• Introduction to the Dingman Center for Entrepreneurship
• Business Plan Approach
• Deep Dives
• Q&A
• References
• Suggested Readings
The Team

- **Rudy Lamone**
  Founder

- **Holly DeArmond**
  Managing Director

- **Brent Goldfarb**
  Academic Director

- **Sara Herald**
  Director of Venture Development

- **Lottie Byram**
  Venture Programs Manager

- **Megan McPherson**
  Events & Marketing Manager

- **Stan Smith**
  Venture Investment Manager
About Me

• More than 10 years at the University of Maryland
• University Marketing
• Moved to the Robert H. Smith School of Business
• Marketing & Communication role at the Dingman Center…and operations…and program management…managing director
• Passionate about engaging all Terps: students, faculty, staff and alumni
Mission

We strive to build a community operating from the Smith School that:

- **equips** the next generation to launch and support ventures that advance industry and society
- **connects** the University of Maryland to the innovation economy
- **leverages** thought leadership and our network to make entrepreneurs of all kinds more successful
Business Plan Approach

Executive Summary

Venture Pitch

Venture Capital Pitch Deck

Your Company Name
Slide decks and exec summaries can follow the same flow. Slide decks tell a compelling story concisely while exec summaries focus on detail.
Problem

Describe the pain of the customer (or the customer’s customer)

Outline how the customer addresses the issue today

Fall in love with the problem before the solution.
Company Purpose

Define the company/business in a single declarative sentence

**Good openings** sell the **why** not the **what** by using **stories** or **emotions**.

Exec summaries can go beyond a single sentence.

https://www.slideshare.net/PitchDeckCoach/sequoia-capital-pitchdecktemplate
Solution

Demonstrate your company’s value proposition to make the customer’s life better.

Show where your product physically sits.

Provide use cases.

Why is your **value proposition** compelling and why will it endure?

Is your **solution** a must-have or nice-to-have?
Deep Dive: Value Proposition

A value proposition is the reason why customers turn to one company over another.

- What value do we deliver to the customer?
- Which one of our customer’s problems are we helping to solve?
- What needs are we satisfying?
- What bundles of products and services are we offering to each Customer Segment?
- Elements that can contribute to value creation: Newness, Performance, Customization, Price, Design, Brand/Status, Cost or Risk Reduction, Accessibility, Usability, Convenience
Market Size

Identify/profile the customer you cater to

Calculate the TAM (top down), SAM (bottoms up) and SOM

TAM: Total Available Market
SAM: Serviceable Available Market
SOM: Serviceable Obtainable Market

Executive summary should go into more detail on your customer demographics, psychographics, etc.

https://www.slideshare.net/PitchDeckCoach/sequoia-capital-pitchdecktemplate
https://www.thebusinessplanshop.com/blog/en/entry/tam_sam_som
Deep Dive: Market Sizing

TAM is the potential at scale.

How many people could use the product?

How large would the market be (in dollars) if they all bought?

How many units would that be?

How do you find out?
  Google
  Industry Analysts: Gartner, Forrester
  Wall Street Analysts: Goldman, Morgan Stanley
Deep Dive: Market Sizing

SAM is short-term potential.

What segment of the TAM is within your geographical reach?

How many people have the money to buy the product?

How large would the market be (in dollars) if they all bought?

How many units would that be?

How do you find out?
   Talk to potential customers!
Deep Dive: Market Sizing

SOM is the portion of SAM that you can capture initially.

Who are you going to sell to in Years 1, 2 & 3?

How many customers is that?

How large is the market be (in dollars) if they all bought?

How many units would that be?

How do you find out?
  - Talk to potential customers
  - Identify and talk to channel partners
  - Identify and talk to competitors
**Advantages are distinctive factors that are favorable to your company and hard to replicate.**

Include direct and indirect competition and show you have a plan to win!

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**Competition**

List competitors

List competitive advantages

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https://www.slideshare.net/PitchDeckCoach/sequoia-capital-pitchdecktemplate
Unique Advantage #1 (i.e. speed, size, features, price, IP, talent)

Unique Advantage #2

Competition
<table>
<thead>
<tr>
<th></th>
<th>Unique Advantage 1</th>
<th>Unique Advantage 2</th>
<th>Unique Advantage 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your Company</td>
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<td>✓</td>
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</tr>
<tr>
<td>Competition 1</td>
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</tr>
<tr>
<td>Competition 4</td>
<td></td>
<td></td>
<td>✓</td>
</tr>
</tbody>
</table>
Business Model

Revenue model

Pricing

Average account size and/or lifetime value

Sales & distribution model

Customer/pipeline list

How does your company make money and how will you capture the market?
Deep Dive: Revenue Streams

Revenue Streams represent the cash a company generates from customers.

- What are customers willing to pay?
- Consider what they currently pay.
- Generating Revenue: Asset Sale, Usage Fee, Subscription Fees, Licensing, Brokerage Fee, Advertising
- Revenue = Widgets * Sales Price
Ice Skating Tights:
- $22 per tight
- 8+ tights per year per customer
- $198 total revenue per customer
- 81% profit margin

Dance Tights:
- $16 per tight
- 8+ tights per year per customer
- $144 total revenue per customer
- 75% profit margin

Aurora Tights Sample: produced by Jasmine Snead
teams: 10
online sales: 500
organic & paid media: 148K
vending: 5
influencers: 20K
extended reach

Aurora Tights Sample: produced by Jasmine Snead
pipeline

Aurora Tights Sample: produced by Jasmine Snead
Team

Founders & Management

Board of Directors/Board of Advisors

Who is on your team and how are you qualified to be successful?
Dingman Fridays & Legal Office Hours

WHAT IS IT?  🗓️
Make an appointment to consult with Venture mentors and Legal advisors

WHEN IS IT?  🕒
At the Dingman Center on Fridays each semester from 11am to 1pm

WHO CAN GO?
- Students
- Alumni
- Faculty
- Staff
Co-hosted by Holly DeArmond, Dingman Center Managing Director and Joe Bailey, Robert H. Smith School of Business Associate Research Professor
Features interviews from founders, investors and serial entrepreneurs
References:


PitchDeck Coach/Sequoia Capital (throughout): https://www.slideshare.net/PitchDeckCoach/sequoia-capital-pitchdecktemplate

Air BnB: https://www.slideshare.net/PitchDeckCoach/airbnb-first-pitch-deck-editable

Suggested Readings:

*The Startup Owner’s Manual* by Steve Blank and Bob Dorf

*Running Lean: Iterate from Plan A to a Plan That Works* by Ash Maurya

*The Lean Startup* by Eric Ries

*Talking to Humans* by Giff Constable

*Venture Deals* by Brad Feld & Jason Mendelson

Online:

CooleyGO: [https://www.cooleygo.com/](https://www.cooleygo.com/)

Y Combinator: [https://www.ycombinator.com/resources/](https://www.ycombinator.com/resources/)

Udacity: [https://www.udacity.com/course/how-to-build-a-startup--ep245](https://www.udacity.com/course/how-to-build-a-startup--ep245)