



## Session 13 – Putting It All Together

Previous videos have covered what it means to be an entrepreneur, how to recognize opportunity, and how to generate ideas to capitalize on opportunity. They've addressed the types of businesses you can start and how to build a business like a scientist. First you formulate ideas about who your customers will be, what problem you will solve for them, and what features and benefits your solution is going to offer; Then you talk to potential customers about their problems and utilize simple experiments to test your ideas – build, measure, learn. Previous videos have also talked about the importance of providing benefits that are unique and desirable and the importance of understanding the basic economics of how your business will make money.

In this final video, we are going to talk about how to put all of these pieces together to write a compelling business concept and deliver a persuasive pitch.

Before we talk about the mechanics of writing a business concept and delivering a pitch, it is important to understand why we might want to do these things. Writing and pitching your ideas can be useful for three reasons. It can help you to facilitate critical self-evaluation of your concept. It can help you to solicit feedback from others, and it can help you attempt to gain buy-in for your ideas, from potential partners and investors.

For the remainder of this video, we are going to focus on attempting to gain buy-in for your ideas because it's the most difficult to accomplish, and it's the immediate challenge you face as a participant in the Diamond Challenge.

Gaining buy-in generally requires three things: capturing interest, selling the quality of the team, and selling the quality of the idea. Let's talk about capturing interest first. Perhaps the best way to capture the audience's interest is to tell them about the pain customers are currently experiencing. Other great ways to capture interest include: offering a startling statistic that relates to your product, stating an interesting headline that summarizes your presentation, or sharing an anecdote that relates to your passion for your business idea.

One of the best presentation openings I ever heard was, "This is the presentation I've been waiting ten years to give." Once you've captured interest there are still two things to accomplish. You need to sell the team and the idea.

Most seasoned entrepreneurs will tell you people are the most important component of any startup business. It doesn't matter how great an idea is, people are needed to execute the idea and drive the business forward. People are needed to make good decisions about how to modify the idea in response to new learning. People are needed to keep the team together through the inevitable difficulties that all startups confront. And people are needed to sell the business's solution to customers.

Given that selling the team is the most critical ingredient for gaining buy-in, it is important to understand how best to do it. In the context of a written plan or a pitch, you sell the team by establishing your credibility.

Credibility can be defined as the believability of the source of a message. One way to think about it is as the extent to which people get the benefit of the doubt. People who are highly credible get the benefit of the doubt; we are willing to take their word for it and require less proof to be persuaded.

Two things largely determine a person's credibility – trustworthiness and expertise. A key question for you to consider is how your team can establish its credibility.

If a startup founder can talk about a previous situation in which he returned funds to investors that he was not legally obligated to return, he would be likely to be perceived as trustworthy and therefore credible. Similarly, if a founder was able to talk about her 20 years of experience as a financial services executive when pitching a financial services startup, she would probably be perceived as credible – her experience would signify expertise.

At this point you might be thinking, that sounds great, but how can high school students possibly hope to establish credibility? Here are four suggestions to help your team establish its credibility; First you can borrow it from others by citing sources or using quotes from trusted and expert sources to support your ideas. Second, you can spend a lot of time really getting to know the market in which you plan to provide your solution. At a minimum you need to be a relative expert, which means knowing more about what it will take to succeed in the given business or industry than the people you are trying to gain buy in-from. Third, use appropriate terminology. Business and its many disciplines have languages all their own. For example in marketing, we talk about segmentation, targeting, positioning, and the marketing mix; finance talks about P&L (profit and loss), growth rates, and return on investment (ROI). Using appropriate terminology shows expertise. Fourth, you can refer to relevant experiences that you may have had that speak to your trustworthiness and expertise.

For the written plan, there are a few specific ways to establish and maintain credibility. These include: writing clearly and concisely, using proper grammar and avoiding typos, making the document look professional by including a cover page, using headings to make it easier for the reader to find key content, using text boxes to highlight your key points, using graphics to provide illustrations, and perhaps even using splashes of color - but definitely don't overuse color. Providing citations for the sources used can also add to credibility and support your arguments.

For the pitch, you can establish and maintain credibility by: being really passionate and enthusiastic when you present, knowing your stuff so that you can present without notecards, maintaining eye contact with the audience, limiting the amount of text on each slide, using graphics and images, and dress professionally also help to establish and maintain credibility.

Following these suggestions will go a long way towards helping your team establish credibility. Now let's talk about selling your idea. To do this you are going to need to describe the customers, the problem or point of pain you are solving for them, the solution and what its going to offer to solve customers problems, your unique value proposition – really the how or why your solution is unique and better than current offerings, your revenue model – that is how you plan to make money, your team and the validating evidence for your concept – in other words what evidence have you collected by using build, measure and learn to turn your best guess about the customer problem, solution, value

proposition and revenue model into facts. Validating evidence is crucial to selling your idea because it shows how far you've traveled on the road from having an idea, to the creation of a successful business.

For the written plan, you will have a maximum of 5 pages to describe your concept. For the presentation, you will have just 5 minutes to make your pitch. So you'll really need to think carefully about how to provide a compelling description of your business concept.

Grace Leong: "A student who is considering Entrepreneurial Studies is already very special because they have great ideas. They wouldn't think that they could do it on their own unless they had that spirit. You know they have good ideas and that's the first, I think, great quality of an entrepreneur. You have great ideas and you have such passion. But in order to really realize that passion and those creative ideas you have to go through a process of learning how to actualize those ideas. As you go through your life as an entrepreneur, you are going to have to rely on process and order and you can really only learn that in an educational track. And it really does help get your ideas to market faster, if you have that disciplined learning behind you as well."

Henry Kamau: "What advice would I give to young entrepreneurs? Number one, you have to know your business. You really have to sit down and understand what it is that your business is going to be. And having your idea in your head is not good enough. You have to put it on paper. And the other thing that most people get/do wrong is you have to understand your customers. What are the demographics? Who else is doing what you are doing? And what makes you think you are going to be better than them? How are you going to break into the market?"

Martin Uniacke: "When you have an idea, the first thing you do is research. I have different marketing outreaches that I do, where I would validate someone's product idea. So the first thing with an idea is to do the research. You gotta find out if you have something and you can only do that by researching it, and we have a wonderful thing called Google that makes that relatively easy."

Ashley Paintsil: "I would say that if you were interested in starting a business make sure that you research about it and make sure you find out every single possible thing that you can about it, so you can be informed and really know what you're getting into. Because there's always surprises and you really want to be prepared for what you're getting into. And also just put yourself out there, talk about what you're doing to everybody. You just have to make sure that you're dedicated to what you're doing and that you can put the amount of hours that you need to toward what you are creating."

Lee Mikles: "You can't just say 'I want to be an entrepreneur'. You have to say 'I want to be really good at this' and 'I want to be the best at this', and whatever that 'this' is that you're passionate about, that you think is exciting, that you think that people really want to pay you for, I think then you can find your own career. When you're an entrepreneur you're still always learning, you're still always out there trying to get smarter in your craft and I think that entrepreneurs more than other people really have to do that because they don't have that safety net of that big business around them. Whether it's a specific trade, becoming the best chef you can be to open a restaurant, or going to college and learning engineering and becoming really deep in material science or something. You know people today are looking at what's that get rich quick kind of scheme and that isn't really there. Being an entrepreneur doesn't mean getting rich quick. It's having control over what you uh, control over your destiny. And that means that you're betting on yourself more than anybody else and that's a pretty risky bet at times. So I think being really smart at it, understanding that it's not 'get rich quick', it can afford you a great lifestyle, but it's something that can be a lot of pain along the way – a lot of learnings."

Jon Brilliant: "I think in any business, there are four things that I would think about. One is, find your niche. What is it you're doing that is unique? Maybe that is you're improving on something or maybe you've found a spot in a marketplace that no one is occupying. So what is it that makes you different than anybody else? Two is to make sure that you stay focused on what your idea is. Maybe a product, maybe a service, but really in the beginning focus in on something small, be able to test it and be able to prove it works, then you can always expand. Third, have a story. We as human beings engage in storytelling from the time we are kids through our adulthood so in any product, any service, any company, I'm a big believer in how you attract customers is bringing them into your story. And then finally I would think about making sure you understand the fundamental business aspects of what it is you're doing. While at your level of education you may not have the experience to know all of that, I would encourage you to seek mentors who can help you think through some of the things that you're not aware of that can be pitfalls in starting any business or bringing any idea to market."

To close this final video I'd like to share a quote from Louie Pasteur, who invented the pasteurization process that makes milk safe to drink. "Chance only favors the prepared mind."

I hope that these videos have helped prepare you to think and act like an entrepreneur.