



Pitch essentials

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FUTUREPRENEURS

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practica.vc

Year established	# of funds	Under management	# of investments	# of exits	Stage focus
2011	2	€ 24m	40+	10	Seed Early stage Expansion/growth

Industry focus	Geography focus	Main Approach
Generalist Tech-driven	Lithuania Baltics	Active investor Entrepreneurial

Selected Awards

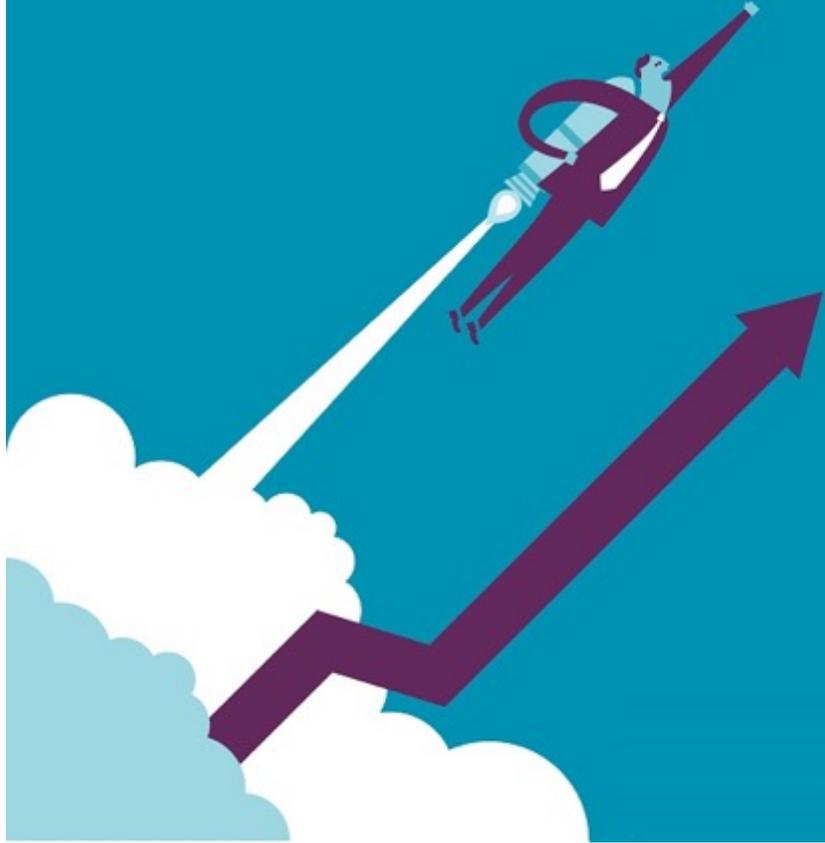


2016 RISING STAR

- One of the most active and leading VCs in Lithuania & Baltics
- Among top investors in European Tech by country mapped by CB Insights (2017)
- Rising Star: Best CEE & Russia PE Fund by Private Equity Exchange & Awards (2016, 2017)



What is a startup?

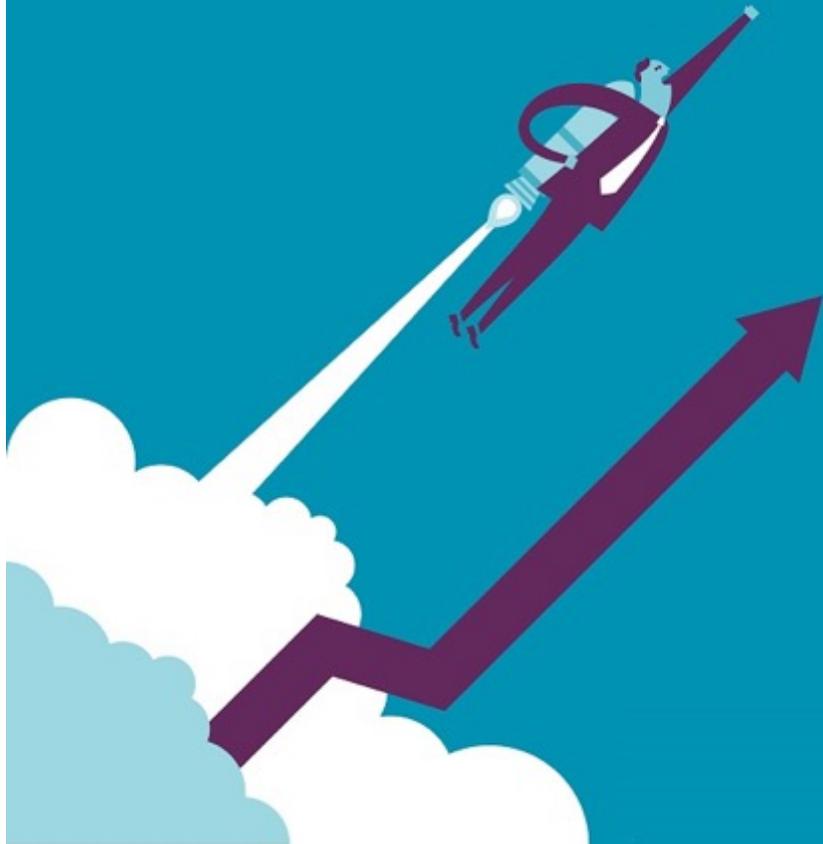




What is a startup?

Eric Ries, Lean Startup

"A startup is a human institution designed to deliver a new product or service under conditions of extreme uncertainty"





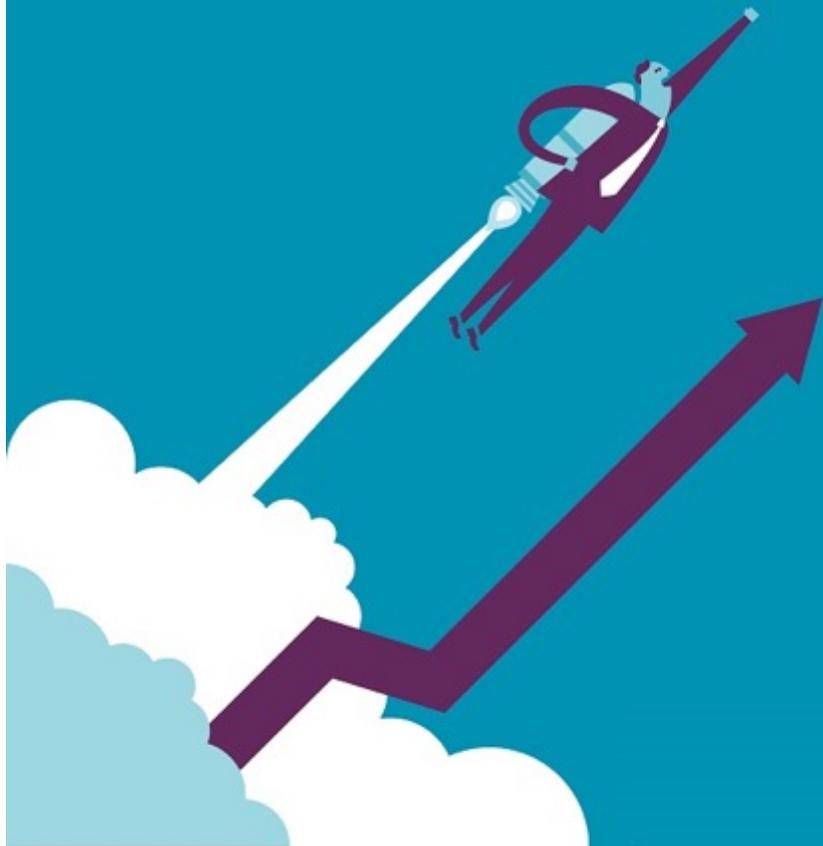
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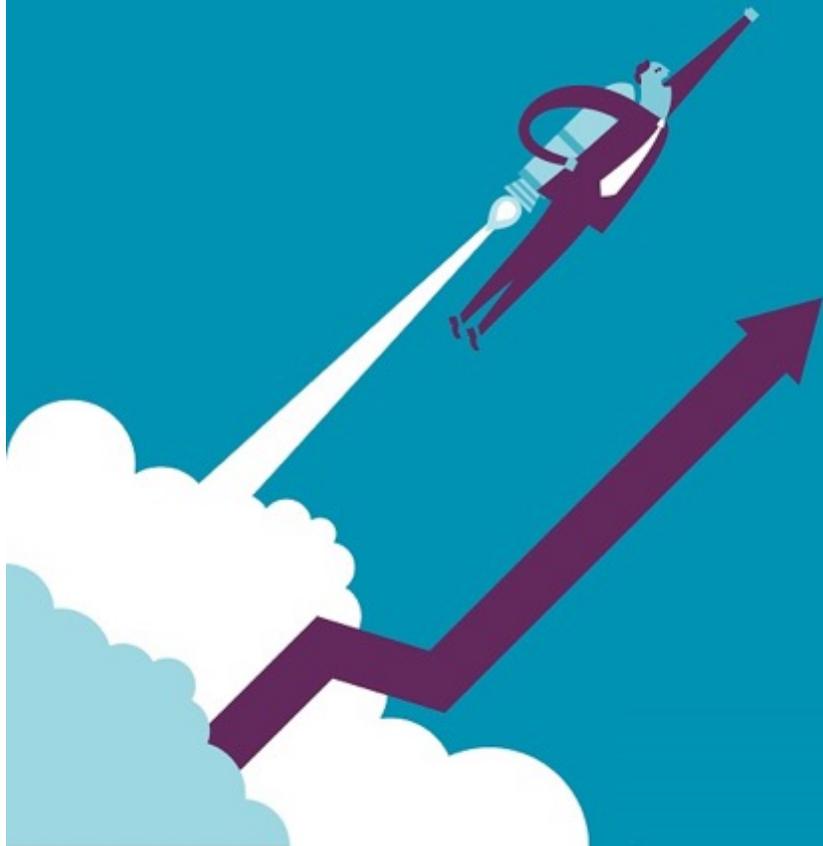
Paul Graham, Y Combinator

"A startup is a company designed to grow fast. Being newly founded does not in itself make a company a startup. Nor is it necessary for a startup to work on technology, or take venture funding, or have some sort of "exit". The only essential thing is growth"





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Peter Thiel, Founders Fund

"A startup is a team of people on a mission, and a good culture is just what that looks like on the inside."

What valuable company is nobody building? Competition is for losers. If you want to create and capture lasting value, look to build a monopoly. Creative monopoly, in a startup case.



Startup attributes

Assumptions

Innovation

Technology

Total Addressable Market

Scalability

Team

Limited resources

Iterative development



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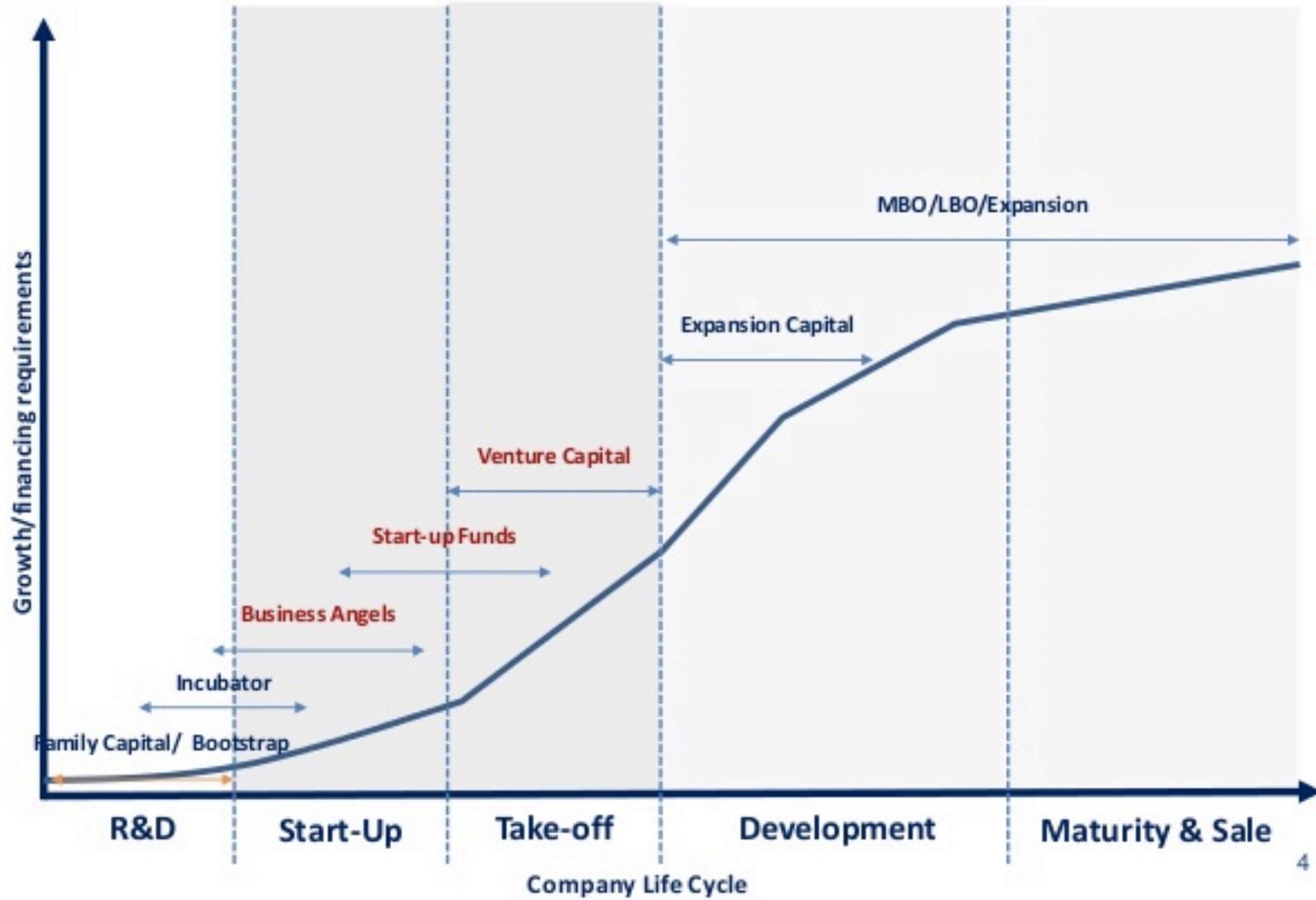
Limited resources

Iterative development

Startups are new-economy, technology-driven, companies, that often (if not always) lose money in the first years and maximize value in 10-15 years



Company Life Cycle and Investment Requirements





I have an idea, what I do next?



We start fundraising!



We start fundraising!

NO

Investors used as validation
Investors do not comment on ideas
Investor do not invest in ideas





Where do you start?



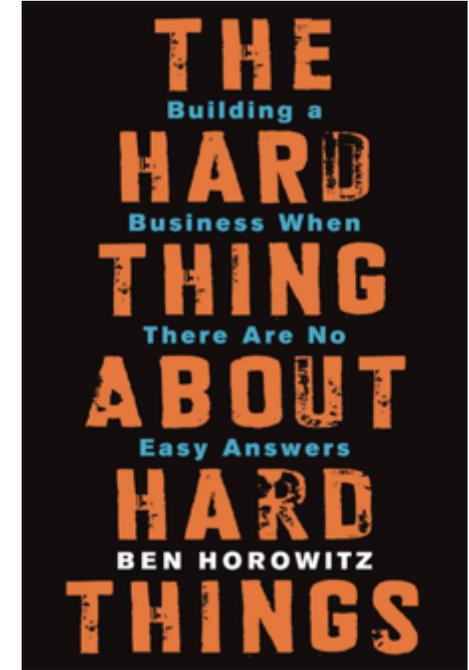
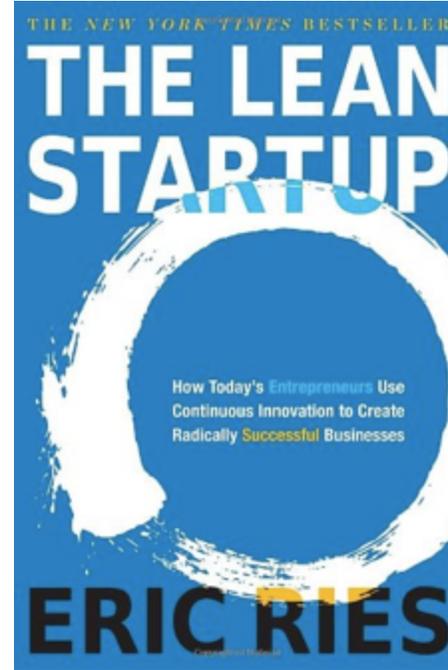
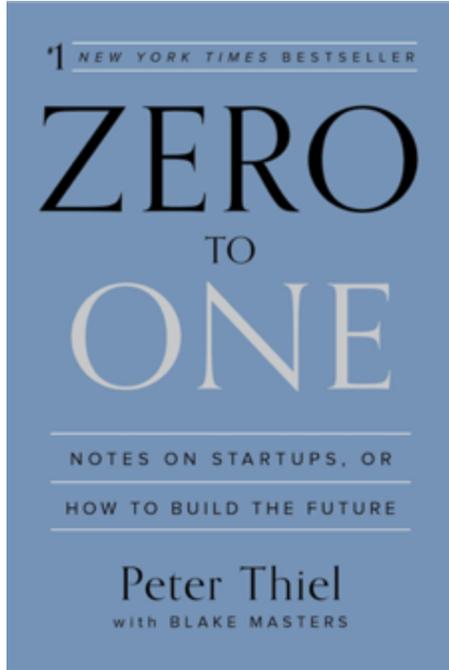
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VERIFY
ASSUMPTIONS





4 types of startup: new products in...

Existing market

Higher performance. Known users and market, but so are competitors.

New market

Large customer base that could not do smth before. Product features are irrelevant. Users and market undefined and unknown. Convince that your vision is not a hallucination.

Resegment an existing market: low cost

Low-end of existing market that would buy “good enough”. Incumbent competitors usually tend to neglect low-end segment and focus on up-market.

Resegment an existing market: niche

Design an offering tailor made for specific niche. Goes at a core of an existing's market profitable business.

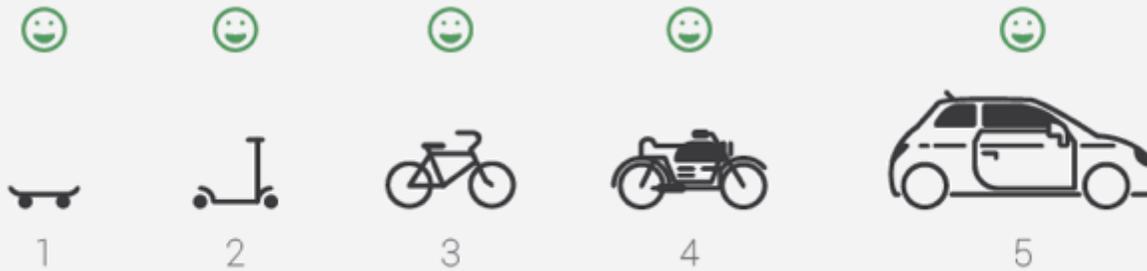


Building a startup

How **not to build** a minimum viable product

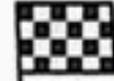


How **to build** a minimum viable product

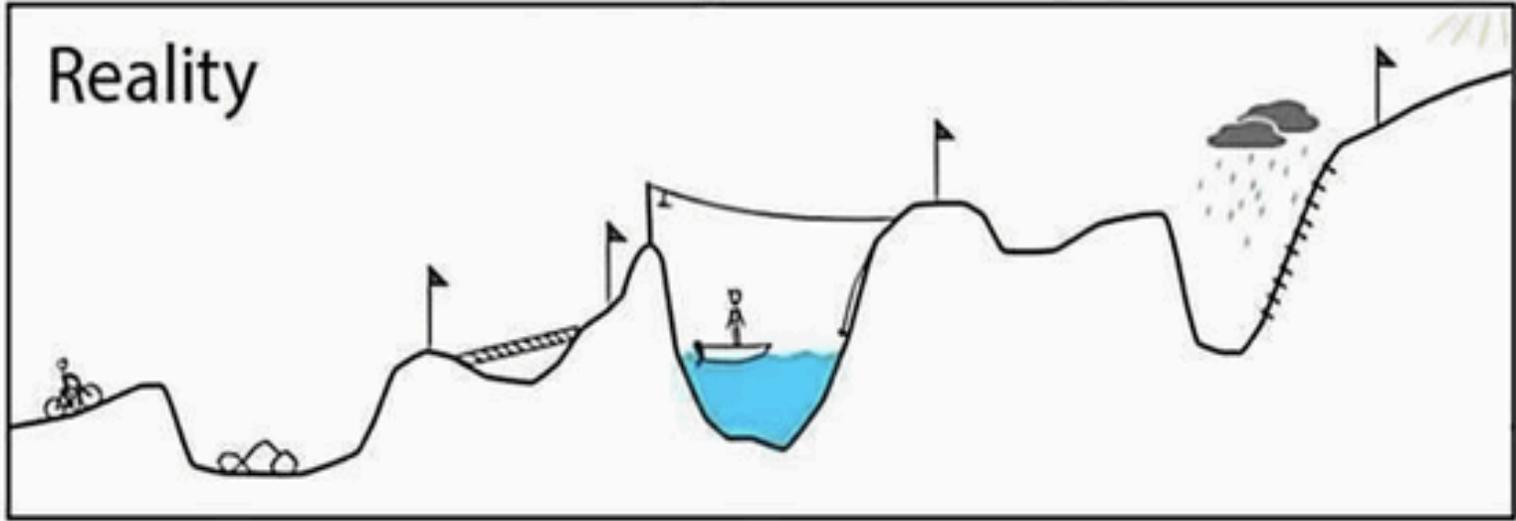




Your plan

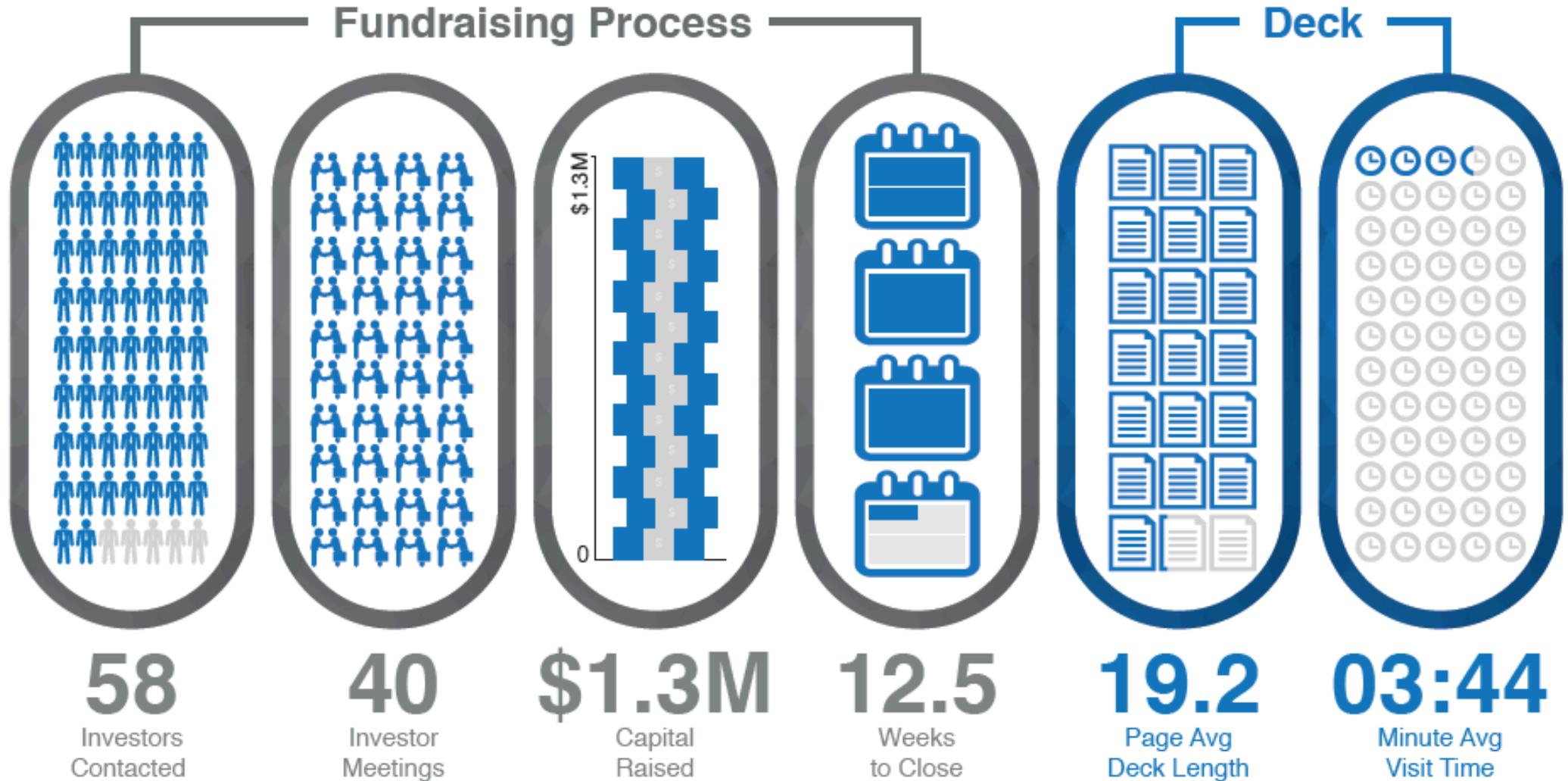


Reality





Some insights into fundraising process





Deck structure

3 questions that need to be answered

Problem / opportunity

Value proposition

Team



Deck structure

1. TITLE PAGE

This is my company and this is what we do, contacts



Deck structure





Deck structure

2. PRODUCT

What is the setting for your product?

What inefficiencies do you see?

Vision, talk about potential, etc.

Do not go into feature pitch

Client problem / opportunity

PACKAGING



Deck structure

3. CUSTOMER

Define the customer (vertical, size)

Do they have the pain now?

How they solve it today?

What is the size of the pain?

Calculate total addressable market

SHOW THAT YOU KNOW THE CUSTOMER AND WHERE TO FIND IT



Deck structure

4. BUSINESS MODEL

Describes the rationale of how an organization **CREATES**, **DELIVERS**, and **CAPTURES** value, in economic, social, cultural or other contexts.



Deck structure

4. BUSINESS MODEL

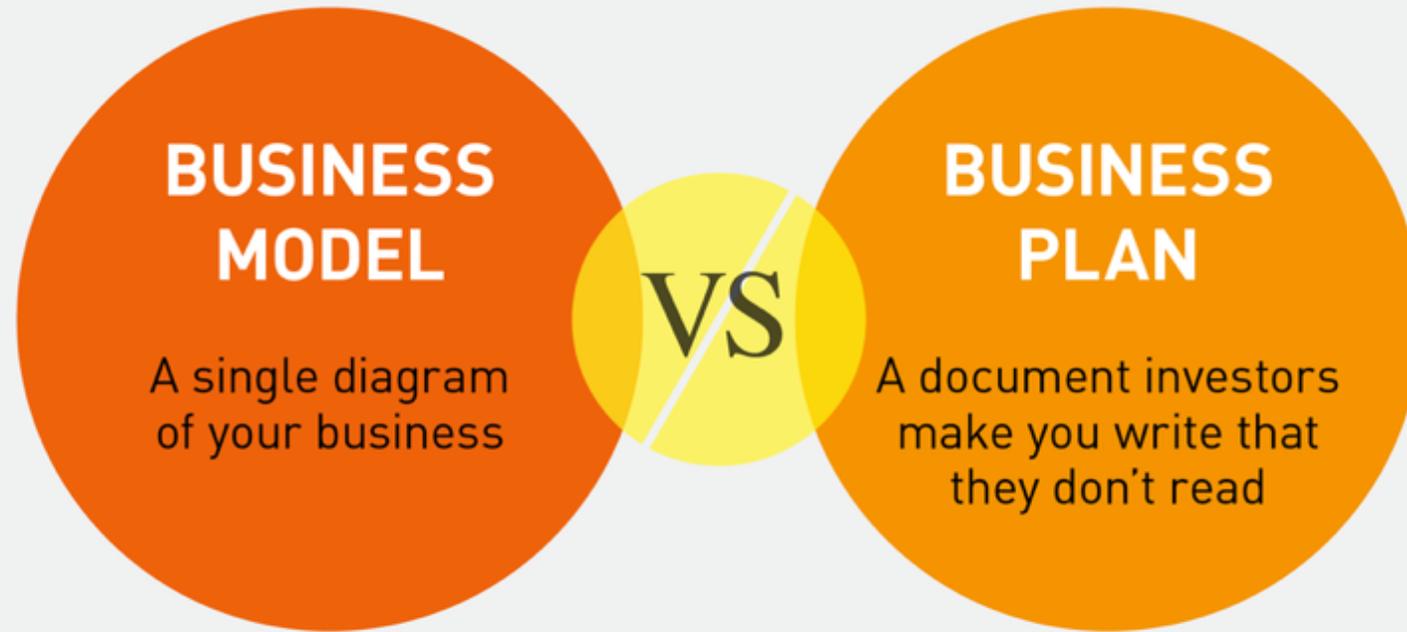
What is the setting of the market, key players

Explain who temporarily has your money in their pocket, how you are going to get it

Use simple, proven business models, such as sales, licensing, advertising, sponsorship, affiliate fees, and upgrades to additional features and services.



Deck structure



STARTUPS MODEL, COMPANIES PLAN



Deck structure

5. CUSTOMER VALUE PROPOSITION

How you alleviate the pain?

Focus on value added

What you enable them to do

How can it be measured? Value proposition quantified, like ROI, etc

Cheaper is not a value proposition

Not to focus on product or service, no feature pitch



Deck structure

6. COST STRUCTURE

How much money do you need to reach the next milestone?

What are the key cost items?

Talk about business development or user acquisition costs

There should be a financial model / underlying logic behind

Most important inherent costs

What key resources are most expensive?

What key partners are most expensive?

Cost or value driven?

Economies of scale / Economies of scope / Fixed costs / Variable costs



Deck structure

7. REVENUE STREAMS

For what value customers are willing to pay?
Potential for product packaging

Revenue streams, pricing mechanisms

Asset sale / Usage fee / Subscription /
Lending, Renting, Leasing / Licensing /
Brokerage fees / Advertising



Deck structure

8. IMPACT

Quantifiable

Direct / non-direct

Do not go too big



Deck structure

9. Team

Describe the key players on your management team, board of directors and board of advisors, as well as your major investors

Show that your backgrounds are relevant to the market that you're serving and the technology that's necessary to build

Founder-product-market fit

Pictures and names are not enough, as well as 100 years of combined experience



Deck structure





Deck structure

