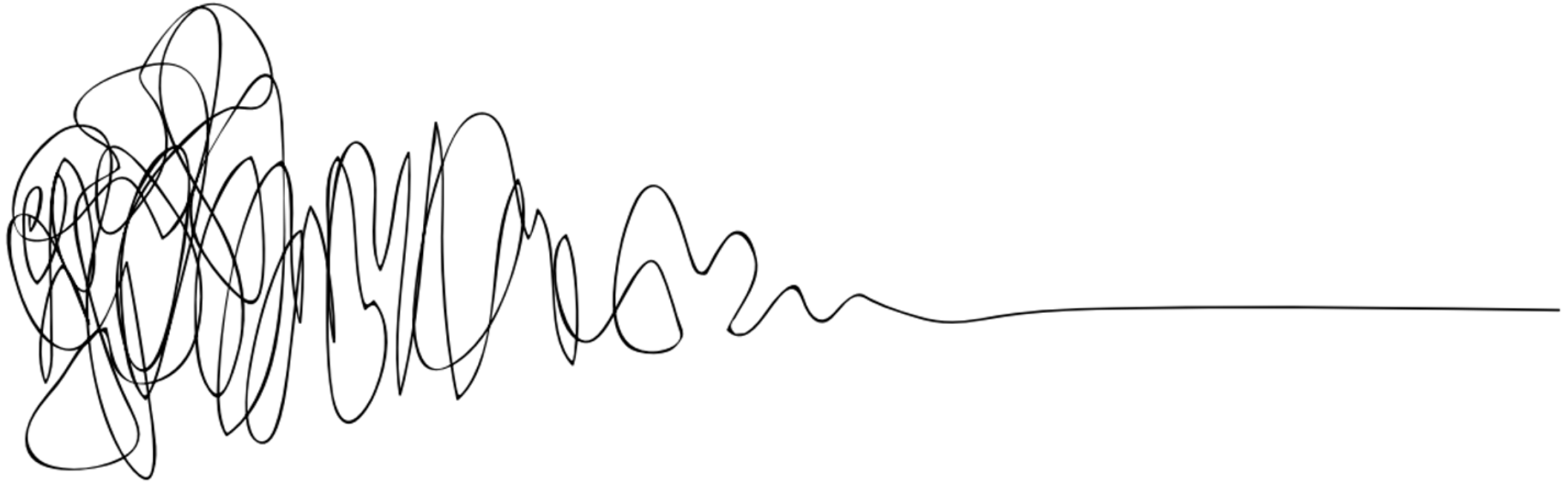


SPNSR

# Where We Are

Process of Learning and Discovery



**Design / Test**

**Search**

**Evolve**

**Post-search**

# Introducing Customer Development

## Product Development

7 Key Problems:

- 1) Product-driven vs. customer/market-driven problem-solving (“SISP”)
- 2) Operations and expectations are aligned to customer ship date (“Fire. Ready. Aim.”)
- 3) Focus on execution vs. learning and discovery
- 4) Unrealistic expectations for sales, marketing, biz dev milestones driven by product life cycle
- 5) “Build it and they will come” fallacy
- 6) Dangerously premature business scaling
- 7) Assumption that market behavior is monolithic and predictable

## Customer Development

Solution:

A human-centered approach to development based in market realities = Customer Development. It’s four steps go as follows:

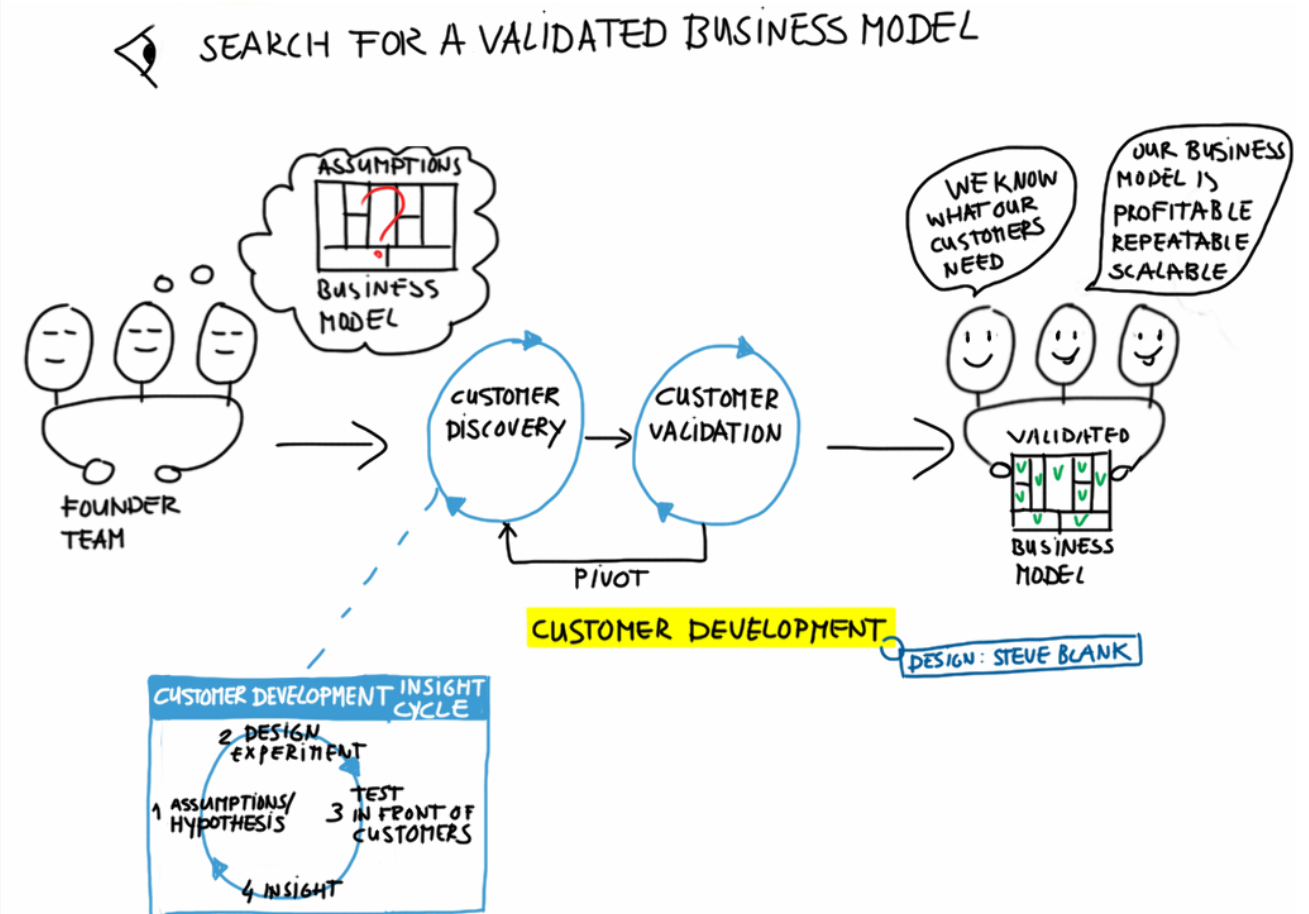
- A. Customer Discovery:** iteratively test assumptions to discover product-market fit
- B. Customer Validation:** develop a replicable sales model
- C. Customer Creation:** create and drive end-user demand
- D. Company Building:** transition company from learning and discovery mode to execution and scale

# Customer vs. Product Development

## Product Development



## Customer Development



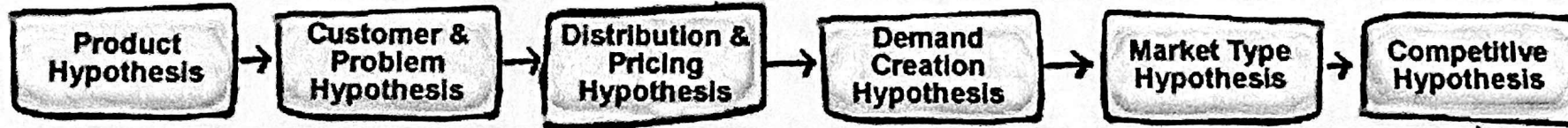
# Understanding The Market Type

Generalizing Startup Strategy by Market Entrance Type

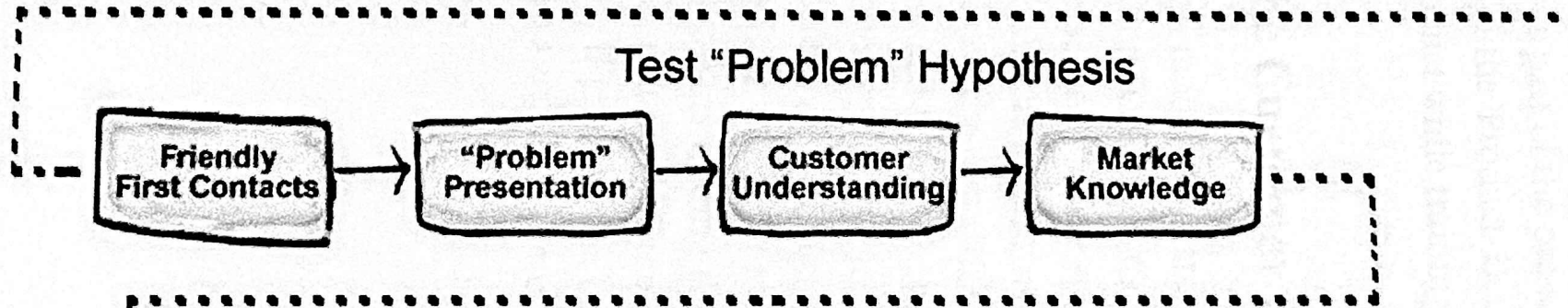
	Existing Market	Re-segmented Market	New Market
<b>Customers</b>	Existing	Existing	New / New usage
<b>Customer Needs</b>	Performance	<ol style="list-style-type: none"><li>1. Lower cost</li><li>2. Differentiated solution</li></ol>	Functionality and convenience
<b>Product Performance</b>	Better / Faster	<ol style="list-style-type: none"><li>1. Good enough at low end</li><li>2. Good enough for new niche</li></ol>	Low in “traditional attributes,” improved by new user metrics
<b>Competition</b>	Existing incumbents of scale	Existing incumbents of scale	Other startups

# CUSTOMER DISCOVERY STEP-BY-STEP

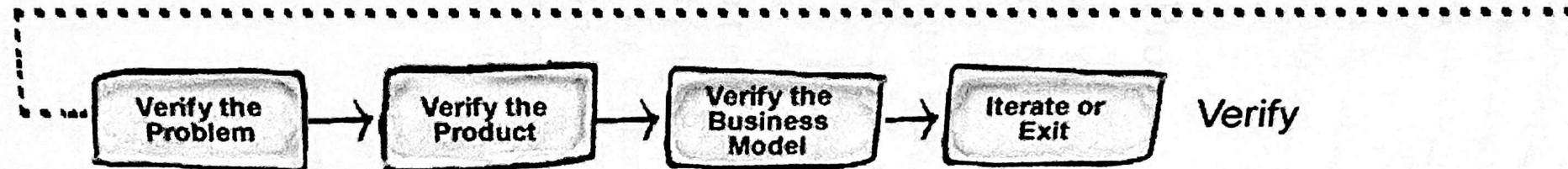
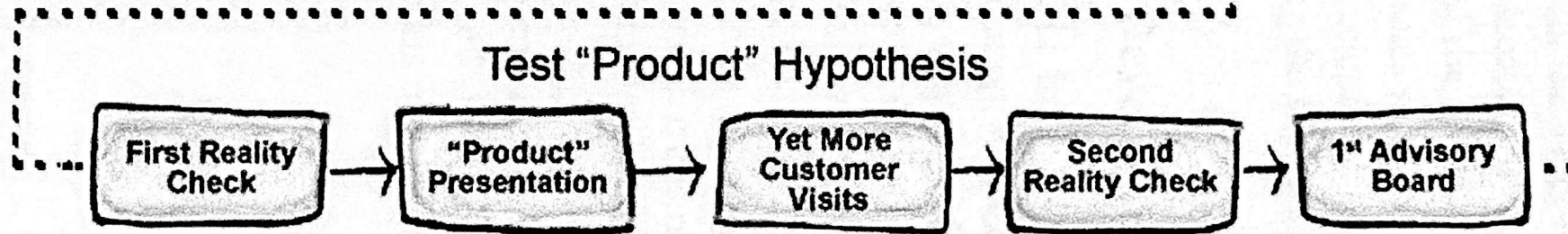
## State Your Hypotheses



## Test "Problem" Hypothesis



## Test "Product" Hypothesis



# The NIL Market

# How does NIL Work?

## Historical Context

- Name, Image, and Likeness (NIL) have become monetizable assets for college athletes since the NCAA rules changed in June 2021. This shift was triggered by the U.S. Supreme Court ruling in *NCAA vs. Alston*, and now athletes can receive compensation for their NIL rights. This can include endorsement deals, partnerships, and personal appearances that capitalize on their popularity and influence.

## State-by-State Legislation

- Thirty-two states have enacted NIL laws, which dictate the specifics of NIL activities in compliance with each state's regulations. In states with no concrete guidelines, athletes and parents should consult school athletic departments and compliance offices when considering NIL deals. NIL policy prohibits certain types of deals and requires the athlete to do something in return for payment, ensuring a quid pro quo arrangement.

## The Role of the Collective

- Collectives have emerged as critical structures in the NIL landscape, often being third-party businesses formed by boosters or fans of a specific school. Their goal is to create and support NIL opportunities for the school's athletes. They are responsible for a significant portion of NIL transactions, setting up deals like public appearances, autograph signings, and brand endorsements.

## The Value of Personal Brand and NIL Support Systems

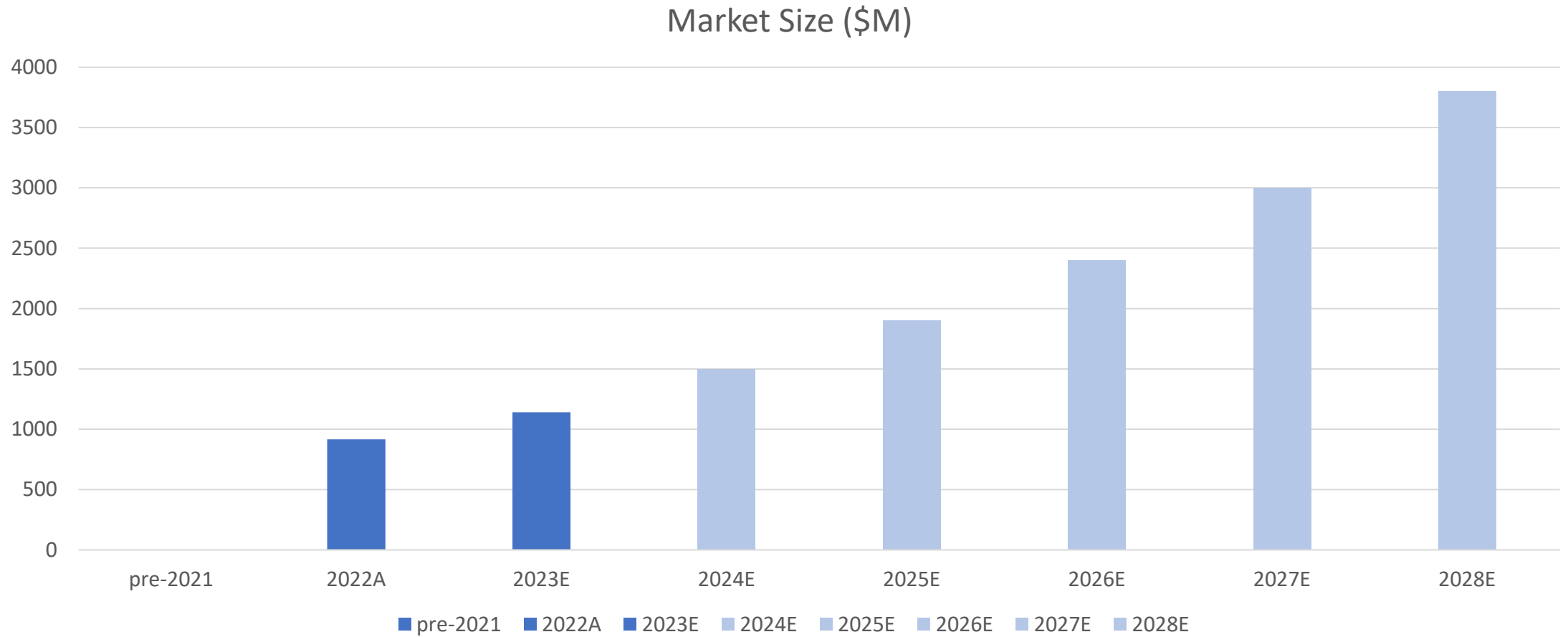
- An athlete's value in the NIL era isn't strictly tied to their on-field performance or the size of their school. Personal brand, often cultivated through social media, has become crucial for earning potential. Support systems, including attorneys, accountants, and personal advisors, can help athletes navigate the complexities of NIL rules, tax issues, contracts, and compliance.

## Key Stakeholders

- *Student-Athletes*
- *Universities and College Athletic Departments*: overseeing the athletes and providing guidance on NIL activities
- *NCAA*: governing body setting guidelines and rules for NIL activities
- *State Legislators*: setting the specific NIL laws for each state
- *Endorsement Brands*: offering contracts to athletes for promotions
- *Collectives*: third-parties set up to support NIL opportunities for student-athletes
- *Professional Service Providers*: agents and experts helping athletes navigate NIL activities and contracts
- *Compliance Offices*: university departments ensuring that athletes and institutions abide by the NIL laws
- *Tax and Legal Consultants*: professionals assisting athletes with the financial and legal implications of NIL deals.



# NIL Market Sizing



# NIL Market Analysis: Year 1

Value	Statistic
\$1,815	Average value of all NIL transactions
\$2,144	Average Power 5 NIL deal
\$588	Average value of non-Power 5 NIL deals
80%	Growth in transaction values from month 1 to month 12
74%	% Deal activity driven by brands (15% donors, 4% fans, etc.)
<i>Key Insights from Various Schools and Athletes</i>	
1,115	NIL deals disclosed by Ohio State athletes
\$2.4M	NIL contract value disclosed by BYU, with women accounting for \$1.7M
\$2M	Earned by Haley and Hanna Cavinder (WB) through 30 brands
70	Deals disclosed by Rayquan Smith

# Understanding NIL Collectives

## What Are NIL Collectives?

- NIL Collectives, over 60 in existence, are groups of donors, alumni, boosters, and local businesses. They collectively pool their resources, aggregating a multi-million-dollar pool to provide NIL opportunities for student athletes

## Current Landscape

- Active collectives like Oregon's Division Street and Tennessee's Spyre Sports Collective are well-funded, holding contracts worth six to eight figures, but such high-value deals are in the minority
- Despite extensive media coverage and perceived impact, CEO Blake Lawrence from Opendorse suggests a significant gap between the media's portrayal and the actual scenario. Most collectives are quietly laying foundations, whilst the buzz revolves around a few.

## Case Studies

- The NC State's 'Pack of Wolves' collective has secured numerous deals for its athletes. Tim McCay, an offensive lineman, has achieved a net worth of over \$50,000 through NIL deals facilitated by the collective.
- "There's a big gap between the collectives that have figured it out...and those that are creating a lot of buzz through announcements but aren't doing much in reality."  
– Front Office Sports

## The Future

- NIL collectives are here to stay. Experts agree that the future will see these groups influencing not just recruitment but also the benefit athletes derive from NIL deals.

# Case Study: INFLCR



## Background

- Founded in 2017 by Jim Cavale, INFLCR is a leading software platform for athlete brand-building and NIL management. Acquired by Teamworks in 2019, it now caters to over 3,000 college teams and has 100,000 subscribing athletes<sup>1</sup>. Currently, INFLCR works with 197 Division-I Schools, 69% of Power-5 Departments, 75% of G5 Departments, and 118 FCS/Non-Football.

## Key Features:

- *Brand Building:* Real-time content access with smart tagging, personalized growth and engagement metrics for athletes' social media accounts, and customizable dashboards for school admin to track content usage
- *NIL Management:* Comprehensive NIL-focused platform that allows automatic, compliant NIL transaction disclosures, and customizable compliance ledger that provides a history of NIL transactions
- *Education:* Offers educational videos on NIL and personal branding for student-athletes
- *Recruitment Tool:* INFLCR+ service helps institutions raise awareness of their school brand through social media, provides insights on Fair Market Value for athletes, and offers custom strategies to enhance NIL education

## Integrations

- INFLCR can seamlessly integrate with existing workflows, including Slack, Hub, WSC, Google Drive, Box Inc, SmugMug, Teamworks, Mailchimp, and PayPal

## Testimonials

- DeWayne Peevy, Director of Athletics, DePaul: "One of my first initiatives... was to enhance the student-athlete experience, and with INFLCR... to provide our athletes and staff the tools to... grow their brand..."
- Dawn Castro, Executive Director of Compliance, USF: "Our partnership with INFLCR will support our student-athletes across their entire NIL journey..."
- Roman Josi, Defenseman, Nashville Predators: "Having real-time access to post-game photos and content... through INFLCR is a game-changer."
- Paige Diggs, Associate Athletics Director for Diversity, Equity & Inclusion/NIL Administrator, WVU: "INFLCR+ provides educational content that is right at the fingertips of our student-athletes, which helps them in the NIL space and for life."

# Case Study: Opendorse



## Background

- Founded in 2012, Opendorse's mission is to assist athletes in the monetization of their name, image, and likeness (NIL). It has become the go-to platform for numerous stakeholders in sports, including fans, brands, sponsors, donors, and schools, serving over 100,000 athletes to date.

## Key Features:

- Athlete Marketplace: matching athletes and sponsors
  - Streamlined Buying Experience
  - Smart Athlete Search
  - Complete Athlete Profiles
- NIL Solutions: leading compliance, education, and content
  - Automated Compliance Disclosures
  - Expert-Led Education
  - On-Demand Content Sharing

## Case Studies

- In a recent funding round, Opendorse secured \$20M, pushing its total funding to approximately \$40M. This surge of funding attests to the investors' confidence in Opendorse as a potential leader in the bustling NIL space
- Opendorse plans to utilize the new funds to launch a fan-subscription product called Opendorse Clubs and bolster its NIL marketplace and NIL collective capacity. CEO Blake Lawrence predicts that, in 2023, Opendorse will have the tools to assist athletes in earning \$100 million on the platform

## Impact and Future Goals

- In the first year of NIL, nearly \$1 billion flowed through the new market, signifying rapid growth and indicating that the NIL industry shows no signs of slowing
- Opendorse aims to expand its NIL collective division and enhance offerings for schools and brands. With their unified approach, Opendorse anticipates a \$10 billion annual market, positioning student-athletes and their supporting parties for success

# Gaps in the Opendorse Business Model

## Personalization

- With a large pool of athletes on the platform, there could be potential challenges in terms of personalizing deals to suit the individual brand of each athlete. A “one-size-fits-all” approach might not effectively serve the interests of every athlete or brand

## Market Saturation

- Given the high number of athletes and brand partners, there might be an oversaturation leading to lower engagement rates and lower perceived value for the sponsors

## Advanced Technology

- A key opportunity for disruption lies in the technology aspect. While Opendorse focuses on simplifying transactions, a potential competitor could innovate with advanced AI and machine learning algorithms to better match athletes with brands, predict successful partnerships, and personalize the platform's offerings to each user. This tech-focused approach could create a more efficient and engaging platform for all parties involved

## Trust and Accountability

- Opendorse does not currently provide athletes with substantial information on the brands they might partner with. Creating a feature for brand reviews and ratings by previous athlete collaborators could increase transparency and trust.

## Case Studies

- Opendorse lacks in-depth analytics or insight tools that assist brands and boosters in making endorsement decisions. Developing a toolset that offers comprehensive data about athletes' performance, engagement metrics, and audience demographics could offer value.

## Micro-Influencing

- Opendorse is primarily focused on high-profile athletes, missing the potential of smaller, more dedicated followings of “micro-influencers”

# Long Tail of Athlete Marketplaces

<https://businessofcollegesports.com/tracker-nil-marketplaces-for-student-athletes/>

# Brainstorm

SPNSR Value Proposition to the NIL Market



# Value Proposition Canvas

