executive summary
- Investor presentation
- Formal and informal presentations

What should be in your business plan

Overview, innovation, market

1. Executive summary
2. Value proposition and innovation
3. Market identification and analysis
4. Marketing and sales strategy
5. Sustainable competitive advantage

Execution and financials

6. Company products and services
7. Team
8. Expansion plan
9. Operational plan
10. Finances – Revenue and cash flow, valuation, funding required, equity offered, ROI

Key elements for success

- Develop an innovative product – Innovation
- Solve a problem for customers – Value proposition
- Identify your customers – Market identification and analysis
- Reach your customers – Marketing strategy
- Compete when others enter - Sustainable competitive advantage
- Make money – Business model and financial plan
- Team – A team or B team

Innovation and value proposition

1. What is your product and what is innovative about it?
2. What is the painful problem you are solving for customers?
3. What are the shortfalls of the current solutions?
4. How do you solve this problem and can you quantify your benefit?
5. How does your innovation enable you to accomplish this?

Market identification and analysis

1. Who is your customer?
2. How big is your market and how fast is it growing?
 - Top-down approach
 - Bottom-up approach
3. What are trends in your market are favourable for you?
 - Technological, social, demographic, regulatory
4. Who are your direct and indirect competitors?
5. How is your market segmented?

Marketing strategy

1. How is your product differentiated from your competitors' product? Use a comparison matrix to illustrate.
2. What is your position in the market? Use a positioning map or Blue Ocean Strategy canvas to illustrate
3. What are your price, place, product, promotion and initial sales plans
4. What is your tagline?

Sustainable competitive advantage

1. How will you compete with small followers?
2. How will you compete with large companies who decide to move into your space?
3. What is your IP strategy?
4. What are your competitive strategies to create barriers to entry?

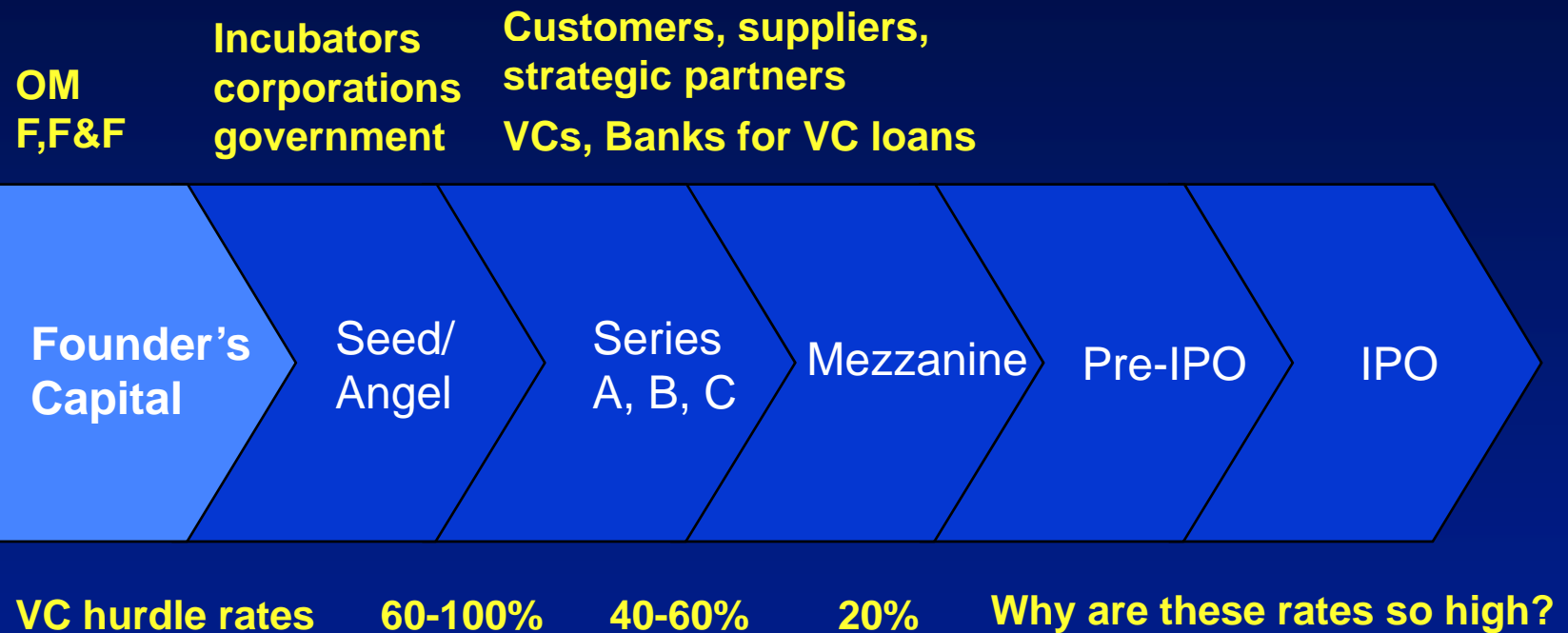
Opportunities that favor new firms

- Existing firms frozen in the headlights
- Disruptive technologies and business models
- **Uncertainty**: existing firms' advantages in market research are neutralized; risk propensity
- **Technologies**: Discrete versus systemic technologies, based on human capital, general purpose rather than specific
- **Bad customers**: Enter market that is unattractive to existing competitors due to established cost structure

In the financial section of the business plan

1. Business model
 - Revenue sources
 - Cost drivers
 - Investment required
 - Critical success factors
2. Financial projections
3. Valuation
4. Funding required and equity offered
5. Use of Proceeds
6. Exit Strategy and ROI

Stages and sources of funds



Start well and connect with the audience

- First impressions are critical - you make yours in the first 7 seconds of your presentation
- Be provocative, ask a question; humor - can be effective, but risky
- Be authoritative, know your material – tell them something they didn't already know
- Lead the audience through your story, using anecdotes and illustrative examples
- Everything you say should contribute to your point
- Make eye contact

Practice and test

- Analyze the details of your presentation, then master those details by practice, practice, practice.
- Arrive early and if you are using any technology, test it
- If you can not get in early, try to test the night before
- It is OK to be nervous before you begin

Q&A is the most important part

- Audience has a chance to ask you about what is on their mind.
- Q&A is do or die time.
- Prepare for Q&A by studying your material in-depth
- Anticipate likely difficult questions and formulate answers
- Note questions you are asked and if you did not have a good answer to a specific question, formulate one for next time.
- Don't disagree - agree

Expara flagship projects



Media Entrepreneur's Guide to Singapore (MEGS) & MEGS Online



Workshop organized by Expara



i.MATCH:
Company-Investor Matchmaking Program



From Idea to Investment
Workshop Series for the
Media & IDM Industry

About Expara

- More than 370 entrepreneurs from 275 local companies have completed Expara's workshop programs to date.
- More than 750 people from 500 companies have attended one of Expara's workshops, investor matching programs, networking events and investor forums

Contact us

- Douglas Abrams
- Expara Pte. Ltd.
- dka@expara.com
- www.expara.com
- 65-9780-5381 (hp)
- 8 Eu Tong Sen Street, The Central,
#15-89, Singapore

