

accion

Company Name Board Meeting – April 2014

Board Deck Template

Investing in individuals.
Improving our world.



*Note for reader

- See also “Accion Best Board Practices” PowerPoint presentation for further information on putting together a board deck
 - Slide #46: “Before the Meeting”
 - Slide #47, 48: “Board Deck”
 - Slide #49: “Meeting Agenda”
 - Slide #50: “During the Meeting”

Before the Meeting

- CEO starts meeting and creates [board deck](#)
- Discuss key issues of Chair (and ideally other board members too)
- CEO should always briefly discuss any major decisions of each board member before the meeting so there are no surprises

(From the moment CEO puts together a board package they send it off the night before. This is one of the responsibilities of CEO.” – Matt Robertson, CEO, Theta

A well-prepared board is critical for an effective meeting!

- 1 week in advance, CEO sends out meeting reminder
- 4-5 days in advance, CEO distributes [board deck](#)
- Let board know it will be essential for meeting discussions but that you won't be walking through it; they need to read it beforehand

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The Board Deck

- Includes info directors will need for meeting
- Bulk of meeting & deck = key strategic issues (not a review of operational data)
- Create standardized template to keep key parts of board deck consistent & simple
 - Get directors' input for determining standard items
- Be thorough but focus on most important things (keep it 8-20 slides)
- Use visuals to make it easy to digest, use text to describe why it matters
- Videos and photos can help your directors better understand the company
 - E.g. A video showing a new marketing campaign in action is better than simply saying “We've launched a new marketing campaign”
- All directors must review the board deck carefully before each meeting
 - The CEO should not walk the directors through the deck at the meeting

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The Board Deck

Board deck should include:

- Meeting agenda
- State of company and updates
 - Key metrics and financial info
 - Highlights/insights
 - Previous action items + status
 - Strategic overview, evaluate
- Deep dive materials – go into detail and provide info necessary for productive, well informed discussion
- Section on official board business (prior minutes, reserved board matters, etc.)

See Accion Board Deck Template to help guide the creation of your board deck

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Meeting Agenda

- Board meetings are typically 1-1.5 hours long
 - Longer more time than common—do not jam-pack the time

Agenda

1. Review business and performance updates (1-2% of meeting)
 - a. Financial, progress on key metrics, highlights & challenges
2. Focus on data relevant to strategic issues to be discussed next meeting
 - a. On. Lay out plan for leveraging an important partnership, product launch, creating a recruitment plan, change in business model, financing needs, etc. Ensure that the right people with the right experience and professional networks can be effectively applied
3. Dealer/company admin (1-2% of meeting)
 - a. Rx. Approve executive pay, review audit reports, approve last meeting minutes

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During the Meeting

Meeting leads: Chair and CEO

- Ensure meeting runs smoothly, on time, and according to agenda
- Facilitate productive, frank discussion on key topics, ensure all sides are heard
- Board asks questions, provides guidance and feedback
- Chair & CEO direct discussion and achieve consensus in timely manner
- CEO should make clear areas of discord and disagree with

Motions and voting

- Important to remember what kind, require formal board approval
- Details of incorporation defines these terms, and how they are decided upon
- See slide on [Board Research for the Board](#)

Board meetings are not for:

- Discussing day-to-day operations of company
- Broad, open-ended brainstorming sessions
- Walking through the board deck—the directors should have already read it

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- Some example slides are included at the end of this deck

Agenda

- 8:00 – State of company & updates (30 mins)
- 8:30 – Deep dive discussion #1 (60 mins)
- 9:30 – Deep dive discussion #2 (60 mins)
- 10:30 – Official board business (30 mins)

8:00 - 8:30 am

STATE OF COMPANY & UPDATES

CEO Update

- Cash in the bank
- Monthly burn rate
- Estimated zero cash date
- Explanation of unexpected budget variances

Staffing updates

- Key hires
- Key hiring needs
 - Make asks to board if appropriate

| Current staffing | Current | Planned |
|----------------------|-----------|-----------|
| CEO | 1 | 1 |
| VP of Marketing | 1 | 1 |
| VP of Sales | 1 | 1 |
| VP of Finance | 1 | 1 |
| IT Analyst | 2 | 3 |
| Product Specialist | 1 | 2 |
| Regional Coordinator | 4 | 4 |
| Program Associate | 1 | 1 |
| Total | 12 | 14 |

- Business highlights
 - Ex. product launch
- Lowlights/challenges
 - Ex. 3-12 month planning w/ capital concerns
- Previous action items + status

Key Metrics Dashboard

- Provide metrics for month's actual vs. projected performance, previous month's performance, and forecasted performance
- Monthly revenue, expenses, net income
- Forecasts for cash balance, revenue and operating expenses
 - Note key drivers and assumptions
- Other key metrics of business. Examples:
 - Number of customers
 - Site traffic
 - User engagement
 - Cohort/retention analysis

Strategic Overview

- Overview of most important aspects of business
 - Ex. Sales, business development pipeline, strategic partnerships, product roadmap, capital fundraising
 - For each area of company mentioned, review:
 - Current plan
 - Current progress
 - Challenges
- Focus areas for next 30/60/90 days

Key Goals & Company Needs

- Review goals & needs...lead into deep dive discussions
- Company's double bottom line

8:30 - 9:30 am

DEEP DIVE DISCUSSION #1

9:30 - 10:30 am

DEEP DIVE DISCUSSION #2

Deep Dives

- Focus discussion on one particular functional area or issue
 - Ex. Competition, marketing and positioning, operations, future fundraising, strategic partnerships, recruiting needs
- Include pertinent info for productive, well-informed discussion
- Facilitate discussion w/ specific, direct questions
- Cover needed action items; delegate based on board expertise

10:30 - 11:00 am

OFFICIAL BOARD BUSINESS

Approval of Prior Minutes

- Provide a draft to the board of the previous minutes and use this time to review it, discuss it, and approve it

- Resolutions to be approved by board
 - Option grants
 - Senior management hires
 - Other
- Other corporate & administrative items

Meeting Wrap-Up

- Summarize meeting conclusions, key goals
 - Review action items/takeaways
- Confirm date of next meeting

APPENDIX

Suggested Appendix Items

- Full financial statements
- Forward-thinking org chart
- Cap table
- Customer feedback
- Details (#s, assumptions) that support prior slides

SLIDE EXAMPLES

Financials – expenses summary

Cash: \$ [REDACTED] as of 3/31/14

March 2014 Burn: ~\$ [REDACTED]

Goal: Burn < \$ ----- /mo

| | 2013 A Q4* | 2014 E | | | 2014 E | | | |
|-------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | | Jan | Feb | Mar | Q1 | Q2 | Q3 | Q4 |
| Payroll/Tax/Benefits | \$----- | \$----- | \$----- | \$----- | \$----- | \$----- | \$----- | \$----- |
| Outsourcing/Development | \$----- | \$----- | \$----- | Pending | Pending | \$----- | \$----- | \$----- |
| Sales/Marketing | \$----- | \$----- | \$----- | Pending | Pending | \$----- | \$----- | \$----- |
| G&A | \$----- | \$----- | \$----- | Pending | Pending | \$----- | \$----- | \$----- |
| Other | \$----- | \$----- | \$----- | Pending | Pending | \$----- | \$----- | \$----- |
| TOTAL EXPENSES | \$----- |

*Includes Series A closing costs

Distribution Integration Fees

No internal development team

Jan payroll high due to EOY tax

Baseline Marketing ~\$ /mo

Financials – current Q financial summary

| | Month 7 | Month 8 | Month 9 | Total |
|--------------------------------------|----------------|----------------|----------------|--------------|
| Revenue | \$ 36,000 | \$ 38,000 | \$ 60,000 | \$ 134,000 |
| Operating Expenses | (450,000) | (435,000) | (475,000) | (1,360,000) |
| Depreciation/Amortization | (2,000) | (3,000) | (7,000) | (12,000) |
| Non-Operating Income/Expenses | 3,000 | 1,500 | 7,500 | 12,000 |
| Net Income | (413,000) | (398,500) | (414,500) | (1,226,000) |
| Capital Expenditures | (45,000) | (100,000) | (200,000) | (345,000) |
| Net Cash Burn | (456,000) | (495,500) | (607,500) | (1,559,000) |
| Financing | - | 6,000,000 | - | 6,000,000 |
| Net Cash | 460,000 | 5,964,500 | 5,357,000 | 5,357,000 |
| Headcount | 25 | 25 | 26 | 26 |
| Net Burn per Headcount | \$ (18,240) | \$ (19,820) | \$ (23,365) | \$ (59,962) |

All amounts in USD, except headcount

Add commentary from CEO here

Highlights/Lowlights

- + []
 - Signed 2 new partners in Country X; 6 total
 - Country X team additions (total of 4)
 - Productive discussions Potential Partner A, B
 - New Advisor: John Doe (fmr Company X)

- []
 - No go from Potential Partner C, D and E
 - Partner N still not close to launch
 - Partner O system issues
 - Sales traction

Action items from March board meeting

| Item | Status |
|--|---|
| Customer service in Country X (video, employee contest) | Contest – done. Video – not done (no employee contact details) |
| PR in Country X | Interviewing PR freelancers in Country X |
| Investor newsletter | Will publish after PR articles. |
| Marketing referrals | Done – interviewed. |
| Partner D help with ownership | Done – reached financial agreement with Partner D. |
| Option grants, 409a | Done – in this board packet. |
| Distribution deal through Country X integrator | In process – meeting Company Y 5/14, LDI w/o 5/5 |

Summary - next 30/60/90 days

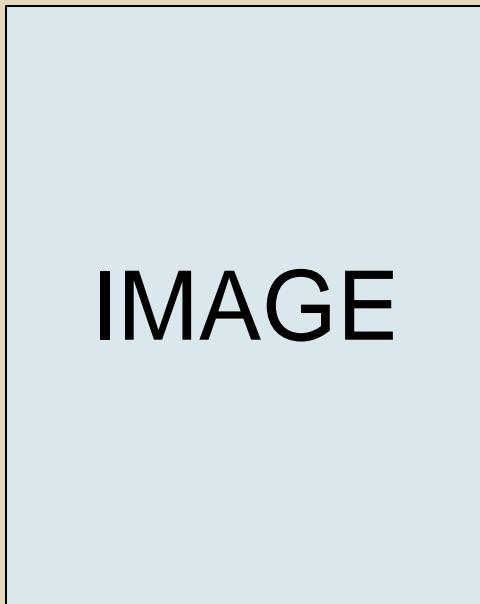
| | End of April | End of May | End of June | End July |
|-----------|---|---|--|--|
| Country X | <ul style="list-style-type: none"> • Launch at [company name] • Sign [company name] | <ul style="list-style-type: none"> • Launch at [company name] • Sign [company name] • Term sheet with [company name] • Vet integrators in Country X | <ul style="list-style-type: none"> • Sign [company name] + 1 more • Launch 1-2 new partners • Project kickoff 1-2 new partners • Integrator relationship | <ul style="list-style-type: none"> • Launch 1-2 new partners |
| Country Y | <ul style="list-style-type: none"> • Contract negotiations with 1-2 new channel partners ([company names]) | <ul style="list-style-type: none"> • Sign one new channel partner ([company names]) • Move [company name] to commit | <ul style="list-style-type: none"> • Sign one new channel partner • Launch one new channel partner | <ul style="list-style-type: none"> • Sign one new channel partner • Launch one new channel partner |
| Mkt | <ul style="list-style-type: none"> • PR: announce new deals and [marketing campaign name] • Ongoing lead generation • Refresh collateral • New marketing video | <ul style="list-style-type: none"> • Sales hire • Mother's Day lead gen • CPG discussions • Cause marketing discussions | <ul style="list-style-type: none"> • World Cup lead gen • CPG terms discussion • Cause marketing relationship • Re-start media campaign (?) | <ul style="list-style-type: none"> • Marketing hire |

Distribution / US Bus Dev

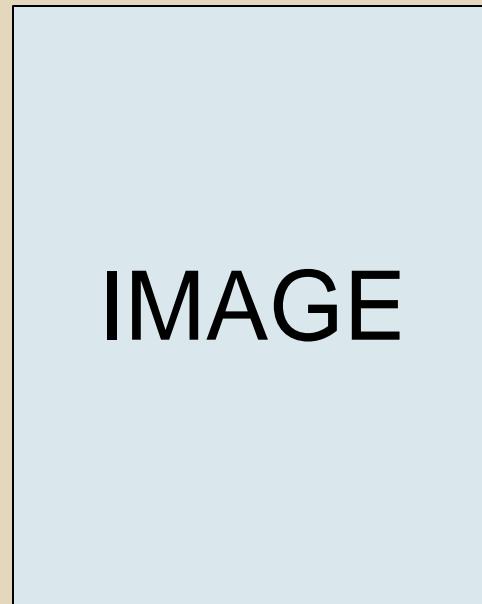
| Retail Partner | Status | Comments |
|----------------|--|--|
| Company A | Written proposal received; negotiating | Inbound; would charge a fee |
| Company B | Will decide by 5/9 | Interested; partner of competitor |
| Company C | Spoke 4/28 | Interested; asked for more details + mtg |
| Company D | Negotiations | Inbound; would charge a fee |
| Company E | Contract negotiation | Slow due to threatened labor union strike |
| Company F | Working through epay | Meeting pending |
| Company G | Working through epay | Need epay's support to get shelf space |
| Company H | Initial discussions | low priority for them |
| Company I | Discussions | 2 nd largest phone card seller |
| Company J | Tabled for now | Interest from President but need stronger biz case |
| Company K | Tabled for now | Did not get approval from operations team |

Marketing

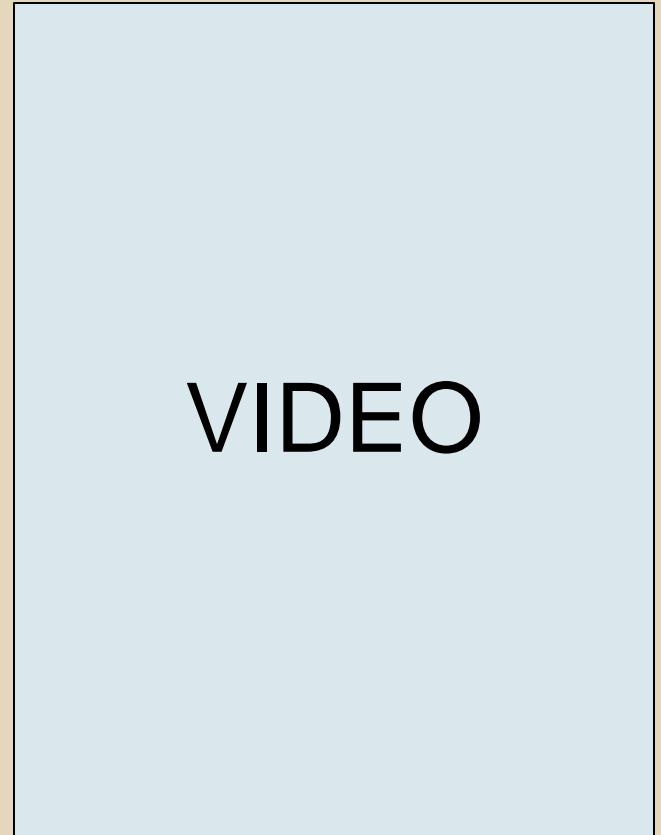
- Collateral: lead with partner brand
- Focus groups: validate messaging, video content
- Street team lead gen
- Video – will roll out this week



IMAGE



IMAGE



VIDEO

Key findings from our market

Market Segment

- Our main competitors are the “Cajas Populares” vs. MFIs
- We are closely monitoring the appearance of new entrants
- MFIs & banks seen as last resort by our customers due to their low reputation

Customer

- Key influencer = women (75% of contacts); however, decision usually made by men
- Customer credibility is critical...therefore the way to differentiate ourselves is to reach customer via different channels (ex. doctors and hospitals).
- So far 9 out of 10 Doctors we have visited have accepted our services as a good payment method for their patients.
- Customers have a good opinion of Partner X, but most of them not sure what it does.

Key findings from our market

Communication Strategy

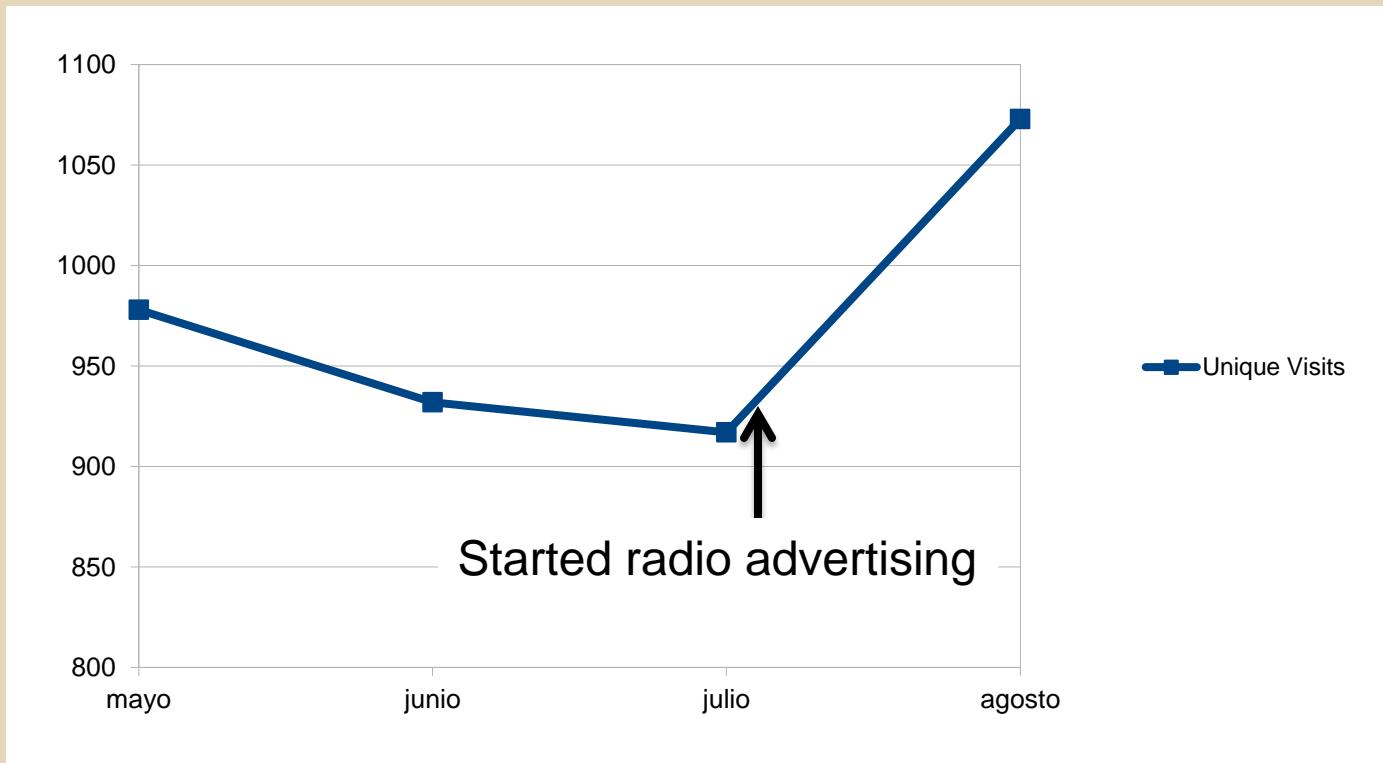
- Strategy needs improvement (too much text, confusion with clinic/insurance co.)
 - AMEX will introduce us to some of their communication consultants
- Need a different message for the influencer (woman) and decision-maker (man)
- Media efforts should converge to single contact point—AMEX rec'd website
- Our message needs to be less “rational” and more “emotional”

Media

- Our clients would prefer to hear about us from their doctor (40% in top 2). Media with the highest credibility among clients is radio (27% in top 2). However, over (48%) of our clients come via web. People hear about us on radio and check our info via web.
- 20 sec spots too short—interviews must be >2 mins. Convey clear brand image
- We use specific radio shows widely listed by our target market (ex. “Oprah”).

Key findings from our market

- Unique visits to website grew by 82% in August
 - We believe this was mainly due to Radio advertising.
- People are using the website as main information source
 - Conclusion: drive as much traffic to our website as possible



Reserved Board Matters

Proposed stock option grants:

| Grantee | # of options | % FD | Vesting |
|----------------|--------------|------|------------------|
| Name (advisor) | # | % | 2 yrs, no cliff |
| Name (advisor) | # | % | 2 yrs, no cliff |
| Name | # | % | 4 yrs, 25% cliff |
| Name | # | % | 4 yrs, 25% cliff |
| Name | # | % | 4 yrs, 25% cliff |

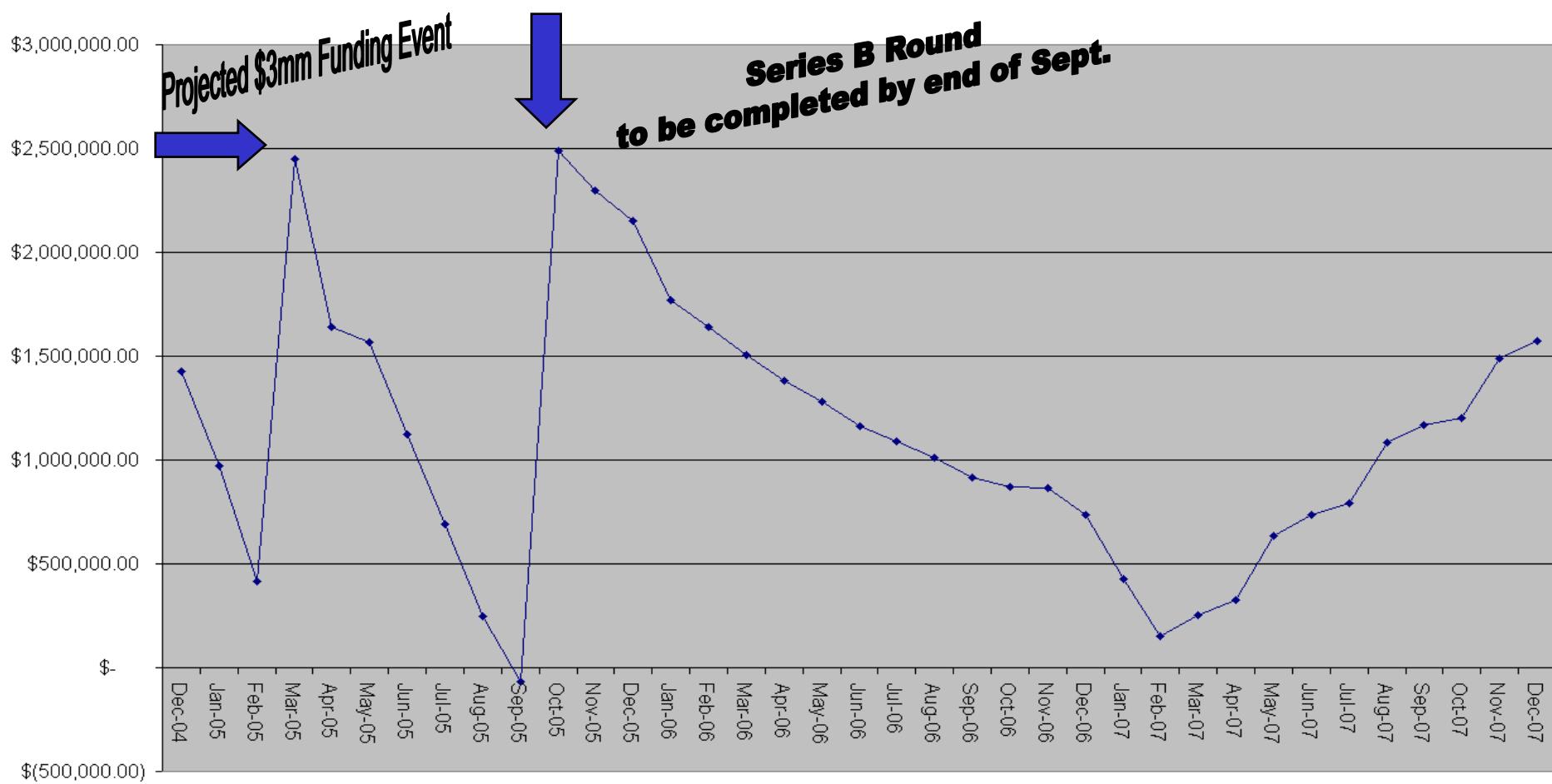
- 409a – sent as attachment
- D&O insurance – still working to get a quote; turned down from all tier 1 providers
- Cap table formula error from Series A closing: need to issue additional shares to [investor name] (# shares)

Current Projected Cash Flow

Projected Cash Balance - 2005

Assumes \$3mm of additional capital in March 2005

Assumes \$3mm of additional capital in October 2005



Revenue Forecast

as of Month 9
(in \$ thousands)

| Original Plan | Mo. 1 | Mo. 2 | Mo. 3 | Mo. 4 | Mo. 5 | Mo. 6 | Mo. 7 | Mo. 8 | Mo. 9 | Mo. 10 | Mo. 11 | Mo. 12 |
|-----------------|--------|-------|-------|-------|-------|-------|-------|-------|-------|--------|--------|--------|
| | - | - | - | 12 | 27 | 39 | 40 | 50 | 60 | 70 | 80 | 90 |
| Forecast as of: | Mo. 1 | - | - | - | 12 | 27 | 39 | 40 | 50 | 60 | 70 | 80 |
| | Mo. 2 | - | - | - | 12 | 27 | 39 | 40 | 50 | 60 | 70 | 80 |
| | Mo. 3 | | - | - | 12 | 27 | 39 | 40 | 50 | 60 | 70 | 80 |
| | Mo. 4 | | | - | 11 | 25 | 36 | 38 | 50 | 60 | 70 | 80 |
| | Mo. 5 | | | | 10 | 26 | 36 | 38 | 38 | 55 | 65 | 75 |
| | Mo. 6 | | | | | 28 | 35 | 37 | 38 | 55 | 65 | 75 |
| | Mo. 7 | | | | | | 35 | 37 | 38 | 57 | 67 | 77 |
| | Mo. 8 | | | | | | | 36 | 38 | 57 | 67 | 77 |
| | Mo. 9 | | | | | | | | 38 | 58 | 70 | 77 |
| | Mo. 10 | | | | | | | | | 60 | 70 | 77 |
| | Mo. 11 | | | | | | | | | | | |
| | Mo. 12 | | | | | | | | | | | |
| Final | | | | | | | | | | | | |
| YTD | - | - | - | 10 | 38 | 73 | 109 | 147 | 207 | 277 | 354 | 434 |
| % of Plan | NM | NM | NM | 83% | 97% | 94% | 92% | 88% | 91% | 93% | 94% | 93% |

= Actual

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