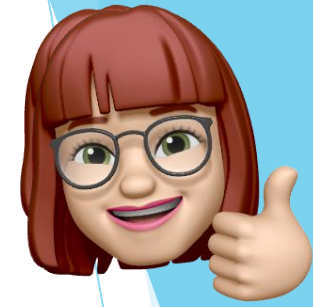


Your Good Idea: Getting it From an Idea to a Technology to a Product

Susan R. Cornelius
Accelerate2Solutions, Principal and Founder
UNM Rainforest Innovations Accelerator Lead Mentor and
EDA/UNM University Program, Mentor
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Susan R. Cornelius, UNM Rainforest Innovations Accelerator, Lead Mentor

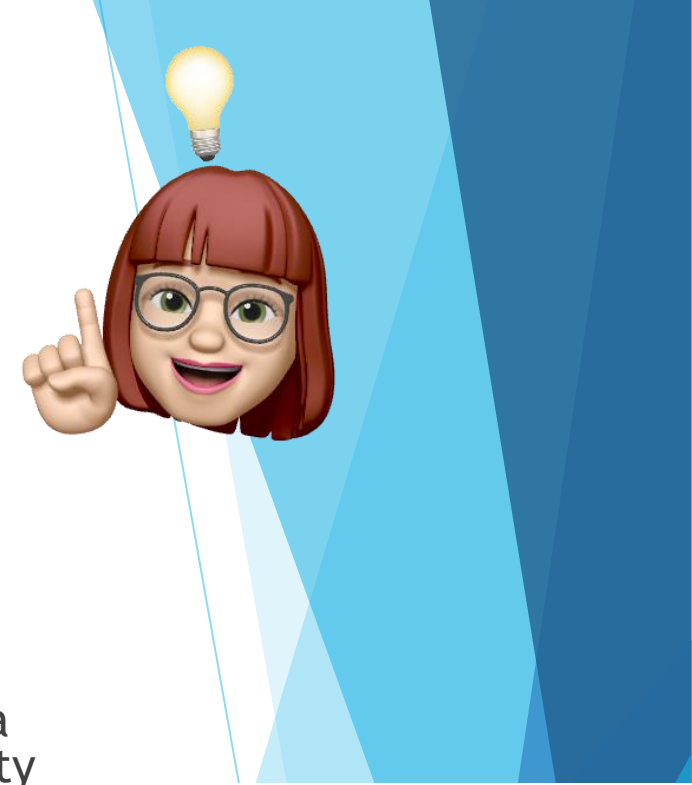


- ▶ 20 years experience building valuable companies, identifying industry breakthroughs, and investing in people.
- ▶ I believe that mentors who invest in and support entrepreneurs should be characterized by a "give first" philosophy, openness, and a steadfast, conscientious approach combined with unconventional thinking.
- ▶ Some stats:
 - ▶ Since 1992: Coached and mentored over 600 innovators and entrepreneurs.
 - ▶ Coached 81 start-ups – tech, med tech, some bio pharma and retail – to Round A Seed Money .
 - ▶ Invested in and took an active role as a Founder in 9 startups from healthcare to directed energy.



Steps to Success

- ▶ So you have an idea! Maybe even a technology or a prototype.
- ▶ Have you validated your idea in the market?
- ▶ Building a start-up takes 200% of your time and a team of 2 to 3 people to work hard , be committed, work with passion and focus. THE RIGHT TEAM, a diversity of people and their ideas, who will disagree with you, and an ability to ask for help and admit failure is essential..
- ▶ You are probably seeking funding.
- ▶ Start with the end in mind: Build-Grow, Build-Sell
- ▶ **FOCUS ON: Conducting a validation process of your customer, product, market, and answer the question: Will they buy?**



Assumption #1

- ▶ Your Technology is not your Product. You will PIVOT.

Assumption #2

- ▶ Start ups are not companies until they are making revenues and selling product. Initially, they are vehicle to organize, validate market fit, finish the prototype/MVP, and raise money.

Assumption #3

- ▶ You, especially, and your team are ready to work 200% of the time to achieve the above and to succeed.



Intro to The Business Model Canvas

What you need to learn so that you are set up for success.

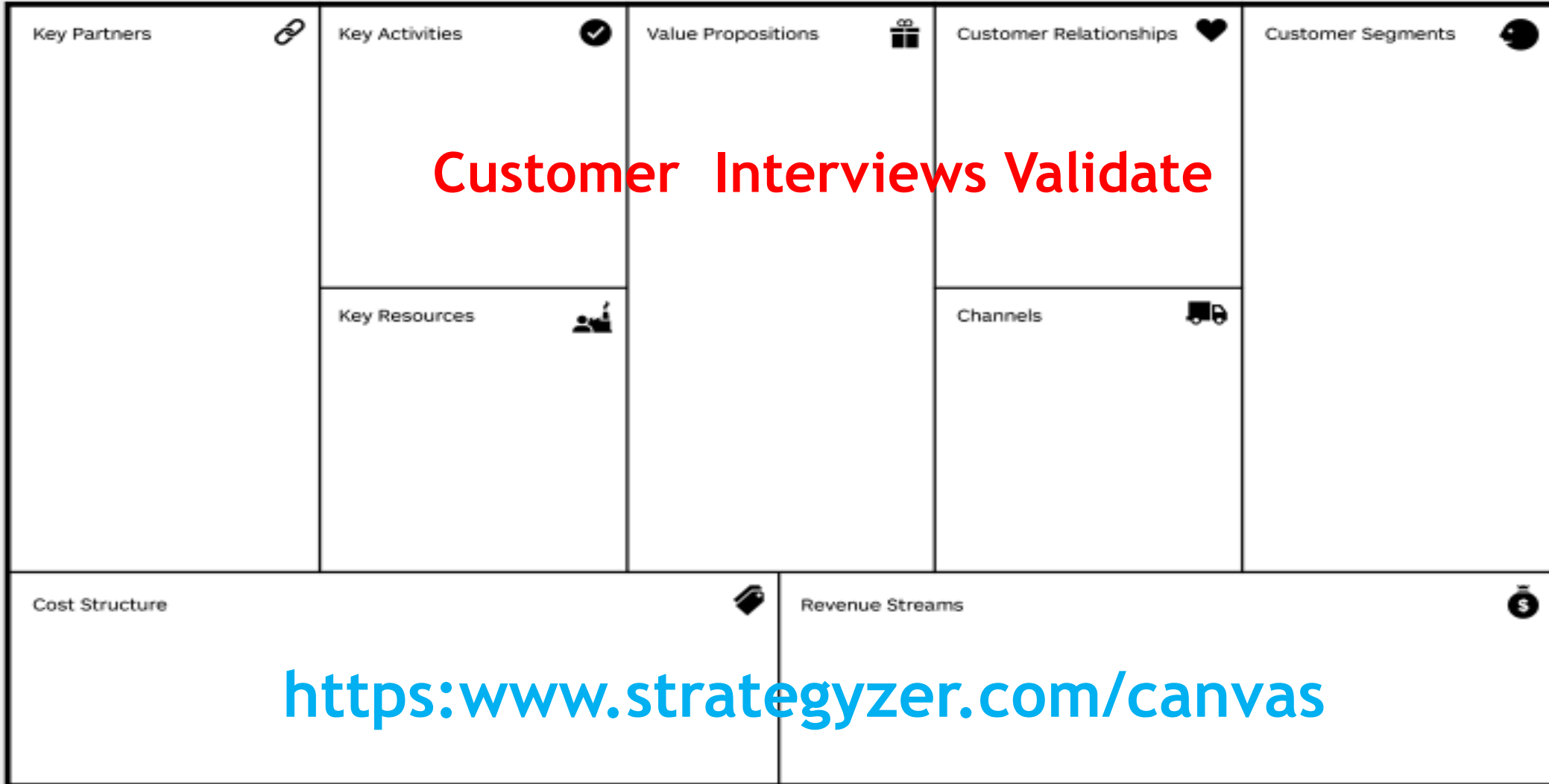
The Business Model Canvas

Designed for:

Designed by:

Date:

Version:



PRE WORK TO THE BUSINESS MODEL CANVAS (BMC)

- ▶ You will be asked for a technical description of your idea and technology. For right now you will only be sharing the outlines of your idea. If you are building a prototype, you will be only be giving the outlines of your test results which support your hypotheses. Your idea, by the way, is an hypothesis filled with hypotheses.
- ▶ Write a two page executive summary with your team. Show it to people you trust. Get feedback. Rewrite and rewrite.
- ▶ Here is an overview of what to include. First, it is no more that two pages, double spaced with margins.
- ▶ Outline:
 - ▶ 1. Executive Summary: Name of your company, goals, and a summary of one sentence on your technology, testing and results, customer feedback to date, 1-3 markets, the benefits, and how you intend to sell and when.

PRE WORK TO THE BUSINESS MODEL CANVAS (BMC)

- ▶ Outline Cont:
- ▶ 2. A four sentence summary on the members of your team, their names and years of experience and expertise in creating new technologies and markets.
- ▶ 3. A three to four sentence paragraph on your technology. What is it? (A 30,000 foot explanation!) Its Benefits? What problems does it solve? Is it cheaper? Faster? How is it unique? What have customer interviews told you about whether or not customers will buy?
- ▶ 4. Who and what are your markets? Priority order, please. How do you know? Did you research your hypotheses? Did your customers tell you that these are your markets? How are you testing that these are your markets?
- ▶ 5. What is your timeline to MVP/Minimal Viable Product? What is your MVP? What are your steps? How much time and money have you put into it so far? **Sources of that money?** When will the MVP be ready to test the market? How will you enter the market(s)?
- ▶ 6. And finally, what is your ask? How much do you need? **(\$250K)**

A Business Model Checklist, Page One

▶ Value Proposition:

- ▶ 1. Are customers passionate about your long-term product vision? Can you translate this to quantifiable product projections?
- ▶ 2. Do the product features and benefits still make sense? Can they be built within the development budget and timetable/
- ▶ 3. Did the Customer Validation interviews validate the Value Proposition Components>

▶ Customer Segments:

- ▶ 1. Are the Customer Segments tested and proven?
- ▶ 2. Are Customer needs active or urgent? Can these drive a forecast of revenues?

A Business Model Checklist, Page Two

- ▶ 3. Does the product improve a “day in the life”?
- ▶ 4. Does the start-up understand what influences customer purchase and associated costs to deliver?
- ▶ **Value Proposition 2: Market Type**
- ▶ 1. Did the customer feedback confirm the market type Hypotheses?
- ▶ 2. Are the costs to sell to that market known? Reasonable? Appropriate for what you intend to do?
- ▶ 3. Is your Team confident that you will be able to deliver to that market?
- ▶ **Channels:**
- ▶ 1. Is it clear who the players are in the Ecosystem? Who buys? Who pays?

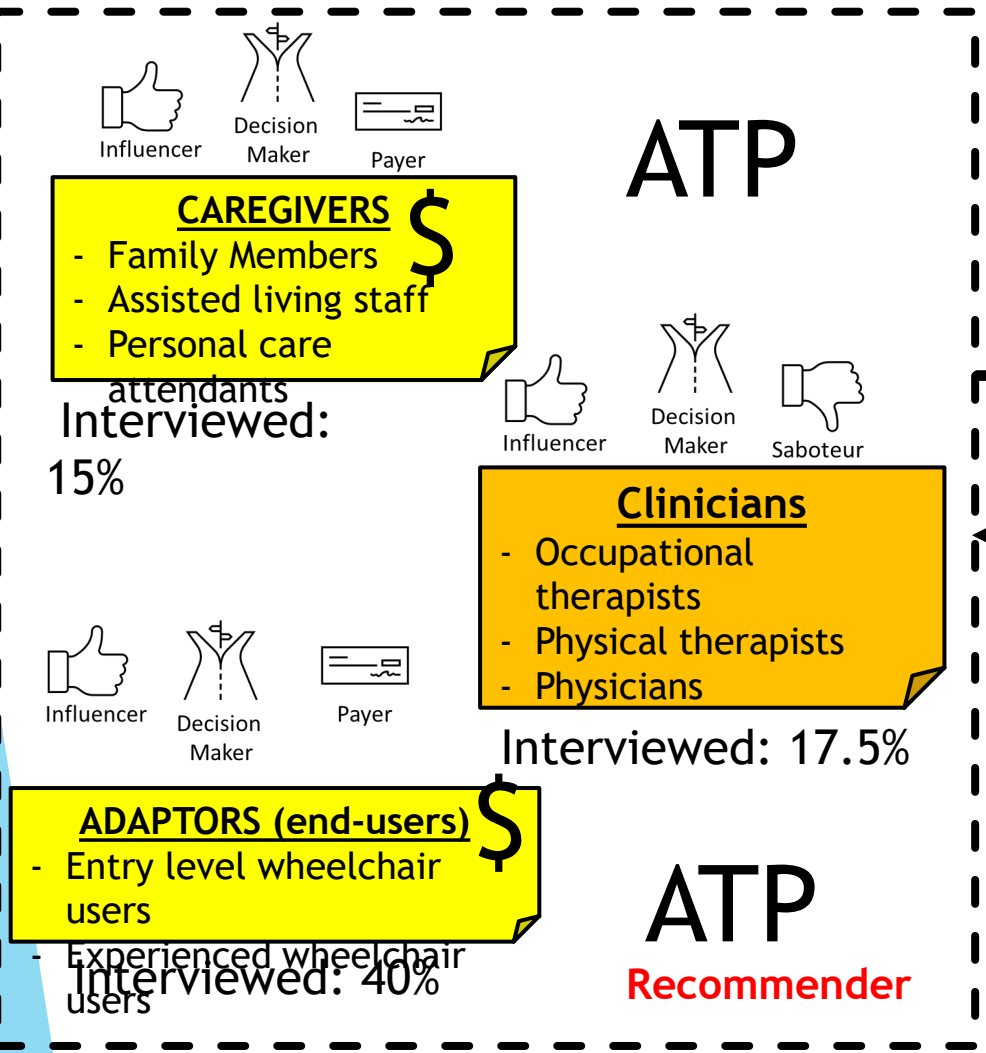
A Business Model Checklist, Page Three

- ▶ 2. Does the Team have confidence in their ability to reach those channels?
- ▶ 3. Are there any indirect costs such as a sales team or promotional fees?
- ▶ **COST STRUCTURE:**
- ▶ 1. Are all the core costs clearly identified? Product Development? Manufacturing? Overhead? (Payroll, Benefits, Rent, Legal)?
- ▶ 2. Are all product development and manufacturing costs identified?
- ▶ 3. What are the start-up other costs? Legal? Accounting? Taxes?

A Business Model Checklist, Page Four

▶ REVENUES:

- ▶ 1. Has the company sized its market opportunity?
- ▶ 2. Have the pricing model volume, demand, purchase frequency, and other revenue variables been confirmed?
- ▶ 3. Does the forecast indicate an increasingly scalable, increasing profitable business?
- ▶ 4. Has the team considered the revenue impact of competitive response to the product?



Influencer

ADVOCACY/POLICY

US SENATE
RESNA
The ITEM Coalition


Interviewed: 15%

Influencer Decision Maker Saboteur Payer

INSURANCE PROVIDERS

- Medicare
- Medicaid

\$\$\$



Interviewed: 0%

Influencer Saboteur

EQUIPMENT/MANUFACTURING

Wheelchair companies
Assistive tech companies
Comfort/aesthetic add-ons
Local maker spaces



Interviewed: 12.5%

Influencer Payer

DISTRIBUTORS

- Wheelchair distributors (Numotion)
- Mom and Pop

ATP

Interviewed: 7.5%

ATP

Non-Profit DISTRIBUTORS

- Non-profit associations
- Wounded Veterans groups

\$\$\$ **ATP**

SIDEKICK ACCESS TECH Engineerin

SIDEKICK™-users)

- Entry level wheelchair users
- Experienced wheelchair users

ATP

Disability Activist Manufacturer Recommender

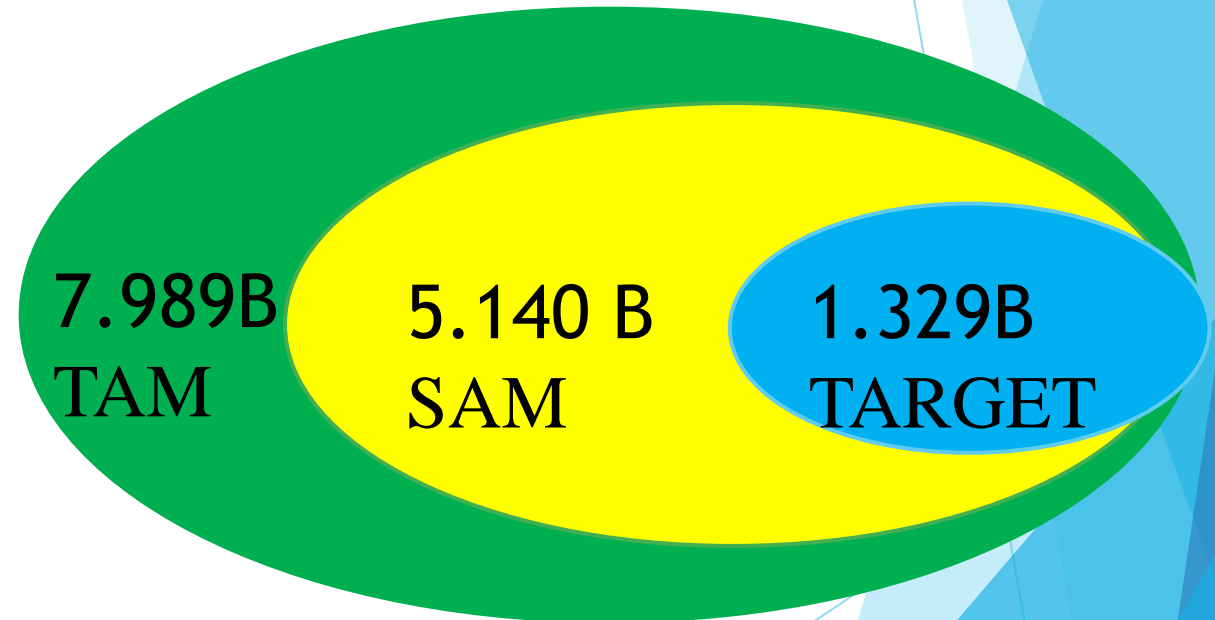
3. Market Sizing: ONE WAY OF DOING IT: Total Available Market, Served Available Market, Accessible Target Market

Total Market: HOW BIG IS THE UNIVERSE? Wheelchairs Plus Accessories \$7.989 B

SAM: HOW MANY CAN I REACH WITH MY SALES CHANNEL?

Electric Wheelchairs & Accessories \$5.140 B

Target ACCESSIBLE MARKET: Accessories Only \$1.325 B



Intro to Customer Interviews: Market Fit? Will They Buy?

Hint: Use a Business Model Canvas to record your hypotheses.

How To Get Started? Validate The Market.

- ▶ Get out of the office, interview people with startup experience, who work at companies that have found market fit, and listen to people. This is not a tech presentation.
- ▶ Make a list of which companies you want to speak to, those companies who have found market fit.
- ▶ Create a two sentence pitch that you can use in your communications. Tell us what you are doing and the benefits.
- ▶ Network using social media. How do you get names of people who work at those companies? Use LinkedIn. You invite people to speak with you using LinkedIn.
- ▶ You ask friends, colleagues, other like-minded creators, innovators, entrepreneurs for two names you should speak with.
- ▶ Start interviewing. Write up questions.

Story Telling: Take Your Business Plan To The Next Step

- ▶ How do you explain your idea for your product?
- ▶ What problems are your customers trying to solve?
- ▶ What do they want?
- ▶ What is your product?
- ▶ What makes it unique?
- ▶ How does what you are doing help them or solve their problems?
- ▶ What is your 90 second PITCH?

Storytelling: The Pitch/90 Seconds

THE PITCH

- ▶ Hello, I am Susan Cornelius, Founder of Accelerate2Solutions.
- ▶ Have you ever wondered how to increase the success of your great idea into a product and create a successful startup company?
- ▶ The mentoring process dramatically increases the success rate of startups in customer development and in pitching investors. The numbers do not lie. 100% of mentees report market fit, licenses or investment, growth, and a prolonged life as a company and/or an equity event.
- ▶ We do not advertise or aggressively market, instead as your success is our success, satisfied customers introduce us to new relationships.
- ▶ With substantial experience and success as a startup entrepreneur in a variety of markets, I mentor your founders, and make introductions and connections across high tech, med tech and bio pharma. Our product is your success. With my network I introduce customers to the relationships they require to be successful. I work with Angels and VC's to assess startups, to accelerate their scale, and serve on advisory boards.
- ▶ To date, through a retainer relationship, I have helped over 81 tech, biotech, bio pharma and healthcare startups achieve over \$500M in A and B round investments and equity/exit events of over \$1.5B. Because I believe in helping others, I donate a great deal of time to the University of New Mexico. To learn more, contact Matthew Salcido at the UNM Rainforest Innovations to learn how they and I can help.

THE COMMENTARY

- ▶ State your name, title, and company name. Note the title of "Founder."
- ▶ Begin with the problem (pain/need). From the point of view of your potential customer.
- ▶ Describe how you are going to do it better, cheaper or faster. In this case it is better and faster.
- ▶ How big is the market? How many people have this problem and would be willing to buy your product or service.
- ▶ The revenue model is simple success. In your case you will want to emphasize sales, dollar amount, and how you intend to capture the market.
- ▶ The team is often critical. In this case it is myself and my network. In your case, what is your team's experience in the market. You might mention if your product is already in the market. Do you have paying customers and what do they say. If you are not in the market, where are you?
- ▶ Be sure to tell the listeners what you already put into it (money, sweat equity), and if this is a pitch for resources, what is it you are seeking, i.e. Contacts in your market, potential customer interviews, potential partnerships or collaborations, connections, or funding. If it is funding be sure to mention how much you are seeking.

Intro to Patents

I am not an IP attorney but thought you'd like to know about provisional patents.

Provisional Patent (PPA)

- **Does a provisional patent application protect my idea?**
 - ▶ Yes, for one year. Your invention will be "Patent Pending," giving you time to complete the non-provisional patent application. Be aware that someone else can also submit a provisional patent or even a non-provisional patent, they just won't have the earlier filing date. Additionally, the provisional patent is not a granted patent, it is simply a "patent pending". It does not afford you with any protection from a third-party copying your invention.
- **Can I market my invention without a patent?**
 - ▶ Yes. You're not required to wait until you get an official patent before marketing, selling, producing, or licensing your product. You must, however, wait until the PPA is filed so that your invention is Patent Pending. Otherwise, your ideas could be stolen.

Provisional Patent (PPA)

- Do I need to have all my patent application paperwork finished to file a PPA?
 - ▶ A provisional patent application is not a formal document, so it doesn't require an oath, patent claim, declaration, or disclosure statement.
- Can I include more than one invention in my PPA?
 - ▶ You may describe more than one invention in your **provisional patent application** because this document will not be reviewed at the Patent Office. If you need to [get a patent](#) for more than one invention after the provisional application date, you must do so within that year.

Intro to Funding: What Kind of Business Are You Building?

Fund Raising is a Full Time Job!!!

Company Building Process/How Startups COME TOGETHER TO Become Companies

ANGELS
PRE-A/PRE SEED
REVENUE \$0 TO \$250K
TEAM 1-3
MVP

VENTURE CAPITAL/ANGELS?
SEED A OR B \$3M - \$5M
REVENUE \$500K - \$2M
TEAM 10+
PRODUCT MARKET FIT

CAREFUL EXIT PLANNING
CORPORATE ACQUISITION
BUYOUT

*START /
IDEA

FORMATION /
BIZ PLAN

STARTUP
COMPANY

LAUNCH

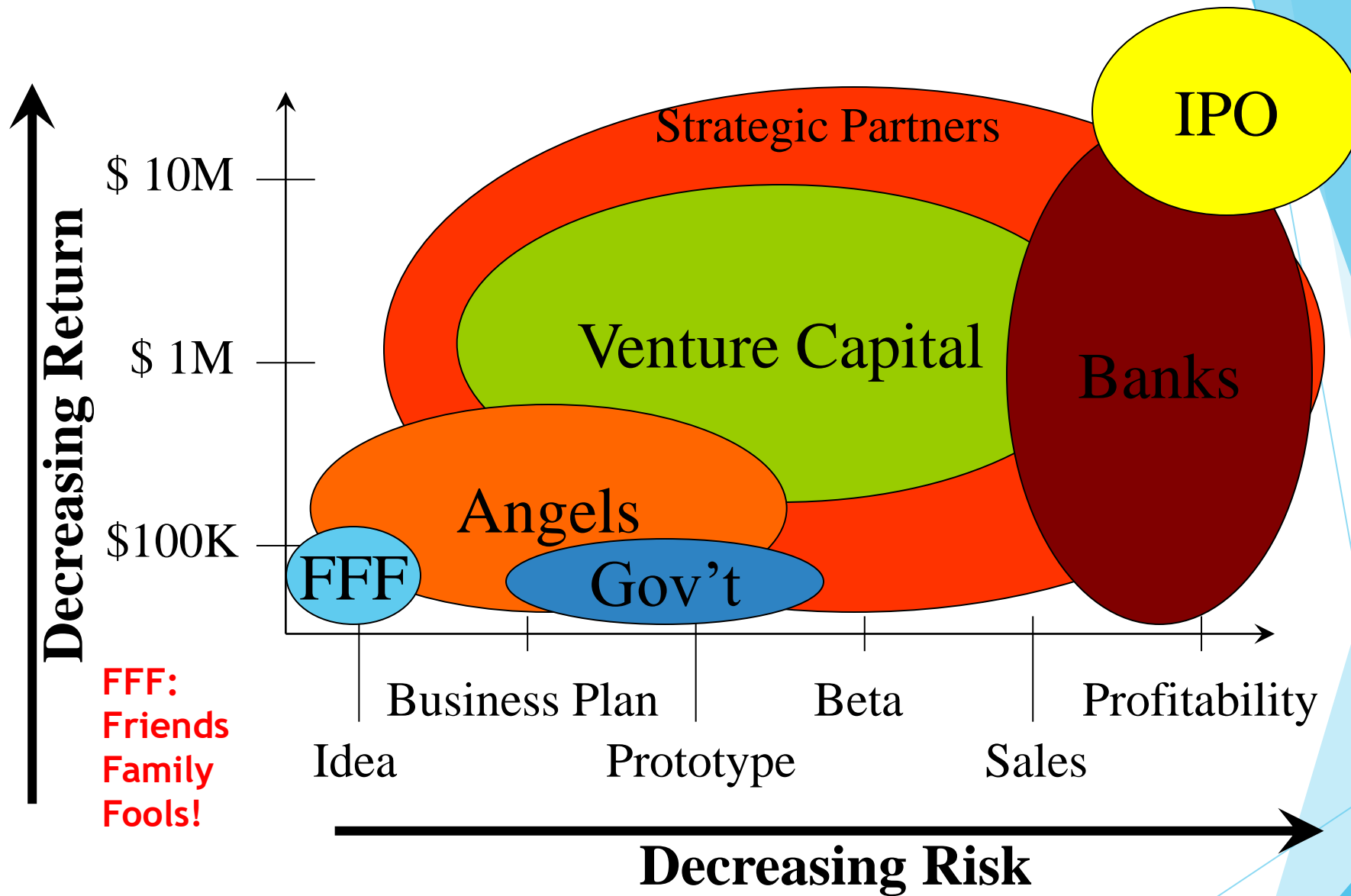
SCALE UP

EXIT

FOUNDING TEAM
FIRST TECHNOLOGY/MVP
MARKET FIT
SELF FUNDED - GRANT
FFF
STARTUP NOT COMPANY

SEED ROUND
\$1M TO 2M
REVENUES \$250K TO 500K
TEAM: 5-8
COMPLETE PRODUCT

VENTURE CAPITAL
A OR B ROUND
\$10-\$15M
TEAM 30+
MULTIPLE PRODUCTS
SCALABLE



Friends AND Family Investment

▶ Pro's

- ▶ Easiest round to raise
- ▶ Fastest round to raise
- ▶ Usually raise \$5k - \$100k

▶ Pit-Falls

- ▶ Valuation too high will hurt family down the road
- ▶ Legal regulations apply and aren't always completed

From John Chavez, NM Start-Up Factory

Crowdfunding

- ▶ The practice of funding a project or venture by raising many small amounts of money from a large number of people, typically online.
- ▶ Sites like: Kickstarter or Seed Invest
- ▶ 2 types:
 - ▶ Traditional (donation or promise of gift)
 - ▶ Equity (ownership of company)

NM Catalyst Funds

\$100,000 - \$600,000 equity investments

- ▶ NMA Ventures www.nmaventures.com
- ▶ ABQID Fund: www.albqid.com
- ▶ Arrowhead Innovation fund: www.aifvc.com
- ▶ Tramway Ventures Partners:
www.tramwayventures.com
- ▶ Blue Stone Ventures: [BlueStone Venture Partners \(bluestonevp.com\)](http://BlueStone Venture Partners (bluestonevp.com))

Active New Mexico Venture Funds

\$1-3 Million equity investments

- ▶ Scout Ventures
- ▶ Anzu Industrial Capital Partners
- ▶ Phoenix Venture Partners
- ▶ Crosslink Venture Partners
- ▶ Sun Mountain Capital

BOOTSTRAP: Alternatives to Financing

- ▶ Answer the question: What are your resources?
- ▶ Self Finance: You, Family and Friends
- ▶ Consulting: Start off consulting
- ▶ Crowd Funding (Consumer Deals)
 - ▶ Create a Video
 - ▶ Tell a Personal Story
 - ▶ Use Email and Social Media
 - ▶ Rewards
 - ▶ Show a Budget
- ▶ SBA Loans
- ▶ Incubators/Accelerators
- ▶ Grant Proposals
- ▶ Contracts, Discounts, Channels and/or Partners



Once You Obtain Some Funding...



**SPEND LIKE YOU
CANNOT RAISE MONEY
AGAIN!**

Know Your Audience: PITCH SLIDE DECK

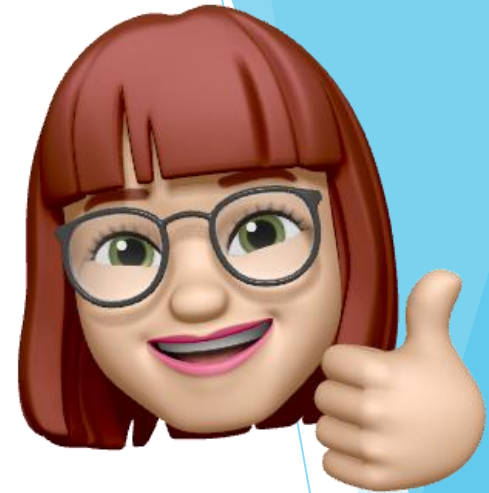
- ▶ Know your audience.
- ▶ Learn about their organization. Dig deep. Talk to people. Research online. Use LinkedIn to find out about them.
 - ▶ Who are their partners
 - ▶ What is their current portfolio?
- ▶ **Show traction. Create a 15 minute 10 slide Pitch Deck. Do not focus on the tech. That comes later.**
 - ▶ **Show prototyping schedule. Demonstrate metrics and results.**
 - ▶ **Show prototype. Traction counts most because it shows people are willing to buy.**
- ▶ Catalyze fantasy. Tell a great story.
- ▶ Tell about your competition. OMG! There is no competition, really???
- ▶ Share compelling, objective, quantifiable information through your Pitch and references.



BOTTOM LINE

- ▶ Will they buy?
- ▶ Can you state with confidence to investors?

“Based on the data from customer discovery, it shows a market size of, we will enter market with X(2) product, and our business model is scalable because...!”



Intro to UNM RI Resources and Next Steps

UNM Rainforest Innovations, University Program

- ▶ The University Program provides two primary training programs at all UNM branch campuses:
 - ▶ 1) Access to taking the Create. Sell. Bank. Course (for UNM students for credit or community members for certificate) and
 - ▶ 2) a series of 12 seminars covering from January to December.
- ▶ Additionally, each site has a dedicated site mentor. The site mentor is available as an interface for any questions and to serve as a connection point for resources related to your entrepreneurial endeavors or training.

Information about the UNM RI University Program, Contact information, and Videos are available both at the UNM Rainforest Innovations site, on Facebook, and on YouTube.

- ▶ **VIDEOS:** [UNM Rainforest Innovations - Home | Facebook](#)
- ▶ **UNM LOBO RAINFOREST:** <https://loborainforest.edu>
- ▶ **EVENTS:** <https://www.eventbrite.com > o > unm-rainforest-innovations-2995876357>
- ▶ **MENTORS:** New Mexico Rainforest University Center provides Site Mentors to be available as an interface for any questions and to serve as a connection point for resources related to your entrepreneurial endeavors or training.

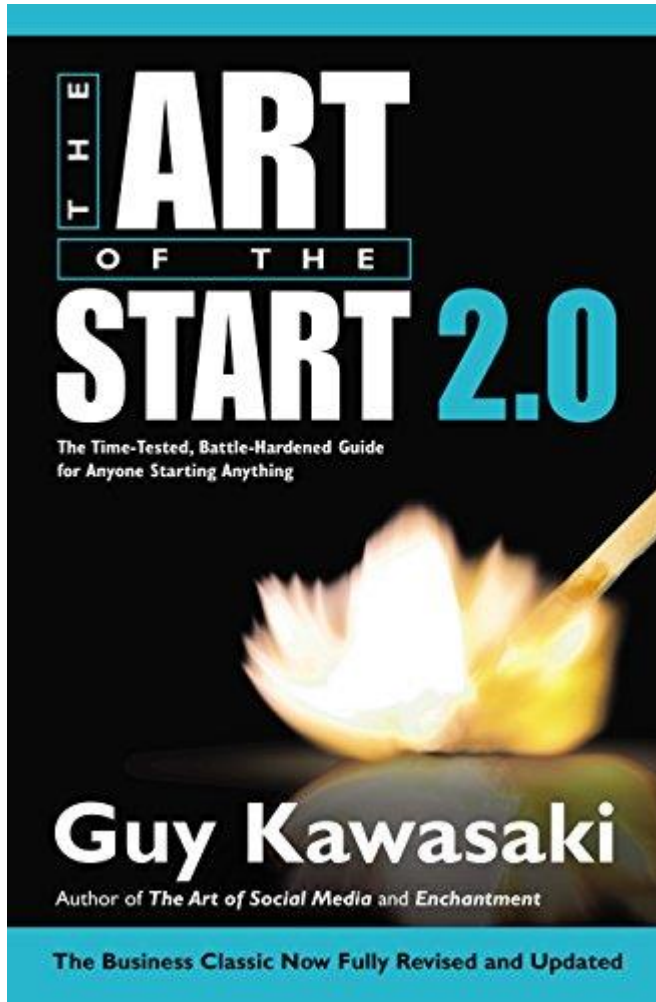
Please reach out to Matthew Salcido, at msalcido@innovations.unm.edu to further connect you to the appropriate mentor.

<http://loborainforest.com/nmrainforest/videos>

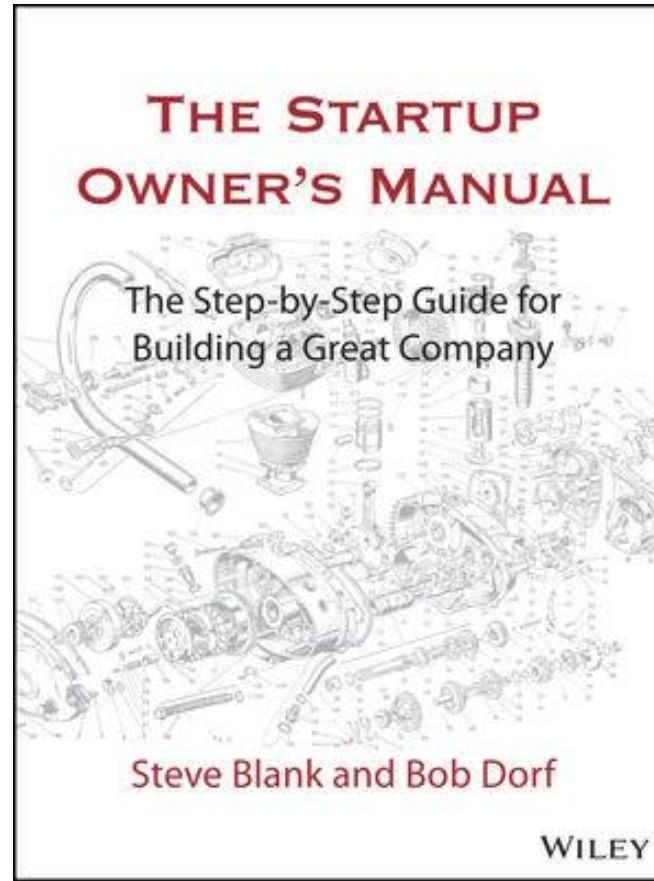
University Center Entrepreneurial Capabilities Certificate

- ▶ Complete 7 recorded webinars and then associated quizzes to earn a certificate. The following are the suggested focus topics. View the complete library of topics and quizzes at the URL above.
 - ▶ Success by Design: Five Steps to Launching a Successful Business
 - ▶ How to Network and Make Connections Virtually
 - ▶ How to Write, Practice, and Record Your Pitch
 - ▶ Intellectual Property
 - ▶ Product Design - Making It Real
 - ▶ User Research 101: Focus on Product Users
 - ▶ Business Strategy Metrics
 - ▶ Raising Capital in Central New Mexico

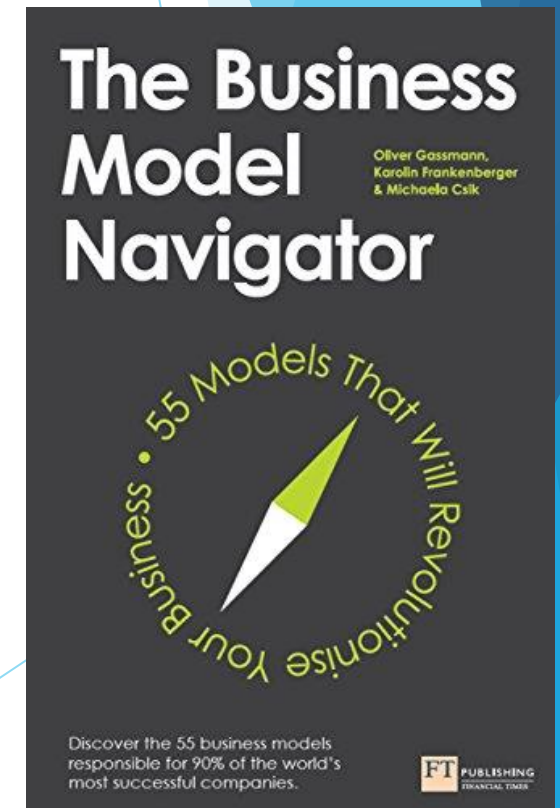
RESOURCES available on Amazon.com



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Oliver, Gassman,
Frankenberger



THANK YOU FOR YOUR TIME!

- ▶ Join me on November 16, at 10:00am, for a Bootcamp and a 30 minute discussion of what you are doing, what stage are you at, and in general per the BMC, what are your hypotheses. You can contact Matthew Salcido to learn more. msalcido@innovations.unm.edu
- ▶ You will walk away with more ideas and we intend, a better picture of your next steps.
- ▶ **And, oh yes, you are innovating both your technology and your business model at the same time!**

