

How to Pitch to the Sandbox

**DIGITAL
SANDBOX | KC**
Where innovators come to play.

What are we looking for?

Scalable Concepts

Will it create jobs? Can you raise investment capital?

Business Concept

Unique, innovative, any way to protect it?

Team

Competitive advantage?
Domain expertise?
Successful track record?

Business Model

Will it make money?
Will it be profitable?

Timing

Is it market ready?
Problem already solved?

Fundable

Can you get investment?
High- growth potential vs. lifestyle business?

What is the "Pitch to the Sandbox"?

A chance for you to tell your story.

Give us enough to get excited about, so that we want to learn more during Q&A!



Reasons DSB Evaluation Team picks companies:

- ▶ Great product solving a real, known problem
- ▶ Product (solution) has meaningful IT(digital) component
- ▶ Problem is big enough to create scalable business
- ▶ Great people with unique expertise, competitive advantage or previous success
- ▶ Potential is higher probability for success (raise money-create jobs) than others
- ▶ Your presentation “checks all the boxes” team expects to see

Typically, DSB will see 72 - 100 applicant presentations (annually) and fund 16-20 projects

Sandbox Process

Content outweighs style

*Complete online
application - 2 steps*

digitalsandboxkc.com

*Schedule to
present*

with the Sandbox evaluation
team (4-6)

*10-minute
presentation*

Approximately 10 slides - Be
prepared. Strict cut-off time
20 minutes of Q&A

Typical Pitch Deck Contents

- ▶ Slide 1 - WOW statement/Elevator Pitch/Vision/Why you started company
- ▶ Slide 2 - The Problem
- ▶ Slide 3 - Your Solution
- ▶ Slide 4 - Market Opportunity/Validation
- ▶ Slide 5 - Distribution/Sales model (Go To Market Strategy)
- ▶ Slide 6 - Current Competitive Analysis (matrix)
- ▶ Slide 7 - Business/Revenue Model (How do you make money?)
- ▶ Slide 8 - THE TEAM (What is your competitive advantage?)
- ▶ Slide 9 - Financial Projections
- ▶ Slide 10 - Milestones/Timeline/Traction
- ▶ Slide 11 - “The Ask” (What is it you want and why?)

Back-up slides: Anticipate what questions we may ask. Order of slides may differ based on business stage/technology/personal preference.

1 WOW STATEMENT

Distill what you do into a single, scintillating statement that makes people want to learn more. Be clear and use language that is easy to understand.

Example:

"Digital Sandbox KC provides proof-of-concept resources to support early-stage commercialization processes."

Make it relatable - "We're the Starbucks of Yogurt" or "AirBNB for Event spaces"

2 THE PROBLEM

Set up the problem your idea solves and tell your story:

What is the problem?

Who has the problem?

Why is it a problem?

How many have the problem?

Why would someone pay for the problem to be solved?

What do they use today to try and solves the problem?

Example: Today 100M people suffer from debilitating migraines that cost over \$1B in lost productivity. Think about having a severe migraine that forces you to virtually lie in a dark room for two days to recover. How much would you pay to have an early warning system that would allow you to take preventive steps before the migraine hit you?

Problem - *example*

Price is an important concern for customers booking travel online.

Hotels leave you disconnected from the city and its culture.

No easy way exists to book a room with a local or become a host

3 YOUR SOLUTION

Show the value of your solution....

Today's Problem

6 months to collect
4 days to generate
20M suffer migraines
\$1,200 to ship

Our Solution

4 months to collect
1 hour to generate
Prevents 50% from hospital visits
\$240 to ship

*If your product/concept is based on new, unique technology, you'll need to incorporate more detail as to how the technology was developed and is protected. Show screen shots, explain technology, give differentiation

4 MARKET OPPORTUNITY

How BIG is the market for your solution?

The answer to this question is NOT: “it’s huge” or “enormous” or “billions”. And it’s not “anyone using a smartphone” or “anyone with a car”. Be specific about targeting your primary market.

Answer the following questions pertaining to market size:

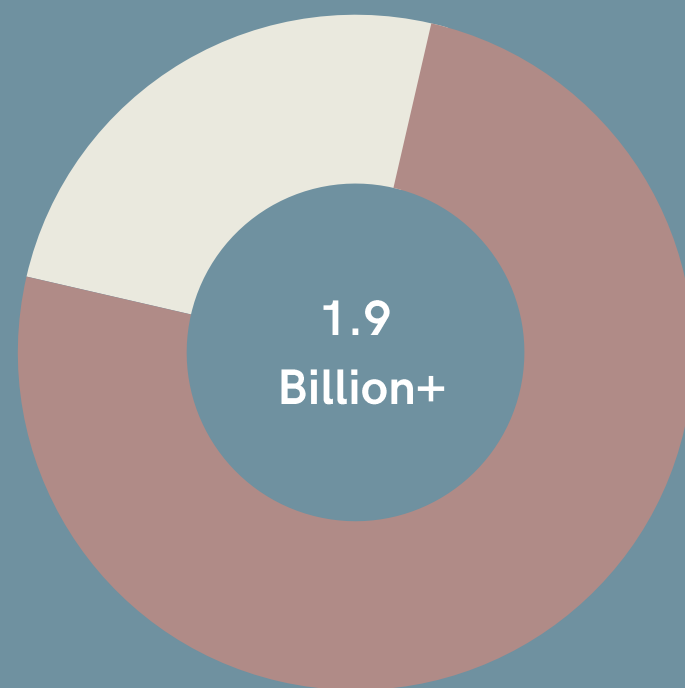
- How do you define the primary market? The more specific the better
- Why did you choose this subset of the total market?
- Any market research to support choosing this target market?
- What additional markets could be relevant in the future? Be careful with this one!

Resist the urge to try and show that there is a \$100B market just waiting for your product to arrive. Evaluators know better and it signals you are naïve about targeting a market segment. And if it is \$100B there are/will be major players with deeper pockets than yours attacking it

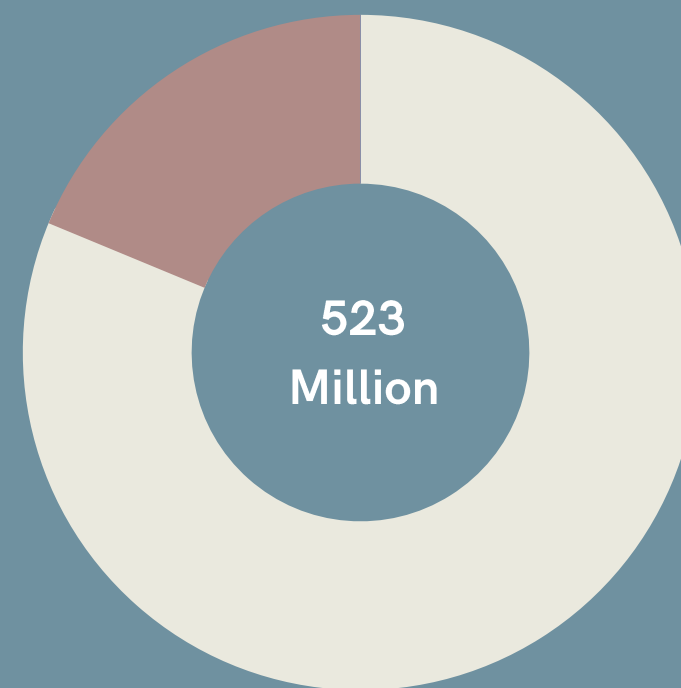
4 MARKET VALIDATION

Is your solution niche or mass market? Multi-sided?
Show who will be your customer

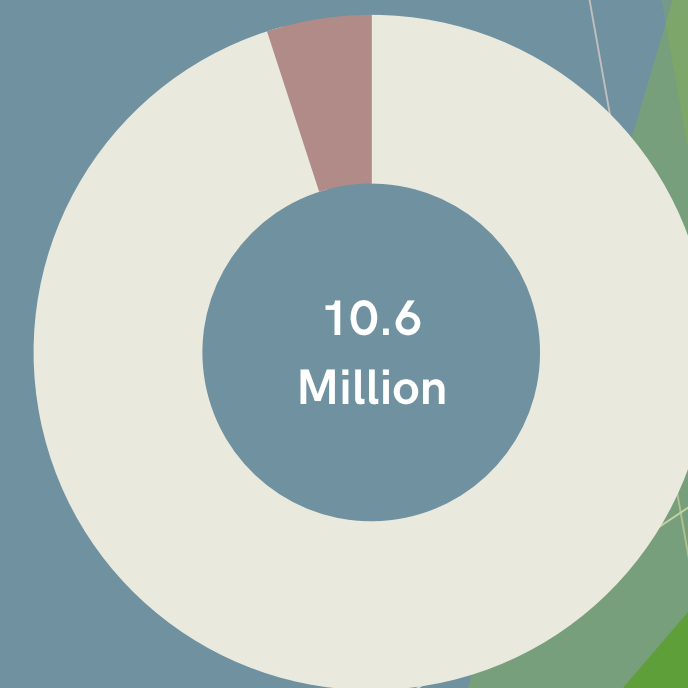
Pro tip: Be able to defend your numbers with market research.



People who may encounter
your problem.



People who are eligible to
use your solution.



People who may actually
use your solution.

5 GO-TO MARKET STRATEGY

Specify how you will reach customers and achieve competitive advantage.

Provide a blueprint for delivering your solution to the end customer, taking into account such factors as:

- Awareness
- Pricing
- Distribution
- Competition

6 COMPETITIVE ANALYSIS

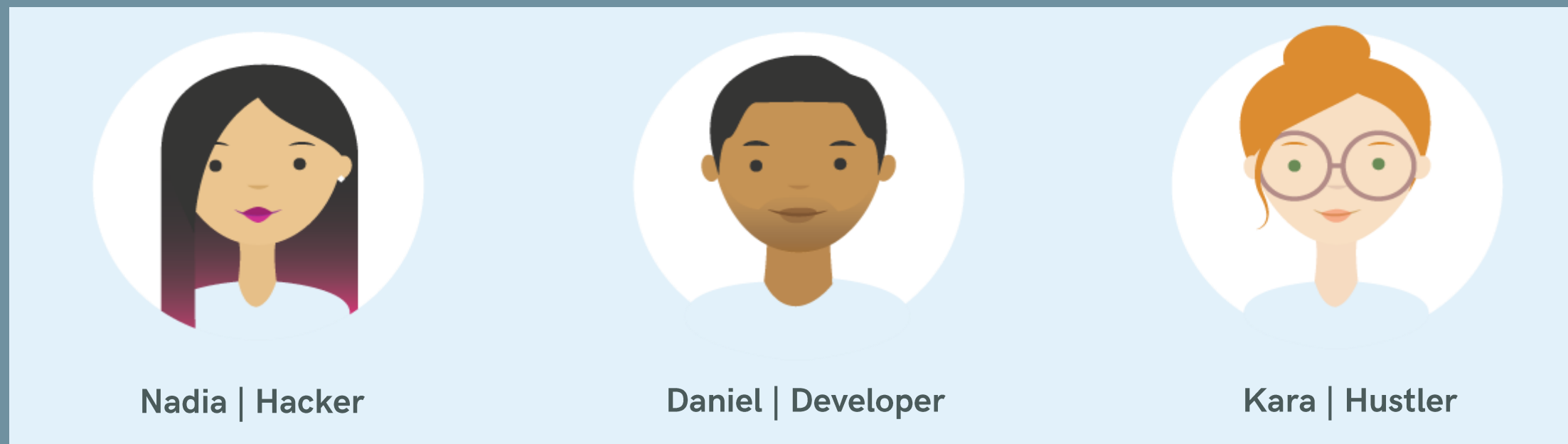
Buying Criteria	Competitor 1	Competitor 2	Your Company
Features	■ ■ ■	■ ■	■ ■ ■ ■ ■
Customization	■	■	■ ■ ■ ■
Price		■	■
Scalability	■ ■ ■	■ ■	■ ■ ■
Implementation	■		■ ■ ■ ■

Separate yourself from your competition, but be honest with your assessment. If a competitor has an advantage, explain why it isn't a deal breaker.

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8 YOUR TEAM

No lengthy resumes necessary, but do explain:



- Why is your team uniquely qualified to build this company and succeed?
- What is the unfair advantage your team has over competitors?
- What have team members accomplished in the past that is pertinent to this business?

7 REVENUE MODEL

Answer these key questions and explain how you got there:

- How did you determine your pricing model?
- One-time payments or a recurring revenue stream?
- Do you require new clients to sign annual contracts? If not, how do you retain revenue?
- Is there an upfront implementation charge for new clients?
- If your products are hard goods, what's the margin you expect to earn?
- Can you reduce cost-per-goods sold by scaling to high-levels of volume?

This is a critical part of your presentation - How does your business make money?

9 FINANCIAL PROJECTIONS

Do

- Highlight each of these yearly for at least 3 years:
 - Total Customers
 - Total Revenue
 - Total Expense
 - EBITA
- Mention critical assumptions in your model.
- Breakout revenue between recurring and new.
- Show expenses by purpose: development, sales and marketing.
- Show any market info on other exits.

Don't

- Graph the revenue, net income, growth, etc., (We all know it goes high fast.)
- Show taxes.
- Show earnings per share.
- Calculate return on investment.

9 FINANCIAL PROJECTIONS

Here's an example, replace with your numbers.

	YEAR 1	YEAR 2	YEAR 3
Target Market	14,000,000	14,400,000	14,281,400
Users	47,542	180,903	454,991
Active Users, After Churn	3,402	15,587	37,058
% Market Penetration (Active)	0.02%	0.11%	0.26%
Revenue	\$ 647,306	\$4,708,532	\$15,184,121
Total Annualized Revenue	\$1,611,599	\$7,802,411	\$20,992,150
Expenses	\$1,092,011	\$4,583,543	\$11,748,537
Annualized Expenses	\$1,690,658	\$5,990,906	\$12,614,351
EBITDA	\$(444,705)	\$124,989	\$3,435,585
Annualized EBITDA	(79,059)	\$1,811,505	\$8,377,799
EBITDA Margin	-69%	3%	23%

10 Traction

- ▶ If you've signed up a significant number of beta clients or early-adopters, describe how you landed on your pricing for these clients.
- ▶ If you have pending contracts or LOIs, make sure to describe them and anticipated revenue
- ▶ If you've built significant user base, highlight it
- ▶ Articulate any awards, funding received, significant clients, wins
- ▶ Provide a timeline or milestone chart if it adds value to your story

11 THE ASK

Digital Sandbox KC provides up to \$20,000 in project funding for a single project with a single vendor.

- What will the funds be used for?
- How will this springboard your company forward?
- What are your plans for future fundraising? When? How?

Heads up, Sandbox funds cannot be:

- Directly distributed to any person who holds equity in the company.
- Used for marketing/advertising, operating capital (i.e., salaries), partial funding for project dependent on raising additional funding or travel/conferences.

HERE ARE JUST A FEW MORE HINTS:

- Practice in front of real people, or a video camera is even better.
- When in doubt, less is better than more.
- Develop clear, specific answers to every question you ever get.
- From the minute you walk in the room, the evaluating team is observing.
- If necessary, develop backup slides and go to them to answer anticipated questions.
- Don't give a conservative estimate of your revenue. Know that evaluators will give your estimates a "haircut," so come in with optimism.
- Fund raising is hard and very time consuming.

The sandbox brings the region together and innovative ideas to life



LEARN MORE

SUBMIT YOUR IDEA

key investors or customers

Apply to a Specific Sandbox Program

Olathe

Kansas City

Overland Park

Submit Your Idea



The Digital Sandbox process requires:

1. Submit your idea using the [Digital Sandbox KC online application](#)
2. A meeting/pitch evaluation
3. A board vote

To proceed with funding requests, you'll need to submit your idea using the [online application](#).

Please keep in mind that this summary will be viewed by those evaluating your submission; those participating in your meeting/pitch and by the board for voting purposes.

Once we've received your application, we'll review it for completeness and then send you information regarding next steps.

Submission Tip: Thoroughly reading the [Frequently Asked Questions](#) prior to submission may improve your outcome.

Submit Your Idea

Please tell us a little about yourself so we can best assist you. Fields with a red asterisk are required.

Company Information

Legal Company Name*

If your trade name has changed, please enter your new name with f.k.a. previous name included.

Legal State

Only required if your company is already formed.

Mailing Address*

Mailing Address 2

Mailing Zip Code*

Physical Address*

Physical Address 2

Physical Zip Code*

Website

http://www.website.com

Facebook URL

http://www.facebook.com/facebook

Twitter URL

http://www.twitter.com/xxxxx

NAICS Code*

If you need to find your NAICS code, you can [search by keyword here](#).

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