THE

STARTUP

MONTHLY

WINTER 2014 | ISSUE #1

USD $9.99 CAN $9.99

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ROCK THE POST

startup investing

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Early-stage startups

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$750,000 median investment round
$20,000 median minimum investment amount

Sourced from top programs

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Accelerators YCombinator, DreamIt, Summer@Highland
Conferences TechCrunch Disrupt, NYC TechWeek & others

Across a variety of industries

56% technology internet, mobile, hardware, software
23% consumer fashion, retail, consumer goods, B2C
21% other B2B, healthcare, energy, art

Made efficient, secure and personal

Vetted deals

Experian identity check including OFAQ, SDN & PEP
Business identity verification through Experian
Ratings & comments from other investors & users

With secure transactions

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Bank-level security encryption & protection
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On a personal level

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Dear Reader,

For those of you old enough to remember during the first dot com era, there were two great magazines that covered the startup/investor scene: *The Industry Standard* and *Red Herring*. We are in an amazing period of entrepreneurship, creativity, and discovery, and we think it's worthy of it's own print publication again.

There are a number of founding principles and goals that we plan to develop and encourage through this new publication:

1) Support the growth and careers of women entering the tech sector and encourage more women in STEM

2) Contribute to the recovery and growth of the US economy through promoting the startup sector and the job growth and creativity that it adds to our society

3) Encourage the growth and development of the crowdfunding sector on its own and as it relates to the JOBS Act of 2012

4) Expose readers more to what is happening in the startup and investor communities around the world

We are actively looking for contributors for future publications, from both investors and entrepreneurs. I encourage you to reach out and share your experience, your expertise and your story.

I want to thank a myriad of people, whom without, this launch issue would not have happened: Michael Gold, Peter Nieforth, Brad Kayton, Linda Martinez, Jonathan Pasky, Linda Rockwood, Ric Dragon, Bill Russell, Sonat Hart, Katja Schroeder, Emily Fadden, Joe Schmoke, Jonathan Brewer and Adam Tanir.

Lastly, a special thanks to our production team. After two years of amazing covers from John Lamb for *The Social Media Monthly*, we're thrilled to have him providing this launch issue cover. Thank you to Linda Martinez of SPACES Interior Design, and her input into the cover. And as always, a fantastic design and layout from Brant Beaupre and his colleagues Angela Bergonzoni and Alex McGonigle.

As I always say:
Questions? Comments?
Gripes? Seething Anger?

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Investing in Startups as an Asset Class

By: *Brad Kayton*

Investing in startup companies is becoming mainstream. While the United States has been a crucible of innovation and entrepreneurialism dating back to the projects of Ben Franklin, and few would argue that this country has been synonymous with capitalism, it is only now that the startup investing culture has rooted itself into our lives down to the average household. Investing in startup firms has become an extremely popular and increasingly viable concept as is evident with the rollout of the regulations stemming from the 2012 JOBS Act from Congress allowing even non-accredited investors the chance to invest in private entities through the rise of crowd financing portals and social media, entrepreneurial specific news outlets like Tech Crunch, and the hit TV show "Shark Tank." But investing in startup companies is an area strewn with pitfalls and must be approached like any other serious investment; namely, viewed as an asset class, where the investments are diversified, some sort of rational management approach is employed, and this asset class (investments in startups) is part of a larger investment portfolio for each individual investor.

In 2012, angel investments totaled about $23 billion, according to the Angel Capital Association, funding more than sixty-seven thousand firms. Conversely, venture capital (VC) firms in total throughout the country invest annually in only about one thousand companies. Perhaps more than any other force, angel capital is fueling job growth in this country. Traditionally, most angel investments were one-off deals from a friend or family member and were anything but planned, managed, and diversified. Less than three hundred thousand American investors are active angel investors according to the Center for Venture Research, but this number will grow notably in the coming years. Unless an approach to these investments as an asset class is taken, things could get ugly for these investors, which in turn could sour this investment class just as it is forming, and potentially even stifle startup investing, along with its innovation, jobs, and wealth. Everyone benefits by approaching startup investments as an asset class.

Chart 1

Startups as an investment asset class are an important consideration for any investor. As Dara Albright, the founder of crowdfinancing web journal NowStreet, pointed out in a poignant article last year, our stock markets are transforming (see chart 1). Price appreciation in highflying stocks such as Facebook and Twitter occur when still private. With the ascendancy of SecondMarket and other players like them making a market in private company stocks, going public is much less important that it used to be in previous years for these companies. When Intel went public in October 1971, it was only a few years old and debuted as a small cap stock, and then enjoyed 99% appreciation in the years after the IPO. Compare that to Facebook, where the price appreciation in the stock occurred before going public: $100 billion market cap at its IPO and more or less flat a year and a half later. Dropbox is raising private financing at the time of this writing with an $8 billion valuation, providing another example of a high flyer with a dramatically appreciating stock price, but with no access to their stock for the general public. In short, you have to get in early in these startup companies to score a large gain on your investment.

Whether startup companies as an investment class is categorized as an equity class or an "alternative investment" is a matter of debate as it has characteristics of both. One view is that private startup equities are simply small cap stocks, sometimes very small, and sometimes not so small, with valuations of large cap stocks. While an investment into a basket of startup equities is obviously an equity type investment, it is also long-term, high-risk, illiquid, and with the possibility of very high returns similar to alternative investments like hedge funds and real estate.

UBS, in their August 2013 issue of *House Review*, recommended a portfolio holding which has 7% to 11% of alternative investments. Similarly, it is common to hear in the established angel groups around the country for individual investors to dedicate 5% to 10% of their net worth to angel investing, and it is not uncommon for the dedicated, repeat seed capital investor to allocate 15%. The Securities Exchange Commission (SEC) in October 2013 set an annual limit for non-accredited investors for crowd financing, and only this sub-sub-class of investments. For example, for investments into startups purely over the Internet through crowd financing portals of 10% of one's net worth (or 10% of one's annual income). Considering all these facts, approximately 10% might be the optimum weighting of one's overall portfolio holdings to be dedicated to angel investments as a whole. The exact weighting for any one individual, as with any type of investment class, depends on their wealth,

86% of the aggregate exit value of the top fifty VC backed startups came from Silicon Valley in the years 2011 through 2012.

risk profile, and, perhaps most importantly, access to good startup investments.

The key to assembling a basket of startup company investments is to minimize the risks by providing balance and diversity. At least ten companies should be invested in, closer to twenty is better, and some have argued as many as five hundred is best (although that this is hardly practical). The investments need to be across a few industry sectors as any one sector can go sour at almost any time, no matter how good things are at present. Anyone investing solely in clean tech since 2010, inevitably carrying terrible returns at this point, can attest to this sector risk.

Diversifying investments by region is a consideration as well, although it is less important than other factors because the startup exit cycle is typically longer than any regional slump. It may be wise to focus the majority of a startup investment portfolio in known technology towns or regions, including Silicon Valley, Boston, New York, or Austin, as the returns tend to be better in towns that have embedded infrastructure for technology firms. It is important to note that Silicon Valley dominates aggregate exit value for startups. CB Insights reports that 86% of the aggregate exit value of the top fifty VC backed startups came from Silicon Valley in the years 2011 through 2012.

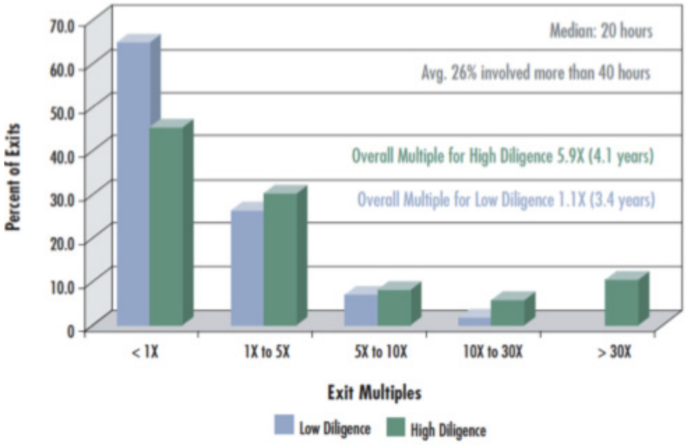
Time is another diversity factor to consider. Investing in twenty companies in 2007 would fare much worse as a vintage than say twenty investments made in 1997. This is one reason why VC funds deploy their capital over a three to four year period, to neutralize bad timing of a bad year, which of course is only known in retrospect. And hands down the best thing any angel investor can do to minimize the risk of an investment into a startup is to do extensive due diligence prior to investing.

It's intuitive and obvious even to the non-investor that doing due diligence is an important step to maximize returns. Since startup investments are long term and illiquid, an investment is like a marriage where divorce is not an option. To follow this analogy, due diligence serves as the dating period prior to marriage. The executive team, market size and growth, protection of the core innovation, traction, and the exit path are the key areas due diligence efforts tends to focus on, but it is never a standard analysis as each opportunity is unique.

A study of angel group returns based on the level of due diligence showed marked differences in returns as can be seen in Figure 2. Investments with a high level of upfront due diligence returned 5.9x the capital invested, while low due diligence efforts returned a mere 1.1x of invested capital. It literally pays to do your homework on startups prior to investing in them. And this is where the problem comes in for most people. Finding the time and having the knowledge to do effective due diligence. This is where many have found solace in joining their local angel capital group where there is a team effort on due diligence which provides skills across a variety of sectors. More minds to look for issues, and a much wider network to leverage.

It has never been easier to assemble a basket of startup investments. Joining a local angel group is one option. Most of these are angel networks where each individual investor writes a check, but the group coordinates on monthly meetings with pitches from local entrepreneurs. Angel groups are sometimes set up as funds. The group dynamics work the same way as above. The key difference is the money is collected in advance from members, and the group votes on their deals with the firms passing the due diligence process getting a single check rather than many.

Chart 2



Angel funds for those with no allegiance to any angel group are now being put together from crowd financing portals like AngelList, and accelerators like TechStars. The first fund attempted on AngelList, a collection of startups hand picked by the AngelList founders, struggled because they couldn't line up all the equity financing to close at that same time. TechStars has figured out how to overcome this challenge by getting all the companies in a particular city's graduating class to offer convertible debt, so investors buy into a set of companies at one time, and the debt converts to equity in each case when the company gets to that point. Both the crowd financing portal funds and the accelerator funds are convenient for the investors. Both options provide company and sector diversity. Crowd financing portal funds provide geographic diversity (but usually not the accelerator funds). But neither type provides time based diversity (it's all companies coming up the ranks in a particular year) nor performs deep due diligence.

A good example of a startup company fund that looks at the investments as an asset class is the Investors Collaborative, known by its members as "The iC". The iC is a collection of experienced angel investors who have banded together in a fund format. Members of the group invest at least thirty-five thousand, and to qualify for membership, one must be either an experienced investor or a seasoned entrepreneur, and many members are both. This group takes a national focus in terms of its membership and it's investments, with its headquarters in the Boston area.

The iC prefers investments in later stage startups, firms more mature than angel funded firms, but not far enough along for traditional venture capital. Or even better, not needing venture capital. Many members join for the sole purpose of diversifying their startup portfolio with later stage firms providing less risk, less volatility, and shorter exit windows. Although there is also less upside compared to typical early stage capital funds. The IC's goal for the portfolio is a 3x return in three years, and every firm is looked at during due diligence being able to achieve this metric, compared to VC firms that shoot for 10x return for every investment, expecting most to fail, which in turn creates misalignments of goals.

The iC excels in due diligence, and with the deep and diverse experience in the group, is able to do so efficiently. In its second fund now, the investments in each fund are deployed over two to three years. The fact that a startup fund is specializing by investing in firms at a slightly later stage illustrates the emerging sophistication of investing in startups as an asset class. This specialization reflects the sophistication of mutual funds and ETFs in this regard. The iC has diversified its portfolio as to time, geography, sectors, company stage, and employs deep and rigid due diligence.

Investing in startup company equities will become more prominent in the coming years. The SEC is finally revising its sixty year old rules and regulations enabling tens of millions more investors to invest in startups. Angel investing is getting more sophisticated, both by those investing, and from those creating a mutual fund opportunity of a basket of startups for investors. The result will be more innovation for the country, more jobs created by these funded startups, and good investor returns for those that approach startup investing with the diligence and portfolio approach as seen with other investment classes.

Brad Kayton is a known and respected angel investor living in the Boston metro area. He is a general partner and member of the Investors Collaborative (www.investorscollaborative.com), a member of the Launchpad Venture Group, and a member of FP Angels.

The SEC is finally revising its sixty year old rules and regulations enabling tens of millions more investors to invest in startups.

David and Goliath

Can Startups Work with Corporates?

By: *Claire Lee*
@Claire0h

At the Pearson Labs event in December, the writer who was moderating our panel asked:

Are we in a corporate innovation bubble?

This prompted immediate and unanimous response from the four members of the panel: Yes.

So, what does that mean, and what is the impact for startups?

How can the average startup take advantage of the seemingly new found interest in innovation and emerging technologies by the big guys? How does a young startup, without a surplus of human and financial capital go about gaining value (quickly) from a major corporation, without losing months of their life to pursuing possibilities of customer acquisition, investment and routes-to-market that lead to premature ageing and never deliver on the potential?

First off, here are some examples of corporate innovation in practice:

Pearson set up their own accelerator in the education sector in 2013.

The results for the inaugural class of 2013 look promising: Over a three-month period, the startups partnered with Pearson business sponsors on pilot programs to address specific opportunities and challenges put forward by Pearson teams. Through tailored mentoring sessions, the startups have had access to knowledge, talent and resources from across Pearson and its global network. They keyword here: specific.

In case you're not familiar with them as a company, Pearson is the world's leading learning company, providing educational materials and services, and business information through the Financial Times Group. They serve learners of all ages around the globe, employing forty-eight thousand people in more than seventy countries. There's no doubt that the brand can be meaningful and helpful to smaller beasts.

In education, an industry facing unprecedented disruption (do we know one that isn't?), the signs are really bright for new solutions to ageold problems and challenges. LearnSprout and Clever come to mind as innovative startups in this space, as well as a recent Microsoft Ventures seed fund investment, Ranku www.goranku.com.

Pearson is not alone however. Many others are following this trend and setting up their own accelerators. Mediacamp, from Turner Broadcasting, is one: http://www.mediacamp.com/

The great thing about programs like these is the emphasis on enablement. mediacamp "educates entrepreneurs and enables them to build innovative media businesses". Startups get formal mentoring from media industry experts and assistance through partnerships and vendor relationships. The program director in San Francisco is David Austin, who spent seventeen years at Apple and invests in high potential startups. This domain expertise and high relevance is worth its weight in gold. Time will tell what the real impact is for new programs in this space, but certainly this trend is largely a good thing for early stage companies.

For Pearson and Turner, the leadership teams are energized to see meaningful next generation solutions with potential for integration, investment, strategic partnerships or acquisition. Gone are the days when corporates only invested in two or three per year fairly well known, mature startups with pesky high valuations aligned to their own strategic product portfolio. Now things seem more collaborative, with an emphasis on providing an "open API" to the crown jewels and a platform for faster, fairer co-development. The output and the outcome is not necessarily direct investment or acquisition, but facilitative.

It will be interesting to track the graduates of the 2013 classes at Pearson Catalyst and mediacamp, to see how they're doing six, twelve and twenty-four months out. Will the parent companies become customers of, invest in or acquire any said company? Will the startups survive and thrive, thanks to the help of the big brand? The consensus is that the large, established companies will cease to be relevant, and will wither and die if they continue to only embrace strategies for internal ('closed or proprietary') research and development. Additionally, the need to start leveraging the most potent and powerful components of the ecosystem, i.e. startups, with their keen eye for problems without solutions, and their appreciation of emerging technology coupled with agility and lean product development cycles. Corporates, one concedes, can be myopic.

When I grow up, I want to be a venture capitalist (VC)

Corporate venturing is the most common vehicle used by corporations today to capture innovation on a global scale, and the community of people concentrating on this function has

CVC Deal Activity Rank 2011 - 2013	
1	Intel Capital
2	Google Ventures
3	Qualcomm Ventures
4	T-Venture
5	Comcast Ventures
6	Salesforce
7	SAP Ventures
7	Samsung Ventures
9	Novartis Venture Fund
10	Johnson & Johnson Development Corporation

Source: CrunchBase

CVC Total Funding Rank 2011 - 2013	
1	Intel Capital
2	Google Ventures
3	SAP Ventures
4	Microsoft
5	Johnson & Johnson Development Corporation
6	Comcast Ventures
7	Amazon
8	Novartis Venture Fund
9	Qualcomm Ventures
10	SR One

Source: CrunchBase

grown in volume and voice in recent years. Intel, IBM and SAP have been doing it for years. Others like Samsung, Qualcomm, Amazon and Salesforce are increasingly active; and Google Ventures has been a force of nature for the past two years.

The discussion becomes livelier around how corporate innovation and corporate venturing programs can be set up and structured. Those with an acute curiosity actively hunting around for best practices for gaining a competitive advantage. From our own experience in the devices and services arena, barely a week goes by without a steady flow of big brands reaching out to explore potential partnerships, and suggesting we might pair up with them on programs, campaigns, competitions, joint 'thematic' accelerators, and sharing dealflow. Microsoft, General Electric and Bloomberg have launched funds in 2013 with a focus on growth and returns.

Whether they are veterans of this game, or recent newcomers, most public companies with a healthy balance sheet and a healthy appetite are in it, or about to get into it. There's a few flavors to choose from. Corporates spend their time and marketing dollars on more focused programs by:

(a) Sponsoring the 'gravitational centers' in the market, i.e. existing market-leading accelerator programs, co-working spaces and industry event platforms.

(b) Launching branded programs and pitch competitions for startups to create solutions to a specific problem.

(c) Directly investing in startups.

The intellectual property (IP) is in the matching, the quality of the connection and evaluation. Making a success of corporate VC programs is not straightforward, given the contamination in most cases with the mothership's onerous business rules, which invariably creates a vacuum and leads to frustration with the founders. At the same time, companies are not able to continue their reliance on research and development as it used to exist. Indicators are that things are heating up.

How do startups engage?

Do young companies even want dollars and donuts from the dinosaurs? What used to be 'dumb money' doesn't seem so dumb these days:

"In 2013, both the number and size of corporate venture capital (CVC) investments has continued to rise. In October 2013, 48 venture funding rounds totaling $719M included CVC investors, representing a 14% participation". (TechCrunch, 12/5/13)

From a young, early stage startup's perspective, the priority for the founding team is building a solid Go To Market (GTM) plan, and delivering a killer Minimum Viable Product (MVP) or service with a real value proposition and addressable market. Then, getting enough capital injected early to keep you ticking long enough to get off the runway. Startups can take advantage of a myriad of corporate offerings (aka 'free stuff') that is widely available and easily accessible online. In mobile, most of the handset manufacturers and now the operators have some kind of program that startups can leverage.

The priority for the founding team is building a solid Go To Market (GTM) plan, and delivering a killer Minimum Viable Product (MVP) or service.

Given the macro-economic landscape, our friends in government are very much on the entrepreneurship and innovation bandwagon. How else to drive jobs and wealth creation? From Chile to Estonia, they are all concentrating on this theme. Between the privately and publicly funded accelerators and incubators, the tech parks, the initiatives and the campaigns, the sector specific programs in education, healthcare, creative and financial services, and every sub-sector one can imagine, there's almost too much choice. The challenge for startups? Betting on the right partner and investor.

It's not so much about getting a meeting with Dave the Big Exec at the corporation these days, as signing up to get services and playing around in the corporate 'sandbox' and, assuming you have the time and inclination, attending a mind blowing number of networking events in the major metropolitans, and seeking out the players at key industry events the brands are now sponsoring. Applying for an accelerator is a natural next step.

For startups, corporate partnerships are one of the best routes to rapidly test your product and identify viable Go To Market strategies, but, according to Diana Stepner, Head of Future Technologies at Pearson Labs, "it can be tough to get a foot in the door, or even figure out which door you want to get a foot in".

Claire Lee is Principal and Head of Partnerships for Microsoft Ventures, a new seed fund launched June 2013, and manages engagement with leading accelerators such as TechStars, StartX and Seedcamp.

Turning the Pitch Event

UPSIDE DOWN

By: *Michael Goldstein*
@mgoldie

As startup communities grow like weeds in large and small metropolitan areas worldwide, it's hard not to feel the excitement. These days, more and more cultural dialogue is devoted to the concept of innovation, and entrepreneurship schools are popping up all over. Technology is rapidly developing, and because that development is relatively inexpensive, motivated entrepreneurs are jumping on the startup bandwagon one after the other.

Great ideas are one thing, having the resources to execute them on a larger scale than a personal computer is something else.

Great ideas are one thing, having the resources to execute them on a larger scale than a personal computer is something else. For a startup, one of the largest challenges is capital. A startup may be explosively innovative, but it can't do much without funding. To meet this need, high energy events have popped up everywhere, giving startups the opportunity to pitch their products or services to venture capitalists and seasoned entrepreneurs. These events are highly competitive and full of exciting potential. But such a large flame of startup innovation needs more than one way to burn. Why not turn these pitch events upside down?

Let's set the stage.

Startups are nimble risks takers who are innovative by design, and typically small. They have technical solutions coming out of their ears, but often hit a wall when it comes to funding. They are ready to solve problems in new ways but need the resources to execute. On the other hand, corporations have capital, clout, highly developed branding and public relation resources, and the ability to spot prime market opportunities. Unfortunately, the desire to innovate in a larger company gets tangled up in meetings, approvals, team formation and reformation, human resource strategy and conflicting department goals. Things take too long. The market opportunity comes and goes before a corporation is ready to jump. It is obvious that these two worlds have the potential to make positive collisions.

Instead of startups lining up and pitching to venture capitalists and seasoned entrepreneurs, why not pass the pitching privilege on to large companies? They know what they need and they know that a startup can make it happen more quickly, and with less financial investment. If a large company partners with a startup, they don't have to risk their significant assets. They can also tap into the high spirited culture of startups to positively influence their own corporate culture. New energy, new ideas, new solutions.

SwitchPitch is the manifestation of this changing business model. Hundreds of startups are in attendance to listen to large companies pitch their specific innovation needs. They state their problem and goals in pursuit of startup solutions. Startups can then use the online platform to submit proposals for the projects they were introduced to at the event. Large companies login to review the proposals, find the most suitable startup for their needs, and viola, a new partnership is formed.

This is a different avenue for startups to execute innovation. This type of event is still high-energy and competitive, but the pitching is upside down. It's an exciting twist that opens new doors for startup success.

Michael Goldstein is a serial entrepreneur with a passion for launching unique ideas. Michael's experience has centered around consumer, online, transactional businesses, but is as broad as selling cinder blocks to university students for extra storage space.

Building a New Startup After a Billion Dollar Company

By: *Michael Chasen*
@MichaelChasen

“To launch a company, having vision and passion is not enough. You need vision and passion well executed.”

My First Startup

A few years ago, I started a computer company. I had passion but virtually no experience. I had an idea that I thought was obvious, but no one else seemed to be doing it. At first, some did not understand just what I had to offer. But I stuck with it, and it paid off.

The company's name was…well, it didn't really have one.

It was a computer consulting business I ran in my Connecticut hometown while I was in high school. We were one of the first families I knew to get a computer (a TSR-80, Model 4, and not to show off, but it had duel floppy drives). Thanks to that, I learned enough about computers that I felt I could help set up companies with this new technology.

Chasen's original computer, circa 1988

I received jobs by visiting local businesses and convincing them to let me share my vision on how technology could improve their bottom line. Soon I had so much work that I had to hire a friend to help with data entry. It was my first exposure to managing someone; therefore it was the beginnings of realizing the importance of creating a friendly work environment.

And I was more than just the CEO. I was also the CFO, head of sales, IT guy, manager of transportation (i.e. I drove to clients), and administrative assistant (to myself). Did I earn enough to cover my first year of college tuition? No, but I earned more than many other teens with part-time jobs. Besides, it was more about the learning than the earning.

In a sense, it was my first startup. While it was not where I learned everything I needed to know in business, it was where I learned that I wanted to be in business. And it was where I learned that to land clients, you have to be passionate about what you do, and to succeed, you need to know when you need help. These were lessons that would remain relevant with each of my future professional pursuits.

My Next Startup

My college friend Matthew Pittinsky and I founded Blackboard in 1997. I was seven years out of high school. While my high school computer consulting business was not explicitly on my mind, it had subconsciously fueled an ongoing interest in entrepreneurship and technology. To clients and users, Blackboard was first and foremost an education company. But to me, at least to start, it was a tech company that existed in the education space.

Matthew and I thought our concept of bringing teaching and learning online was unprecedented, but soon learned that another company had the same idea, and had launched four months before us, amassing one hundred and fifty clients before we'd even built our product. I was no longer the only computer pioneer in the neighborhood. So I knew we had to rely on more than simply being first. We had to be the best. To me, that meant we had to have the best team.

We put in considerable effort networking to recruit dynamic new members for that team. We also spent a lot of time listening to clients and then regrouping as a team to brainstorm, always in search of even better ways to integrate our technology into their education systems. Looking back, I see that in doing so, the team was forming a certain culture simply by working hard. And there was an additional component: we did so without giving up on fun, holding our annual Halloween office party for the children of employees, making a whimsical holiday "state of the company" video, springing flash mobs at annual conferences, and so on.

Blackboard started in a small brownstone just off Dupont Circle in Washington, DC with just a dozen employees and a hand-

The team at SocialRadar is small, yet the core components necessary to build a vital product are the same.

ful of clients. We evolved into to a global market leader with three thousand employees at locations worldwide, over thirty thousand clients, and thirty million users. I served proudly as CEO for fifteen years, taking the company public in 2004 and private again in 2011, when Providence Equity Partners bought it for $1.7 billion.

My Current Startup

Next to "How did you get started?" the question for serial entrepreneurs are probably asked the most is "What's next?"

While at Blackboard, I spent considerable time on college campuses, giving me a front row seat to observe how quickly and pervasively students adopted new technology. Students were, of course, among the first to share information through social networks on their mobile devices. Students were also breaking ground by checking in on their phones and using them as location beacons.

I realized that the combination of social media and location services, plus the ubiquity of mobile, has the potential to redefine how people meet and connect in person, so I created an app, and a company, called SocialRadar.

Success does not automatically beget success, but it usually begets inspiration. It is not only human nature, but also good business to build a new venture on the strength of a previous accomplishment. What unifies all of the companies I have launched is not industry experience (my high school startup was focused on small business, Blackboard was education technology, SocialRadar is location-based social technology), but rather my determination to apply technology for the greater good.

To launch a company, having vision and passion is not enough. You need vision and passion well executed. So even if your product or service is not staggeringly original, the way you deliver it can be the path to a hit. As before, this requires a smart, risk taking team.

For me, SocialRadar is the answer to the "What's next?" question, in terms of both my focus and where I believe society is headed. It is a mobile first app that gives you real time information about the people around you: the name of that face you can't place, the location of friends you didn't know were nearby, the similarities you have with someone two seats over whom you have not yet met, while also giving you full control over your privacy. This will fundamentally change the way you meet and interact no matter where you are. Now you don't have to wait to be in the right place at the right time. Now you will always be in the right place at the right time.

As an example: You're at a tradeshow, such as CES or SXSW, and you want to connect with various industry contacts you think would be there. But with your limited time and the packed conference hall, it's hard to do so efficiently and effectively. SocialRadar confirms if they're there, plus lets you know what they just posted or tweeted about, jump starting the conversation.

As with Blackboard, the opportunity for SocialRadar is vast, yet it again harkens back to my start as an amateur computer consultant in a small town. As with any new venture, we are building more than a product. I knew to be successful I would also have to build a culture, and central to that is a great team. Since the SocialRadar app blends two indispensable facets of our everyday life (social media networks and geo-location technology), it's especially apt that our company culture is a blend as well. We've combined best practices of other companies we've worked for, as well as companies we've admired from afar, plus incorporated some aspects we have not seen anywhere else.

Employees thrive in a culture of high expectations mixed with sanctioned moments of levity, all wrapped up in mutual respect. SocialRadar has already borne this out with everything from our "Trapped in an Elevator with the CEO" short videos, to our first open house in which attendees could get their photo taken as part of our logo. Compared to Blackboard by the time I left, the team at SocialRadar is small, yet the core components necessary to build a vital product are the same. It's an understatement to say I feel fortunate that Blackboard, my first professional venture, succeeded to the extent that it did. And some of my endeavors there, and even vague memories of my endeavors back in small town Connecticut, inform decisions I make today at SocialRadar.

Though I am no longer a sole proprietor and no longer working on a TRS-80 (RIP), I will always be a product of those formative experiences. And though I am no longer in education professionally, I will always be in education personally, and I will always be learning. I don't need to learn how to have passion for the application of technology. That comes naturally to me, but I continue to learn new ways to share my passion and nurture the passion of my team. That's the only path I travel, and I look forward to seeing what I will next discover.

Michael Chasen is an entrepreneur who is focused in the technology, education and SoLoMo (Social Local Mobile) space. After co-founding Blackboard, Michael led the company as CEO for 15 years and successfully sold it to Providence Equity Partners for $1.7 billion in 2011. He is the current CEO and co-founder of SocialRadar, a company focused on the mobile location services space.

So...what's *your* first impression?

What do *your* customers think when they first walk into your business? What experiences do they take away? What will they share with others? Will their messages align with *your* brand and goals?

As an interior designer, I partner with business owners to shape answers to these questions. I focus on creating environments that reinforce the company's brand and vision. As partners, we can often improve interactions between customers, employees and their working environment, while creating functional spaces that enhance culture and the experiences of everyday life.

In my 12 years of design experience, I have traveled across the country to work on an array of projects, large and small. While starting SPACES in 2010, I became particularly fond of the challenges and rewards of entrepreneurship. I enjoy helping others plan for new business space and make improvements to existing environments.

Good design does not have to be expensive. Let SPACES be your collaborative partner in the creative process!

- Linda Martinez | *owner*

SPACES

[interior design]

intention · integration · identity

The Art of the Pivot

By: *Peter Nieforth*
@PeterNieforth

If one of the goals of your company is 'to make money', then sometimes a hard look in the mirror is required. Is your original vision really coming to life in the way you imagined, or are you burning cash reserves and getting frustrated at your lack of success? It's not an uncommon scenario for startups. A great idea on paper doesn't always translate into a successful, market ready product. And when that happens, it's time to discover the art of the pivot.

THE LIGHT BULB MOMENT

TicTalking.com is an interest based social network that was founded with an idea that connecting people in meaningful conversations would lead to deep connections and digital empathy. Rather than shallow status-updates, TicTalking aimed to connect people via their shared interests: their Things In Common (TIC), and they want to make social networking valuable and relevant.

The concept is great, and the design and technology behind the site is strong. The company has been incredibly successful in raising venture capital, but the site wasn't picking up the large number of users as quickly as it had hoped, and that meant monetization was going to be a long way off. That's when the pivot for presented itself.

While pitching investors for a private equity investment, many of whom were successful entrepreneurs themselves in consumer facing industries like travel and tourism, health and fitness, and music/entertainment, we made a discovery. These very successful businesses needed a solution like the one that TicTalking could provide, if only it could be 'white labeled' and deployed on their own corporate website.

It was a light-bulb moment. One after another, executives of these consumer companies kept saying 'you know, my company needs something like this.' Finally, the penny dropped and I realized that a pivot to focus on the B2B market was where our business could start to drive real revenue.

While the original concept is still under development, and user recruitment marketing efforts are undergoing their own internal pivot, the bulk of the development work is now focused on building the product that paying enterprise customers are asking for.

CERTAINTY, PERSEVERANCE, AND FOUNDER-ITIS

There's a great line in the movie 'The Social Network' where Mark Zuckerberg says of the early days of Facebook: "We don't even know what it is yet. We don't know what it is. We don't know what it can be. We don't know what it will be. We know that it is cool."

For smart startups, that's a great philosophy to embrace through the design and discovery phase. The root of an idea is not necessarily what the end product will be. It's a concept, and it needs the room to grow, evolve, change, and develop. But for a company founder or visionary, it can be incredibly difficult to accept that an original concept might not be what ultimately ends up in the market. There's a fine line between perseverance and obstinance. Company founders and executives need to find the balance in holding on to the core idea, and letting the execution of the idea find its own path.

In the case of TicTalking, finding that path has meant that out company founder, Doug Campbell, had to detach the vision for the company from the 'visualization' of what the original product looked like and how it functioned. The process involved asking some pretty simple questions, all of which started with the word 'why'. What Doug wanted was a digital space for people to connect in meaningful conversation, raising the level of online conversation from trollish ranting to genuine human connection.

"Too often, I think startups get attached to the 'what and how' of their product, rather than the 'why' of it. For us, the pivot is movement in the 'what and how'. Our 'why' is solid, and it's what has allowed us to be successful in raising capital, and in securing corporate customers." – Doug Campbell

That concept is what is at the heart of the pivot for our foray into the B2B corporate market. Being willing to accept the notion that original concepts might not survive the test of the markets allowed us to make this pivot.

A PIVOT IS NOT AN ABOUT FACE

Doug's original concept of connecting people in meaningful conversation online is exactly what was appealing to our enterprise customers. Corporations were quickly coming to the realization that they had 'outsourced' their customer engagement to social networks like Facebook, and that they had lost the opportunity to control the conversation.

More importantly, those corporations realized that they were losing the opportunity to really learn about their customers' interests, passions, wants and needs. A key piece of our software is the ability to analyze and understand conversations in order to extract data about interests and commonality. That service in the way we deliver it doesn't currently exist in the market.

It's that data about what consumers really think about that has enterprise customers so interested.

Our pivot was simply about putting a new lens on our own view of our product. A pivot is just that: a slight turn to a new perspective. It's not about throwing everything overboard and starting over. The idea of putting a new lens on the internal view of a startup can be frightening for company founders. It requires the willingness to put ego aside and to embrace the idea of change as something healthy and exciting. The world of startups requires entrepreneurs who are willing and able to learn quickly, and to be able to see their company from new perspectives. Get outside the building, talk to people, and you might find that a simple little pivot is the difference between explosive growth and stagnancy.

Peter is a serial entrepreneur, who has successfully launched several tech startups over the past few years. He advises other companies, and sits on several Boards of Directors. He splits his time between Vancouver, BC and Taipei, Taiwan.

The circle

7. How much ROI is your company getting from exporting your customer engagement to outside social networks?

8. You don't get to know your customer's interests.

9. External social networks are replacing your corporate website.

10. Does the external social network reflect your brand's image and values?

11. How much money are you spending on a corporate website, but without customer engagement happening on that site?

12. Is exporting your customer engagement a circle of stupidity?

1. People come to your company website.
This is good.

2. Your company then sends
those same people
to Facebook, Twitter, YouTube,
and other social networks.

3. You have invested
lots of time and money
to create content and manage
online communities.

# of stupidity?

4. All that content you created is happening
on sites (like Facebook, Twitter, YouTube and more)
where you have no control.

5. You don't own the data being collected
on off-site social networks.

www.circleofstupidity.com

6. You don't own the analytics.

Move the conversation back to your corporate website.

Engage your customers.
Discover their real interests.
Build community. Control your brand.
Can you do this in the circle of stupidity?

Be smart.

Own the dialogue, data and analytics.
Gain control of your brand's conversations.
Understand your fans interests and motivations.
Make informed decisions.
Move forward with confidence.

tictalking™
Be Smart.

www.circleofstupidity.com

UPFRONT WITH UpGlobal's MARC NAGER

By: *Nathan Stephens*
@groundswellzero

Recently, Nathan Stephens, Owner of Groundswell Media Productions, caught up with Marc Nager, CEO of UP Global at the UP America Summit held in Iowa, October 2013. They discussed the organization and what it takes to be an entrepreneur.

Marc Nager became the CEO of UP Global in 2013 when his nonprofit Startup Weekend joined forces with Scott Case of The Startup America Project to form the holding company UP Global: the home for Startup Weekend, StartupDigest, the NEXT program, and Startup America. "As an organization, UPGlobal is really our transition from a single product organization, that has this great outcome of building communities and educating entrepreneurs, to making the switch to an organization that really exists to service, support, and foster the community leaders around the world that are really the ones responsible for driving and creating this startup revolution that's taking place," Nager explained. He graciously gives the credit for the growth of UP Global and its programs to the volunteers.

UPGlobal is really our transition from a single product organization, that has this great outcome of building communities and educating entrepreneurs.

"Oftentimes I think the volunteers, the people behind the movement, people like yourself, go under recognized. They really are the super nodes. I love to use my cheesy quote but you know, I believe that people like you, the community leaders, are the lynchpins of our future economies. You are responsible for all of the grassroot activity that's going to really create change."

Looking to the future of UP Global, how will the organization create more opportunities and connections for Startup Weekend participants?

From a programmatic standpoint, we're going to really invest a lot into providing opportunities for community leaders to be the ones representing and helping create opportunities for the entrepreneurs in their communities. We plan to achieve this by creating better access for community leaders to executive level networks of Fortune 500 type companies. We also plan to create networks and platforms from which we can tell those stories in the most prolific news sources that exist. I'd like to have the ability to feature and celebrate the accomplishments, and the failures, of community leaders and the startups they represent at the White House and legitimize what it means to be an entrepreneur and a community leader.

What's the toughest decision you've had to make in the last few months?

As an organization we've had to make some tough decisions to allow for more room for growth in our team and went as far as restructuring the organization to create an opportunity for us to recruit some senior-level talent. We've been able to both grow from within as well as recruit a couple of people into those positions that are just incredible. We've had some good learning experiences, too, about finding the right people for the right roles rather than just creating roles.

How have Scott Case and Steve Case changed the dynamic for the Startup America partnership and working with your team?

Scott's been amazing. As CTO and co-founder of Priceline, he's done this nonprofit-at-scale thing so he's adding incredible personal advice and has been an incredible addition to our board. Steve Case, just a whole new level of support for us as an organization in representation for what we're doing. He's been nothing but amazing and supportive. Many times we were asked if we worried about Steve, being such a big name, was going to try to advance specific agendas. I've been nothing but impressed by how genuine he has been. He is just here to be an incredible supporter and evangelist of everything that our community and organization is doing.

When we were in Iowa at the UP America Summit we talked a little bit about the importance of keeping the organization away from politics. Recently in Seattle, your county commissioners passed a new position to help support the entrepreneurial and startup ecosystem there. What, if any, support has Startup Weekend provided?

Personally, I am invested in making Seattle a great place and have a vested interest in creating a culture that supports a healthy startup community. Startup Seattle is really one of those initiatives. As soon as I saw that the government had an appetite to support startups and an opportunity to be involved, I joined the advisory committee for Startup Seattle. We were able to outline a few specific things that the Startup Seattle initiative could really be doing and that merited a full-time position. Seattle ended up passing a bill that was enough funding to pay a full-time salary and a small, small operating budget for someone to lead the Startup Seattle program. I'm hopeful that this will be a model for other city governments to look to.

Are there any specific people you'd like to see in that position?

The person who actually started Startup Seattle, his name was Red Russak. I'd love to see someone like Red back in that position. Somebody who is incredibly passionate and genuine and doing all the right things for all the right reasons and very much an entrepreneur at heart would be perfect for the job.

Tell me about a time when you had to slog your way through a ton of work. How did you get through it?

I think a lot of entrepreneurs and startups are kind of at that point where they are working fifty to sixty hour weeks, maybe more, to make their dreams happen.

It's not too different sometimes these days, it was daunting the number of emails that you would get. Email is one of those things that's a maintenance type task. You never feel like you're making that much forward progress. I would wake up in the morning with one hundred emails in my inbox and at least eighty of them were legitimate that I had to respond to because I knew they were potential customers. They were community leaders that were asking for help with their website, branding, sponsorship, and finance. I felt like a surgeon in the early days as a founder of a company with my patients bleeding out on the operating table constantly, so I was willing to go to really great lengths to make sure that I did everything I could. It was difficult. It was difficult on my personal relationships. It was difficult for my body. I got really, really ill actually after contracting salmonella and spent a couple of weeks bedridden and in the hospital. It's a whole new level of neglect and just hard work that I wouldn't recommend for everybody. I would say that as an entrepreneur, if you're not feeling like that for at least some sustained period, you're probably not doing the right things or you're just one of those very, very rare and lucky side cases. For the majority of entrepreneurs, you've got to go through it. You cannot avoid the extremely hard work. And if you're not willing to go through it, you're not cut out for it.

Tell me about the fun that you've had through the years doing this project.

I've gotten to travel all over the place and meet people who are so passionate about what they're doing and what we're doing. It's incredibly fulfilling to really connect with the people in the trenches and be a part of all of the different communities and cultures. It's not just traveling and showing up and doing touristy things. Entrepreneurship is like a religion in the incredible stories that come out of it and the true impact of change that it's influencing in our world today. Part of that fun is going out and celebrating and seeing all of those communities impacting people.

What were you doing the last time you looked at the clock and realized that you'd lost track of all time?

That was probably like this morning or last night. It'll be eleven o'clock and I'll realize I sat down like at eight o'clock after dinner and I was just going to get a couple emails out of the way and here I am.

What the really important thing is in the early days and part of that fun and balancing it is making sure you just have clear milestones. They don't need to be time driven milestones but more outcome driven milestones or indicators of making progress in the right direction. I've given this advice to a lot of people: Give me a list of three or four things that are going to happen roughly at some point that will influence a decision that is left or right, or go or no go, or whatever. As an entrepreneur, you're faced with situations where it's hard to discern which decision to make because you almost never hit all three or four of those things and are left with still a hard choice. But trying to be as clear with yourself and other people what those things are helps you make those decisions and commitments and it makes it worthwhile, and it almost justifies the self abuse.

Are there any specific processes that you're using to do time tracking or to have more effective teams? Any use of agile techniques or anything programmatically that you guys do to help run your business smoothly?

We've used a series of different types of tools over the years as different tools work for different sized teams. We used to do a lot with an urgent/important work matrix and a Kanban board until we were like eight or so people. That was the way to get stuff done and literally, have it on the wall behind us at all times and get up and move things around. We had a stand up meeting once a day and as we grew, that was not scalable. We started color coding the post-it notes. We ran out of colors and then we ran out of space and moved to asana and wiki. Then you start to outgrow those, because there is so much information that nobody can possibly get all of it. And then you have to move into this stage of meetings and the challenge of depending on really effective human to human communication.

I know that you have an office in Seattle. You've got someone out in Kansas City. Tell me about the other places around the country or the world where you've got people at right now.

We've got three, soon to be four people, in San Francisco. Someone at the Sprint Accelerator space in Kansas City. An

I am invested in making Seattle a great place and have a vested interest in creating a culture that supports a healthy startup community.

We started color coding the post-it notes. We ran out of colors and then we ran out of space and moved to asana and wiki.

office with four people in Mexico City. An office in London with five people, and an office in Brazil that's opening by the end of the year. Then in India, that'll be opening beginning the first month or two of next year. In India we have a couple of our community leaders that are helping us recruit right now.

So, I know that you and your wife work together. Tell me what it's like to be a co-preneur and what you would recommend for other co-preneurs. Brad Feld has written a great book about what the startup life is like and kind of managing time with wife and family and stuff. Tell me about that from your perspective.

I think we were fortunate in that we didn't necessarily start the company together. I consider her one of our first investors. She was paying rent while I was the crazy entrepreneur for the first year and a half and then she joined two and a half years into it. So, we didn't necessarily launch it together which makes it a little different. I would love to write something on why working with your spouse is an amazing thing because you see so much about why it's a bad thing. But I really believe it's part of that work-life integration. It's not work-life balance. It's work-life integration. If you are passionate about something and you're doing what you're passionate about, you blur the lines. You've got to be able to do that and being able to do that with your relationships as well is a really important thing. At the end of the day, being able to talk about the problems or the things that you're frustrated with and have somebody that totally is invested and understands why you care so much about it and they care about it just as much as you do, fuels that passion even more. It's just a fire that you can share and in which you can be co-creators. I think the situations where this doesn't work well is where you're not a team with direct reporting or some other conflict. If you can't be co-founders in your life endeavours, you may not be able to be spouses.

What three kind of things do you think every co-founder should have under their belt to be effective?

Self-awareness is number one. We all get wrapped up in other people and forces out of our control, whether that's pointing fingers first or finding excuses or just not understanding the cause and effect of a lot of situations. Who are you? What drives you? How do people react to you? How do you make decisions? Are you interacting with the world on a day to day basis without understanding your strengths and weaknesses? It's impossible for you to build effective relationships, communicate effectively, manage teams, manage priorities, everything if you don't know yourself. Number two is hustle. A lot of people would say passion, but I choose hustle because you can be passionate about a lot of things but hustle is the willingness to work hard and dedicate yourself to the goal. I see a ton of people with startups that you could call passionate, but are they willing to really dedicate your life and your time and your energy. You're going to sacrifice your relationships, your personal interests, at least for a period of time to see those things through. If you're not willing to make sacrifices and just work your ass off, you probably shouldn't be an entrepreneur. The third thing would be humility. Humility is really being willing to learn. If you fail at something, don't try and justify why and sugar coat it. Call a spade a spade and learn and ask people for help. All too often, I see entrepreneurs trying to justify why everything is amazing and they never talk about why some things are not. And the people who can constantly convince that everything is amazing live in this world of almost delusion. I consider myself an incredible optimist and have been guilty of this plenty of times, yet I also try to be really, really, really self-aware and have a lot of humility when things goes wrong. Don't dwell on it. I call it out, learn, and talk about how you're going to change it. If you have criticisms then offer solutions. Do that with yourself and people around you.

Are these qualities attributes you look at in the people that you hire as well?

Absolutely.

Getting away from the more serious business side of things, what movie, no matter how many times you've seen it, do you have to watch when it's on or you're just always like popping it in the Blue-Ray player or streaming it on Netflix every time you see it in the queue?

Oh, man. I have different movies for different times in my life. It's like music, right? You put on something like alternative rock, and it takes you right back to the 90s. The 90s is our generation. Gladiator for some reason really sticks out. In my English class in high school we totally dissected it and it was one of those that it was an incredibly powerful movie. That was the first time I realized that how hard people who make movies work and how much meaning is in every little thing. A more recent one? I loved Despicable Me. Yeah. It's hilarious. That one stuck out. I'm not a movie critic. I watch movies to be entertained. Most of them do the job.

Tell me about the music that you're listening to. What inspires you?

I'm a country music fan. I love country. I grew up kind of in the country, in a small town at least in the middle of nowhere and all of my friends and I grew up listening to a ton of country. And for years and years we've gone to country concerts together. You know there's something about music where I really appreciate just how pure it can be, how simple it can be and not degrading. The only type of music I probably don't like is a lot is what tends to be rap. Just any music that's degrading to humans in one way or another. I'd rather hear about somebody's wife leaving them and dog running away which is so much more real than riding in fancy cars, hooking up, dealing drugs, or killing people. I'm a simple man sometimes.

Any books you would recommend for entrepreneurs or people who are thinking about getting into the startup life?

Where do good ideas come from? by Steven Johnson is a fascinating book. If you're somebody who considers yourself an entrepreneur, an idea person, check it out. Good ideas don't just come from anywhere and this book helps put a mental framework around why and how. It forces you to think about how to optimize and maximize good ideas. Good to Great by Jim Collins was really influential for our organization and me, personally. The third would be Tribal Leadership. Tony Hsieh recommended that one and I really adopted it. It reads really true for what type of leader are you and how to motivate people and a lot of self awareness instilled in that. Those are a good solid three books. For any entrepreneur, make sure you're reading the right book at the right time and not just because somebody handed it to you. Know what the book's about and try to find those things that are somehow fitting with who you are, where you are. It's totally irrelevant to learn how to run a business when you're not actually running a business.

My last official question and I want you to really dream here and reach here: What would you do with unlimited resources?

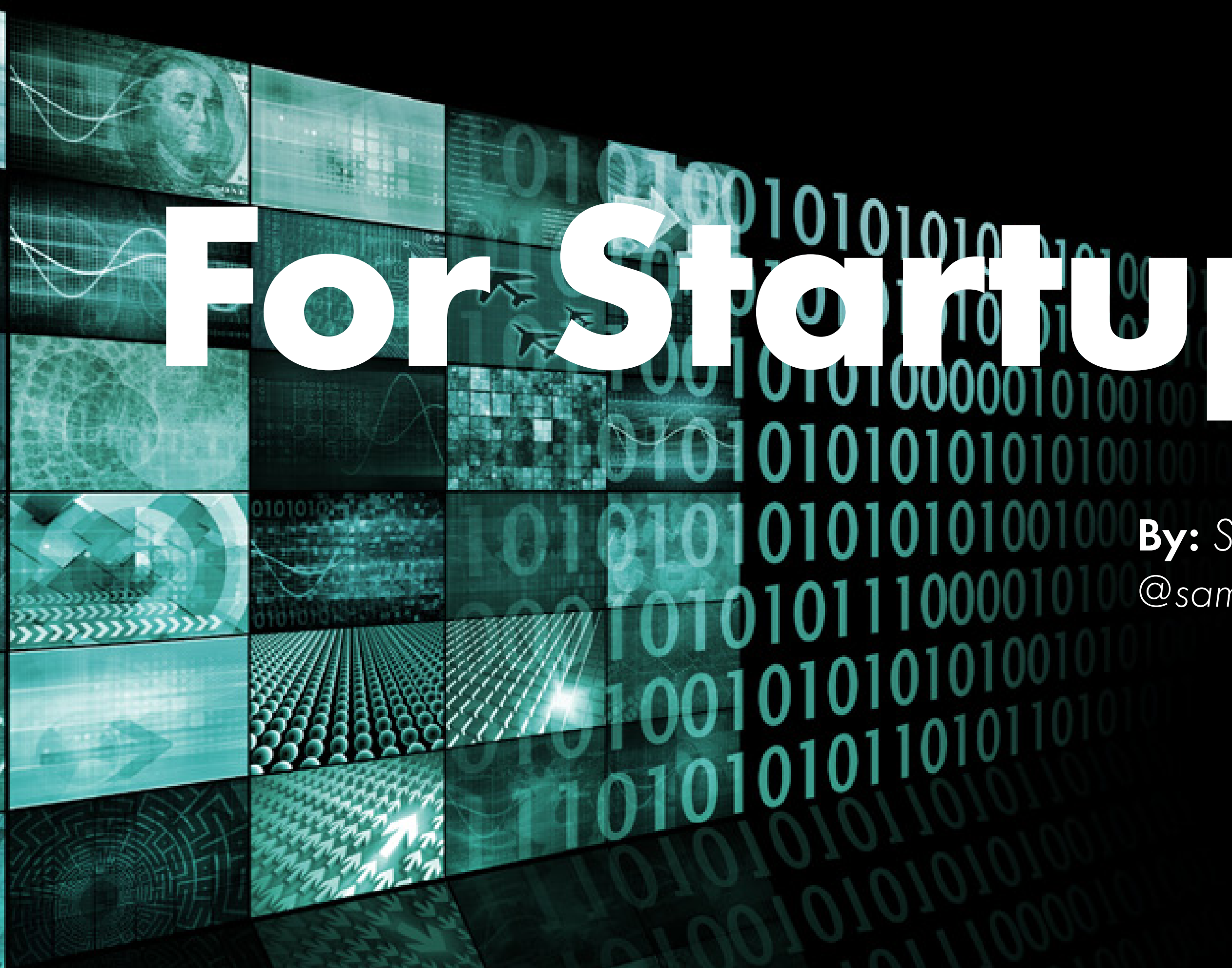
So I have a belief that as humans on this planet, if entrepreneurship is one of those things advancing human welfare, what is the ultimate form of advancing human welfare and why? What is our purpose as beings on this planet? It's clearly to survive and to advance. I truly believe at some point the only way to survive and advance ourselves is to get off of Earth. This is a little Elon Musk-ish or Rich Branson-ish, but around six months ago I had this revelation about why those guys are doing what they're doing [with space exploration]. I think it's for a similar purpose. Earth's only going to be around for so long. Humans can only survive here for so long. Not because we're going to pollute the heck out of it or nuke ourselves, but even assuming we don't do those things, Earth will end. An asteroid will eventually hit the Earth, mother nature will go crazy or pick your favorite sci-fi scenario, at some point we've got to be able to make it to other planets and survive outside of Earth. That's what advance of human civilization will require. Where is that going to come from? It comes back to advancement in societies and civilizations that will get us there. And how does that happen? That's due to people that are just crazy enough, entrepreneurs.

Nathan Stephens has been on the organizing team for the inaugural Startup Weekend events in both Missoula and Bozeman, Montana. He is currently the lead organizer for Missoula's second startup weekend to be held in March 2014.

I truly believe at some point the only way to survive and advance ourselves is to get off of Earth. This is a little Elon Musk-ish or Rich Branson-ish...

Building DIGITAL Ecosystems

For Startups



By: *Sam Fiorella*
@samfiorella

There are many daunting tasks associated with launching a startup business, from product development to financing to talent acquisition. For most, the greatest challenge is the ability to attract an audience and capture market share in a very short time period.

The mass adoption of social media by consumers and business to business buyers has emboldened many entrepreneurs to approach this challenge through digital communications and promotions. From product crowdsourcing and audience research, to branding and sales, social media has become a "go to" tactic for many. The allure of viral activity has many start-ups investing in social technologies and marketing campaigns, yet most are left disappointed with the results.

Twenty years ago, startup business owners would have loved the powerful digital and social media marketing tools now available to their modern equivalents. For example, crowdfunding sites like upstart.com and fundable.com allow new ventures the opportunity to raise muchneeded capital from the general public, sometimes $5 dollars at a time. There are a growing number of businesses using these peer-to-peer funding sites. Ube, a start-up creating home lighting control for smart phones, has raised more than $925,000 in financing from Fundable. DecisionDesk, an application tracking system that simplifies complicated admissions and recruitment workflow processes, was funded with $1,250,000 by individuals through this same platform.

The web and social media also provide a platform for businesses to use influence marketing strategies to amplify their brand awareness and capture the attention of potential investors, the media, and future customers. Social monitoring and analysis tools are available to source the conversations, and the people generating those conversations, within a business's

Thanks to limited budgets, pressure from boards of directors, and other challenges, startups are relying on social channels to act as the main pillar of their marketing and sales strategy.

target audience. Even basic influence marketing programs and software have the potential to create significantly more viral buzz than start-ups were able to achieve twenty years ago.

Is Social Media a Red Herring for Startups?

Thanks to limited budgets, pressure from boards of directors, and other challenges, start-ups are relying on social channels to act as the main pillar of their marketing and sales strategy. However, there is also a big risk when choosing digital channels without an integrated communication strategy that selects the appropriate channels, and a content strategy to promote a healthy digital ecosystem.

Crowdfunding, for example, is great for raising capital but it won't build an audience. Influencer marketing is a great strategy for creating online buzz, but does not guarantee prospects will become customers or sustain the business with repeat business. Social networks and technologies as a go to growth strategy, without first establishing a sustainable digital ecosystem, will create more problems than they solve. Frankly, this is the case with many established businesses as well. However, the negative effects are greater for start-ups as they don't have any momentum to carry them through a drop in customer interest.

The Starfish Strategy

Back in 2007, popular technology writer and personality Robert Scoble, noticing the lack of integration among the digital properties of various brands, wrote an article in Fast Company that illustrated the need for digital ecosystems.

"A starfish has many legs radiating from its central core. It uses its legs to move towards its prey, which it will ultimately devour with one of its stomachs. The analogy should be clear. Social Media – blogs, text messaging and social networking – are the legs of your online strategy. Your web site is the belly of the beast, where you convert visitors into customers." – Robert Scoble

There are two important concepts in this statement that are as relevant today, if not more relevant, than they were in 2007. First is the need for a content hub with which external sites are purposefully and strategically integrated. The second is the need for an integrated strategy that connects all the online properties to a single business goal: converting online engagements to business transactions.

Breaking Down the Digital Ecosystem

Start-ups are well advised to plan their digital ecosystems when developing their marketing and business plans, and certainly before they engage stakeholders in social channels. Let's explore the elements of a digital ecosystem. Social ecosystems, like their ecological or biological counterparts, work in a similar fashion. An ecosystem is a self-sustaining environment in which each participant plays an integral role in the well being of the whole. Non-contributing elements and threats are ejected, or the ecosystem adapts to include them, otherwise balance is thrown off and the ecosystem weakens or dies.

A hub is often a corporate blog or website; however, they are not hubs by default. A hub must be designed and built to push content and engagement out into the community and to receive new engagements back, process them, and convert them into business value. A corporate blog that simply attempts to create thought leadership isn't enough. A corporate website maintained as a digital business card or sales brochure is not enough. In fact, even a corporate website with lead generation forms or other similar calls-to-action cannot be considered a hub if it can't tag and process incoming social engagements based on the communication path that led them to the site.

As the illustration above highlights, a business hub must push content out into its ecosystem with relevance and purpose so that engagement can progress from one channel to another, moving prospective customers along the purchase life cycle. Earned and paid media across social or traditional channels is irrelevant to a startup if that awareness is not nurtured to create interest and if that interest is not connected with social proof or other motivations that lead the prospect back to the site to complete a transaction.

For example, the content of marketing emails should start a conversation that leads customers to return to the website if they are immediately interested. If not, it should provide the reader the option to link to wikis, blogs, and other online properties that continue the conversation started in the email.

The content displayed or the dialogue occurring on those sites must also provide a call to action that drives the customer back to the hub to convert the lead. For those not ready to take action, a survey, promotion or other interactive effort should be encouraged to continue the engagement and capture or provide additional information in a different manner. Further, the option to view content or engage with the brand on different devices or platforms could be offered at this point.

Connecting Social Activity to Bottom-Line Results

What this boils down to is that the creation of an online ecosystem is the coordination of content strategy and social media technologies that work in concert to start and continue a conversation with customers, media, investors or other stakeholders. If planned well, each tactic and network will engage the social graphs of the stakeholders that are being communicated with, and pull more people into the conversion path. A strategic ecosystem will help create the initial buzz and awareness required by startups and also lay the foundation for long-term growth and business sustainability.

As with biological ecosystems, a digital system is a living, breathing entity that expands, contracts, and adapts to the changing elements within it. The use of social media monitoring tools like Pulse Analytics or Sysomos is required to monitor the health and progress of those engagements. When specific content no longer succeeds in moving the audience along the purchase life cycle, the hub must adapt to issue new content, formats or even tone of voice to re-establish balance.

Be it product messaging or product development, monitoring how the new product or investment offering is being received by the community across different channels is necessary. When your communication is designed to flow from a hub, through web and social platforms, and back to the hub, you gain multiple points of interaction with which to compare engagements, which is essential to ensure that data is not skewed by specific channels or groups.

As with biological ecosystems, a digital system is a living, breathing entity that expands, contracts, and adapts to the changing elements within it.

Missing Data and False Signals

Developing a digital ecosystem also provides the opportunity to determine early on where in the start-up funnel investors and customers are stuck and not progressing to the next step. This insight allows businesses to shift and pivot in real time, saving valuable resources and speeding up the likelihood of completed transactions.

Lastly, as with any business plan or marketing strategy, the establishment of success metrics expected from the system is critical. Measuring the achievement of those goals is more difficult when such ecosystems are not established. In their eagerness to justify marketing dollars, many entrepreneurs get sidetracked with metrics such as number of followers, mentions, click throughs, and open rates. Each is important, but in isolation they're not success measurements. These metrics are merely contributing factors to success measurement, which is actual sales, profit, and/or investment dollars received.

Understanding the end-goal of the digital communication path is important for content creation, stakeholder engagement, and the eventual effectiveness of monitoring, tracking, and reporting. Digital channels and technologies offer powerful tools to cash-strapped startups; however, they can also create a black hole in which time, money, and hopes disappear. Developing and managing an ecosystem may seem daunting for start-ups but it will mitigate the risks inherent in disconnected social media engagement and increase the likelihood of long-term business success.

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Starting Up with PR Fuel

By: *Lindsey Carnett*
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Using Social Media, Branding, and Metric Analysis to Build Your Startup

In this digital age, public relations (PR) and social media are like wombats and snails. This symbiosis thrives when PR engages in an active relationship with social media to drive branding, engagement, search engine optimization, a positive online reputation, and exposure. For startup companies fresh to the scene, setting up a formidable social media front requires a simple process that can prove effective, gaining marketplace intelligence to set your company apart as an industry leader.

Clear Objectives

Before venturing through the social media jungle of Facebook, Twitter, Instagram, Pinterest, Tumblr, LinkedIn and other influential sites, it is imperative to develop a plan of attack. A thorough plan should always have the end goal in mind. What is your goal? How will you measure your success? How do you know when you've reached that goal? Setting these clear goals can extend to how you will measure the success of your overall public relations campaign as well.

Identify what results you want to achieve by incorporating a social media plan into your marketing campaign. Questions may include: Do I want to increase awareness? How will I measure traffic driven to my website? Do I want to increase my social media presence and if so, to how much, and on what platform?

You may be wondering, why even bother having a public relations and social media plan? Consider these findings by Social Media Examiner: of those who have been using social media for at least one year, 63% found it useful for building a loyal fan base. Additionally, improved search engine rankings were most prevalent among those who have been using social media for two years or longer, with 62% reporting a rise. For small businesses, at least 62% with ten or fewer employees agreed social media reduced marketing expenses.

It takes time to develop relationships that lead to sales, and a large percentage of marketers who take the time find great results. These results are a product of a well-organized PR and social media plan with a strong foundation of goals.

Improved search engine rankings were most prevalent among those who have been using social media for two years or longer.

The Magic is in the Message

What needs to remain most consistent with startup companies launching a new product or service is a concise and value-driven message. A thorough public relations campaign can help shape this messaging for the media and consumer alike. To complement this messaging are the assets through which it's delivered. For example, a journalist might request a company or product description, photos, screenshots, press kits, and other such assets, all of which a start-up public relations campaign is meant to deliver. These assets help promote you as an expert in your field. A public relations firm will brainstorm and research to create white papers, case studies, editorial and other compelling content designed to position you as an indispensable authority in your industry, city, profession, and other areas of relevance.

Working with a public relations firm can help you identify your target audiences and define what your product is while refining what makes it unique. Aside from honing in on your messaging and helping you establish your brand foundation, a public relations campaign helps you build a strategy to reach your target audience.

Strategy

Aside from helping you navigate your digital front through branding waters, the most essential role of public relations firms is their ability to get personal. While every startup should be doing whatever they can to take advantage of online tools and social media to promote themselves, a good public relations team will take advantage of the tried and true method of interpersonal connections. Ryan Carlin, a PR expert of Roaming Hunger says of media pitching, "In an age where 'silent' business like e-mail is possible and often preferred, it undoubtedly makes an impact by picking up the phone. Not only does it establish trust, but it also creates a more solid relationship for future media outreach."

This outreach extends to using the public relations firm to form partnerships with professionals you otherwise may not have had access. Leveraging media relationships of seasoned companies can help start-ups get off the bench and into the game.

More Money, More Metrics

Metrics can help you measure your success and whether or not you've reached your goals. Metrics to consider include number of articles in known publications, reach of marketing efforts, traffic driven to your website, and social media engagement. The end result of all marketing efforts should be a positive return on investment (ROI) and this can range from monetary (i.e. dollars generated from inventory sold, leads generated) to market share, share of voice or improvement in positive content to generate customers. To get a true idea of how effective your marketing efforts are, a public relations firm can help you narrow down your metrics to view what media channels (i.e. newspaper, magazine, online, TV or radio) are effective in helping to drive qualified traffic to acquire customers. For example, how many customers or prospects came to your company website through organic SEO (search engine optimization)? How many through affiliate deals? How many leads were generated through SEM (search engine marketing), or a customer referral program?

Return on Content (ROC)

Content also provides measureable results for those implementing it effectively. Understanding your Return on Content (ROC), or the calculated value of how effective call to action posts are through the use of Facebook posting analyses, social media reports and Google Analytics, means keeping track of the percentage of sales driven from your content. In relation to social media, efficacy of call to action posts can be analyzed through Facebook posting analyses, Google Analytics, and Google AdWords. You will be able to gather insights into your sales and revenue so you can measure how much was generated from your efforts via social media posts, blogger promo codes, social media promo codes, press releases with call to actions and other content. Marketers are quickly embracing content and social media metrics. According to Marketing Charts: 84% of marketers say they use social media to "reach customers at multiple touch-points," while 62% want to reach customers where they spend their time and 56% say that "customers expect them to be on social media."

After you've prepared your backend and implemented your offer or ad with a stunning and fitting Call-To-Action, it's time to get down to the "nitty-gritty" of measuring your ROC. Quantifying the value of social media using backend analytics will help you determine which keywords have the greatest efficacy and what your target demographic is engaging. Some questions to move forward with:

- How frequently did people engage with your ad or offer?
- What time did people engage the most with your ad or offer?
- Where did their engagement end? Did it end in redemption?
- How did my target demographic engage with my ad or offer?
- Do I need to change who my target demographic is?
- What business outcomes resulted from this ad or offer?

Case Study: Hot Iron Holster

Startup Hot Iron Holster enlisted the help of a public relations firm to help launch their product and provide foundational branding assets. Hot Iron Holster planned broad objectives with the help of their PR team including such objectives as 1) increase web traffic via media placements and social media, 2) earn television placements to demonstrate how Hot Iron Holster works, and 3) grow the social media community to help increase brand awareness. The public relations firm conducted thorough research to get foundational understanding of the target audience and their needs. To provide efficient multi-channel marketing support, the firm researched print and online advertising including national women's magazines (i.e. OK Weekly and Cosmopolitan). A thorough study of social media platforms and an assessment of their advertising provided an idea of budget necessities for Facebook, Twitter, YouTube, Pinterest and Instagram. To help with exposure and get Hot Iron Holster right in front of the consumer, the PR team researched live consumer activation events and helped Hot Iron Holster attend an Oscar's gifting suite, Pamper Me Fabulous and other women's expos to earn media attention.

With a complete strategy organized with their PR team, Hot Iron Holster moved forward with an annual PR budget of $36,000 and a minimal ad budget of $4,000. With this budget, they achieved over $500,000 in product sales both online and at retail and came out with a very large global licensing deal in the works. Additionally, with help from the PR team, Hot Iron Holster's media placements led to 31,388,563 earned impressions with a $1.05 Cost Per Mille (CPM) for public relations editorial efforts. Social media advertising led to 3,709,115 impressions with a $1.99 CPM for social media advertising.

The launch campaign strategy also provided Hot Iron Holster with a 3,400% in Facebook likes, 200% increase in Twitter followers, 8,100% increase in Instagram followers, 2,300% increase in Pinterest followers, and 4,400% in website traffic referrals. The launch campaign included timely and targeted efforts including a Black Friday/Cyber Monday Facebook offer that resulted in a 1,600% capture rate.

Conclusion

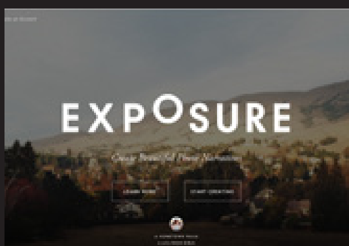
Public relations firms or marketing agencies with effective campaign strategies and precise execution can help startups invest in their history and brand ethos to create a new trajectory forward. Turn your brand into a product with value through research, conceptual design, and metric analysis with your public relations firms to create 1:1 relationships and become a rapid-growth startup that becomes a household name and allows you to exit so you can successfully build and grow your next startup.

Lindsey Carnett is CEO and President of Marketing Maven Public Relations, an award-winning bicoastal integrated marketing and PR firm focusing on traditional publicity, social media and Hispanic marketing.

BETA LI.ST

The Latest Internet Startups

Beta List - a heads up on the latest Internet startups. Whether you'd like to try out the next Twitter or Instagram, want to reserve your username or just want to stay in the loop on the latest technology, Beta List has got you covered. Below you'll find some of the startups recently posted on the site.

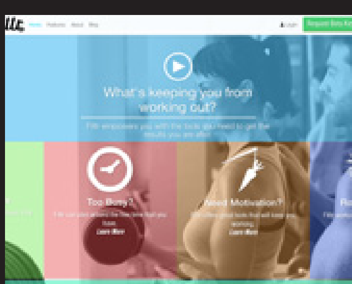


Exposure
Exposure was created for photographers who want a more meaningful and effortless way to publish their work — in the context of a narrative, instead of a feed or single photo on a permalink page. We help you tell a great story, while putting your photography front and center.

https://exposure.so/

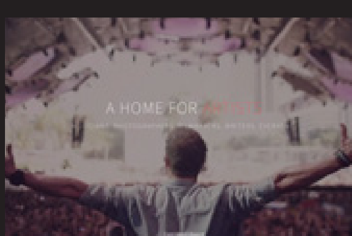
Databox
Databox is the first mobile dashboard that helps executives keep track of the metrics that are driving their businesses. It can connect to almost any data source within an organization, process the collected data and deliver the most important business insights on a mobile screen. With Databox, we enable our users to have a real-time visibility into their company data and help them make better decisions, faster.

http://databox.com



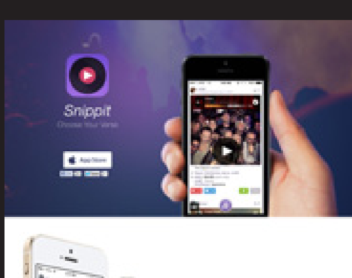
Fittr
Fittr completely changes the personal trainer industry. Fittr offers automated and customized workout plans for anyone trying to lose weight, get toned, or get stronger/bigger. Using variables like age, gender, fitness goal, equipment available or gym usage, and time commitment, Fittr is able to create completely unique workout plans for everyone. With motivational tools and analytics tracking to keep users going, Fittr empowers users with everything they need in a fitness tool.

http://www.fittr.com



August
August is where the world's most talented artists are discovered and experienced by the world. A place where they can forge meaningful relationships that amplify their media, build their community, and ultimately, grant them the social and financial freedom to endlessly create.

http://agst.co



Snippit
Snippit is a social music app that redefines the concept of expressing yourself with your favorite music. Create precise, 4-10 second clips from any song in your music library, attach to a photo, and share with friends. Is there a certain verse that would fit perfectly with a recent photo? Seamlessly snip the verse at the exact location in the song, attach it to the picture, and let others experience the moment with the right music that defines it.

http://www.getsnippit.com

Want to discover even more startups? Head over to http://betali.st/ or follow Beta List on Twitter: @BetaList

Return on Relationship for Startups

By: *Ted Rubin*
@TedRubin


SMS
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In this day and age, starting a company from scratch with an idea and some seed money requires a different marketing focus than it did, say, a decade ago.

Ten years ago, your marketing fund might have gone to an advertising agency for things like print ads in targeted magazines, banner ads on websites, TV, billboards or direct mail. Those things took quite a chunk, especially if you were looking to get the word out about your new product or service quickly.
Learn to Start a Different Way

In today's socially connected mobile world you still need a marketing fund, but channeled less into advertising and more into processes that focus on building relationships with prospects and customers. Gone are the lazy days of blast media, where you could hand your branding over to an agency and remove yourself from the marketing message. Social conversation and search are the tools of today, and they require a more personalized approach to get the best results.

The first step is developing a search and social friendly strategy. Think in terms of creating a site that isn't just an online brochure, but an information rich central hub with lots of content. It should be visually appealing, easy to navigate, and connected to all the social channels where your audience spends time.

For your site and its content to mean anything to your audience however, you must understand them first and foremost as people, not as broad demographics. Do whatever it takes to find out who your ideal audience is. This goes beyond gender, age and income. Think in terms of developing well-researched "personas" of your target audiences. Know their lifestyle, personality traits, buying preferences, pain points and hot buttons. Once you know who your targets are, you can find out where they hang out online and build your brand profiles on those channels to communicate with them. Gather as much information as you can about your prospects as living, breathing individuals before you start marketing.

Don't Use Social as a Blast Medium: Shut up and Listen

Now understand your ideal prospect. You've done your research and have built your website accordingly. How do you connect with prospects using social media? In order to be heard above the growing social media "noise," you need to first listen to your audience so that when you're ready to speak to them, you get it right. What are they saying? What are they feeling? What are their pain points? What solutions do they need? Go to their pages and profiles. See what they're saying, feeling, communicating, and doing.

Today's brands can gather vast amounts of information about consumer preferences, but to build relationships you need to go well beyond data gathering and actually hear and react to what your consumers are sharing. True listening requires a willingness to place consumers' opinions above your own (usually biased) view of your company. Smart brands listen well and even make product/service changes based on that feedback.

Build Trust

Whether your product or service is retail or B2B, you need to be "consumer oriented" in order to shape the kind of trust it takes to build profitable relationships. So when you're crafting messages and interacting online, make it about them. Always think about and address what matters most to your audience. Let them know you are listening and that they can show you what they need, want, are interested in, and expect. Whatever matters most to them should become what matters most to you!

We marketers like to think that social media is primarily a set of tools for our marketing purposes, but in reality, social media is also a strong set of tools our consumers use to share and influence opinion about our brand. Consumers now have "the channel of me," and their opinions now create the "reality" of your brand. If enough consumers say negative things about you, your brand loses its credibility.

Posting Content Isn't Enough: Aim for Ongoing Engagement

So how do we build trust on social channels? Deciding what to say is often a challenge, especially for new companies. But there's some new wisdom regarding social content: "Content is Still King, but Engagement is Queen—and She Rules the House." Your consumers will recognize in a heartbeat if you are simply trying to get something from them, and they will not stick around. So don't just post content to have something to say. Building relationships is about starting meaningful dialogue and taking the time to thoughtfully and genuinely engage in ongoing conversation.

The biggest mistake being made today by marketers and brands is ignoring ongoing conversation, and falling back into initiative-based advertising thinking. Real engagement takes time, attention, and consistent effort. A one-time Tweet, a quick Facebook posting, or an email here and there is an announcement, not engagement. Look for opportunities to reach out to consumers by asking questions, offering useful content, and solutions relevant to their issues by providing useful community forums and feedback venues.

When you adopt the marketing philosophy that it is all about relationships, you will naturally begin paying more attention to the consumer needs and preferences. People who feel valued by you will in turn assign value to your brand by purchasing.

Be Authentic in Your Messaging

Authenticity will set your brand apart from the rest in today's highly competitive market.

Your consumers will recognize in a heartbeat if you are simply trying to get something from them, and they will not stick around.

True authenticity in marketing requires brands to change their public filters. It used to be that a whitewashed image was the way to get customer notice and buy-in. But now, if brands filter out any and all slight imperfections, consumers quickly get wary. If the only reviews you allow the public to hear are about how amazing your product is, you quickly lose authenticity points, so don't waste resources whitewashing your brand. Instead, give advocates the tools to tell "their truth" about your brand, even if it's not perfect, because that is what consumers trust.

Don't waste your valuable marketing time making things up. If it's too good to be true, your audience will be suspicious. Do your products and services have all perfect recommendations, as your brand claims? Maybe, but unlikely. 100% on-time delivery? Maybe, but unlikely. Of course, you don't need to announce your errors or be proud of performance inconsistencies, but if consumers bring them up publicly, consider not filtering those conversations out of the media. Speak directly to any issues consumers have with your brand, and let your problem-solving conversations be public. These authentic conversations are the ones that build ongoing relationships based on trust, and trust builds advocacy.

Breeding Brand Advocates

The ultimate business dream comes true would be to have every customer so delighted by your product or service that they can't wait to tell their friends. Word of mouth can be a wonderful thing, and social media gives us a powerful way to breed an army of advocates whose conversations go beyond just their friends to everyone in their social networks.

You want to create as many brand advocates as possible, so sales can become a natural part of your Return on Relationship instead of a "hard sell" on your part. It takes a little forethought, but the results are very much worth the effort. Here are four ways to hone your thinking regarding brand advocates:

Focus on the relationship first: Consumers don't fall in love with your brand and become advocates by being pushed into sales; they fall in love with your high quality product, excellent customer service, and a consistently enjoyable experience. All natural byproducts of strong relationships.

Put more energy and attention in your "give" column than in your "take" column: Stop thinking in terms of what you can get from your consumers and start asking what you can give to them as a thank you for connecting. Simple acts of giving attention, discounts, thank-you Tweets and re-Tweets, etc., are what build the foundation of relationships that create brand advocacy.

Look in the mirror: Do unto others as you would have them do unto you. This isn't just a recommendation for life; it's a requirement of business in the social media age. As marketers we want our brand to be heard, valued and paid attention to, so that's exactly what we need to do for our advocates. Give them our attention, and make sure they know we value them.

Make no assumptions: Never assume you know a person's needs, preferences, habits or relationships when communicating with them. The sequence that builds the best relationships is to ask first, listen next, ask again (for clarification), then act and integrate your learning. Ask them what they think of your product. How does it meet (or not meet) their needs? What's missing, and what recommendations do they have for improvements? In this world of information overload, asking = caring, so show them you care.

If you're just getting your company off the ground, focus your marketing efforts on building those all-important relationships. Get to know your ideal customers. Build an information hub where people can easily learn more about you. Listen to social conversation and give individualized attention to your audience members. Be nice, be helpful, and always think in terms of giving value. Keep those things in mind and you'll be well on your way to building healthy Return on Relationship, the key to successfully launching any business in today's world.

Ted Rubin is a leading Social Marketing Strategist, Keynote Speaker, Brand Evangelist, and Acting CMO of Brand Innovators. Ted is the most followed CMO on Twitter according to Social Media Marketing Magazine; one of the most interesting CMOs on Twitter according to Say Media, #13 on Forbes Top 50 Social Media Power Influencers, 2013, and number #2 on the Leadtail August 2013 list of Top 25 People Most Mentioned by digital marketers.

7 STEPS

Successful Startups Take To Protect Themselves Legally

By: *Jonathan Pasky*

@jonathanpasky

Startups, even ones with significant angel or venture capital (VC) financing, are in a constant struggle to stay alive. The best startup CEOs are looking months or years ahead into the future, anticipating the next wave of consumer or enterprise sentiment, while also overseeing day-to-day operations.

One of the easier ways for startups to survive the rigors of creating and maintaining a business is to surround company leadership with the right advisors. The fact is, most startups will fail. Over 90% of them. Why is yours going to be one of the select 10% that survive?

One key metric of success I have seen in my years of building and counseling startups is a constant forward drive, an anticipation for whatever is "next" and striving to attain it. But with the company leadership's eyes sometimes glued exclusively to growth, who is minding the ship?

Every startup needs basic advice on corporate formation, contracts, employment issues, intellectual property rights, financing, and the day-to-day legal issues that arise in running any business. And in practice, I have found the sooner company leadership realizes the need to take care of the basic nuts and bolts of a company's legal issues, the better chances of success.

Below are seven of the most important steps startups should take to protect themselves legally:

1. Choose the right legal entity. Before you start signing contracts, engaging independent contractors, or hiring employees, you want to protect yourself and any co-founders from financial liabilities. The best business structure for your startup may take a myriad of different forms, but it is most likely an LLC (great for startups wanting minimal formalities and closely held startups not seeking immediate capital from institutional investors) or a C Corporation (for startups reinvesting profits back into the company and/or startups seeking angel/VC funding).

Having a functional Terms of Service and a Privacy Policy is not optional for today's Internet based startups.

Filing for the company/corporation is fairly straightforward, typically done through the Secretary of State's office in the state in which you choose to incorporate/form your business. However, if capital or equity structure issues are involved from the start (which they typically are with most startups I've worked with or been a part of), it is best to retain an attorney early in this process to avoid any missteps. The fact is, many startups get the "choosing the correct right legal entity" step wrong the first time around, and they end up spending more in time and money than if the company leadership would have consulted a professional at the time of business conception.

And once your entity is filed, you're not done. Make sure you maintain your business through any annual state and/or federal filing obligations and obtain the necessary local business permits and licenses. Many startups forget this step, and they end up paying penalties and back taxes down the road.

2. Protect your online presence. One of the most overlooked areas of law today (and thus the potential for so many legal issues to arise from it) is a company's online presence. Too many startups work on nailing a beautiful website or online application's UI/UX (a very high priority for customer engagement and sales), yet forget about basic web based legal issues. Having a functional Terms of Service and a Privacy Policy is not optional for today's Internet based startups. Yet many startups simply overlook these key legal documents, or else do not give them due deference, instead choosing to simply copy a similar Terms of Service/Privacy Policy from

The costs incurred on patent filings typically come back at least 2X-5X in terms of adding to the startup's valuation.

around the web and replacing one startup's name for another. This is just asking for trouble.

Is your startup web-based? Do you have a mobile application? Do you deal in e-commerce and sell products online? Do you collect users' sensitive information and/or media files? Who owns that media once it is uploaded to your website/application? These are all questions that can be answered in two simple, yet important legal documents, the Terms of Service and Privacy Policy. Get the answers wrong, and you open up your company for legal issues you could have easily avoided.

3. File for trademarks. You most likely have spent considerable time coming up with a name for your company and your company's products. And unless you're gunning for a quick sale to an industry leading company, an "aqui-hire" if you will, then you'll want to protect your company's name and any products/services' names you have on the market. Without the proper due diligence in trademark protection, the worst case scenario is that you will have to change your company's (or product/services) name and lose the goodwill and industry recognition you've fought so hard to obtain. Do a federal trademark search. File for federal trademarks. Trademarks are costly, but not as costly as the alternative to realizing you have to change your company's name because of prior use by a competitive entity somewhere halfway across the country.

Having a federally registered trademark makes it so much easier to recover your intellectual property. For example, if someone is squatting on your company name in a Facebook, Twitter or Instagram handle, having the correct documentation will mean you have the legal rights to stop others from using your company name online or elsewhere. This happens much more than you would think. And it happens to a greater degree the larger and more well known your startup becomes. Protecting trademarks at the start allows you to avoid costly battles to recover your name across the variety of social and mobile platforms when competitors or cyber squatters inevitably hit.

4. Protect the company's other intellectual property. Not all startups have patentable inventions, but for those that do, protecting these inventions can be a make or break decision. Most startups simply avoid this step, to their detriment, because of the assumed high costs involved. While patents do not come cheaply, filing for one may not be as financially burdensome as you may think. Many patent attorneys catering to startups now charge a predictable, fixed fee for filing a patent application. And I tell my clients seeking VC financing that the industry standard I have seen is this: the costs incurred on patent filings typically come back at least 2X-5X in terms of adding to the startup's valuation for the next round of financing. That is, if a patent application costs $10,000 to file and prosecute, you can realistically value that patent application at $20,000-$50,000 in negotiations and in the due diligence when raising your next round.

5. Put your company's legal house in order – through documentation. Anyone looking to invest in your startup will be conducting a fair amount of due diligence. Your company's books, contracts, corporate documents and agreements will need to be reviewed. Investors will want to see that service

providers and employees are properly documented, and that you are adhering to proper licensing, permitting and reporting to the government or other regulating entity. Taking this step assures investors a smooth due diligence process and proves your startup to be forward-thinking and professional. It will undoubtedly help in the negotiating process if your legal house is in order.

Many times during the investment process, a startup is hit with a thirty to fifty bullet point due diligence memo from an investor or VC firm and is unprepared to provide the proper documentation. Investment stalls. The investor/firm gets cold feet. Avoid this result by thinking ahead and documenting everything as you go.

6. Buy insurance and understand employment law issues. Your startup is growing and taking on clients/users. You have the proper corporate documentation in place, and therefore limited liability protections, but as you're working hard to ship the product, the legal paperwork isn't your number one priority. You hire your first, or twenty-fifth employee, but are you taking the proper steps in regard to your obligations under federal and state payroll and withholding taxes, OSHA regulations, unemployment insurance, workers' compensation issues, wage and hour issues, and anti-discrimination laws? As soon as you hire that first employee, all of these obligations begin. Are you prepared to take on the burden to deal with these issues yourself? Or is it easier, and through the time value of money, actually cheaper, to hire a professional to watch your company's back on legal and regulatory issues? As always, the answer is, it depends. But unless you're a completely bootstrapped startup, it's typically best to have company leadership more focused on growth and sales at the business's earliest stages.

Many times during the investment process, a startup is hit with a thirty to fifty bullet point due diligence memo.

7. Hire a lawyer on day one. This last bit of advice may seem self-serving, but I assure you it's not. The caveat here is that startups should not hire just any lawyer, or a lawyer who may be a friend, or the lawyer your angel investors or VC firm foists onto you. No, startups should hire a lawyer who understands the entrepreneur mindset. A lawyer who says, "This is how to do what you're looking to accomplish" instead of "No, you can't do that."

Understanding and navigating the laws affecting your startup helps eliminate much of the guesswork typically involved in starting a business. Your chances of success rise. You become one of the "lucky" 10% of companies that make it. Only then do you realize it wasn't really luck, but preparation, that got you there in the first place.

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Creativity is

For a long time, I championed the notion that my startup had not strayed from my original vision. I would proudly and repeatedly tell people that the enterprise technology I envisioned in my college dorm room was still virtually the same nearly two years later. After all, Hublished was my stroke of creative genius, and it felt good to be spot on with a solution to a pain point.

My startup followed, for the most part, a typical trajectory. After theorizing the need for a destination site for businesses and professionals to share and discover webinars, my co-founders and I put together a team and began to build a product. We won the “Ready, FIRE!, Aim” business competition and received an investment from FirstMark Capital’s Managing Director, Lawrence Lenihan. We raised more capital and eventually got into a prestigious enterprise accelerator program.

As staunch adherents to the lean startup methodology, we did our best to incrementally test our hypotheses and take nothing for granted. We released an alpha iteration and tested it with real businesses. Then a beta and more testing. I’ve written extensively before about how much we learned during user testing. We went so far as to redesign the user experience several times to address feedback and concerns. But our vision of expanding access to curated webinars remained intact, consistently proving quite popular with marketers and professionals alike.

The only question that remained was how we would get marketers to share webinars while simultaneously providing them with an audience to discover those webinars. But this elephant in the room, which more closely resembled a chicken and egg, was simply an afterthought for us. It would be trumped by the fact that we were building something really creative that marketers were already enthusiastic about. We were sure that, after launching, marketers would join the site en masse and then promote it to their customers and prospects. Sure, we might have to tweak a few things here and there as we had done after user testing in the past, but the overwhelming majority of what we built would suffice.

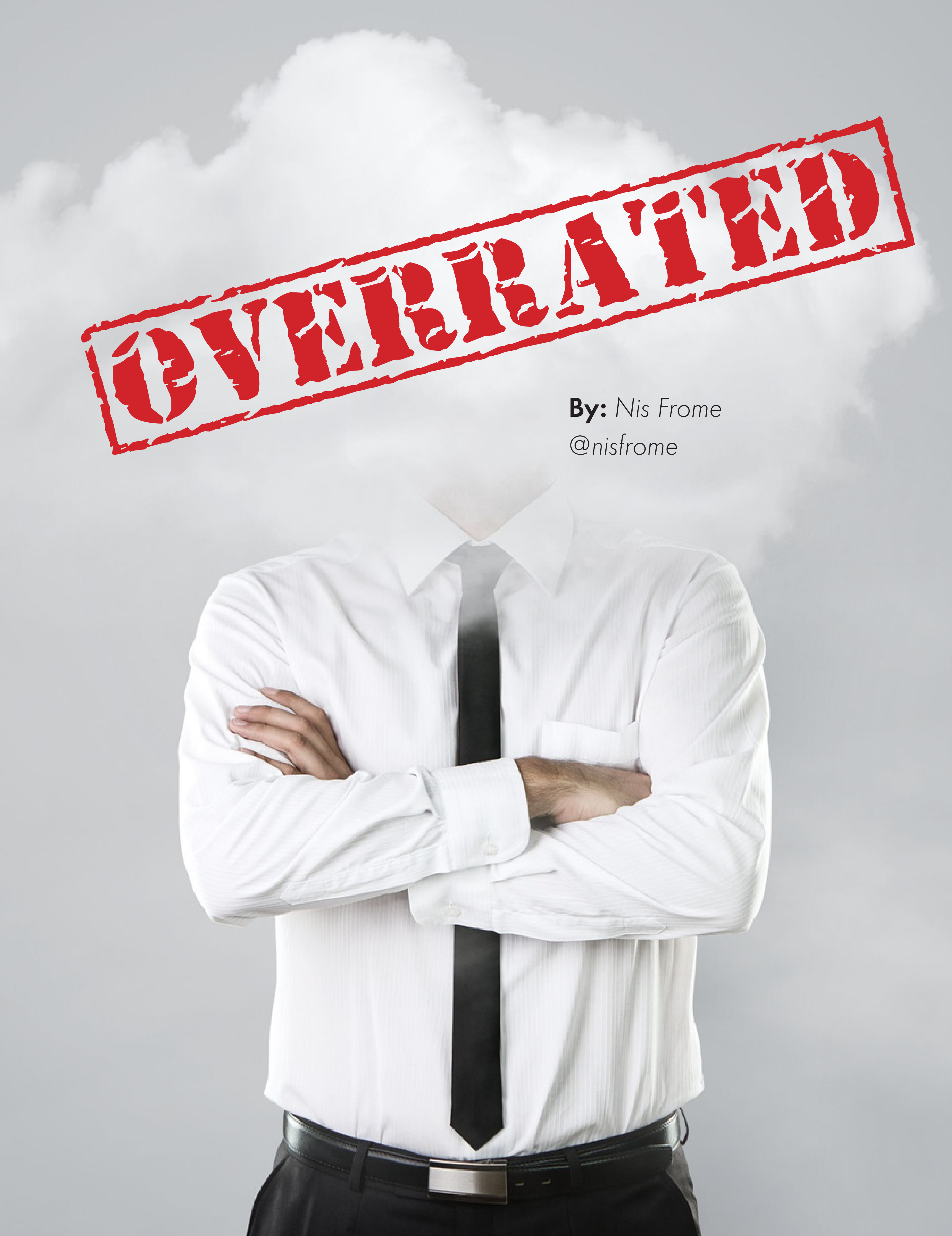
We launched and, within two weeks, nearly a hundred companies registered for the site and even started adding numerous webinars. But, to our utter dismay, two things happened. First, almost all the users that initially tested the site immediately disappeared. When I asked them why, I received virtually the same answer every time. They said they loved the idea of a destination site under the pretenses that there’d be an audience, but without an audience they weren’t interested.

Second, none of the new companies that joined the site after launch invited their followers to the site. A quick survey indicated that their reasoning was that they didn’t want to share their leads with competitors. I didn’t understand. Why did companies even bother signing up for the site and sharing tons of content but not tell anyone where to find it?

We thought we’d get enough initial traction to be able to secure more capital so we could increase our exposure at industry conferences and other channels. But without companies pooling their leads together to kick start a Hublished community, we were dead in the water. Or so we thought.

OVERRATED

By: *Nis Frome*
@nisfrome



I remember putting my head down and thinking, "this ship is sinking."

I soon received an email from one of the businesses that registered right after our launch. Then a phone call from another. Before we knew it, we had dozens of marketers asking us the same question: Why didn't we let them embed their webinars from Hublished onto their own sites? Huh? What were they talking about?

In an effort to build a destination site, we had inevitably built tools to easily design sleek landing pages for upcoming and recorded webinars. Our landing pages come equipped with features that are important to and obvious for webinar marketing, like one-click social registration, time-zone conversion, and calendar integration. Business pages have an interactive section for upcoming webinars and recording webinars, with built-in intelligence to automatically transfer upcoming webinars to the recorded section after they're over. Apparently, new businesses joined the site after seeing screenshots of these features, which are otherwise not readily available in an industry that has yet to provide the required infrastructure for webinar marketing. Our new users wanted to be able to embed this feature set and technology onto their own sites to eliminate the IT (information technology) headache they currently experience and to optimize the traffic and interest they already receive. They didn't care about the destination site, at least not until we could provide them with an audience.

We originally acquired testers by emphasizing our vision of a destination site, so all of our user testing focused on features that promoted the interrelationship between businesses and professionals on Hublished, like color scheme, page layouts, and placement of contact information. No one had ever tested the site or the webinar landing pages to measure their conversion rate effectiveness.

To make matters worse, bug reports were piling up. Numerous features weren't functioning properly, including our mission critical analytics suite. I remember putting my head down and thinking, "this ship is sinking."

And then one of our engineers called me over to his desk. "Look at this," he said, wide eyed, pointing to a column in a spreadsheet. "I pulled this out of the analytics suite of one of our initial testers to isolate the bug, but ended up finding something much more important."

He was looking at numbers that spanned across many months of testing, numbers I simply couldn't believe. Apparently, one of our early testers was not sold on the destination site but instead cared more about the features included inside. While none of their competitors were on the site during initial testing, this business had been inviting their followers to sign up for their webinars using Hublished landing pages, rather than using their own site's less powerful and more technically tedious, customized landing pages. And our conversion rate, the percentage of people who viewed the landing page and ended up registering for the webinar, was quite impressive.

"I think we need to explore this a bit further," our engineer told me.

But the idea of switching business models entirely, from a webinar destination site to a monthly, subscription-based embeddable technology, was preposterous. That simply wasn't what we were doing, and there was no way we were going to be yet another one of those companies that 'pivots.' For so long, we reveled in the fact that we didn't need to change much of anything. We won competitions based on our original idea. We raised funding, got into an accelerator, had tons of press, and worked with many advisors, all because of this idea.

We were determined not to pivot. To us, pivoting was an admission to being wrong. It's what companies do because they weren't actually solving a pain point in the first place. That wasn't us. We simply needed to market our current product better.

So we set up a meeting with Lawrence Lenihan, one of our initial investors and one of the first people to believe in our idea. We explained to him the situation and he helped us think things through.

We knew the reason his business competition we launched out of was called “Ready, FIRE!, Aim” because people who spend all their time planning and masterminding an idea never get around to actually testing the idea. But we felt our situation was different. We tested the idea and were willing to make major changes to our site, but we couldn’t simply abandon our ‘vision.’

That’s where we were wrong though. Meeting with Lenihan helped us realize that our vision isn’t a webinar destination site. Our vision is to increase access to webinars, and this new route lets us do that most effectively. Lenihan didn’t appear to be surprised that we’d need to switch strategies multiple times to achieve our vision. As we have come to learn, it’s a natural part of the entrepreneurial process.

Our initial fear of pivoting was not unwarranted. Pivoting is notoriously overused as an excuse to shift gears and keep spending money on a business that never really had and continues not to have a viable value proposition. The New Yorker even poked fun at the industry’s obsession with the phrase1. We didn’t want to be the butt of a joke. But, as we discovered after speaking with Lenihan, pivoting is a central component of building a company.

Eric Ries, the pioneer of the Lean Startup Methodology and coiner of the term ‘pivot’ in this context, distinguishes between two types of business maneuvers. Some entrepreneurs wrongfully think they’re pivoting when they “jump to a new vision” without pause. This sort of situation, Ries argues, should require a whole new set of hypotheses that don’t necessarily translate over from the original business, even if many of the same elements and technologies remain. Ries defines the correct form of pivoting as “a change in strategy without a change in vision.”

Ries compares pivoting to using a GPS (geo-location positioning system) device. Just like a user’s job is to identify the destination while the GPS adjusts to traffic to find the path of least resistance, entrepreneurs should strive toward a vision, but deploy a strategy that adapts to unforeseen obstacles.

Since our ‘pivot epiphany,’ we’ve reframed our value proposition, testing our site as a standalone set of tools rather than a destination site. Our users’ results thus far have been remarkable. We’ve eliminated more than 90% of the technical time it takes marketers to design components of a seamless webinar lifecycle promotion. And that’s while matching or boosting conversion rates by as much as 40%.

To be honest though, I still feel uneasy that we had to pivot. But I’m grateful that, so far, we’ve learned a great deal from the experience and our company seems to be on a much stronger path. It’s weird for me, as the creative architect of our original vision and everything up to it, to admit, but entrepreneurship really isn’t about creativity. It’s about evaluating and responding to market reaction. Creativity alone is overrated.

Nis Frome is a full-stack marketer with an obsession for UI/UX and growth hacking. He is an award-winning web and app developer, and is the co-organizer of both Natural User Interface Central and the Rutgers Mobile App Development club. Nis is currently the COO of Hublished, a content marketing channel he co-founded as a junior at Rutgers University.

TOP 10 Startup Mistakes

By: *Alejandro Cremades @acremades*

The following review will provide a number of examples that every entrepreneur should try to avoid when starting a venture. Some of the holes referenced below go in parallel with going out of business. With this in mind, we highly encourage you to carefully follow these guidelines. Remember, it's better to be safe than sorry. Each one of you should take your own decisions based on your due diligence, and other critical factors.

1 Having one founder. Startups should have more then one founder. The reason for this is credibility. Having at least two founders helps to diversify the work. It's also a good thing if the founders are from different backgrounds, so that each one of them has something different to add to the mix. Moreover, investments can be difficult to pitch with only one founder. With this in mind, potential investors might feel as though your ideas are not good enough. From a psychological stand point, when you are involved in a startup there are going to be more bad days than good days (yes, we know, it is unfortunate). Having another founder that will support you through such days, and vise versa, is key. One of the best things about the early stages of a startup are the brainstorming sessions. It is impossible to describe with words the great satisfaction of coming together as a team with the perfect solution to a problem. Avoid individualism. That kind of spirit does not get you far. Team players are key. Try to stay together as one and create an environment where everyone has each other's back.

2 Wrong Location. Location is key. If you are located in the middle of nowhere it will be very hard not only to attract talent, but also the investment that will help you to build and launch your company. If you have an amazing idea and plan on executing it the best way possible, try to move to a bigger city where there is more action happening. In the beginning, it will be hard to get used to a new city and to all the new changes, but you can certainly believe that in the long run it will be worth the struggle.

Some of the best cities to start a company are Silicon Valley, Boston, Seattle, Austin, Denver, Washington DC and New York.

3 Doing too many things at once. One of the biggest issues that startups have is trying to do too many things at once. This creates distractions and focuses less on the tasks that need to get done. Do not try to go big right away. Make something small and make it better than anyone else. Once you have built your initial idea, then is the time to start adding new features. The easier you make it for the public, the better; otherwise they will get overwhelmed and won't understand what you are doing.

Remember, there is nothing wrong with changing the idea that you initially started with in spite of what the market is demanding from your product. Some of the greatest projects did not turn out to be the way they were planned.

4 Hiring C- people. It's known that A+ people attempt to hire people that are also A+ employees. Make sure you are not in the group of being a C- person who hires C- people, otherwise your company will surely go under. It is key to hire the absolute best. On average it can take around two to three months to hire a person depending on your location. We advise you to be on the lookout twenty-four/seven and never stop interviewing people. Talent is hard to find, but not impossible.

Some key facts that will help you to dismiss unworthy candidates could be:

- Lack of commitment
- Candidate asks in the interview what the working hours are
- Candidate is very worried about the salary or the stock options
- Dismiss candidates that don't follow up with a thank you email/letter
- Candidate makes negative comments about previous employers
- The person shows up late

If no one knows about your product, it's the same as it not existing.

Before hiring engineers, review projects that they have been working on, see case studies and ask for a first hand account from previous customers. This will help you in making an informed decision. At RockThePost, for example, we created a coding challenge to test the skills of potential candidates.

5 Launching too soon or too late. If a startup launches their project too soon, there could be a possibility that the product is not complete, and will not satisfy it's consumers. The main problem here is that if the project is not finished, it will completely turn off its users and as a consequence, people will not come back. On the other hand, you may have the problem of launching too late. This issue not only gives a bad image to the company, but since you have not been able to accomplish your milestones, it also creates a hole in the company's pockets because keeping the lights on is not cheap.

From our point of view, launch when you have something solid. Don't plan to launch the absolute best while waiting until such process is complete. Launch with what you need and keep moving forward. Make sure that you generate a good list of emails with the typical "Coming Soon" page via platforms like LaunchRock so that when you launch you already have some momentum built.

6 Raising more or less then the capital needed. Startups make this type of mistake all of the time. Make sure you have developed a detailed business plan that you are constantly updating and following carefully. This business plan should be the company's guidelines when entering a round of financing. Keep track of your finances, and know when you are running out of money. Start fundraising at least seven months ahead. Be sure to plan accordingly so that you can raise a little over the money that you need (in case of surprises) to carry your company until the next round of financing.

7 Lack of budgets. When startups raise money they sometimes forget that money is very easy to burn. Even though you might feel like you have everything covered, that will most likely not be the case. There are always unexpected expenses that come along the way. With this in mind, we highly encourage you to keep all the expenses as low as possible. Try to negotiate every single invoice, and extend as much as you can for the sake of your company's cash flow.

One of the most common examples are the startups that hire too many people. This results in a overloaded monthly expense that the company cannot afford. Keeping this in mind, try to operate only with the necessary number of employees.

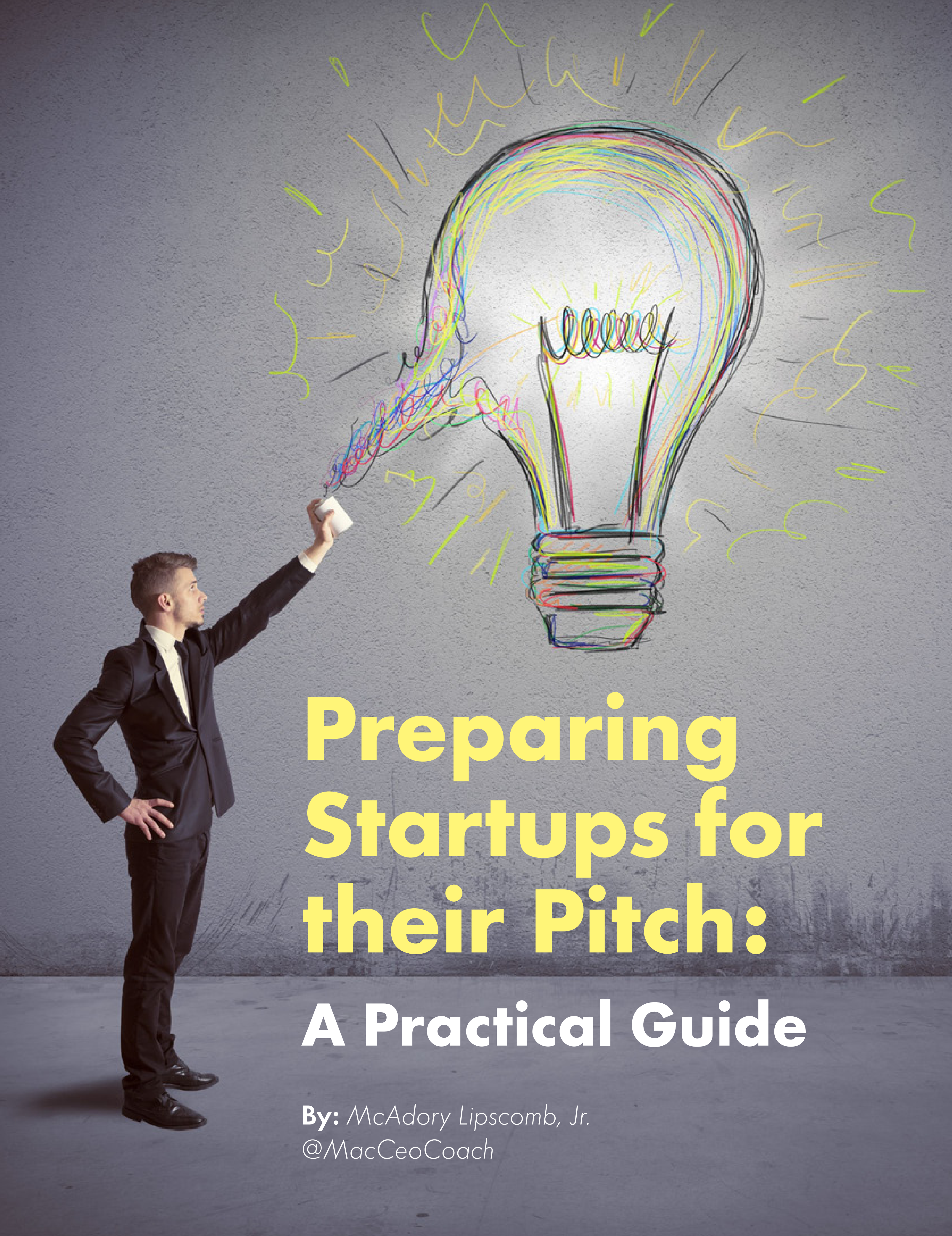
Another example of spending money could be moving into an expensive office space before the company is making any revenue. There are plenty examples of startups that blow up their bank accounts by renting very nice offices. The moral – avoid getting an office space. Have it all start from your house if possible and only move into an office space when it is the absolute last resort. There are wonderful co-working spaces as an alternative option such as WeWork.

8 Arguments between founders. There are many examples of founders fighting, which can potentially result in loosing a team member. Try to avoid fights by establishing guidelines so that it never gets to a situation that's impossible to handle. Make sure your startup has a healthy working environment. Invest in culture from day one. Remember, startup life is very hard to begin with. Do not add additional obstacles and always try to understand each other. Having restricted stock will prevent founders from walking out of the company with all the stock. Starting a company is not a joke, and is a long road to follow full of obstacles and darkness. Make sure you have a trusting and special connection with the person that you decide to share this journey.

9 Wrong legal advice. Even though there are cheap resources and online sites that provide legal services at a very low cost, we highly advise you to hire a good lawyer. Otherwise, in the long run it would be much more expensive to fix loose ends. A good resource to find the best lawyer is by doing some research on sites like Legal 500. Also try to go on Google or Quora and find reviews of law firms and what are people's testimonials about the firms you are interested in hiring. Seek recommendations from other startups and people you know. It is not easy to know right away if a lawyer is a rock star unless you have facts that are based upon the experience of others.

10 Lack of marketing and public relations (PR). Your startup may have a unique product or platform. However, if no one knows about your product, it's the same as it not existing. Make sure that you get the word out and reach as many people as possible. Figure out what are the best marketing channels in order to reach the right audience.

Nis Frome is a full-stack marketer with an obsession for UI/UX and growth hacking. He is an award-winning web and app developer, and is the co-organizer of both Natural User Interface Central and the Rutgers Mobile App Development club. Nis is currently the COO of Hublished, a content marketing channel



Preparing Startups for their Pitch:

A Practical Guide

By: *McAdory Lipscomb, Jr.*
@MacCeoCoach

Startup fundraising begins with a pitch to gain the investors' interest and their "walk away headline" following your performance should be, "Cool business. Investors will make money!"

Begin by making your pitch easily understood, enabling the investor to draw an obvious conclusion. Plan the delivery logistics so you exhibit a complete command of your presentation opportunity. Tell the audience what they need and would expect to hear while you are in control of your presentation. Use a clear and simple key message strategy. Simplify your deck with only key business details and delete the jargon.

Deliver a passionate business narrative as if scripted by the best screenwriter. Even more importantly, stick to the script. There's only one chance to make that first impression and everything you do, from your elevator pitch to a three, ten or twenty minute pitch, impacts your CEO audition.

It's tough. Public speaking is a human's number one fear. So, here are some key tips:

STRATEGY

Who are you pitching? Know your target audience.

Many of today's investors are tech savvy, giving you up to twenty minutes to grab their attention, and are willing to let you lead the meeting as long as they know their standard questions will be answered. More often than not, I see early stage companies try to re-purpose their customer sales deck, trying to make it work as the "investor presentation". I don't recommend this. Different audience, different vocabulary, different decisions, different outcomes, different final headline.

You need to develop the business narrative and deliver that narrative so investors evaluate the opportunity as you've defined it for them.

The simple agenda sets expectations and is the most underutilized speech tactic (Speech 101). It prepares the investor for what you are going to tell them. Specific information of interest to them as investors.

It goes something like this:

"Today I am I going to talk to you about a $1 million investment in my business that will be generating $15 million by the end of our third year. I will give you a brief overview of our product, how we are going to market, our revenue streams, competition and the management that will execute our plan."

This road map will help script the narrative. Stick to the script when you deliver it.

Plan the delivery logistics so you exhibit a complete command of your presentation opportunity..

Build the narrative by using the following 14 slides:

1. **Company Title Page:** With Dollar Amount of Round and Your Name
2. **Agenda:** Presentation roadmap, what you will say (Speech 101)
3. **Financial Overview:** Top line revenues and expenses, three years out
4. **Product:** What is the business in simple terms
5. **Market:** What is the environment, and how big are the segments
6. **Go to Market Strategy (Customers):** Process to attract, retain and build
7. **Revenue Streams:** Who pays, how much and from where, annualized
8. **Competition:** Who and how threatening, what are differentiation factors
9. **Barriers to Competitive Entry:** How will other competitors be kept at bay
10. **Potential for Business/Use of Proceeds:** Where will money take you
11. **Goals and Performance Objectives/Milestones:** Success metrics, past and future
12. **Management Team/Strategic Relationships:** Talent and experience
13. **Valuation:** Number of current investors, pre-new money company value
14. **Review:** Summary of what you said, same order, narrowed to twelve points

Don't lead with a technical demo.

If your demo fails, how positive would an investor be to investing in your business? Live demos seem to fail most of the time because you can't control the presentation environment: connectivity, hardware and software incompatibility. A dead battery leads to more pitch failures than successes.

A demo does not explain the business, you do. If you must, save the technical demo for the very end of the meeting, and pray it works. Alternatively, schedule a demo in which you control the reliability of the system and network.

LOGISTICS CHECKLIST

Every time you present your business idea you either succeed or fail at making a good impression. Planning for and anticipating delivery points of failure can help you achieve a flawless presentation. You have no guarantees on the quality of the infrastructure at the venue, so prepare in advance with working backups.

Ask in advance about the meeting or presentation room. Do they have a large screen presentation TV or a projector for presentations? Always bring at least three presentation mediums.

In addition to your presentation laptop, printed deck, a USB drive, link to DropBox, and one back up on your iPad, have a smart phone version as well just in case. It shows you are prepared for unanticipated challenges. Store the file where you can get at it easily, not buried in a heap of forty other similarly named files. Digging around to find it wastes time and clearly shows you as unprepared. Don't forget the connectors for your computer. Don't assume they have a connector for your MacBook Pro. In fact, bring a variety of connectors. The investor may be a PC shop and provide no connectors for your laptop. Bring a power extension cord. If you have to go to the back up, being ready shows that you're CEO material and can deliver.

Arrive at the investor's office or the event venue early. Check the lighting, close some shades if the sun reflects on the screen. Inspect the room for electrical plugs, projectors, flat screens and how the seating is positioned. If there are more that four people in the meeting, use the screen to control the presentation flow. Figure out where you will stand when presenting.

To paraphrase Malcolm Gladwell's Outliers ten thousand hour rule can be applied to using a screen for your pitch. We are a screen-oriented society. If you are a televison watcher, you've probably consumed twenty thousand hours of screen time by age thirteen. If you are a gamer or coder, add another twenty thousand to that total and understand why the screen is your friend.

While it might be their office, for those twenty minutes it's your presentation room.

DELIVERING THE PITCH

When there are a couple of co-founders, early stage companies have a tendency to share the spotlight when it comes to the pitch. This isn't a good idea for a couple of reasons:

First, an investor wants to see the CEO perform the narrative while making mental judgment notes on how you will present to future investors.

Secondly, with only a few minutes to do the pitch, the listeners learn how to listen to the speaker in the first couple of slides. Rhythm, voice quality, and modulation are key factors in how well people hear your narrative. Don't hand off to your co-founder mid-way through the presentation and use up valuable presentation time by having the audience learn a new speaker's cadence, rhythm or accent. Save the other speaker for the question and answer period.

Set up the projection screen behind you. Don't turn your head and talk to the screen. The audience sees the back of your head and it's more difficult to hear you. Maintain eye contact with your audience, using the laptop screen as your cue card and confidence monitor.

Put your name on the first slide and say it out loud so the audience can hear how to listen to your voice and see how that tracks with your on screen words. Also putting the amount of money you're trying to raise in this round on the first slide sends an immediate signal to business people that we are about to have a business communication.

Set the agenda for the meeting and articulate hearing expectations. Know your script (presentation) and stick to it.

I know your mind is saying, "Add this fact, add one item", etc… but if the keywords on your audio track are not visible on the slide, the audience starts to wonder, "Where is this going?"

Always add up the columns and show number totals making it easy for the viewer to see that the numbers add up correctly. Math on screen for financial people immediately sets in motion their "calculation" training if you haven't already presented them the total. When they are calculating, they stop listening.

Simplify, simplify, simplify.

When they are calculating, they stop listening.

Your presentation is not a business plan on screen. It's a business summary that is quickly digested with facts, figures and insights that you can deliver a moneymaking endeavor. If you've presented this correctly, stuck to your business script and answered the obvious business questions while you had control of your presentation, the questions you get will be the ones you want to answer. Usually the followup questions are not about your business, but about your beautiful baby, and those are the questions you are most passionate about answering.

Watch out and prepare for the couple of "gotcha" questions:

Do you have an operating agreement with your partner?

What happens to the business (and our investment) if you get hit by a bus?

Did you have a lawyer craft an agreement signed by your friends and family when they put in your first money?

Did you license this technology with the university where you developed this business?

Rehearse, record, review.

Rehearse, record, review.

Trust the script and stick to it.

Confidence in your business, a smooth delivery and an easily understood business narrative are essential in passing your audition: a must for that CEO job.

McAdory Lipscomb Jr. is an angel investor, CEO coach , former VC and Accenture partner. Former CEO of The Political Channel, EVP of Showtime Networks, SVP World Space. BA, MA, MBA and member of the Board of Visitors at the University of Maryland.

What is it like to be a startup

By: *Perri Gorman @BeTheButterfly*

On Quora, the question was posed: What is it like to be a startup CEO? I felt compelled to answer.

Being a startup CEO feels like being a five star chef in the back of a food truck with one burner preparing a ten course meal for a thousand people with ingredients for a hundred while entertaining, setting the table, washing the dishes, pouring wine, smiling, talking, and juggling…in zero gravity.

I never set out to be an entrepreneur. It sort of happened to me. I had a very successful, lucrative career at something I was very good at. For some people that is the holy grail, a way to kick back, relax and coast. For me, something was missing. It felt empty. I felt like if this was my life I was never going to be what I was capable of at 100%.

I am not an engineer. I am not a designer. I am however, an expert with a business process over a decade in the making and deep knowledge of my field. I want to scale myself. I want to create. I want to share my knowledge and experience through the vehicle of technology. Everyone comes to this path different ways. This was mine. Take what you like, the following are some of the gems I've mined along the way.

Do not do a startup to be cool or get rich.

"Being the richest man in the cemetery doesn't matter to me ... Going to bed at night saying we've done something wonderful... that's what matters to me." ~ Steve Jobs

If you have a fantasy of being a startup founder and getting into some schmancy accelerator and having your name plastered in TechCrunch and getting bought by Facebook you should probably just get a job. While you read about these stories, they are fewer than you think. Shallow reasons for starting a company will never get you through the deep trenches of difficulty required to be an entrepreneur and chances are you will make decisions for all the wrong reasons. Most of the wealthiest people never intended to be so and don't really care about money. When people tell me they are doing a startup to be a billionaire I just look at them blankly and say "I wish you the best."

Of course you need a business model and your investors want to see a return. Money makes things possible. As someone who had a lot of money once I can definitively tell you it alone will not make you happy. My advice is to check the why you want to do it carefully.

Ideas Matter. You need a true north.

"The problem most startups face is that they are trying to solve problems that are not really problems." Phil Libin ~ Evernote

If you aren't willing to go broke and homeless for what you are working on, then you probably shouldn't do it. I have come to terms with the idea that you have to be willing to lose it all to have it all. Go big or go home. You should also be able to avoid both of those if you are smart, but you need to be able to ride the edge and make tough decisions that seem sometimes like you might lose it all. This is not to say you don't have to execute. Ask yourself if you want to spend your time executing a bad idea well. Be really honest with yourself. Does anyone really need what you are building? Do you even need what you are building? Do you even like the market you are addressing and the customers in it?

Resilience. Things will never happen the way you plan, but stay the course.

"The green reed which bends in the wind is stronger than the mighty oak which breaks in a storm."— Confucius

This is a really important lesson. You need to stay malleable yet fixed to your true north. Your vision and passion must be so deeply embedded into your being that no matter what happens you are able to find the strength to be resilient. There will be naysayers and a lot of advice. There will be moments when you think you are ready to quit, but you dig deep and remember the reason you started and how far you have come (hence the importance of your idea and true north). The path to entrepreneurial freedom is not out, it is through.

I have come to look at life in cycles. We do so much as a culture and a society to avoid the dark and down. We hate discomfort. If you are an entrepreneur you better get

Most of the wealthiest people never intended to be so and don't really care about money.

Every person represents new opportunity if I am open and willing to see what potential exists.

ready to be uncomfortable. Everything is uncomfortable and for good reason. It is only the depths of difficulty in life that allow us to touch the high points. You need to go all the way down to be able to access the levels of success that are truly possible.

Practice alchemy.

I am not referring to the turning lead into gold business. I said to someone recently that my company has been a vehicle for my own personal transformation. The alchemy I am referring to is when you do inner work to change external circumstances. I know when I run up against harsh obstacles,they are reflections of something that isn't in order inside of myself. This is one of the most difficult and profound things I practice as a founder. When one would think I should be trying to control or change my environment, push harder, force something, many times I just stop, reflect, and write what belief is at work and I am afraid of. I strive for deep self-awareness. It is the key to creating the magic door when the brick wall appears.

People are everything.

Perhaps I am lucky in that I am a people person and they fascinate me. I love studying people and hearing their stories. When I feel stuck, I set up meetings and phone calls. I am not the only one who does this, Richard Branson does as well.

"I have always lived my life by making lists: lists of people to call, lists of ideas, lists of companies to set up, lists of people who can make things happen. Each day I work through these lists, and that sequence of calls propels me forward." ~Richard Branson.

I know that by injecting people into my daily routine breathes fresh air and opportunity into my workflow. Every person represents new opportunity if I am open and willing to see what potential exists.

To close, I think there are many tricks and tips about being an entrepreneur, but from what I have experienced, there are absolutely no shortcuts. It requires you to be a pure canvas, to be conscious of your shortcomings, to be humbled by the sheer level of difficulty. Only then, do you have a chance of staying in the game long enough to find success. If you can embrace the journey and not be attached to the outcome, you will win no matter what.

Perri Gorman is ceo/founder @ archively : co-founder @unrollme : moderator @StartupGrind :: She is an alchemist. She is a collector of people.

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