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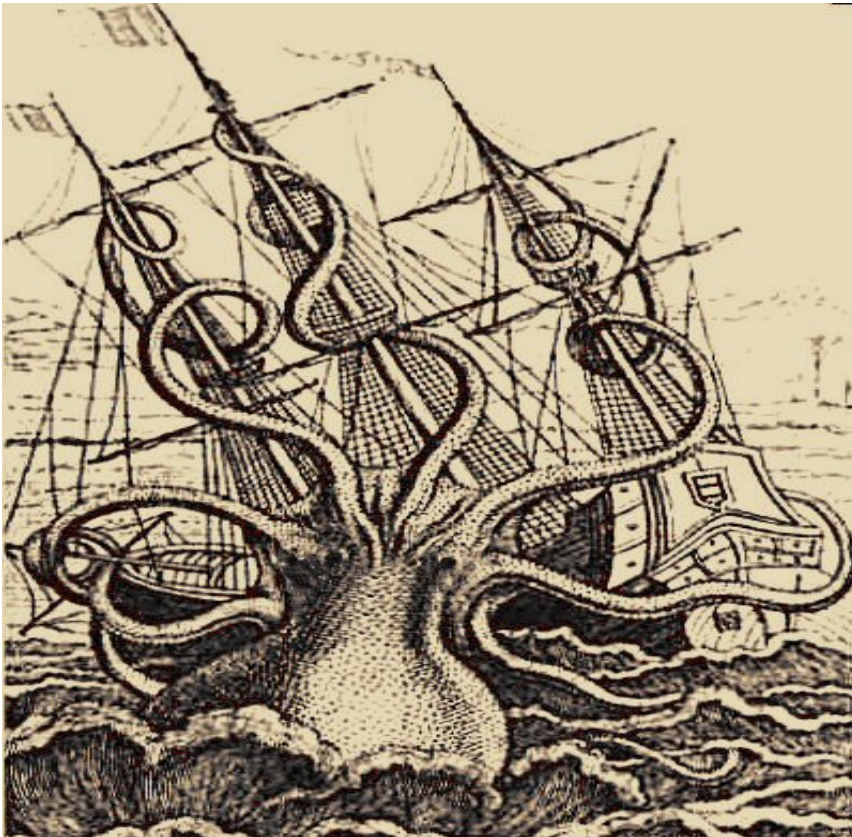
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MY KRAKEN ENCOUNTER

I am sitting with the audience at the *Funding Feeding Frenzy* in Chicago—a big event for start-up companies like mine that need investors to make things happen. I wipe sweaty palms against my suit pants—my turn to present—my turn to make a fool of myself is coming up fast. I've watched two speakers go down in flames. One drew a unanimous KEEP FISHING and the other got hammered with the dreaded GO FUND YOURSELF. I'm not kidding. The judges hold up cards like the Olympics before the digital age. Only 20% of the companies here today will get a fully fundable rating and move on to due diligence with a potential investor. The panel seems stacked with the most acerbic characters—jaded venture capitalists all, and so far they have not been kind. The last guy came off like Walter Mitty. Will they cut me up with unexpected questions like they did to him? What foul humor will they display when my turn finally rolls around? I remind myself they're professionals giving their best but I picture those same judges checking their watches while my hopes, my dreams, my life savings, and four years of work sink to the bottom like a ship at sea.



This same process is happening simultaneously on three stages—the Guppy Bowl, the Piranha Pond and the top level—the Kraken Cave. I find myself here purely based on the amount of money I need to raise, not on my business acumen. Not on my good looks—that's for sure. There's a lot of open space in this arena. A lot of people milling around between stages making noise—probably making deals. I'm purposely sitting apart from my team, trying to calm my nerves. There's nothing more my team can do. It's up to me now.

My consultant—I call him *The Coach*, just for fun—helped me build a plan and we’ve started to execute it. The reason we’re here today is to raise extra capital to accelerate the implementation of the plan. I see a window of opportunity and I know it won’t stay open forever. I think back on all the work I put into it. Numbers I thought I’d never come up with. Every question answered. So now I’m ready, right? Maybe over-prepared? Yeah, I tell myself, but right now I need to get my mind off that well-rehearsed pitch and focus outside myself or I’ll explode. I remind myself what the coach said: “Funding is just a milestone, not sink or swim. We have a plan for either situation. Don’t worry about the judges—they’ll treat you fair.” I try to keep that in front of my mind as I watch the third presentation along with the audience.

The guy up front drones on in a monotone. He’s reading his own slides, his back to me. Even I feel insulted by that—why doesn’t he just mail them in? The audience is getting noisy and it’s hard to hear. Hope they don’t do that to me. What is it that he says his business does? I don’t seem to catch it—am I just stupid or what? How does he deploy his product? How does he make money for the investor? He’s spending all his time harping on why the whole world needs *him* in some desperate way but after all that I still don’t get it and by this time I don’t care.

I think he has it backwards. It’s as if without dollars he’s got no plan. I feel a real strong sense of—what is it? Arrogance. Yeah, arrogance. Will this guy listen to advice? Can he build a winning team? Will he let go of the company at the right time? I don’t think so. The panel seems restless. Now he’s running out of time and flashing through the numbers. PowerPoint slides. Rows and columns. Lots of them. No time to read it all.

Time’s up. The panel asks their questions. The old guy: “How can you say you project 160% ROI? You’d have to be paid for your raw materials.” The speaker confers with a partner. “We’ll have to check our numbers. For now let’s say 80%.” Is this guy serious? What kind of response is that?

The next panelist: “Can you go back to sales?” The projectionist pans through a bunch of slides and finally finds the one. “How do you quantify that volume projection for year two? It seems optimistic.”

More questions. They’re making hamburger out of him. Maybe that’s how they get their jollies—no, that thought is unworthy of me. I stop listening and practice deep breathing. When the process is through, one-by-one each judge holds up a GO FUND YOURSELF card, each with a sharp criticism. Wow, this guy just got tanked. What will they do to me?

I’m up. Please don’t let me be another Mitty.

First my product. I open with a story: “You’re a kid about to watch your favorite TV show when Mom asks if you finished your homework.” Can they hear the tremor in my voice? I see them all nodding so I signal for the first slide and inwardly cringe. It’s a lined page of paper covered with arithmetic problems in pencil—way too many to read. I made it myself to drive home a point but it’s a calculated risk. I notice the audience leaning forward in their seats, not saying a word. I force myself to face the judges. They’re staring at that slide, mouths open. They get it—they really get it. Originally I wanted to talk about technical details but *The Coach*

convinced me to go for an emotional connection and say it from my heart so I came up with this bare-bones visual. I tell another story. I describe my product the way I was taught—so everybody understands. I check my watch—5 minutes. Half way there. Time to show the numbers.

My slides are simple and direct. No cute cartoons but no rows or columns either. They make their point with just a glance. I force myself to look each panelist in the eye and tell myself to talk more slowly. It's dead quiet and I sneak a glance at the audience. They seem fully engaged. Hey, I'm no public speaker but it's coming together now. Maybe the preparation is paying off. I move through the projections—capital plan, operations plan, revenue plan. A credible customer coming on board. Risk assessments, industry trends, competitor analysis, management team, how the investor will make money. All quick. All bold. Time's up and I just squeeze-in the last slide. Now they can draw my blood.

The panelists look at each other and reverse their previous order. The young guy asks why I need two million dollars. I'm ready for that one. The next wants to know how much field-testing went on and I'm ready for that too. They're starting to focus on the product so I assume they accepted my numbers. Then the last guy clobbers me. He wants a lot more financial detail—as if that were possible in five minutes time.

I freeze. My lips are moving but nothing comes out.

The Coach slips me four copies of supporting details, neatly bound. That's right—I did the whole thing before I wrote my pitch. That's why I'm in business. That's why I'll still be in business whatever happens here. I walk to the judges table and hand each a document. "I know there isn't time to go into every detail," I say, "So here it is in black and white." The moderator calls time and the judge that asked the question actually thanks me. He's not trying to shoot me down—he's genuinely interested. Just a regular guy doing his job—not some kind of monster. I let out a deep sigh of relief, thank the panel and wait for their verdict.

It happens fast. Four cards go up simultaneously—FUNDABLE, FUNDABLE, FUNDABLE, FUNDABLE. Wow! I'm so excited, I can't concentrate on the comments but the tone is positive and I know *The Coach* is taking notes.

We break for lunch. Two judges and a woman I never met stick close to me. She says, "You hit it out of the park." These people are asking when I can meet with them. It reminds me of the story Ron Santo told about the time his insulin got out of whack at a Cubs game. The pitcher released and Santo saw three balls coming at him. But he'd seen that before. He swung at the one in the middle and hit a grand-slam home run.

This is a fictional account drawn from a composite of personal observation, experience and imagination. Any similarity to actual individuals is purely coincidental.

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