

Startup 101: 10 Important Lessons

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WHAT

SQUIDBID is a competitive purchasing platform that completely changes the way that people buy things.

WHY

I founded SQUIDBID because I believe there is a better way to engage the buyer and seller in a transaction.

BELIEF

You ought to be able to select from competing offers for anything you purchase from bids based upon budget, location and timing.

CLARIFY

Named for the aggressive deep diving cephalopod, a SQUIDBID is a vendors aggressive offer to engage in a transaction at a specific price. So the real question is, “Why wouldn’t you use a platform like ours to get the best product at the best price?”

BENEFITS

We bring intelligent purchasing software to the computer, tablet and mobile phone platforms reaching you where you live, work and play.

We optimize best-in-class technologies, processes and competitive commerce opportunities that redefine cost management.

Our team creates efficiencies, cost savings and sales opportunities for associations, companies and individuals.

Ah Ha Moment

- My experience
- My desire
- My action



Favorite Quotes

“Opportunity is missed by most people because it is dressed in overalls and looks like work.”—Thomas Edison

“There is nothing more difficult to handle, more perilous to conduct, or more uncertain in its outcome, than to take the lead in introducing a new order of things.” - Niccolo Machiavelli, The Prince, 1532

"The biggest risk that an entrepreneur has to face is internal. They have to decide that this is the thing that they want to do with their time and their life more than any other thing." - Fred Smith, founder of FedEx

"The ultimate test of an idea is whether the customers actually buy." - Michael Dell

Why is this important?

You have one life to live, imagine what your business / life will be like and it will be so.

What we do in this life echoes in eternity.

Startup 101

1. Rules for Startup
2. Key skills
3. Laws of Startup Success
4. Resources
5. Your pitch
6. Questions you must answer
7. Help
8. Understanding Investors
9. Understanding Capital
10. Engines of Growth

The Decision

You know something is wrong.

You are a slave to a system you cannot see.

Unfortunately, no one can be told what Startup is,
you have to see it for yourself.

Which pill will you take?

1. Rules for Startup

- You must have a plan.
- You must be able to go without income for 2 years.
- Your spouse must be dialed in.

2. Key skills for Entrepreneurs

Expertise

Leadership

Perseverance

5 Things you need to be great at

- Problem Identification
- Ability to to develop a solution/Product
- Marketing/Sales
- Leadership
- Administration/Details

3. Laws of Startup Success

Product + Customer + Team = Success

Customer + Product + Team

Bill Gates, Microsoft

Team + Product + Customer

Mark Zuckerberg, Facebook

Customer + Team + Product

Pradeep Sindu, Juniper Networks

4. Resources are key

Time / Talent / Capital

Product + Customer + Team

Get as far along the curve as possible with the smallest amount of resources.

Only spend what is required to solidify the product, customer and team.

5. Your Pitch is Critical

What is it?

What do you believe about the world that caused you
to develop this?

How big is the opportunity?

How will we make money?

What will you use the resources for?

What is the next step?

5. Your Pitch is Critical

Be concise.

Be humble.

Use pictures.

Use facts.

Answer questions directly.

Powerpoint for C. Columbus

You are the Queen of Spain, safe trade routes, spices and colonization are very important to you.
I have a special understanding of the world that will further your goals.



Powerpoint for C. Columbus

The World is round and I know of a shortcut to India.

I happen to be a navigator and
I can give you an advantage over your
European competitors.



Powerpoint for C. Columbus

Attached is a list of my travel requirements,
this is what it will cost and
here is how we will make money.

- Christopher Columbus



6. Questions you must answer

How much have you invested in the business?

Why haven't you mortgaged your house or liquidated your 401K?

Do you have a working prototype?

Who are your advisors?

How many transactions have you completed?

Are you full time?

7. You will need help

Rules for Introductions

You BUY unless they insist!

1. 1st Impressions
 - a. Appearance
 - b. Body Language
 - c. Focus
 - d. Give
2. Shared Contact (Your friend x introduced us.)
3. Shared Interest (How can I help?)
4. Shared Action (Leave with a list of next steps.)

8. Understanding Investors

What is the only reason investors part with their money?

FEAR of Loss!



RISK

$r =$

- + Risk Free Rate(Rate with no risk)
- + Default Risk (You go out of business)
- + Liquidity Risk (Conversion of LLC units)
- + Inflation Risk (Shrinking purchasing power)
- + Maturity Risk (Interest rate uncertainty)

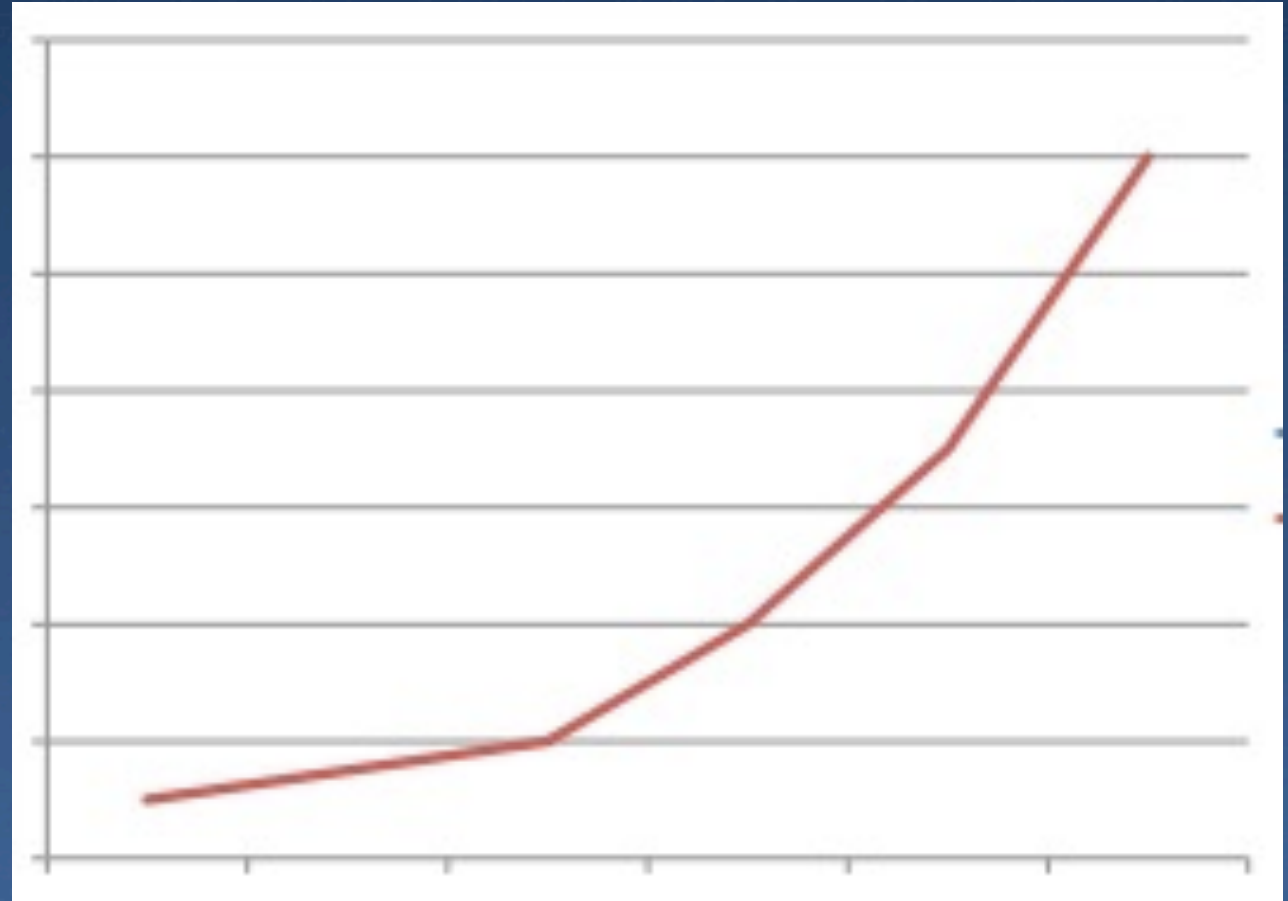
Investors need for each investment to have a potential of 20x because they know that 90% will fail. (2,000%)

9. Understanding Capital

Capital is like air, don't run out.

Stages

1. Bootstrap - Revenue / Savings / Separation Packages, etc.
2. Family / Friends
3. Angel
4. Venture Capital
5. Private Equity
6. Capital Markets



10. Engines of Growth

Key rule of Sustainable Growth: New customers come from the actions of past customers.

1. Viral (Infections)
2. Retention (Old customers come back again.)
3. Acquisition (Revenue from Old customers are used to buy New customers.)

6 Mistakes you should avoid

1. Blow the elevator pitch.
2. Liquidate your 401k to get started.
3. Partner with “B” people.
4. Ignore a STOP sign.
“Trust people when they show you who they are the first time.” - Oprah Winfrey
5. Take care of the legal stuff later. (NDA's, software development agreements, etc.)
6. Give away equity. Equity is earned never given.



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Questions

...Let's begin.



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