

BUSINESS PLAN CHALLENGE MARCH 11, 2016 11:30 AM

Investors, founders share insights on startup life at bootcamp

HIGHLIGHTS

The Miami Herald Business Plan Bootcamp attracted 250 people to Miami Dade College – with lots of questions

Early-stage investors Melissa Krinzman and Mark Kingdon share perspectives from the investor side of the table

Startup entrepreneurs Antonio Otalvaro of Raw Shorts, Silvia Camps of Stow Simple and James Jones of Court Buddy share insights from the trenches



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What are the most important elements of a short business plan? What characteristics should you look for in a management team? What is the biggest reason new companies fail? What will make an investor fall in love with your company?

Many of the 250 attendees of our Miami Herald Business Plan Bootcamp submitted these questions and many more on their registration forms, and they became the foundation of a lively discussion at Miami Dade College this week.

Here are some of the the takeaways from the forum featuring early-stage investors Melissa Krinzman and Mark Kingdon and startup entrepreneurs Antonio Otalvaro of Raw Shorts, Silvia Camps of Stow Simple and James Jones of Court Buddy, who were all previous winners of the Business Plan Challenge, the Miami Herald's annual contest for entrepreneurs. Entries are now being accepted, and more information about the contest is on MiamiHerald.com/challenge.

• **The business plan: To do or not to do.**

Kingdon believes entrepreneurs should do a business plan, including market size, product differentiation, product road map, team and detailed financials. A good discipline is to develop a business plan and then summarize it into a sharp, snappy pitch deck of 10 to 15 pages, he said. “It’s the thinking that goes into the business plan that is most important,” said Kingdon, who has invested in two-dozen startups and has headed three tech companies.

Nowadays entrepreneurs hoping to get meetings with investors or potential partners are sending out “one-pagers,” or short business plans, with their introduction letters, so the Miami Business Plan Challenge’s requirement for a “business plan” up to three pages is a good thing to have developed.

• So what’s most important in that plan or deck?

For Kingdon, it’s product differentiation: “Ideas are proliferating, costs to develop a business have plummeted, and that means it is very hard to break through. . . . Make something that is extraordinarily unique and solves captivating problems.”

“I always get excited when I see a problem and it makes me say ‘ah, that is so cool, they are trying to solve the problem.’ If that is in the lead-in, I will keep reading,” said Krinzman, co-founder of Krillion Ventures, a Miami-based early stage fund.

A marketing plan is your strategy for fueling sales — and perhaps it is even more important today with so much competition, Kingdon said.

“I’d like to see a lot more Profit Hacking, meaning the discipline and diligence around building a model that is immediately profitable,” Kingdon said.

• About getting an investor’s attention ...

“Be mindful of people’s time and write a very compelling introduction. I think you have about 100 words to make me fall in love,” Kingdon said. Krinzman added that being referred by someone she respects is the most effective way.

Make sure your pitch is polished. “We want to see a well thought-out pitch that is compelling in presentation. If you have not practiced in the mirror many, many times so that it is smooth and thoughtful, then it shows,” said Kingdon. “Add some showmanship, it can make all the difference.”

Krinzman added that simplicity is key. You need to get your concept across in the first few sentences of a plan or first few minutes of your pitch, so an investor doesn’t spend all her time figuring out what you do.

• The perfect management team is ...

Answer: a seasoned team with visionary leadership and expertise with operations, technology and marketing.

“It almost never happens,” Kingdon said. “If you can’t have that, you look for someone who is spirited and passionate with a great can-do attitude who can put it together,” using Jordan Melnick, founder of Miami-based Sktchy, as an example. Sktchy, a homegrown social network on which artists create portraits from user-submitted photos, quickly took off in popularity, attracting artists in more than 100 countries.

Yet, too many teams bring the exact same skill set. “I want to have people with different skills that they can bring to the table and work together as a team,” said Krinzman, adding that teams that have worked together for a long time are usually a good sign.

• Why do startups fail?

That’s an easy one: Founders run out of money before they find product-market fit.

• What do you know now you wish you knew then?

Otalvaro, CEO of Raw Shorts, a platform for creating explainer videos, said he didn’t have the tough conversations with partners early in the process about who is committed to doing what when determining ownership stakes. In his company’s case, it worked out, but he has seen many companies where it caused big problems later.

Camps, CEO of Stow Simple, said she misunderstood the amount of education that was needed to help the public understand her company’s on-demand storage solution, since it was new to the the local market.

Jones, CEO of Court Buddy, who with his wife co-founded a platform that connects consumers with lawyer services, admitted that in the beginning the couple didn’t put enough effort into marketing. That has changed. The result is a far more customer-centric

approach that has paid dividends.

“It’s about shortening the feedback loop,” said Otalvaro. Try lots of things, learn from them (mistakes too) and iterate.

▪ On getting help

Camps said she has a mentor from Score Miami. “They will pair you with someone in your industry. We meet weekly or monthly, and he is involved in everything,” she said. Similarly, Court Buddy has found help at the Small Business Development Center (SBDC) at Florida International University.

If you want to learn about the startup world, Otalvaro recommends trying to spend time around young companies that are already getting traction, “where you can see the process unfold.” You can do this through internships, or you could join a co-working space or incubator where you are surrounded by entrepreneurs. He was part of Venture Hive’s first accelerator class and has located his business at the Hive ever since. “There is a lot you can learn from other founders. Startups a round ahead of you can speak to experiences you are having,” he said.

Forming advisory boards, whether formal or informal, can provide expertise from many corners. “Our philosophy is to surround ourselves with people smarter than us,” Jones said. “We are always asking for feedback.”

Places like WeWork, Building.co and The LAB Miami all have regular events. You can find events on RefreshMiami.com, and the Miami Herald puts out Entrepreneurship Datebook with a weekly list on the Starting Gate blog on Mondays.

For investor views, their blogs can be tremendous resources, said Krinzman and Kingdon, pointing to the blog and books by Brad Feld, Fred Wilson’s blog, Mark Suster’s blog, Above the Crowd, and Jerry Neumann’s blog.

For the entrepreneur view, Jones suggests reading *The Entrepreneur Rollercoaster* by Darren Hardy.

For getting started on a business summary for the Business Plan Challenge, there are templates online or you could download a template for a pitch deck and use those categories as the format for short summaries under the categories.

Otalvaro suggests entrepreneurs download the Business Model Canvas. “If you have never gone through the exercise of thinking through your business, it will be a good tool to use.”

If you missed our bootcamp, find a video recording of the main presentation here.

