RAISING CAPITAL SEMINAR SERIES

LWBJ
INTELLECTUAL CAPITAL AT WORK

BROWNWINICK
LAW

dm GREATER DES MOINES PARTNERSHIP

DSM USA DES MOINES, IOWA

DSMpartnership.com

RAISING CAPITAL SEMINAR SERIES
Module 2: The Pitch: Telling Your Story

Oct. 7, 2020

LWBJ
INTELLECTUAL CAPITAL AT WORK

BROWNWINICK
LAW

dm GREATER DES MOINES
PARTNERSHIP

DSM USA   DES MOINES, IOWA

DSMpartnership.com

TODAY'S PRESENTER

Charise Flynn, C Results.

Charise Flynn is the owner of C.Results who partners with CEO's, executives, leadership teams and solopreneurs to grow their organizations. After 20 years of successfully building organizations from the ground up for multimillion-dollar companies, startups, and nonprofits

Charise knows what it takes to drive success and scale. Charise has first-hand experience scaling organizations as the former Chief Operating Officer of Dwolla. At Dwolla, she established and led teams in the areas of finance, legal, compliance, risk, customer support, sales, marketing and human resources. Having scaled the company from 2- 80+ team members, raised over $32M in tier-one venture capital, and oversaw the company's expansion to San Francisco, she has a unique perspective of scaling organizations.

Charise lends her expertise to Executives and Entrepreneurs by guiding them through the journey of clarifying their vision, establishing strategy, setting attainable goals, raising capital and ensuring team wide accountability. In addition to her extensive operation and strategic planning advising, Charise is an advisor and coach to participants in the Drake University Leading Others Program, Iowa AgriTech Accelerator and Square One Accelerator. Additionally, she leads a biannual Raising Capital Seminar in partnership with the Des Moines Partnership.

Charise was named one of The Business Records "40 Under 40", awarded the Simpson College Alumni Achievement Award and the Technology Association of Iowa's Small Business Innovation and Leadership Award. She is a past board member for the Global Insurance Accelerator, Children and Family Urban Movement and Simply the Basics. Charise graduated Magna Cum Laude from Simpson College with degrees in Philosophy and Religion.

A JOINT COLLABORATION

GREATER DES MOINES
PARTNERSHIP

LWBJ®
INTELLECTUAL CAPITAL AT WORK

BROWNWINICK
LAW

GREATER DES MOINES
PARTNERSHIP

WELCOME

- Thank you for joining us!
- Logistics:
  - Mute your microphone
  - Turn on your video!
  - Open the chat window and use this for questions
- A recording of this will be available

AGENDA

PREPARE
- Momentum
- Materials
- Relationships

EXECUTE
- Relationships
- Pitches
- Documents

MANAGE
- Negotiations
- Closing
- Relationships

- **Module 1:** The Fundraising Journey: Steps to Raising Capital
  - Oct. 7 from 8:30 – 11:30 a.m.
- **Module 2:** The Pitch: Telling Your Story
  - Oct. 7 from 1 – 4:30 p.m.
- **Module 3:** The Proforma: Building a Strong Financial Model
  - Oct. 14 from 8:30 – 11:30 a.m.
- **Module 4:** The Cap Table: Who Owns Your Company
  - Oct. 21 from 8:30 – 11:30 a.m.
- **Module 5:** The Term Sheet: The Details Matter
  - Oct. 28 from 8:30 – 11:30 a.m.

GREATER DES MOINES PARTNERSHIP

DSM USA

DSMpartnership.com

DES MOINES, IOWA

Telling Your Story

Charise Flynn

GREATER DES MOINES
PARTNERSHIP

DSMpartnership.com

If the idea and execution are lacking, then <u>no</u> pitch deck will get you investors.

Typical Pitch Deck Slides

	500 Startups	SEQUOIA CAPITAL	AIRBNB
SLIDES	**12**	**11**	**12**
Problem	X	X	X
Solution / Value Proposition	X	X	X
Market Validation / Why Now		X	X
Product	X	X	X
Market Size	X	X	X
Business Model	X	X	X
Underlying Magic	X		
Competition	X	X	X
Competitive Advantage	X		X
Marketing Plan / Go-to Market	X		X
Founding Team	X	X	X
Board / Advisors		X	
Traction / Milestones	X		
Press / User Testimonials			X
Fundraising	X	X	X
Financial / Use of Funds		X	

GREATER DES MOINES PARTNERSHIP

DSMUSA

Use Google for examples

You can find a ton of examples by Googling "pitch deck templates"
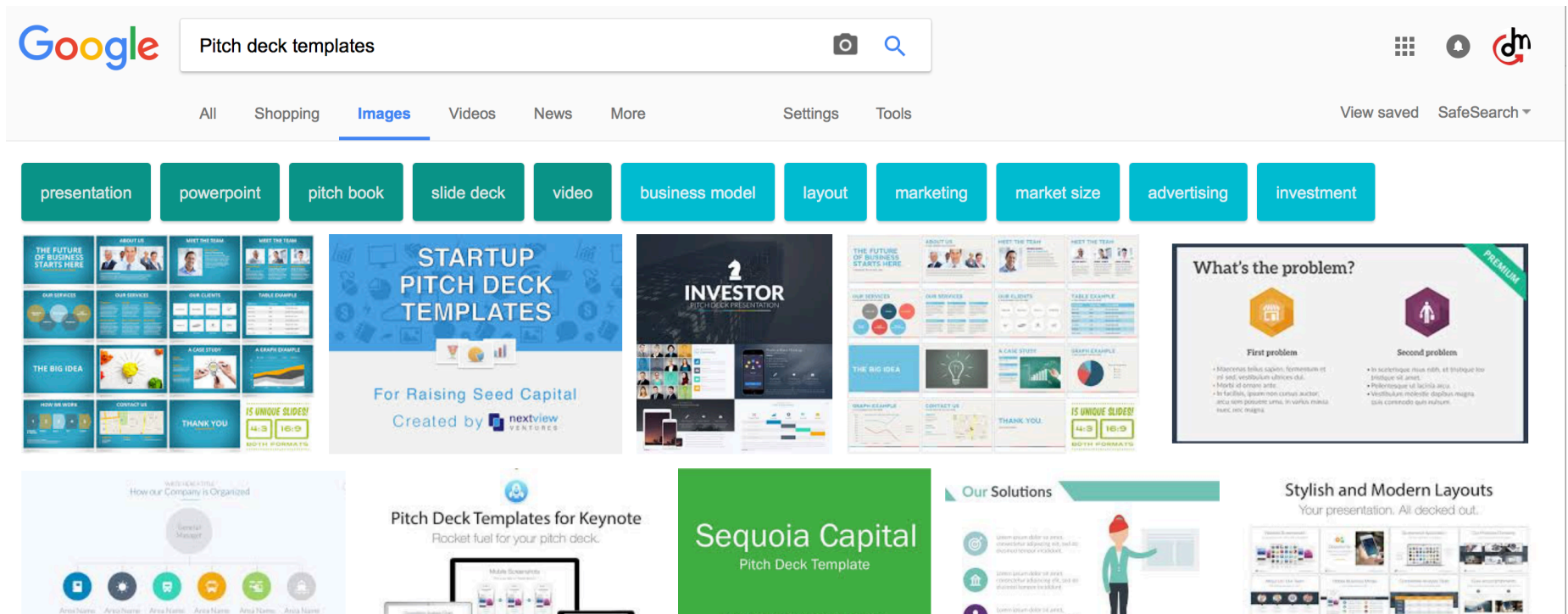
Tell a compelling story

Slide titles
- Short, punchy, and explain exactly each slide
- A compelling deck tells a story through your headings
- Example: "The Right Mix of Passion and Experience"…
  instead of just "TEAM"

Language
- Avoid obvious phrases that everybody uses (disruptive, innovative, world-class)
- Use your voice - ultimately you need to be comfortable delivering the pitch

Avoid the 60-minute mistake

Assumption that if you get an hour meeting, you get an hour of attention. **You don't.**
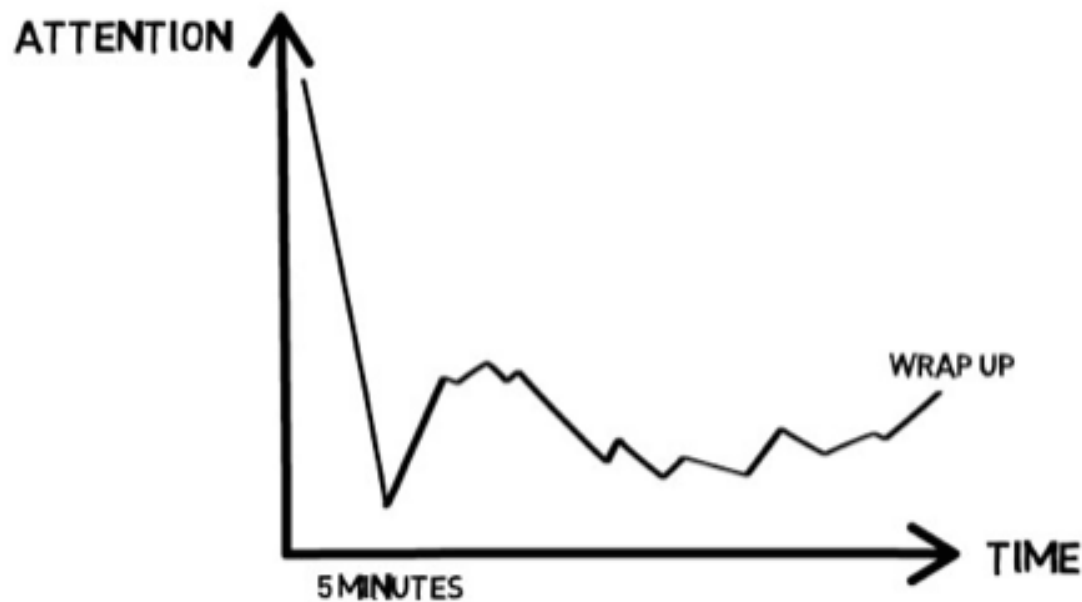
First 2 minutes are <u>critical</u> to hooking interest for the rest of the meeting.

Cover Slide: Value Proposition

- Positioning statement that explains the who, what, how, why

- Steve Blank's template:
    - We help X to do Y by doing Z.
    - "We help non-technical marketers discover return on investment in social media by turning engagement metrics into revenue metrics.

- Other Examples:
    - "Mint.com is the free, easy way to manage your money online"
    - Unbounce- Build, publish and A/B Test Landing Pages without I.T. (The mobile responsive landing page builder for marketers)
    - Uber- Tap the app, get a ride. Uber is the smartest way to get around. One tap and a car comes directly to you. Your driver knows exactly where to go. And payment is completely cashless.

Cover Slide
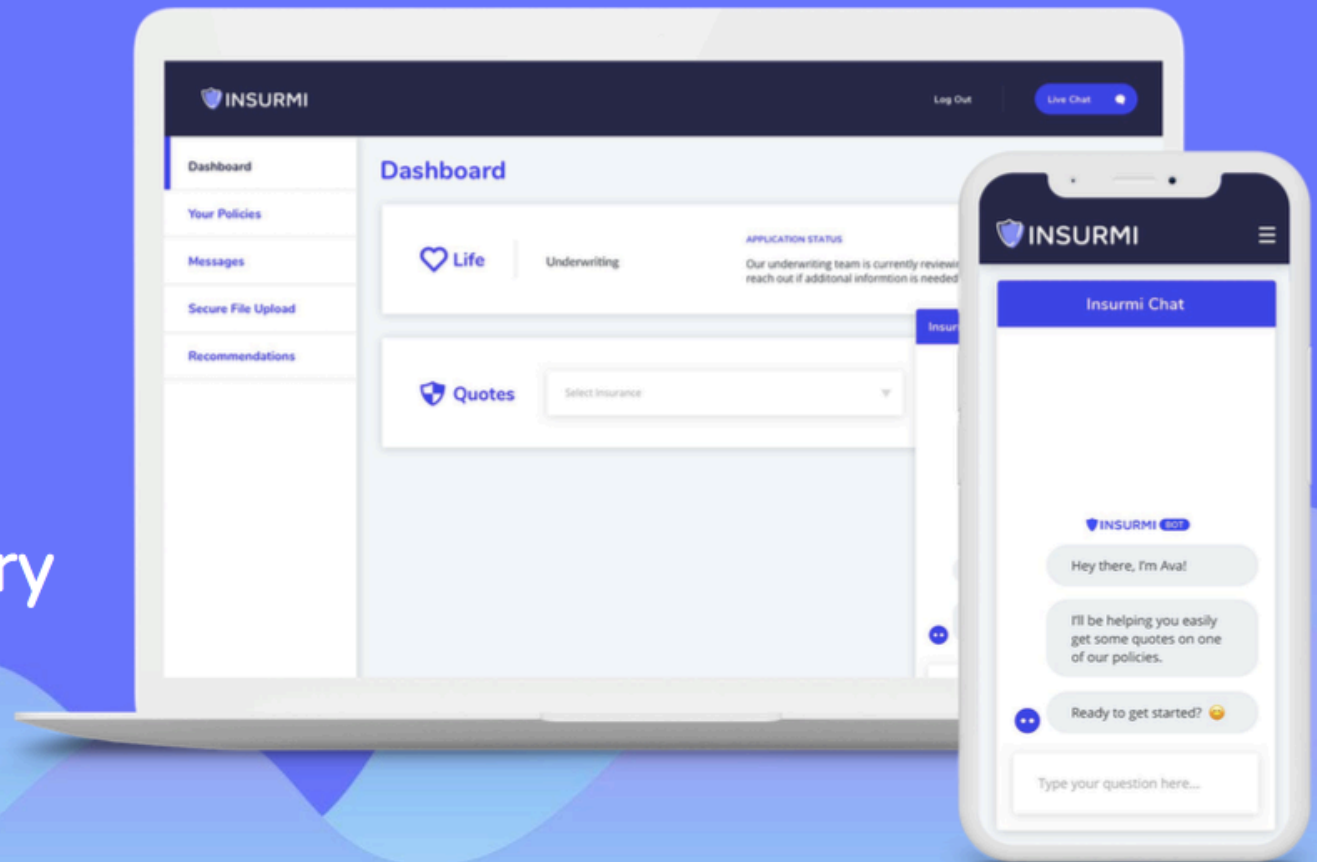
Slide 1: The Problem

- What are you solving?
- What customer pain are you alleviating?
- Why does your company exist?
- Avoid looking like you are a solution looking for a problem

If you cannot convince an investor there's <u>something broken</u>, they will not be interested in a solution.

THE PROBLEM

Workplace Accidents Are A GLOBAL Problem

Every Minute
500 workers are injured in work accidents, globally.

Every Day
More than 1,000 workers die in work accidents, globally.

Every Week
$1.2B is paid out on Worker Compensation claims in the US alone.

INSURMI

Industry Challenges

Insurance companies are having difficulty finding relevancy with millennials who prefer a digital experience, especially in three core areas.

Sales

Insurance carriers are relying on offline, outdated methods (agents) to acquire new business and interact with the growing digitally driven consumers - causing a loss of sales.

Claims

Insurance carriers are forcing their customers to endure painfully complicated claims experiences, which are usually processed offline through methods that do not align with current consumer expectations.
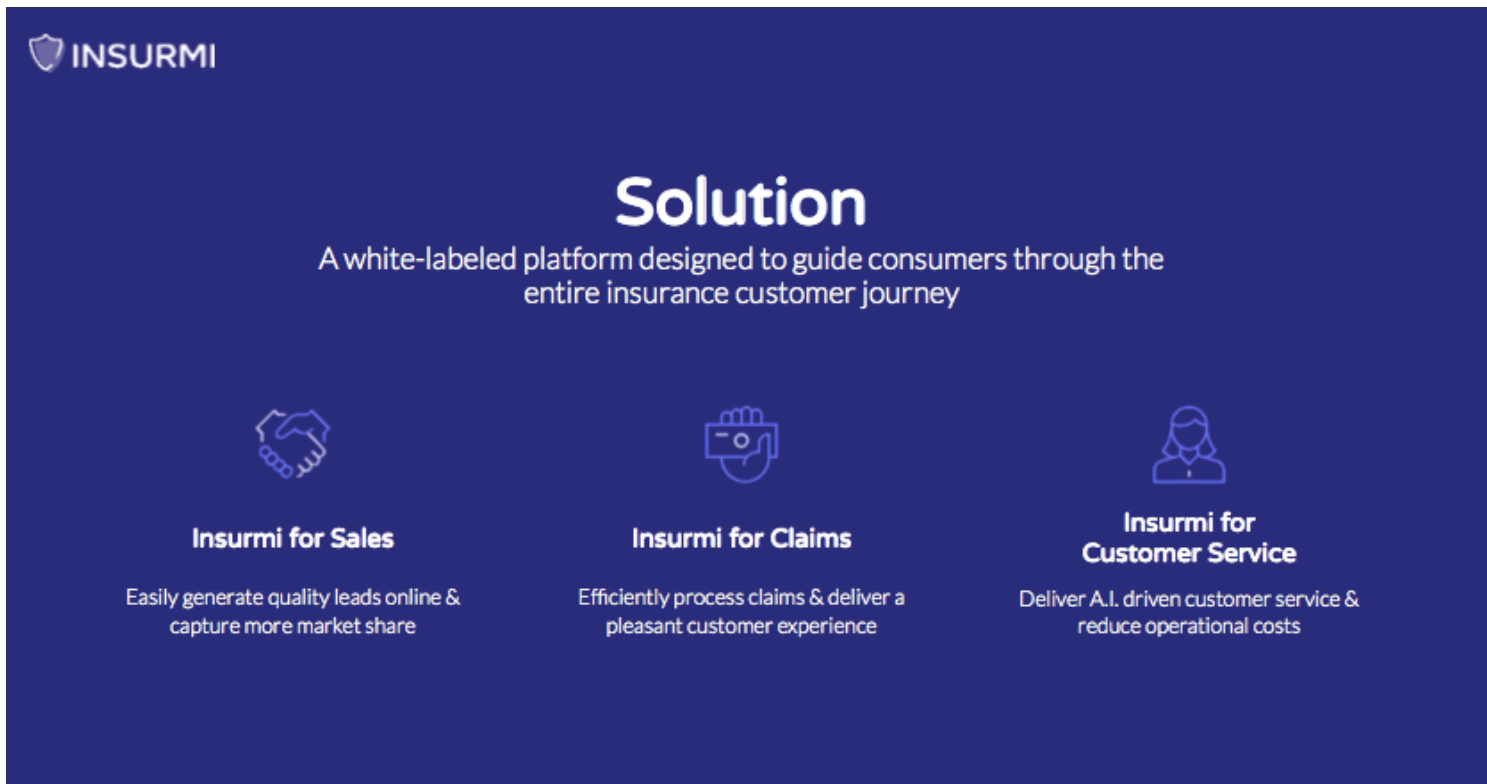
Customer Service

Insurance carriers are relying on costly, labor intensive call centers to provide customer support to their policyholders, limiting their ability to service customers around the clock.

Slide 2: The Solution

- Explain how you alleviate the pain / problem
    - web platform, SaaS, hardware, etc.
- Demonstrate how your company makes the customer's life better

Slide 3: Your Product

- Demonstrate how your product works
- Screenshots, photos and / or a demo are very helpful

Slide 3: Your Product

PRODUCT OVERVIEW

- LED
- Microphone
- TVOC and CO_2
- Voice Submit
- WiFi
- Bluetooth

- Visible Light & Infrared Light
- Temp
- Humidity
- Air Pressure
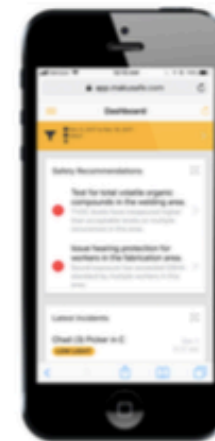- Accelerometers
- Battery

ARM Cortex M4F CPU
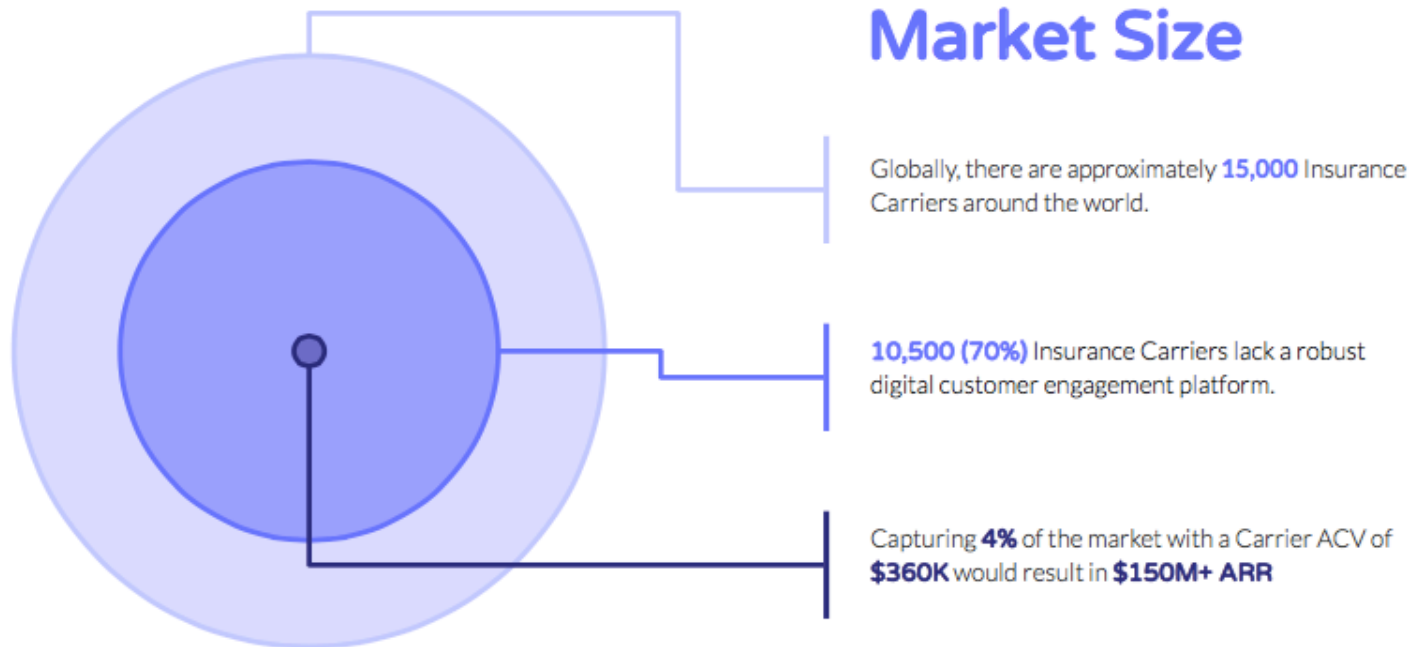
Slide 3: Your Product

THE SOFTWARE SOLUTION

The MākuSmart® SaaS Platform

✓ Machine Learning identifies trends to reduce accident risks

✓ Connects frontline workers with safety and operations leadership

✓ Reduces paperwork and improves claims processes

GREATER DES MOINES
PARTNERSHIP

Slide 4: Market Size

- Break the market down by:
  - Total available market
  - Serviceable market
  - Share of market you think is realistic to capture

INSURMI

Market Size

Globally, there are approximately **15,000** Insurance Carriers around the world.

10,500 (70%) Insurance Carriers lack a robust digital customer engagement platform.

Capturing **4%** of the market with a Carrier ACV of **$360K** would result in **$150M+ ARR**

Source: www.iii.org

Slide 4: Market Size

TOTAL ADDRESSABLE MARKET (US)

32,000,000
Workers in High Risk
Industries like:
Construction, Ag, Logistics
& Manufacturing.

1,600,000
Number of workers
covered at 5% market
penetration.
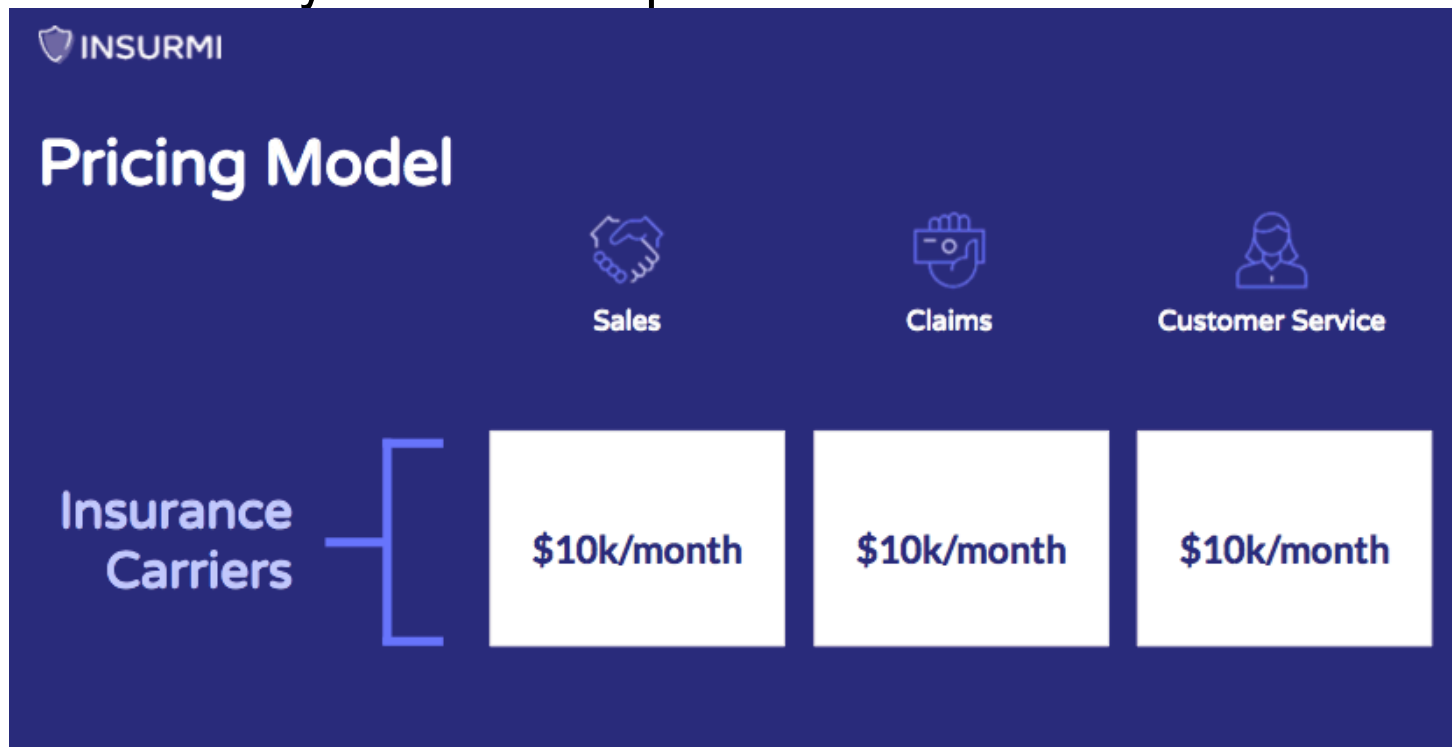
$211MM
Projected annual recurring
revenue with 5%
market penetration.

Slide 5: Business Model

- ## What do you charge?

  - ### One time, monthly, annual?

- ## Average account / customer value?

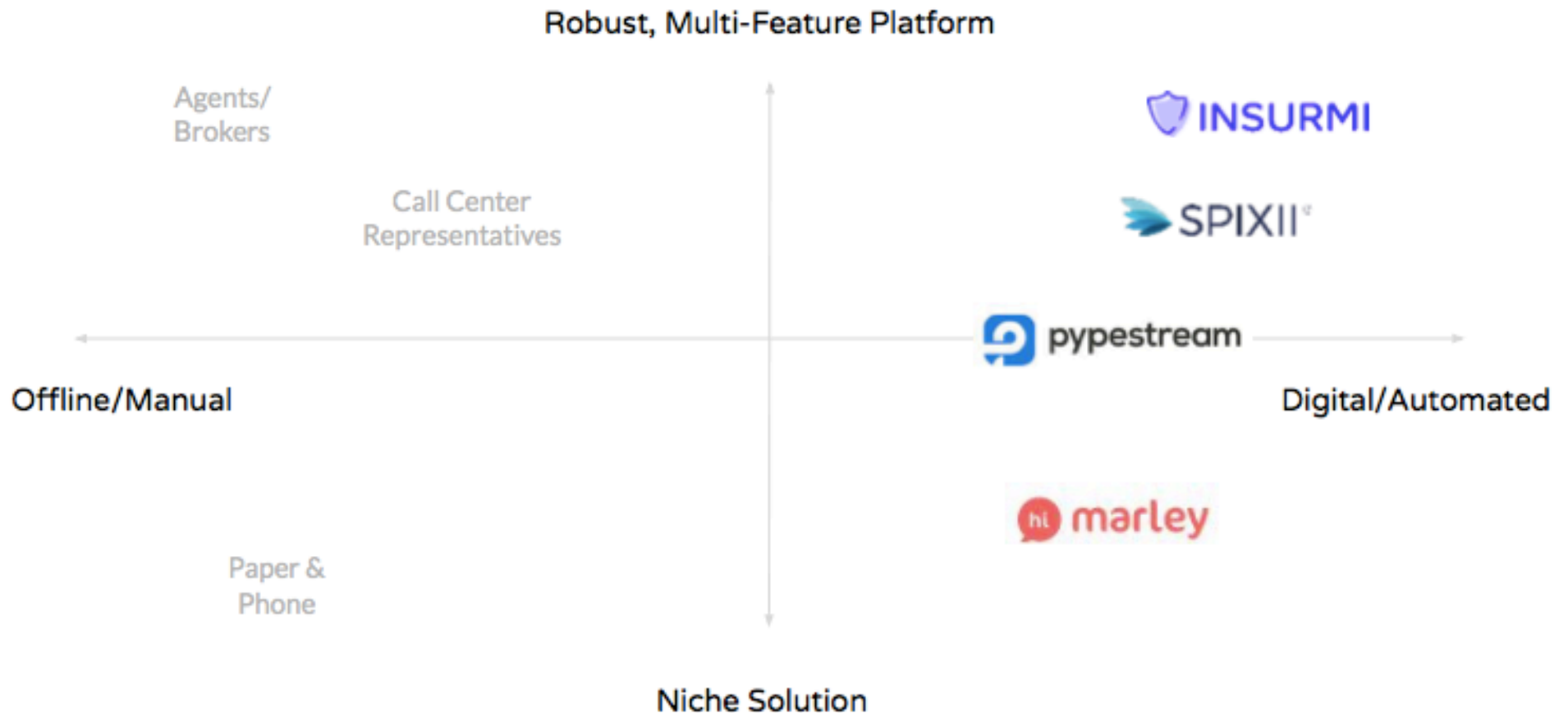- ## What is your revenue potential?

Slide 6: Competition

- Who are you competing against?

- What makes you different / better?

- Better to identify all competitors than have investors discover them

- Use Crunchbase and AngelList to find investors (we will discuss later in day)

Slide 6: Competition

Slide 7: Competitive Advantage

- Why do you win?

- Often fall into five categories: Product, Cost, Positioning, Distribution, Execution

- Pick 1 or 2 to areas excel in (often based on founder strengths)

INSURMI

Competitive Advantages

Product
- Data network effects - our A.I. becomes more valuable as it learns from all our customers
- High barriers to switch due to complex enterprise integration

Distribution
- Exclusive pilot opportunities with over 90+ global insurance carriers available through both Global Insurance Accelerator and Plug & Play Accelerator partnerships

Execution
- Uniquely qualified & diverse team
- Industry & subject matter expertise

Slide 7: Competitive Advantage

Product

- Ease of use
- Create barriers to switch
- IP

Cost

- Superior price point

Positioning

- Brand
- Clear value proposition

Distribution

- Buying chain disruption (especially online from traditional)

Execution

- First mover
- Uniquely qualified team

DSMUSA

GREATER DES MOINES PARTNERSHIP

DSMpartnership.com

Slide 8: Go to Market / Marketing Plan

- How do you sell your product?

- What channels are you focused on?
  direct, online, channel, organic, partnerships

- What validation do you have that your plans will work?

GO TO MARKET PLAN - **DIRECT**

Selling Direct To Customers

✓ Currently Working With Multiple Fortune 500 Companies

✓ Our Self-Insured Customers Pay Directly For Losses

   ✓ Many Use Insurance Brokers For Loss Control And Claims

✓ Our Direct Customers Average 19,000 Employees

✓ Customers In Logistics, Manufacturing, And Construction

GO TO MARKET PLAN - **INSURANCE**

Commercialization With Insurance

✓ Currently Working With 6 Insurance Carriers & 12+ US Brokers

✓ $5MM In Sales With Insurance Carriers

✓ PnP InsurTech Accelerator Alumni

✓ Global Insurance Accelerator Mentor Since 2015

✓ 2020 BrokerTech Ventures Accelerator Cohort

Slide 9: Team

- Highlight any special talents or experiences that make the team well suited to building the business
- Key players, board of directors, advisory board
- Don't be afraid of having some holes in your team

COMPANY LEADERSHIP

Executive Leadership

Gabriel Glynn – Co-Founder & CEO
Multiple successful tech startups
Highly immersed in the manufacturing industry

Mark Frederick – Co-Founder & CTO
25+ Years of technology experience
8+ Years with IBM as a cloud architect and IoT

Kelsey McGowan, CPA – Acting CFO (Ramco)
- Accounting Analyst for Ramco Innovations
- Accounting & Finance Degree – U of I

Additional Advisors

Charise Flynn
Owner – c.Results Consulting
Startup Industry Expert

Mike Colwell
Executive Director – Square One
Startup Industry Expert

Board of Directors

Gabriel Glynn – Chair & MakuSafe CEO

Hank Norem
President and CFO
Ramco Innovations

Tony Braida
Vice President of Global Banking
Bankers Trust

Bryon Snethen
Vice President of Risk Improvement
EMC Insurance Companies

Todd Sommerfeld
Owner and Executive Chairman
Kreg Tool

Michael Gehringer
Vice-President, Customer Operations
MidAmerican Energy

GREATER DES MOINES PARTNERSHIP

DSMUSA

DSMpartnership.com

Slide 9: Team continued

Advisory Board

- Not expected, but can be helpful if managed thoughtfully
  - Know what you want from them
  - Manage the time you invest getting them up to speed
  - Map out the role you want them to play
- Don't overplay in your pitch
  - Investors realize the minimum impact they can actually have
  - <u>MAKE SURE THEY KNOW THEY ARE PART OF YOUR PITCH!</u>
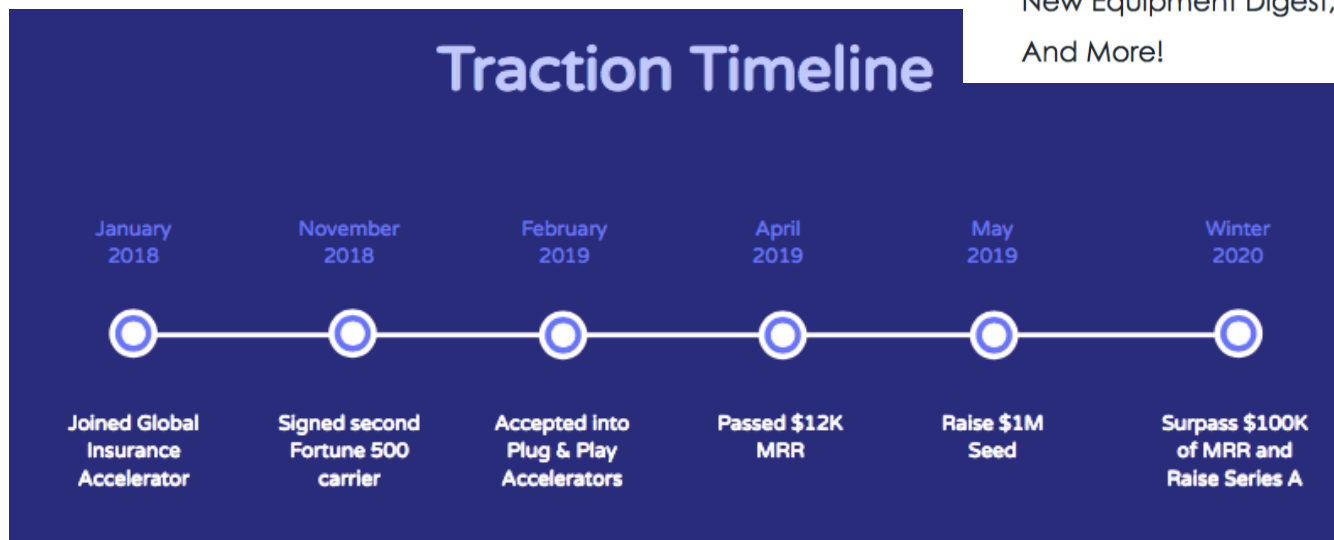
Slide 10: Traction

- Highlight accomplishments to date
- Examples could be:
  - Product traction
  - Sales / partner traction
  - Marketing traction
  - User / customer traction

WHERE WE'RE AT

Significant Milestones

✓ ACORD 2019 Global InsurTech Innovation Challenge Winner

✓ Scale Manufacturing In Production – Penang, Malaysia

✓ 6 Paid Pilots Yielding +$600,000 In Loss Avoidance

✓ +$5MM In Sales & $6.5MM in Investment Capital Raised

✓ Featured In More Than 100 Publications In 6 Countries, Including: New Equipment Digest, IndustryWeek, PC360, Dig In, EHS Today, And More!

Traction Timeline

January 2018	November 2018	February 2019	April 2019	May 2019	Winter 2020
Joined Global Insurance Accelerator	Signed second Fortune 500 carrier	Accepted into Plug & Play Accelerators	Passed $12K MRR	Raise $1M Seed	Surpass $100K of MRR and Raise Series A

Slide 11: Fundraise

- How much are you raising?

- What round is it? Angel, Seed, A?

- What will you achieve and in what amount of time?

- A simple timeline can be used to show how you will spend money in relation to achieving specific milestones

Slide 12: Key Milestones / Use of Funds

- Product lineup (features, functionality, architecture, IP)
  - Coastal VCs care about your product / tech innovation
- If team growth is a large use of funds, you may want to show team expansion

THE PRODUCT ROADMAP IS CLEAR

	Today	Q2	Q3	Q4	Q1	Q2	Q3
New Platforms		Android	iPad New iOS		Native Mac App		
New Integrations		HubSpot Base Zoho	Dropbox Google Drive Box	BOTS	Mailchimp Magento ConstantContact	Kissmetrics Mixpanel Segment	NetSuite Marketo Etc.
New Channels		Messenger	WeChat Whatsapp		Exchange	Other email providers	
Entreprise Ready		SSO	Teams	SLAs	Custom Rights	Light Users	Advanced Reporting

Optional: Press / User Testimonials

- Create excitement

- Show validation

- Only include if they are dramatic

Wrapping Up

- Plan to get through the entire presentation in 20 minutes
- Save time for discussion afterwards
- Best meetings feel more like conversations than presentations

THE OPPORTUNITY

Slack proved that businesses are ready to buy good communication tools.

They're going after the internal communications market.

We're going after the bigger opportunity.

Front will own the external communications space.

Anticipate questions, know your business

- Know how your type of business is being measured and demonstrate you know these numbers
  - SaaS business metric examples: MRR, ARR, CAC, LTV, Run Rate, Cash Burn
    - Read up on each of these as to how they are approached and debated. You need to be able to defend your position.
- Know your customers
  - Be able to give clear-use cases
  - Explain succinctly why they buy
- Know your industry / competitors
- 30 Questions Investors Will Ask Founders
  Appendix: https://bit.ly/2dfJI1N

One-Page Summary

Mike Colwell

DES MOINES, IOWA

DSM USA

GREATER DES MOINES PARTNERSHIP

DSMpartnership.com

One Pager

- A public document to raise awareness

- "5-minute" business plan document

- Make SURE you run this by your lawyer first

Company Profile:
URL: www.makusafe.com
Industry: Workplace Safety
Founded: May, 2016

Contact Information:
Gabriel P. Glynn - CEO
1201 Maple St.
West Des Moines, IA
(515) 480-1809
gabe@makusafe.com

Product:
Wearable IoT Device &
SaaS Platform

Product Stage:
Field Beta Testing

Management:
Gabriel P. Glynn, CEO
Mark Frederick, CTO

Board of Directors:
Tony Braida
Mike Gehringer
Hank Norem
Todd Sommerfeld
Bryon Snethen

Investments Raised:
$100,000 Angel
$200,000 Seed
$1,310,000 Seed

Investors:
Co-Founders
Private Investors
Advisory Board
Strategic Partners

Business Summary:

MākuSafe™ has developed a wearable IoT safety device coupled with a SaaS platform for use by labor workers worldwide. The device is designed to streamline and automate near-miss reporting and to gather a variety of environmental conditions around the wearer. Our software platform allows users a deeper dive into environmental conditions that are impacting worker health, safety, and productivity. The software is designed to discover trends in the data, making it simple for users to take a proactive approach to worker safety.

Customer Problem:

Over 1,000 workers a day die in workplace accidents globally. In addition to the fatalities, more than 500 workers every single minute are injured on the job. This equates to hundreds of billions of dollars in workers' compensation claims and lawsuits every year. OSHA, The National Safety Council, and others all agree that a proactive approach to safety that includes a quality near-miss reporting program is a solid way to improve worker safety and reduce risk to the worker and company. Many companies still rely on workers to fill out paper reports for near misses and often times environmental conditions are only gathered in specific locations and usually only after an accident has occurred.

Product/Services:

MākuBand™ is the first of its kind wearable IoT device for reporting near misses and simultaneously gathering environmental conditions. The cloud-based reporting dashboard, MākuSmart™ provides key details about trends in near misses and the environmental conditions that may be leading to these trends. Safety managers can use these reports to improve environmental conditions, identify training opportunities, adjust operation schedules, and more.

Target Market/Customers:

Our target market is currently indoor workers at manufacturing facilities, agricultural facilities, and shipping/logistics companies. Although there are many other industries that our system would benefit, we have identified these markets as being leaders in safety technology implementation.

Sales/Marketing Strategy:

MākuSafe™ has identified itself as an InsurTech product with our primary focus on delivering our solution through the Insurance Industry. We have identified challenges that are unique to insurance carriers and worked with our strategic partners in the industry to build a product that not only benefits the end-user company, but also those who insure them. We have already established sales in this market and intend to expand on that when the product is ready for release.

Business Model:

Our SaaS pricing model is a monthly subscription fee that is based on company size by number of employees. In addition to the software platform subscription fee we will also sell the wearable IoT device at a markup over cost.

Competitors:

The Industrial Internet of Things (IIoT) industry is still in its infancy and we have not seen a company with an enterprise product in the marketplace that does what we're doing at MākuSafe™. We're watching other IIoT companies working in similar and adjacent spaces while maintaining our primary focus on environmental conditions and near-miss reporting in the indoor worker space. These companies include both wearable and stationary solutions.

Competitive Advantage:

- Deep knowledge of our target market and of workplace safety requirements
- Patented technology for gathering data and streamlining near miss reporting
- Cloud-Based software accessible from anywhere
- Real-time monitoring of environmental conditions surrounding workers and ability to SMS alert when conditions are unfavorable
- API to tie our platform into other software including building automation systems
- Access to state-of-the-art testing facilities
- Sales and strategic partnerships already established in the Insurance Industry.

Company Leadership

Gabriel Glynn, Co-Founder & CEO

Gabriel Glynn is the CEO of MākuSafe™ and a serial entrepreneur. Gabriel's startup journey began over a decade ago and in that time he has experienced several successful exits, his most recent being the selling of his software company, Slash/Web Studios, in 2015.

Gabriel was named 2014 Entrepreneur of the Year at the Iowa Small Business Awards, in 2016 he was awarded Alumni of the Year by Des Moines Area Community College, and was a finalist for the YPC Young Professional of the Year in 2013. He has served on many community and nonprofit boards including the Ankeny Young Professionals and was a Charter Member of the Greater Des Moines Rotary Club.

Gabriel is the creator and host of the Advanced Manufacturing Podcast (AMP) on iTunes and has interviewed dozens of manufacturing leaders around the globe, including Jeff Immelt, formerly of GE Corporation.

Gabriel and his wife of 11 years, Amanda, live in Ankeny with their two boys, Caleb and Tucker. Gabriel has a degree in Business Administration from Des Moines Area Community College.

Mark Frederick, Co-Founder & CTO

Before joining the MākuSafe team, Mark Frederick served as a Cloud Architect for one of the world's largest technology companies, with over 25 years of deep technical experience.

Mark spent the first part of his career developing software in the manufacturing space and consulted as a technical specialist with many Fortune 100 companies. He also spent many years consulting as a technical lead, project manager and program manager on large strategic initiatives. Mark has extensive technical knowledge with years of practical experience in electronics, including embedded systems, sensor technology and Internet of Things (IoT). Most recently he joined the MakuSafe team to help lead the design and development of their wearable device, leveraging his experience with both Cloud technology and IoT.

As CTO, Mark will be responsible for hardware development and managing the MākuSafe hardware team, and vendors, in the development and production of hardware components for the company.

Mark and his family live in Des Moines, Iowa, where he's actively involved in international charity work. He's taught multiple classes to children at his local school, including robotics and programming.

Mark is a Computer Science graduate of Northwestern College.

Board of Directors

Gabriel Glynn, CEO – MakuSafe
Todd Sommerfeld, Owner/Chairman – Kreg Tool
Hank Norem, President/CFO – Ramco Innovations
Anthony Braida, VP Global Banking – Bankers Trust
Bryon Snethen, VP Risk Improvement – EMC Insurance Companies
Mike Gehringer, VP of Customer Operations – MidAmerican Energy

DES MOINES, IOWA

Final Thoughts

GREATER DES MOINES PARTNERSHIP

DSMpartnership.com

Thank You!

- Final thoughts
  - All content from these seminars is available
    - www.dsmpartnership.com\raisingcapital
  - Please complete our survey
  - Stay in touch
    - Plains Angels
      – www.plainsangels.com
    - Greater Des Moines Partnership
      – www.dsmpartnership.com
    - Mike Colwell
      – mcolwell@dsmpartnership.com