

## **[A1] Storyboard - Team 12**

### **Business Challenge #3 - BCH-7812 - FMBAN1**

#### *Part 1: Overview of our case*

#### **1. What is your overarching goal? What would success look like in this situation?**

The task is to provide valuable insights and analysis for entrepreneurs applying to Shark Tank, focusing on identifying key factors influencing deal success and evaluating the valuation tendencies of deals. The goal, however, is to minimize valuation loss while still securing a deal. The success criterion will be for entrepreneurs to consider walking away from a bad deal. In the dataset, 45% of entrepreneurs (396 out of 895 cases) fail to secure a deal on "Shark Tank," revealing a significant gap between pitches and perceived investment opportunities by the Sharks. Among the 499 successful deals, 309 resulted in valuations 30% or lower than the initial ask, leading to equity dilution and long-term implications for business success. This favors investors but disadvantages entrepreneurs. To address these issues, it is crucial to investigate factors contributing to the low deal success and negotiation dynamics leading to lower valuations. By improving pitch strategies and negotiation effectiveness, aspiring entrepreneurs can increase their chances of securing favorable deals with the Sharks.

Success entails uncovering crucial elements contributing to favorable deal outcomes and offering beneficial negotiation hints for entrepreneurs with the Sharks while minimizing equity dilution and providing valuable business.

#### **2. Who is your intended audience?**

Our analysis targets aspiring entrepreneurs who come to pitch on the TV show "Shark Tank", comprising a diverse range of individuals, typically aged between 25 and 50, with varying educational backgrounds and professional experiences. These Entrepreneurs possess diverse knowledge and expertise, including business acumen, industry-specific knowledge, and technical

skills. They are enthusiastic about entrepreneurship, innovation, and market trends. They have lofty professional objectives, including creating profitable firms, achieving financial stability, and benefiting their respective sectors. The specific objectives of these groups of entrepreneurs involve scaling their businesses, market expansion, or developing new products and services for their business ideas motivated by the desire for both professional and personal advancement and financial achievement.

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These Entrepreneurs want to make concise, visually appealing pitches that convey their products or concepts effectively and their preferred communication channels are email, presentations, and in-person meetings. Entrepreneurs usually need help with barriers to market entry, like funding constraints, competition, product differentiation, and effectively scaling operations. Some of their concerns include striking fair deals, protecting their intellectual property, keeping ownership and control of their businesses. Understanding the audience profile helps us address their requirements, offering insights to improve pitching and negotiating on "Shark Tank."

### **3. Is the action clear?**

Our action plan is to analyze the dataset and provide tailored insights for entrepreneurs applying to Shark Tank. We will examine successful pitches, negotiating tactics, and qualities that appeal to the Sharks, identify trends, address factors influencing lower values, and guide deal pricing to mitigate equity dilution concerns. Our guidance includes strategies for improving pitch quality, negotiation skills, and decision-making. A Q&A session offers personalized advice, presenting findings with data to prioritize entrepreneurs' interests and equipping them with tools to drive business growth.

The main specific analysis, based on the purpose and goals, include:

- Category Analysis: Examining the success rates and trends of deals in different categories to identify industries and sectors that have higher chances of success.
- Offer-to-Valuation Analysis: Analyzing the relationship between initial offers and actual valuations in successful deals to identify patterns in deal valuations.

- Shark Participation Analysis: Assessing the participation levels of each Shark in successful deals to understand their negotiation strategies and preferences.
- Analysis of Success Rates by Episode: Comparing the success rates of deals across episodes to determine if certain episodes have higher deal success rates.

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### **4. Have you framed what you want to happen from your perspective or from your audience's point of view? If the former, how could you reframe for the latter?**

The purpose of this presentation is to provide valuable insights and analysis for entrepreneurs applying to Shark Tank. We recognize that to increase your chances of success, you need access to insightful information and this presentation has been created with that consideration. Our goal is to guide you through the crucial elements that determine transaction success and assess valuation trends on the show. Attending this presentation will give you access to actionable guidance relevant to your industry and business area. This knowledge will empower you to make informed decisions related to asset valuation, pricing your deals and navigating negotiations effectively.

We understand the unique challenges you face, which is why we have allocated dedicated time for a Q&A session where you can receive personalized advice tailored to your specific business needs, equipping you with practical insights that can be immediately applied to your own venture. By reframing our perspective to prioritize your interests, we aim to make this presentation engaging and valuable for you as entrepreneurs. Ultimately, our desired outcome is to provide you with the tools and knowledge necessary to succeed on Shark Tank.

### **5. What is at stake? Will this be compelling for your audience? "So what?" is always a good question to ask related to this- why should your audience care? What matters to them?**

For entrepreneurs, their success on Shark Tank and the growth of their businesses are on the line. The goal is to provide them with valuable insights and analysis to enhance their chances of

securing deals and navigating negotiations effectively. By understanding the key factors that influence deal success and the valuation tendencies on the show, entrepreneurs can make informed decisions when pricing their deals. For entrepreneurs who have started a business to fulfill their dreams, owning most of the company's shares (more than 50%) means having control over the company's decision-making power and being its owner. If investors were to hold most of the company's shares, the entrepreneur would be unable to reflect their ideas in actual decision-making situations. Furthermore, there is a significant risk that the investors who own most of the shares could threaten the entrepreneur's position as CEO or CXO, which would be counterproductive. Therefore, entrepreneurs need to be extremely careful about their shareholding percentage and valuation while raising funds from investors.