SHARKTANK



PROJECT OVERVIEW

Each group will complete two tasks:

As a world-renowned entrepreneur, you and your partners are in the process of establishing a new business together, and need to put together a business plan and an advertising campaign in order to obtain funding from Silicon Valley venture capitalists. Your mission is to brainstorm the inner workings of your business concept and make certain that its time has come. You will be presenting your plan to the MAP 12 classes and to several local tech titans who will come to class and represent VCs. They will ask difficult questions to your team, so you should be prepared.

Along with presenting your business plan, your team will pitch the advertising

campaign that you would use to introduce your product / service to the world and to stimulate sales in the crucial first months of your business. There are three key aspects to your ad campaign:

- 1.the slogan / logo
- 2.the print ad
- 3.the television ad

Each type of ad must be aimed at a different demographic and use a distinctive psychological appeal in order to maximize the amount of products that you would be able to sell.





UNDER PRESSURE

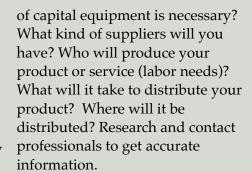


Shark Tank With VC Investors

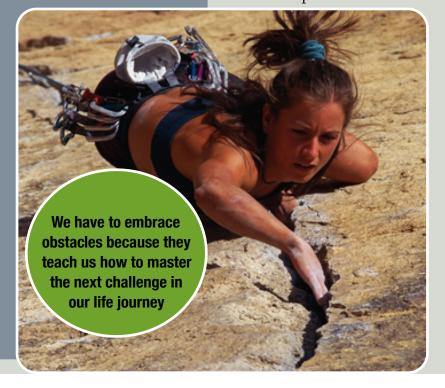
We will invite 3 to 5 business executives to come and screen your business ideas. These investors have various backgrounds in businesses such as Facebook, Yahoo, Intel, and Network Appliance. They will be instructed not to be kind.

The Five-Part Business Plan

- 1. Executive Summary 2. Market Analysis.
- 3. Operations Plan 4. Financial Analysis
- 5. Advertising Campaign.
- **1. Executive Summary**: Create a "one-pager" that highlights the key points from each part of your business plan for the VCs. Make sure to include your company name, logo, and slogan on it.
- 2. Market Analysis: Who is the competition for your product or service? Where do they excel and where do they fail? How can you differentiate yourself from potential competitors and build barriers to entry? What is the need for your particular product? Is the market for your product a profitable one and is it growing? What are the market's demographics-area, age, income, etc.?
- **3. Operations Plan:** What will it take to produce your product or service? Where will your product or service be produced? What kind



4. Financial Analysis: What will the pricing model be, and how will your product/service be priced or monetized? Using the ideas gained from your market and operations plans, how much money is there to be made from your product (sales goal)? Include estimates for the first month, 6th month, and breakeven time frames. How long will it take until your firm is profitable? How much will the production of a product/service items cost (add up all the factors of production)? How much will it take to distribute (sales, marketing, labor)? What are the one-time start up costs, and the ongoing expenses? Make sure not to underestimate costs, particularly labor and marketing! Do you need a loan or an investment? How much of an investment or a loan do you need? How will you use this money? What is your valuation of your company? What stake in the company will the VCs get for their investment? Or, what will be the terms of the loan?



Make sure not to underestimate the costs along the way!

Advertising campaign: Based on the market analysis, what is your sales strategy? What are the key demographics you want to target? What is the **brand identity** (**key** qualities) that you want customers to associate with your company?

A. The Logo and Slogan: Your slogan is the catchphrase and your logo is the symbol that embodies your business and that you want all potential customers to remember. They will appear on all of your advertising, and are central to conveying the brand identity and brand aesthetic of your business. Make sure that you can explain how your logo and slogan symbolize your brand identity and establish a brand aesthetic.

B. Advertisement: You will create a video advertisement (30 to 60 seconds) as the hook for your presentation to the CMO: In charge of analyzing the Sharks. In order to make an effective ad, use the following process:

- 1. Your ad will introduce your product or service to the Sharks and should clearly explain to them what it does or demonstrate how it works.
- 2. Your ad should also demonstrate why there will be a consumer need and desire for your product or service.
- 3. Choose the demographic to target. Why is this the most important demographic that you want for your business?
- 4. Your ad should help convey your brand identity, and should maintain the brand aesthetic of your logo and your slogan.
- 5. Storyboard, Film, and Edit the Ad (remember, 60 seconds is the maximum!).

Roles: The head of each department will be responsible for the writing their where your product will be marketed section of the business plan and their portion of the powerpoint which will be presented to the VCs. Your individual grade will be reduced if your section does not meet the standards of the rest of your team's project.

CEO: Chief Executive Officer, in chargethings are produced (Operations of entire company, oversees department managers, coordinates between sections, decides on stake VCs CTO): For groups which are will receive for investment or terms of loan (Executive Summary)

CFO: Chief Financial Officer, researches and projects costs, decides on pricing model, projects revenues and point of profitability, decides on the needed investment from VCs (Financial Analysis)

market for the product and the potential competition. Decides on how to differentiate and build barriers to entry (Market Analysis)

Creative Director: Determines and how much money your ad campaign will require. Oversees development of slogan, logo, and advertisement (Advertisement Campaign)

COO: Chief Operations Officer, researches what, where, and how Plan) and how much to pay employees.

developing a new technology, you are in charge of explaining how it will work and communicating with the CMO about competition. Can be combined role with COO.



Presentation and Assessment

The business plan and advertising campaign will be graded on the following criteria:

- **1. Business Concept:** Is your business concept creative? Does your plan make sense? Did you show a consumer need, and differentiate from competitors? Do you demonstrate a full understanding of the market and operations? Have you included credible evidence to support your idea including (facts, statistics, examples, real-life experiences) that support the business plan?
- **2. Financials:** Did you pick the right pricing model and price for your product and service? Did you accurately project costs? Did you show the potential for eventual profit? Did you provide a good valuation of your company? Did you ask for the right investment or loan, and explain how it would be put to effective use?

Pointers

- Identify the core value proposition of your product and build your strategy around it.
- Know the competition how to differentiate from your competitors.
- Understand barriers to entry.
- Contact professionals in similar businesses to research all aspects of your plan. Use this as evidence in your report.
- Develop a professional presentation with little text, using original charts and graphs that represent key points.
- End your presentation with the CEO telling the VCs how much money you need, and what they will get in return for their investment or loan. Explain how you will use the money.
- Believe in your product. Seems straightforward, but people often miss this.
- Preparation trumps nerves. Do your homework. Know your product better than anyone else.
- Walk the sharks through the value of your product
- Remember investors invest in people, not just companies. Show the sharks the value of working with you.
- Keep your cool and don't be afraid to ask the sharks for advice.

YOU WILL HAVE JUST 10 MINUTES TO PRESENT YOUR BUSINESS CONCEPT TO THEM AND TO ASK FOR FUNDING SO PRACTICE AHEAD OF TIME.

- **3. Advertising Campaign:** Is your marketing plan realistic and effective? Do you clearly explain your desired brand identity and how the slogan and the logo help convey it? Does your ad make clear what the product or service is and how it works? Does the group effectively explain the targeted demographic, the psychology, and the design of the ad? Has effort been put into the audiovisual aspects of the advertisement and logo?
- **3. Written Business Plan:** This must include a one-pager for the VCs and a fully fleshed out description of each of the elements of the business plan and advertising campaign. Don't skimp on this the written report is vital, as it allows the VCs, Mr. Davey, Mr. Friend, & Mr. Tarbox to review your ideas and to consider them carefully.
- 4. Oral Presentation Skills: Does your introduction grab the audiences' attention? Are you dressed appropriately, exhibiting confidence and professionalism? Have all group members memorized and practiced what they are going to say before giving the presentation? Is the pacing appropriate (slow enough so that all can understand)? Do group members project their voices, speak with inflection, and utilize body language? Do group members act professional as a whole? Is your Powerpoint well designed to aid the presentation, and consistent with the brand aesthetic?
- **6. Interaction with investors:** Did you effectively "sell yourselves" and convince the Sharks to believe in your team? Did you have confident and thoughtful answers to some of the Sharks' questions? Did you gracefully acknowledge potential weak spots and treat the Sharks respectfully?
- 7. The Basics: Is your grammar and spelling perfect? Did you bring 7 copies of the one-pager? Did your presentation fit into the 10 minute time [4] limit? Did your presentation go off without technical difficulties? Did you submit everything on time and

in the right format?