I have an idea…now what?

Sandeep Shroff

CEO, myStartUpCFO

Definitions

Idea

- You think you have a solution to a problem.

Product

- You actually ratify that the problem you are solving is felt by more people than the few you talked with.

StartUp

- You motivate a few people to join you. Get some investors to invest

Company

- You can actually sell the product to customers who will pay real money to use your solution.
- You can support and grow your customer base
- You are self sustaining

Founders' jobs

Despite what your titles say, your primary job *always* is SELLING

You are selling to:

- Co-Founders
  - Very important to have people you can work with. You will spend more time with them than any other group of people (including your family)
- Employees
  - Why should they come work for you? (Hire slow, fire fast)
- Investors
  - Why should they invest in your company? When will they get their 10+x return?
- And of course, customers
  - What real pain of theirs are you solving? (Remember -- revenue is the cheapest money.)

Essentials for success

Be in touch with prospects / customers

- They are your guideposts
- They should determine your product roadmap

Work with a budget

- Till when will the current bank balance last?
- What milestones can you reach before then?

Hire people smarter than yourself

- What new skill set do they bring to the company?
- Are they as passionate as you about the product?

Acknowledge your own failures, preferably before others do

- We all fail before we succeed. Failures teach us.
- Be ready to pivot. Only the flexible survive.

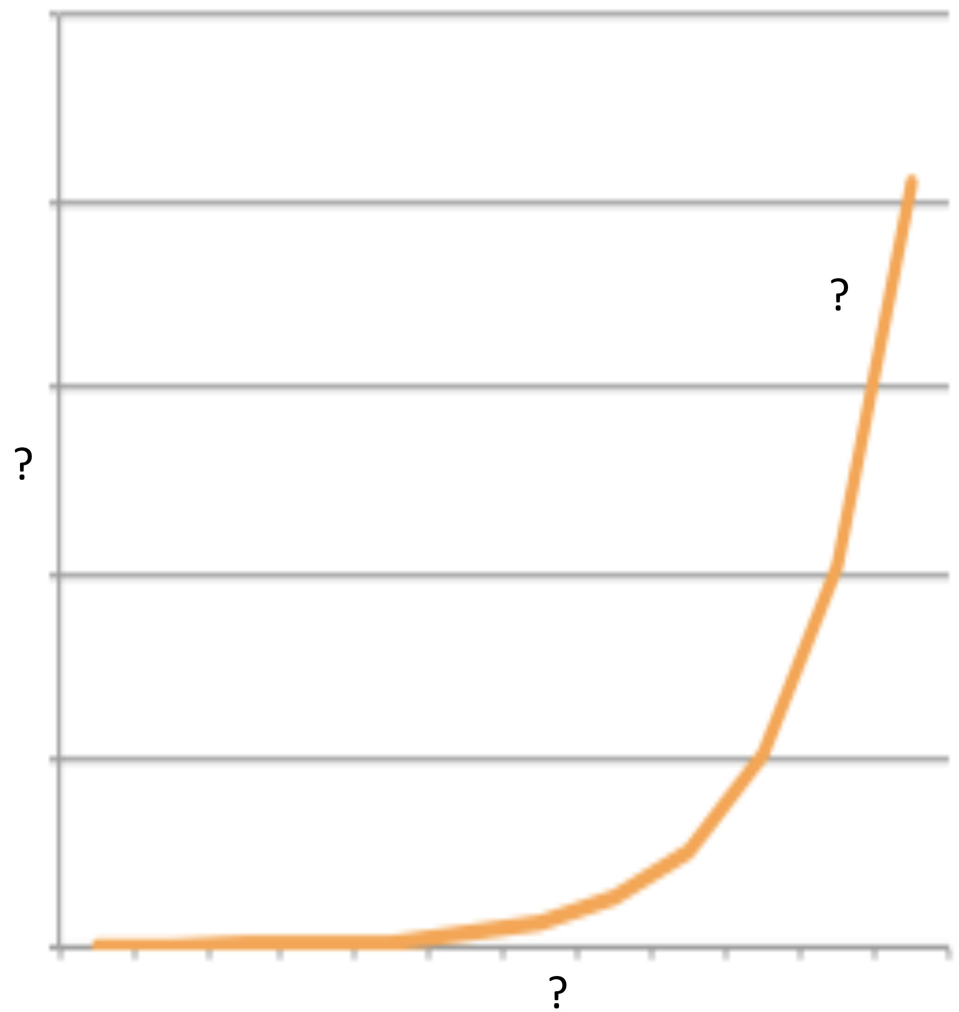
How to get / keep investors interested?

Have a financial *and* an operational plan

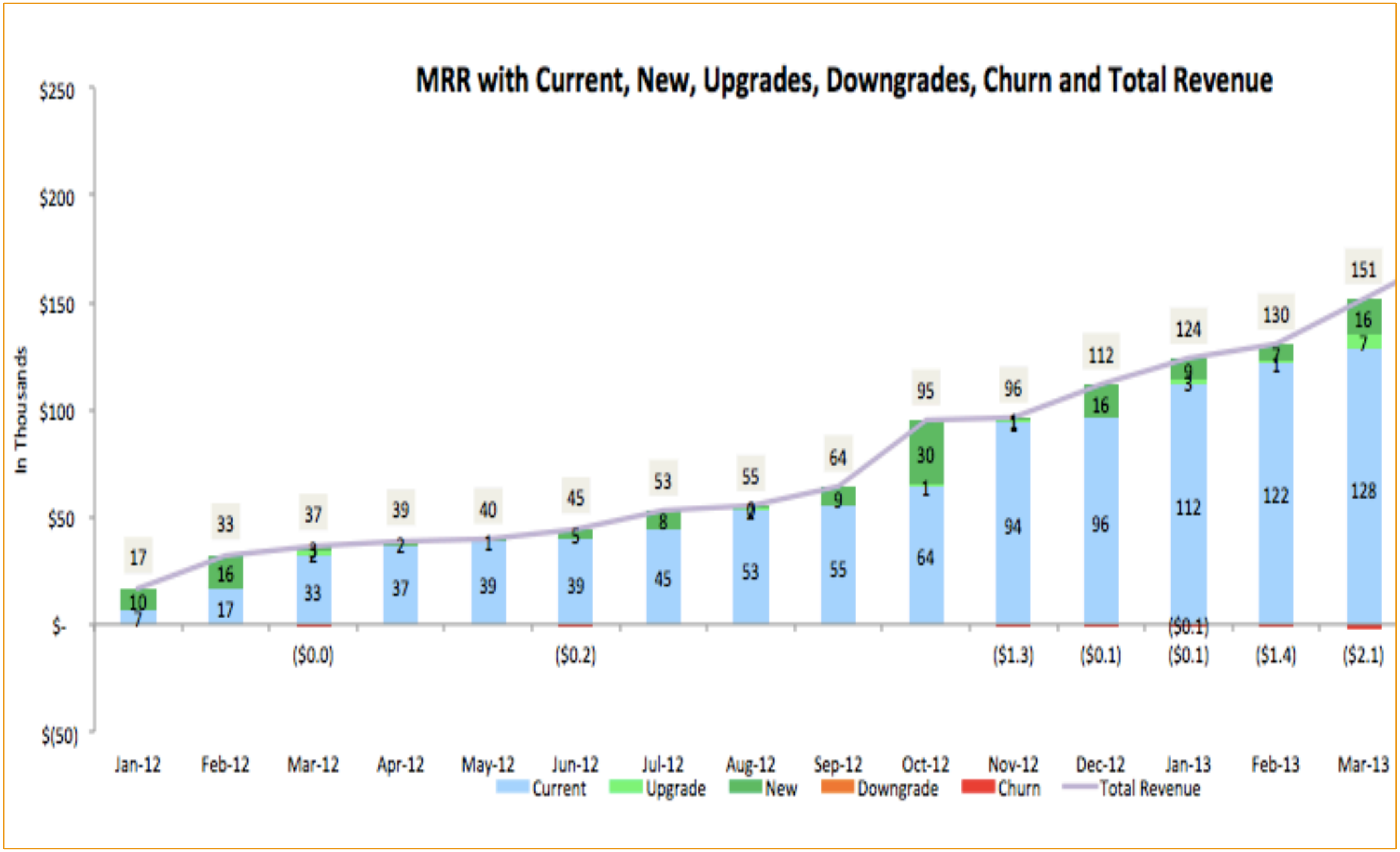
Anticipate investor queries and have answers ready

- Periodic updates to investors / Board (with or without formal Board meeting) are important and show them that you are in command of your business.
- Don't be afraid to admit mis-steps / failures. More importantly, show how you are learning from them.

Can charts tell a story?



Can charts tell a story?



What numbers / charts?

Key financial metrics

- Revenue (vs Bookings vs Billings)
- MRR / ARR
- Op Ex / Op Ex leverage
- Cash flow
- Breakeven
- Time to breakeven (Per customer)
- Profitability

Key operational metrics

- # of users / customers
- Any measure of them using your product – daily / weekly / monthly active users
- Churn rate and net new business
- LTV
- CAC
- CAC to LTV ratio
- Customer additions / churn
- Organic / Viral growth
- Repeat business

Sandeep Shroff

sshroff@mystartupcfo.com