

Trajectory Series Bootcamp – Session 1

Dave Parker

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Presentation & Resources

- ▣ <https://www.dkparker.com/exit/venture-ready/>
- ▣ <https://www.dkparker.com/trajectory-excerpt/>

About Dave

- 5X founder, Board Member, former SVP Programs at UP Global (Startup Weekend + Startup America)
 - Startup Next creator
 - Startup Week
- Senior Partner, Fearless.fund
- Author – "[Trajectory: Startup – Ideation to Product Market/Fit](#)"
- >15 transactions – 8 sell side, 2 buy side now with [NextPath Advisors](#)



Rules of the Road

- ▣ Ask questions as we go – especially if I talk too fast!
 - ▣ Meta questions please! Not just about your company
- ▣ Don't Ramble – I'll interrupt
- ▣ Virtually...
 - ▣ Network – you need to build you network for the future starting today
 - ▣ #GiveFirst – you have complimentary skills around you

Session 1 Agenda

- ▣ Intro
- ▣ Telling Your Story in 10/12 Slides
- ▣ Research & Competitive Analysis
- ▣ Value Propositions
- ▣ Markets
- ▣ Customer Development Data
- ▣ Awkward Co-Founder Discussions

Score Yourself

1-4

Team: Why you, balanced team (talents, diversity), domain experts, serially successful founders, great company experience

Idea: Are you solving a problem? New or existing problem, big category (vs tool), early/late continuum, technical achievable, pain pill or vitamin

Product: do you have a product, how mature, customer first, solid design, clear roadmap to scale

Market/Customer: big market (TAM/SOM), cash available, new or nascent market?

Competition: How many incumbents, funding status, are you incremental better or 10X better?

Traction: Customer validation, revenue, improving unit economics?

Timing: Why now? Are you late, early, too early?

Revenue Model/Finance: How will you monetize your idea? Do you have a basic budget on spending, big or small economics

IP/Moat: Is your idea defensible? Can you build a moat over time?

Clear Ask: What do you need help with? Advice, funding, introduction, help finding staff?

Total out of 40

Venture Ready

Fast NO

- ▣ Market
- ▣ Team
- ▣ Product
- ▣ Traction

Slow Yes

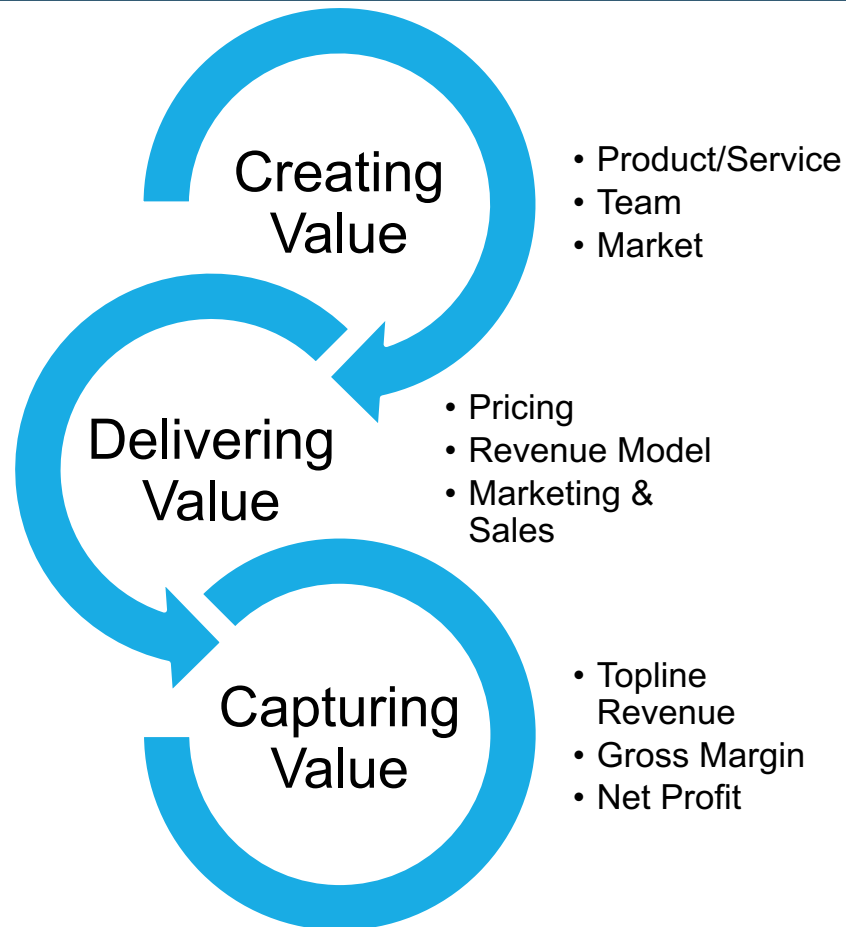
- ▣ Idea
- ▣ Competition
- ▣ Business Model/Finance
- ▣ Timing
- ▣ Intellectual Property/Moat
- ▣ Clear Ask

Addressing the Weaknesses

- ▣ Where were you weak
- ▣ How would you answer differently
- ▣ What can you change now – before final pitches?

- ▣ Don't ignore the elephant in the room – investors won't!

Business Model Breakdown



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Creating Value

- ▣ Product or Service or combination
- ▣ Cost to Build – Team
 - Engineering
 - Design
 - Hosting
 - Manufacturing
- ▣ Cost of Delivery & Support

Delivering Value

- ▣ Revenue Model
- ▣ Pricing
- ▣ Customer Acquisition Cost (CAC)
 - Marketing Methods and Spend
 - Sales Models
- ▣ Lifetime Value (LTV)
- ▣ Note Promotions are not pricing or revenue models (e.g. freemium is a promotion)

Capturing Value

- ▣ What's left over!
- ▣ Topline Revenue
- ▣ Gross Margins
- ▣ Net Profit

Two Startup Epochs

Epochs

- ▣ BC

- ▣ Pre Internet

- ▣ Pre Game of Thrones

- ▣ AD

- ▣ Post Internet

- ▣ Post Game of Thrones



You?



- ▣ Pre Product-Market Fit

- ▣ Risk Capital

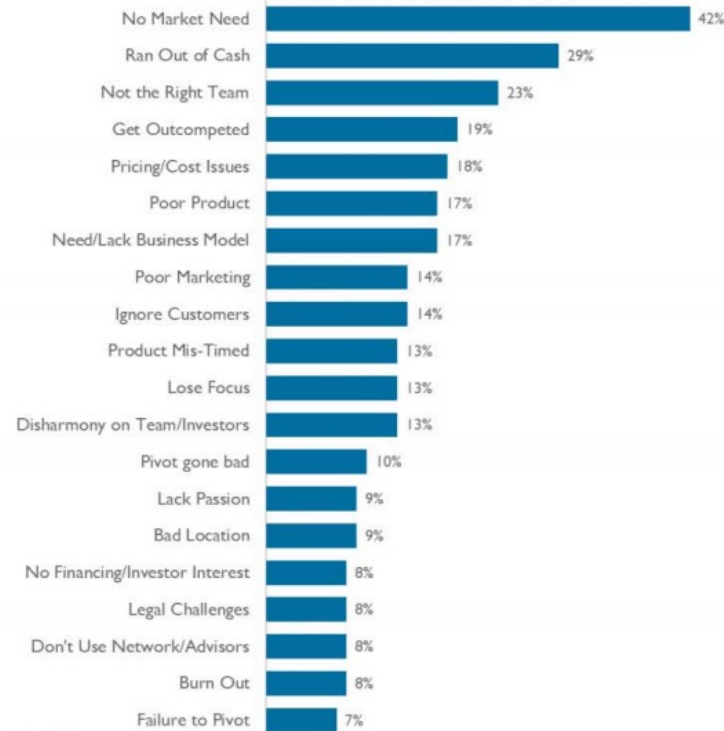
- ▣ Post Product-Market Fit

- ▣ Growth Capital

Why Startups Fail

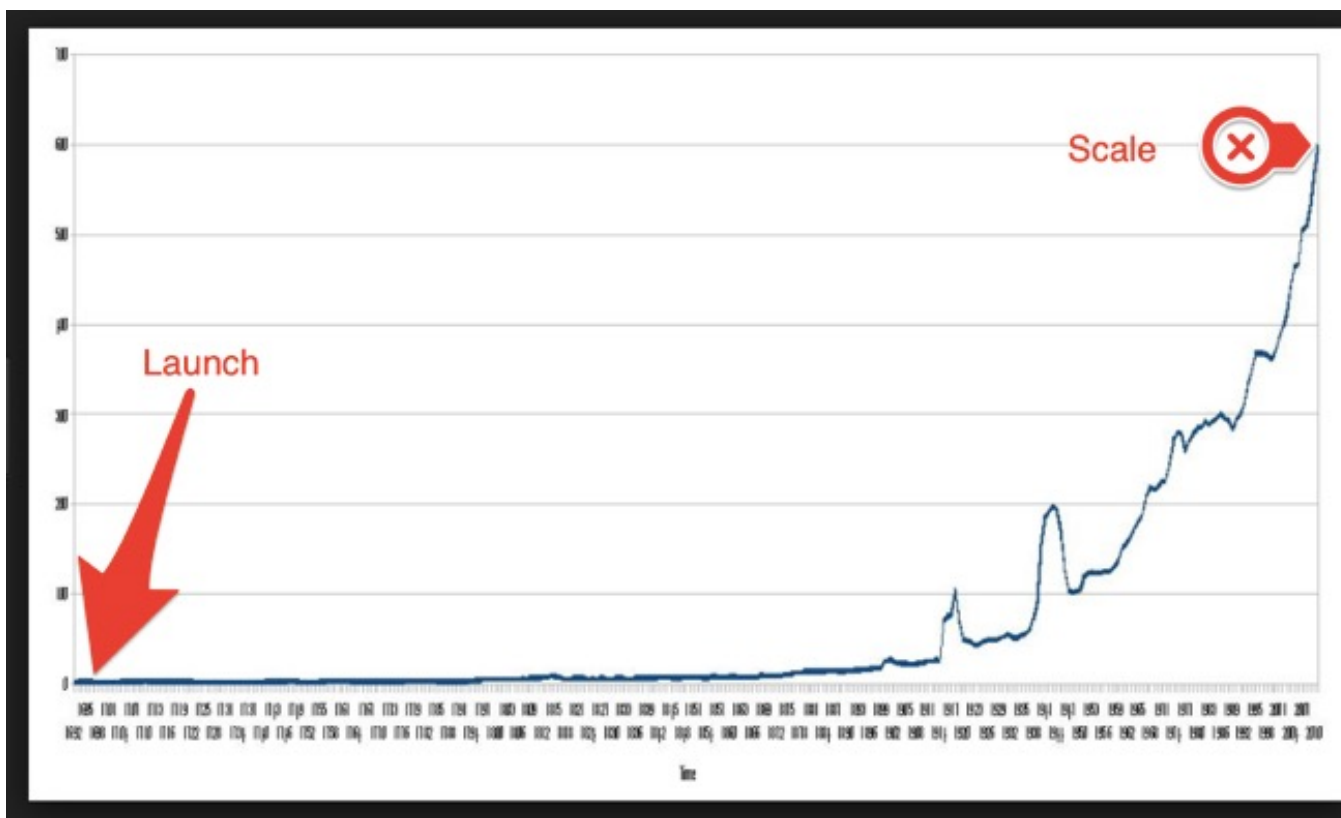
Top 20 Reasons Startups Fail

Based on an Analysis of 101 Startup Post-Mortems



www.cbinsights.com

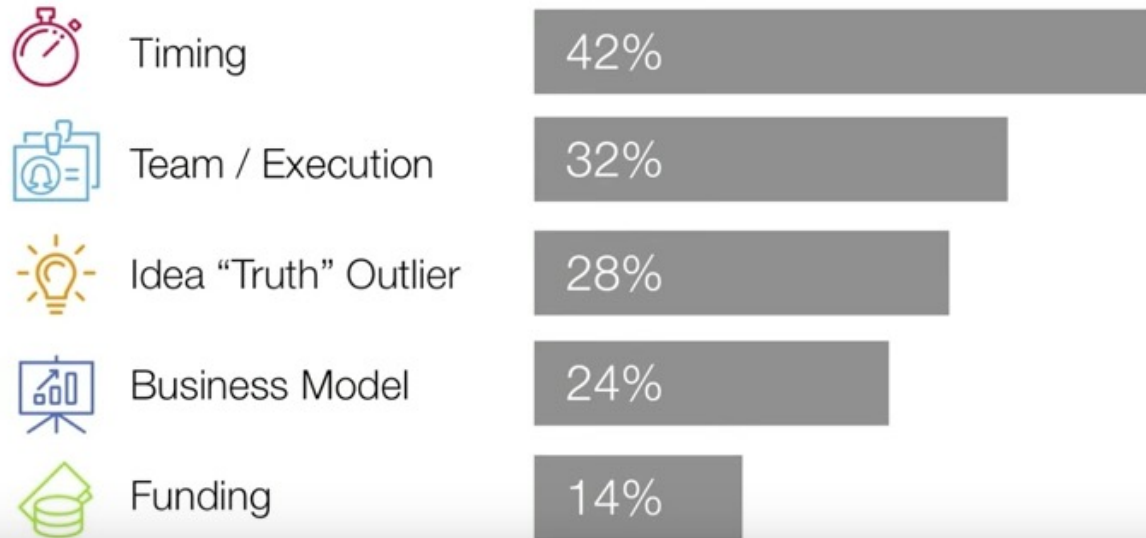
Launch & Survive



Judging a Startup – Bill Gross

Ultimate success – AT SCALE – Assumes good market

Top 5 Factors in Success Across More Than 200 Companies



Surfing Analogy

- ▣ The Wave
- ▣ The Board
- ▣ The Surfer
- ▣ The Trend
- ▣ The Product
- ▣ The Leader/Team

Market timing = bad waves

Small waves are bad

Bad product

Wrong person/team for the market

Are all three lined up for you?



Bring \$\$\$

Categorizing Your Solution

	Product	Service
B2B	Salesforce	Consulting
B2C	Games	For profit school

What Problem/Opportunity

- ▣ What's the problem
 - ▣ Pain Pill
 - ▣ Vitamin
- ▣ What's the opportunity
- ▣ Solving for who?
- ▣ Can you create and capture value?
 - ▣ Who will pay?

Product & Companies

- ▣ Products aren't fundable – Companies are fundable
- ▣ Lifestyle businesses – won't funded
- ▣ Local vs. Scalable businesses

Which one will you be?

- ▣ Services vs Product
 - ▣ Exit multiples

Should you build it?

Belty, an internet-connected belt



Humans held their pants up just fine with leather belts for thousands of years. But now, there's a better way. According to its maker, the Belty smart belt automatically loosens when you've had too much to eat, using "an actuator that ensures your preferred level of comfort throughout the

And than there's this (\$120M)



It sounds like America's favorite \$400 juice machine will be no longer.

Pre-Mortem

If Your Startup was to Fail, Why?

- ▣ What's the number one reason
 - ▣ Product
 - ▣ Customer Acquisition
 - ▣ Competition
 - ▣ Lack of funding
- ▣ Rank

10 or 12 Slides?

Two Use Cases - Two Decks

Slides for Stage – 4 Min

- ▣ 10 Slides
- ▣ It's a contrived event
- ▣ Check boxes for hitting required elements
- ▣ Supporting Slides

Slides for Conf Room

- ▣ 13 Slides
- ▣ It's about the dialog and understanding the investor's questions
- ▣ + Supporting Slides

10/13 Slides for Your Pitch

1. Startup Name, Logo, tagline
2. Problem
3. Solution
4. Product / how it works
5. Revenue Model/Pricing
6. Market Size
7. Go-To-Market
8. Competition
9. Traction
10. Roadmap
11. Clear Ask/What do you need from the program
12. Team
13. Thank you slide – contact info, website

[Blog Post](#)

Famous Pitch Decks

- ▣ 30 Famous Pitch Decks
 - ▣ Facebook, LinkedIn, etc
 - ▣ Early to later stage
 - ▣ Not all had great graphics
- ▣ Uber, AirBnB, Facebook examples

Recap

- ▣ 4 Minute Pitch
- ▣ 8 Minute Q&A
- ▣ ~10 Slides
- ▣ Follow the general order
- ▣ Not 26!
- ▣ Add design
- ▣ You can do it!

Research & Competitive Analysis

Research

- ▣ You are not the customer
- ▣ Methods of Research
 - ▣ Blue Ocean
 - ▣ Gartner Magic Quadrant
- ▣ Documentation and Analysis
 - ▣ Google Search – what are the keywords someone would type to find your solution
 - ▣ Crunchbase Search – funding, timing, categories
 - ▣ Competitive Product/Service pricing







Pattern Matching

- ▣ Stage
- ▣ Customer Type
- ▣ Categories

Companies

[+ Add Companies filter](#)

Search 1-50 of 100,000+ results in 0.009s

<input type="checkbox"/>	Organization Name <input type="text"/>	Categories <input type="text"/>	Headquarters Location <input type="text"/>
<input type="checkbox"/>	1.  Xiaomi	Consumer Electronics , Mobile , Internet	Beijing, Beijing, China
<input type="checkbox"/>	2.  SeedInvest	Crowdfunding , Association , Venture Capital	New York, New York, United States
<input type="checkbox"/>	3.  Kickstarter	FinTech , Finance , Crowdsourcing , Crowdfunding	Brooklyn, New York, United States
<input type="checkbox"/>	4.  Lenovo	Mobile , Manufacturing , Computer , Hardware	Morrisville, North Carolina, United States
<input type="checkbox"/>	5.  Virgin Hyperloop One	Transportation , Manufacturing , Travel	Los Angeles, California, United States
<input type="checkbox"/>	6.  Singapore Post	Retail , Supply Chain Management , Logistics	Singapore, Central Region, Singapore

startups.com

Summary

Financials


People

Technology

Signals & News

About

Startups.com helps over 1 million startup companies find customers, funding, mentors, and world-class education.

 Columbus, Ohio, United States

 101-250

 Private

 www.startups.com

 84,722

 ADD TAGS

Highlights

Acquisitions

3

Contacts

17

Employee Profiles

8

Recent News & Activity

 News · Jul 12, 2021

TECHCOMMUNITY.MICROSOFT.COM – Microsoft 365 Dev Podcast - Building an Application on the Microsoft 365 Platform with Elio Struyf

 News · Jul 5, 2021

SaaSStock – What are SaaS metrics, and why are metrics important for SaaS companies / Startups?

 News · Jun 21, 2021

Tech in Asia – 500 Startups joins pre-series A round of Indonesian social commerce startup

[VIEW ALL](#)

Find More Contacts for Startups.com

 Recommended Companies

Crunchbase

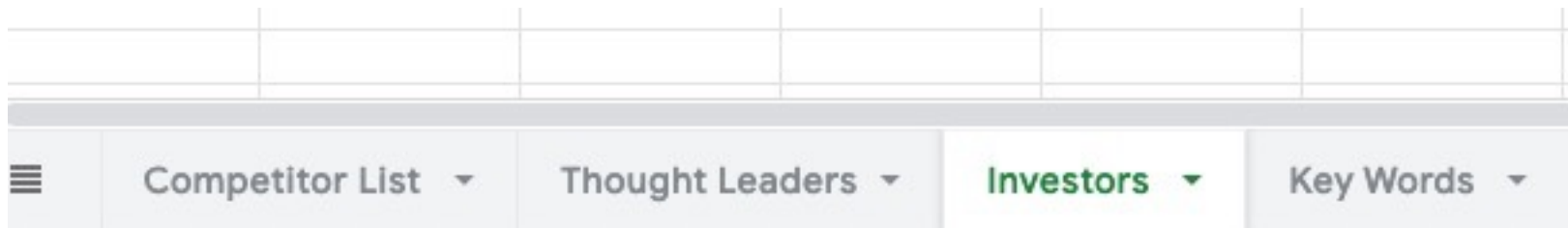
<https://www.crunchbase.com/>

Research

- ▣ Create a Google Sheet with your research
- ▣ One tab for research, one for competitors
- ▣ Who has written about your market
 - ▣ Professionals, bloggers, others
- ▣ Who has raised capital in this market
- ▣ What's the state of the "Wave?"

Research

- ▣ Collaboration tool (Gdoc, Notion, etc.)
- ▣ Google Sheet with your research
- ▣ Tabs for:



A screenshot of a Google Sheet interface showing a grid of cells above a tab bar. The tab bar contains four tabs: 'Competitor List', 'Thought Leaders', 'Investors', and 'Key Words'. The 'Investors' tab is highlighted in green, indicating it is the active sheet. To the left of the tabs is a hamburger menu icon.

☰ Competitor List ▾ Thought Leaders ▾ **Investors** ▾ Key Words ▾

Specific Competitors

- ▣ Feature List
- ▣ Product positioning
- ▣ Gaps
- ▣ Pricing
- ▣ Target customer/profile
- ▣ Marketing approach

Getting Data

- ▣ Right Mouse click
 - ▣ Keywords, meta data
- ▣ Pull keywords for competitors – Google Sheet
- ▣ Tools
 - ▣ <https://www.semrush.com/>
 - ▣ <https://topics.seomonitor.com/query>
 - ▣ Google Keyword tool
- ▣ Social
 - ▣ <https://www.rivaliq.com/>

Keyword Planner

ads.google.com/aw/keywordplanner/home?ocid=56542494&eid=68244774&__u=5583883126&uscid=56542494&__c=8093247406&authuser=0&sf=kp&subid=US-en-et-g-aw-a-tools-kwp_bb-...

Google Ads | Keyword Planner

Your account isn't active - Your ads aren't running because your account has been canceled.

Discover new keywords

START WITH KEYWORDS START WITH A WEBSITE

Enter a domain or a page to find keywords

For example, domain.com (website) or domain.com/page (webpage)

English (default) United States

Use the entire site

Use only this page

GET RESULTS

Google Ads | Keyword plan

Your account isn't active - Your ads aren't running because your account has been canceled.

Site: United States English Google Oct 2020 - Sep 2021

Broaden your search: No suggestions found

Exclude adult ideas ADD FILTER 1,143 keyword ideas available

<input type="checkbox"/> Keyword	Avg. monthly searches	Three month change	Competition	Ad impression share	Top of page bid (low range)	Top of page bid (high range)
<input type="checkbox"/> sole proprietors	100K - 1M	+900%	Low	-	\$1.26	\$5.07
<input type="checkbox"/> venture capitalist	10K - 100K	0%	Low	-	\$2.38	\$12.34
<input type="checkbox"/> grants to small businesses	10K - 100K	0%	High	-	\$1.17	\$9.99
<input type="checkbox"/> investor angel	10K - 100K	0%	Medium	-	\$2.03	\$8.47
<input type="checkbox"/> company startups	1K - 10K	0%	Low	-	\$1.45	\$5.44
<input type="checkbox"/> startup a company	1K - 10K	0%	Medium	-	\$3.50	\$15.54
<input type="checkbox"/> funded startup	1K - 10K	0%	Medium	-	\$4.14	\$13.02

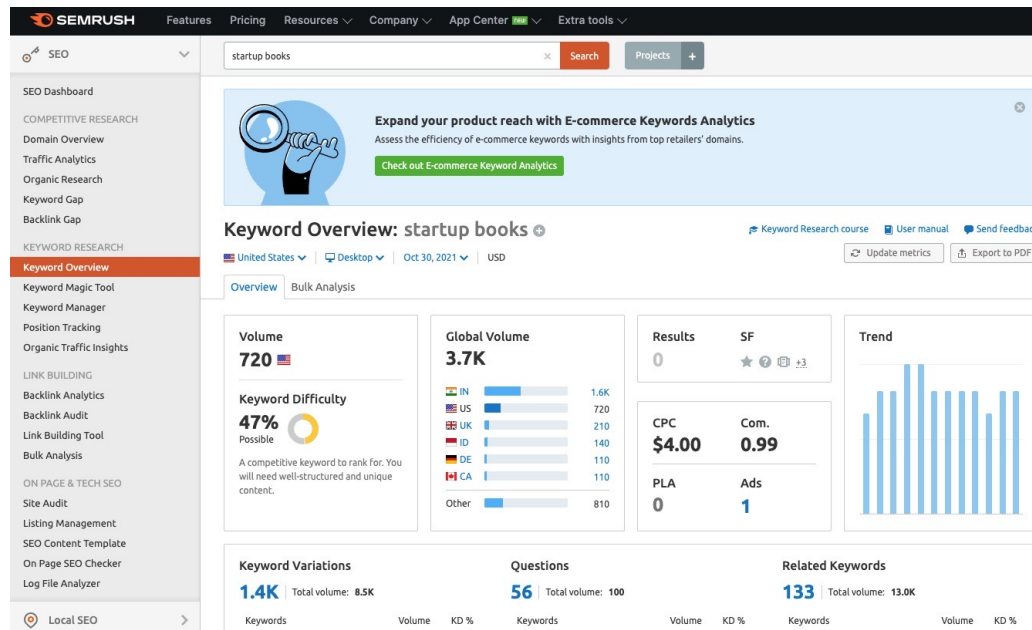
<https://ads.google.com/>



Keywords Everywhere

KeyWords Everywhere

<https://keywordseverywhere.com/>



SEM Rush

<https://www.semrush.com/>

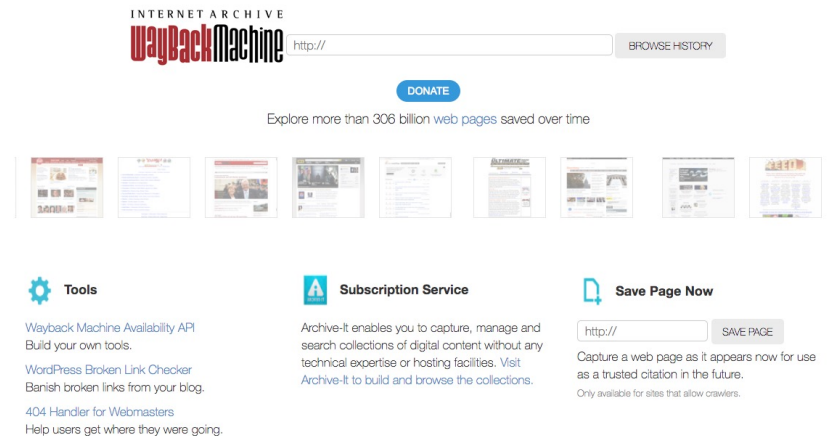
Hire someone on Fiverr to do it for you!

Getting Data – B2C

- ▣ Playstore/App Store
 - ▣ One Star
 - ▣ Four Star

Who has tried this before?

- ▣ What about Analyst report?
- ▣ Why did they fail?
- ▣ Use [Wayback Machine](#) to look back



The screenshot shows the Wayback Machine homepage. At the top, it says "INTERNET ARCHIVE" and "WayBackMachine". There is a search bar with "http://" and a "BROWSE HISTORY" button. Below the search bar is a "DONATE" button and the text "Explore more than 306 billion web pages saved over time". A row of ten small thumbnail images shows various archived web pages. Below this are three sections: "Tools" with a gear icon, "Subscription Service" with a blue 'A' icon, and "Save Page Now" with a blue 'D' icon. Each section has a brief description of its services.

Tools
Wayback Machine Availability API
Build your own tools.
WordPress Broken Link Checker
Banish broken links from your blog.
404 Handler for Webmasters
Help users get where they were going.

Subscription Service
Archive-It enables you to capture, manage and search collections of digital content without any technical expertise or hosting facilities. Visit Archive-It to build and browse the collections.

Save Page Now
Capture a web page as it appears now for use as a trusted citation in the future.
Only available for sites that allow crawlers.

Looking Back

- ▣ Feature List – then and now
- ▣ Product Positioning
- ▣ Pricing changes over time

INTERNET ARCHIVE
WayBackMachine

BROWSE HISTORY

Competitive Tech Stack

- ▣ [Builtwith](#)
- ▣ [Mixpanel](#)
- ▣ [StackShare](#)
- ▣ [Siftery](#)
- ▣ [Ghostery](#) – MarTec Stack

Updates

- ▣ Subscribe to Google Alerts
 - ▣ Competitors
 - ▣ Thought leaders
 - ▣ Analysts
- ▣ RSS Reader
 - ▣ Specific pages within competitors

A Note Regarding Biases

Decision-making, belief, and behavioral biases [\[edit \]](#)

Many of these biases affect belief formation, business and economic decisions, and human behavior in general. They are characterized by:

Name	
Ambiguity effect	The tendency to avoid options for which missing
Anchoring or focalism	The tendency to rely too heavily, or "anchor", on
Anthropocentric thinking	A tendency observed in children to use human e
Anthropomorphism or personification	The tendency to characterize animals, objects, e
Attentional bias	The tendency of our perception to be affected by
Automation bias	The tendency to depend excessively on automa
Availability heuristic	The tendency to overestimate the likelihood of e be. ^[17]
Availability cascade	A self-reinforcing process in which a collective b
Backfire effect	The reaction to disconfirming evidence by streng
Bandwagon effect	The tendency to do (or believe) things because
Base rate fallacy or Base rate neglect	The tendency to ignore base rate information (g
Belief bias	An effect where someone's evaluation of the log
Ben Franklin effect	A person who has performed a favor for someo
Berkson's paradox	The tendency to misinterpret statistical experime
Bias blind spot	The tendency to see oneself as less biased than
Cheerleader effect	The tendency for people to appear more attracti
Choice-supportive bias	The tendency to remember one's choices as bet
Clustering illusion	The tendency to overestimate the importance of

Questions?

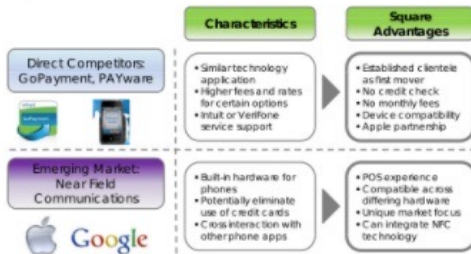
Where to source your data for
your research?

Competitive Slide Examples

4. Square

Competition and Defensibility

Its established presence and niche market give Square a competitive edge



8 of 20



Value Proposition

Positioning

- ▣ Positioning is holding a place in your customer's mind – not as everything, what's memorable?
- ▣ Who is the initial customer
- ▣ Think about limiting service and customer first – before you expand
 - ▣ You're not precluded from selling other services or products
- ▣ What claim or promise will you make?

Don't Bury the Lead

- ▣ Think of this like journalism
- ▣ What's the headline?
- ▣ What's the Lead?
- ▣ What's the Story?

Testing

- ▣ Each pitch is a rapid A/B testing
- ▣ Look for 1:Many opportunities to test your value proposition
 - ▣ Trade shows
 - ▣ Peers
- ▣ Test tag lines

Branding

- ▣ You don't have a big budget – so you can't afford brand advertising
- ▣ Start with brand neutral and build
- ▣ Memorable
- ▣ Phonetically easy to spell
- ▣ Avoid double letters, etc

Taglines

- ▣ The one sentence summary
- ▣ Pull from the Madlibs Pitch
- ▣ Benefits to customer – not features
- ▣ Simple
- ▣ Evolve with the company

Exercise

- Write out:
 - What makes you different?
 - Why should people buy from you?
- Write your websites tagline and opening paragraph
- What claim/promise will you make
- Write your DRAFT Unique Selling Proposition
- Compare this to your Pitch

Dave's Madlibs Pitch

Hi, I'm <your name here>, and my company <your Company name here> the problem I'm solving is <insert problem here>. Our product <insert product info here> is designed for our target customer of <insert target customer here>. We make money by <insert method here> and our team is the right team because <insert why you're awesome here>. I need help with <insert help needed here>.

Markets

Market Sizing

- ▣ How big is the market
 - ▣ Country
 - ▣ Region (GCC?)
 - ▣ MENA
 - ▣ Global
- ▣ Data sources – statistica, Gartner (IT), Forrester (IT), HIS Markit (UK)
- ▣ How do you put a \$\$ amount to it?

Ideal Customer Profile (ICP)

B2B

- ▣ Company type
- ▣ Vertical
- ▣ Size/Stage
- ▣ Buyer profile
- ▣ User profile

B2C

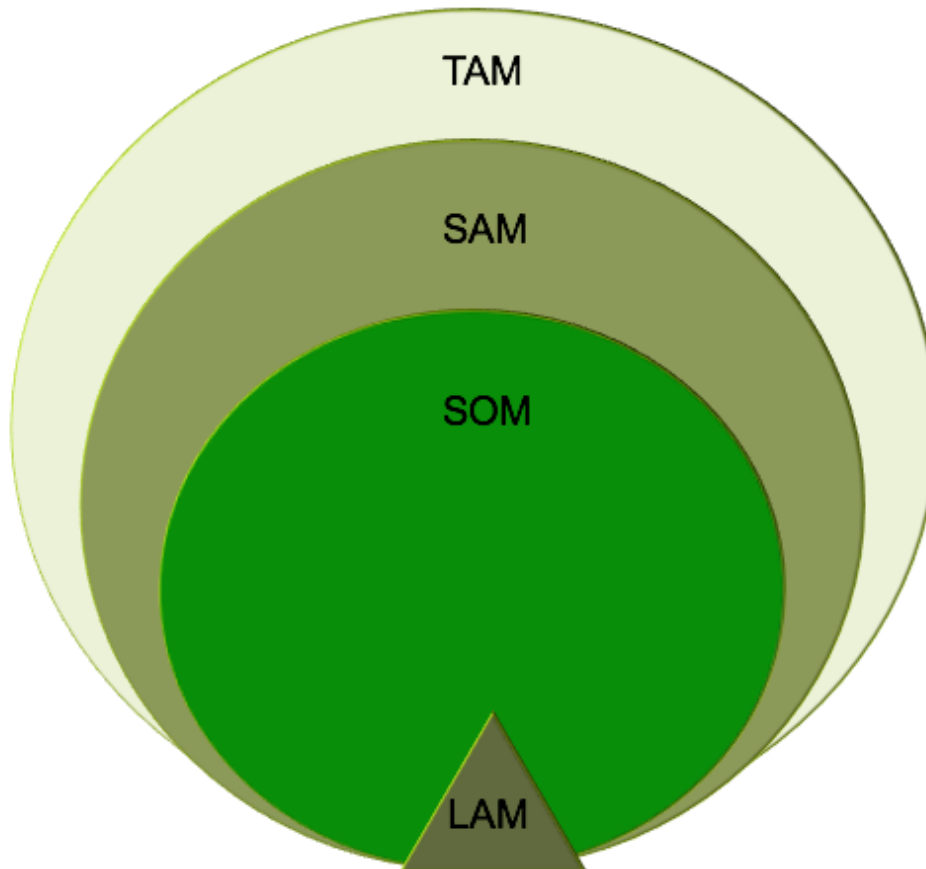
- ▣ Profile
- ▣ Demographic
- ▣ “Name”

Target Market & Customer

- ▣ Who's your ICP
- ▣ How big is the market

The Academic Exercise

Who is the Market & Customer



TAM – Total Addressable Market
SAM – Service Addressable Market
SOM – Service Obtainable Market
LAM – Launch Addressable Market.
Who can buy your product at MVP?

Total Addressable Market

- ▣ Also called Total Available Market
 - ▣ Think global – launch local
 - ▣ The Upside
- ▣ Calculating – bottom up, Total number of customers X Annual Revenue for your product
 - ▣ Direct Data
 - ▣ Explicate data
 - ▣ Indirect Data
 - ▣ Implicit data
 - ▣ Triangulation Data
 - ▣ A combination of different data sources

Service Addressable Market

- Or Serviceable Available Market
- The part of the market that can actually be reached
 - Sales and Marketing driven
 - With the features you have now
 - With the product roadmap you have
 - Competition
- Not everyone that might use it, if they found it, if it was in their language and currency

Service Obtainable Market

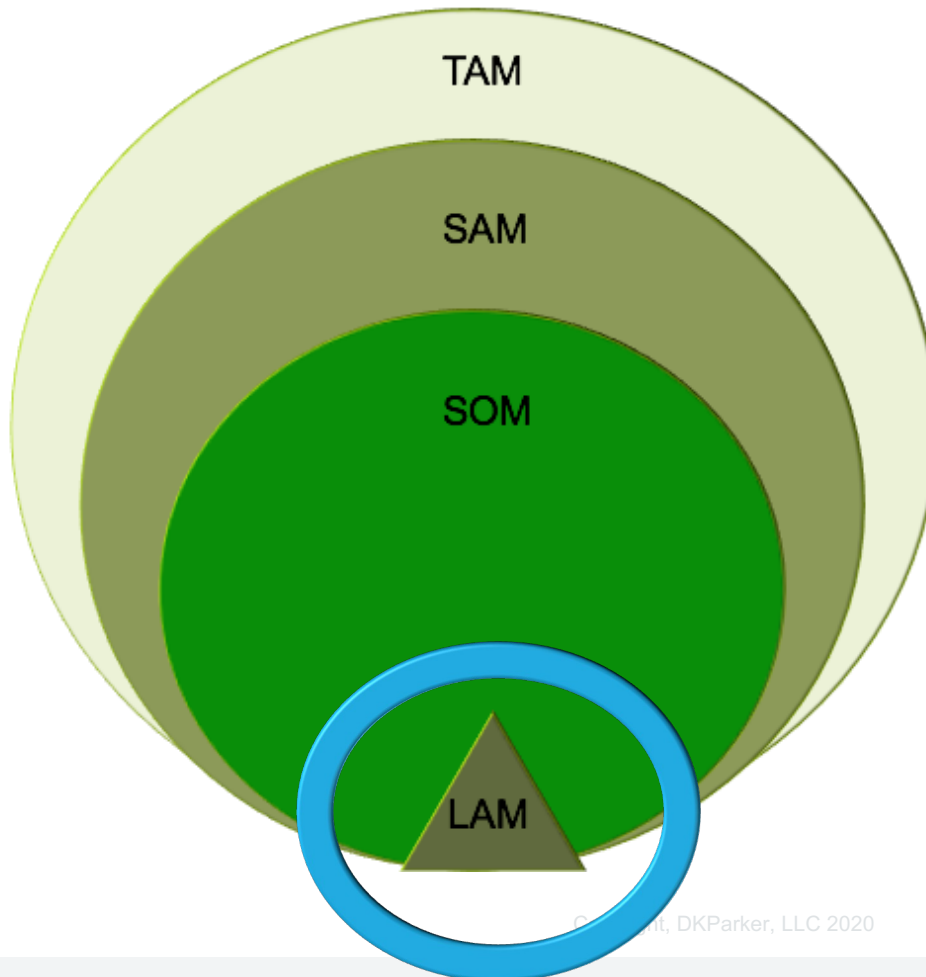
- ▣ The subset of the market you can capture
- ▣ A proxy for short term upside
- ▣ Not Aspirational

Real World Market Size

Launch Addressable Market

- ▣ Given you TAM, SAM and SOM – WHO is the customer?
- ▣ And limited features
- ▣ Who can you sell to today?
 - ▣ B2B
 - ▣ B2C
 - ▣ Buyer profile
- ▣ What features will you need to launch to expand your market and price?

Who is the Market & Customer



TAM – Total Addressable Market
SAM – Service Addressable Market
SOM – Service Obtainable Market
LAM – Launch Addressable Market.
Who can buy your product at MVP?

10, 100, 1000 Customers

- Have a plan for how you get your first customers
 - 10 – it's you and your co-founder
 - 100 – still you, maybe one inside salesperson, forming a process to scale
 - 1000 – not you, scalable process
- Your LAM maps to your Go-to-Market (GTM)
 - Customer
 - Value Prop
 - Pricing
 - Marketing Spend and Sales effort

Market Conditions

- ▣ Nascent/New market
 - ▣ Uber, AirBnB
- ▣ Large markets - >\$100M or \$1B
 - ▣ Large market provide “at bat” opportunities
 - ▣ Small markets suck
- ▣ Headwinds or tailwinds?
 - ▣ Covid

Who is your customer?

- Product vs. Services
 - Product is something you can deliver or ship – can you make \$\$ while you sleep
 - Services require people to deliver on the value and promise – consulting or a restaurant
- Who pays the bill?
 - A business
 - The Consumer
- The product user and who pays can be different as in Facebook or Google that make money on advertising

Why/How do they buy?

- ▣ Make Money vs. Save Money?
- ▣ Searching for product
- ▣ Needs to be sold

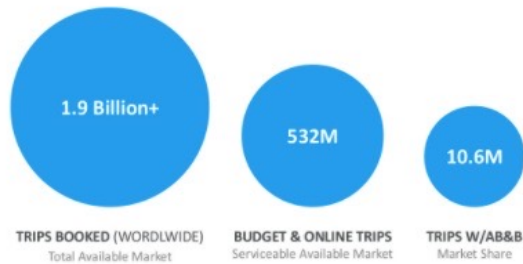
Bottoms Up Market Size

- ▣ How many people can buy your product – given current features/limitations
- ▣ How many companies can buy your product – given current features/limitations
- ▣ Market Growth
 - ▣ Location
 - ▣ Region
 - ▣ Global

Market Size Examples

2. Airbnb

Market Size



5

4. Square

The Market

Mobile payments is a massive, rapidly growing but underpenetrated industry



Opportunity

- Traditional card readers are **unreliable & expensive**
- Difficult for small business owners to use card services
- Alternative online services are **expensive**

Market Changes

- Rapidly burgeoning interest in mobile payments
- NFC tech adoption but credit card usage prevails
- Capturing a loyal user base has huge revenue potential

Square Positioning

- First mover advantage
- Scalable across multiple platforms
- Low costs address target customer needs

*Source: Ate Group

UberCab

Overall Market

- \$4.2B annually and growing
- Top 4 players combined only 22% of revenues

7.25 THE UNITED STATES

Year	Taxi and Limousine Service (US \$ mln): The United States 2004 - 2014		
	The United States	% of Region	% of Globe
2004	3,858.07	89.89%	22.70%
2005	3,942.95	89.85%	22.42%
2006	4,029.70	89.82%	22.13%
2007	4,118.35	89.78%	21.85%
2008	4,208.95	89.74%	21.56%
2009	4,301.55	89.71%	21.29%
2010	4,396.19	89.68%	21.03%
2011	4,492.90	89.64%	20.76%
2012	4,591.75	89.61%	20.49%
2013	4,692.76	89.57%	20.22%
2014	4,796.00	89.53%	19.95%

Source: Philip M. Parker, INSEAD, copyright 2008, www.iscomgrouponline.com

Exercise - How Big is Your Market

Dave's Madlibs Pitch

Hi, I'm <your name here>, and my company <your Company name here> the problem I'm solving is <insert problem here>. Our product <insert product info here> is designed for our target customer of <insert target customer here>. We make money by <insert method here> and our team is the right team because <insert why you're awesome here>. I need help with <insert help needed here>.

Session 1 Deliverables

- Track your Venture Ready Score Before/After
 - What can you do over the next 90 days to improve
- Start drafting your 13 slides
- List your research, competition and sources
- Outline your Market including your TAM, SAM, & SOM (hint, it's a number)
- Write is your pre-mortem – if you were to fail, why would you fail
- Draft your value proposition
- Outline your existing and required Customer Development data

Session 1 Deliverables

- 1. Title, Value Proposition, Contact Info**
 2. Traction
 - 3. Problem/Solution**
 - 4. Market – TAM, SAM, SOM**
 - 5. Timing/Competition**
 6. Product Roadmap/Demo
 7. How You Make Money/Key Metrics
 8. Go-To-Market
 9. Secret Sauce/Moat/IP
 - 10. Team**
 11. Clear Ask
- Supporting Slides – Roadmap, etc.

[Blog Post](#)