



**Deloitte  
& Touche**

# Building and Delivering the Presentation

accelerator™

# 12 Magic Slides

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- Represents the content, flow and messaging for what the investor is used to seeing/hearing
- Serves as the proxy for the business, not a bunch of slides to hide behind or to merely persuade the investor
- Focuses your communication on the most important merits of the business for the investor to consider
- Demonstrates your understanding of the business and your ability to be a thoughtful/rational thinker
- Gets you an internal champion who will get you to the second meeting and/or to due diligence

# Preparation

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- What?
  - Develop a few communication tools that will set-up and guide the creation of the 12 Magic Slides
- Why?
  - Immediately positions your company at the very beginning of the presentation
  - Pulls the audience into your world and motivates them to want to hear more
  - Signals to the audience that you know your business
- Where?
  - Right at the beginning either during the title slide or slide one
  - You have 2 slides/10 words to get their attention or the meeting is over

# The Tool Kit

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- The One Liner
  - 5-10 word line that crisply articulates the business
  - Place in the title slide under your company name/logo
- The Elevator Pitch
  - 2-3 sentences that defines the market, customer, problem/solution and uniqueness of the business
  - Place on slide one (ideally displayed as succinct bullets with an illustrative graphic)
- The Story
  - :60 second true event that establishes you and your team's deep, personal understanding of the customer and connection to their problem
  - Use as voice over either during the title slide or slide one

# The One Liner (not a tag line)

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- Framework (different ways to structure the line)
  - “[Name] enables customers/end users to do X.”
  - “[Name] is the Company X of the Y business.”
- Examples
  - “We Networks Networks” (Cisco)
  - “The World’s Information in One Click” (Google)
  - “The Computer for Everyone Else” (Apple)

# The Elevator Pitch

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- Framework

- What market are you in?
- What urgent problem are you solving?
- What is the size of the opportunity?
- Why will you win (differentiation, barriers to entry, unfair advantage)?
- Where is the validation (customers, investors, etc.)?

# The Elevator Pitch

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Diamond develops proprietary thin film diamond products and equipment that dramatically improve heat dissipation on microprocessors, solving one of the highest priority pain points in the industry.

We address growing markets that will exceed \$1.5B by 2006 and will become the dominant supplier with the best team having the most comprehensive patent position in the industry. Intel is our largest current investor, and we are actively engaged with other top target customers and partners who provide very strong references.

# The Story

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## ■ Framework

- Make it personal, compelling and memorable
- Why is what your company does important?
- How do you know it?
- What evidence/anecdote proves it?

## ■ Examples

- Situations of ugly moments or unexpected delights
- Scenarios that have occurred in your career that inspire you and the company to create the solution
- Circumstances where you designed/implemented a solution similar solution only to find key pieces of the execution woefully lacking or all together missing

# Introductions

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- Begin by introducing your team
  - :30 seconds or less
  - Save team detail for later
- Mention any common links
  - Referral sources, other relevant contacts

# Title Slide

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- Name of your firm
- Date
- Name of investor firm
- Appropriate graphics (logo, etc.)
- The one liner
- Optional: How much money is being sought for this round?



revolutionizing the authentication  
market with voice

April 2002

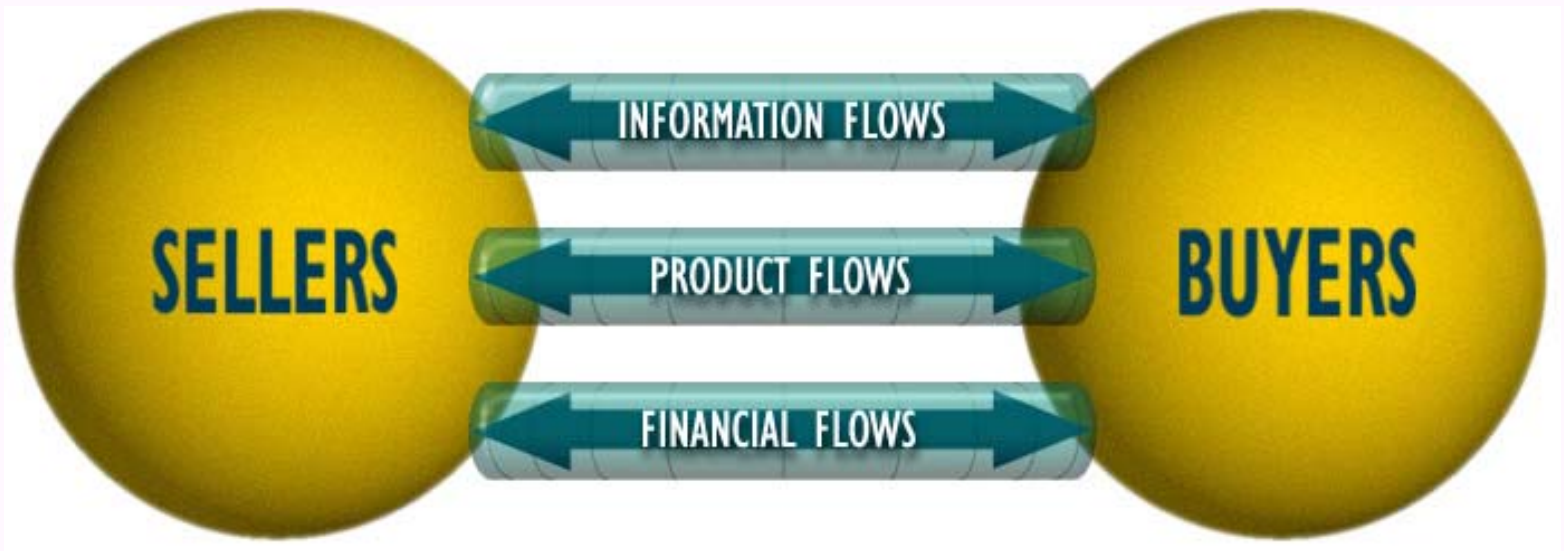
Seeking \$5M

# Slide 1: Overview

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- Two to five high level bullets
- Refer to key points to keep attention for the rest of the presentation (your elevator pitch)
- If you don't get their attention here, you won't get their check later

## Making Business eCommerce a Reality



- Automate financial processes and operations
- Drive transaction cost efficiencies
- IT Managers of Fortune 100 companies rank this as among the top five areas to invest in over the next five years
- Beta agreements have been signed by three Fortune 100 companies.

# Channel-wide Collaboration

- Time & project management solution for PSOs
- Web based market segment projected to be 3B
- 60 customer; growing 30% per quarter



## Slide 2: The Problem

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- Compelling problem(s) to be solved
  - What's the pain? – revenues, costs, time, market reach
  - Faster, better, smaller, etc. are solutions, not problems
- Best to include validating quotes
  - Customers are best
  - Analysts when applicable
- So what?
- Problem must suggest a large market



*\*Billions Lost Annually*



*\*Up to 40%  
wasted it time*





*“Our margins depend  
on a secure platform.”  
- Sam Hein, VPO XYZ Airlines*

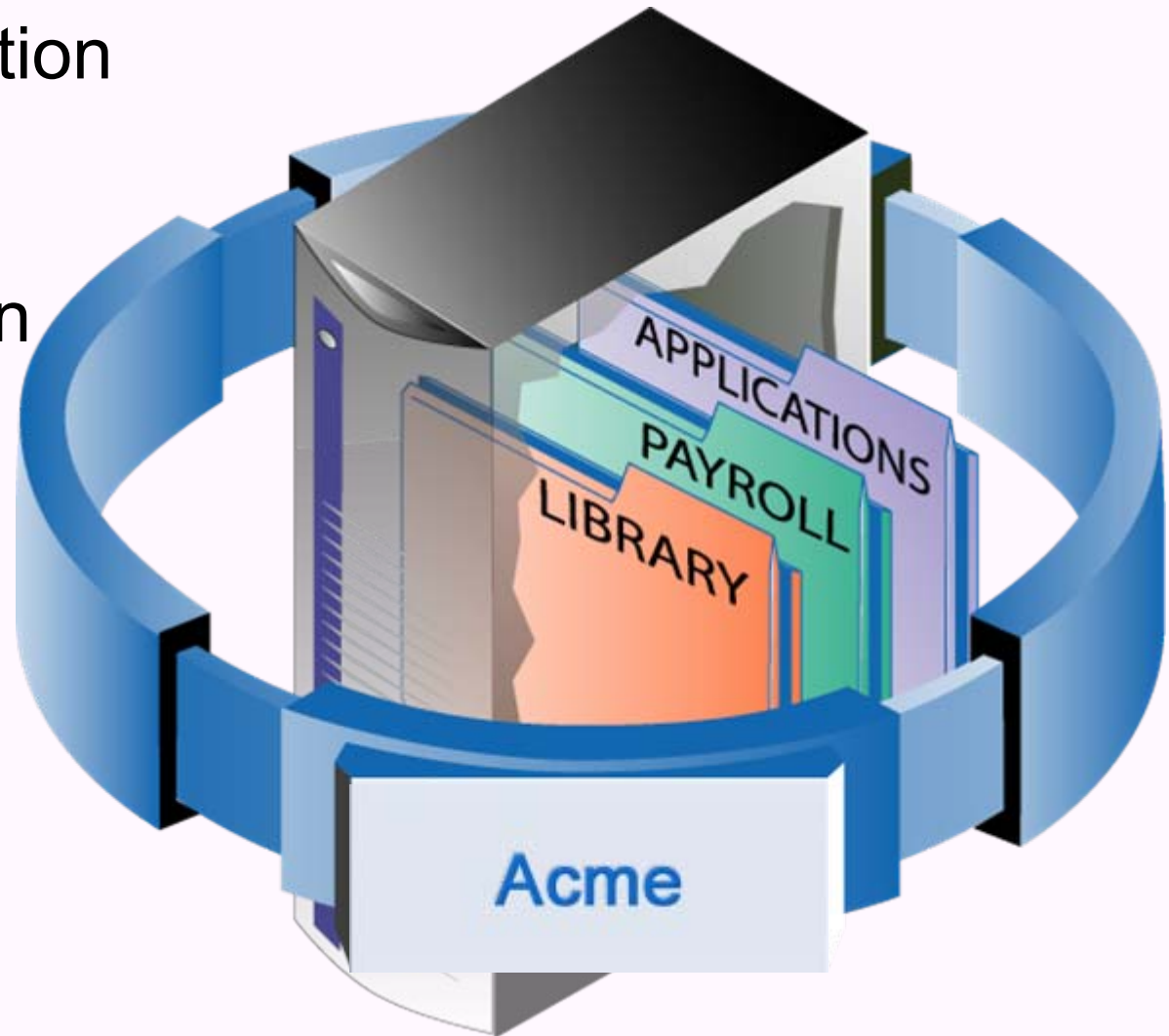


## Slide 3: The Solution

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- Describe your business
  - Product or service
- Compelling benefits
  - “Must-haves” not “nice-to-haves”
- Defining graphic
  - Illustrating your product or service
- Hooked?
  - If you haven't set the hook by now, you are dead!  
 

- ⦿ Intrusion Detection
- ⦿ Access Control
- ⦿ Easy Integration

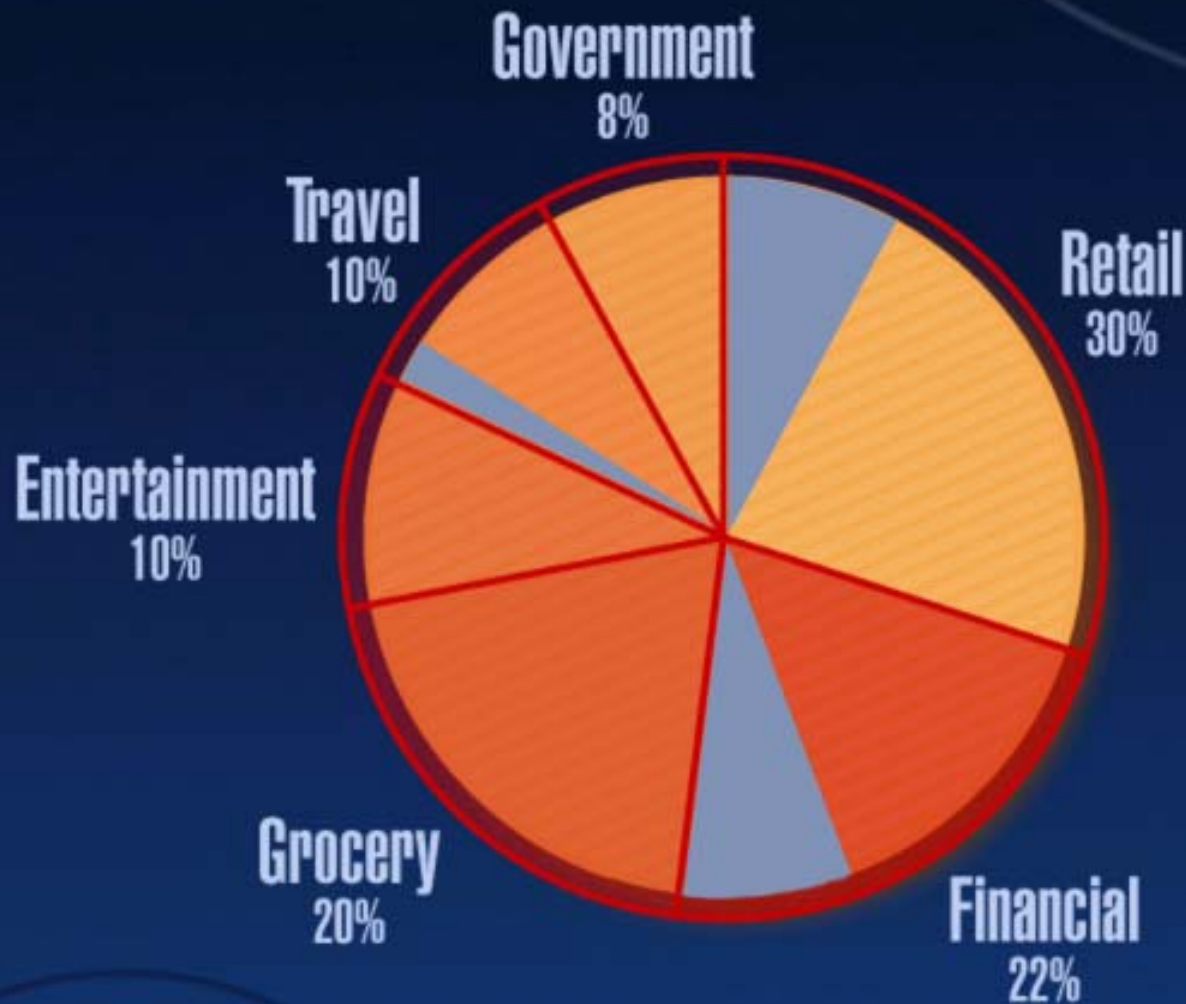


## Slide 4: Opportunity and Market

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- Market details
  - Size and growth rate for five years
  - Focus on your segment(s) of the target market
- \$100M+ run rate opportunity in five years?
- Demonstrate defensible % of market share
  - Why you won't get squashed
- A graph format works well

# Point of Sale Market / Our Focus



2006  
\$100 Million

2006  
\$6.5 Billion

**Acme**

strategic design group

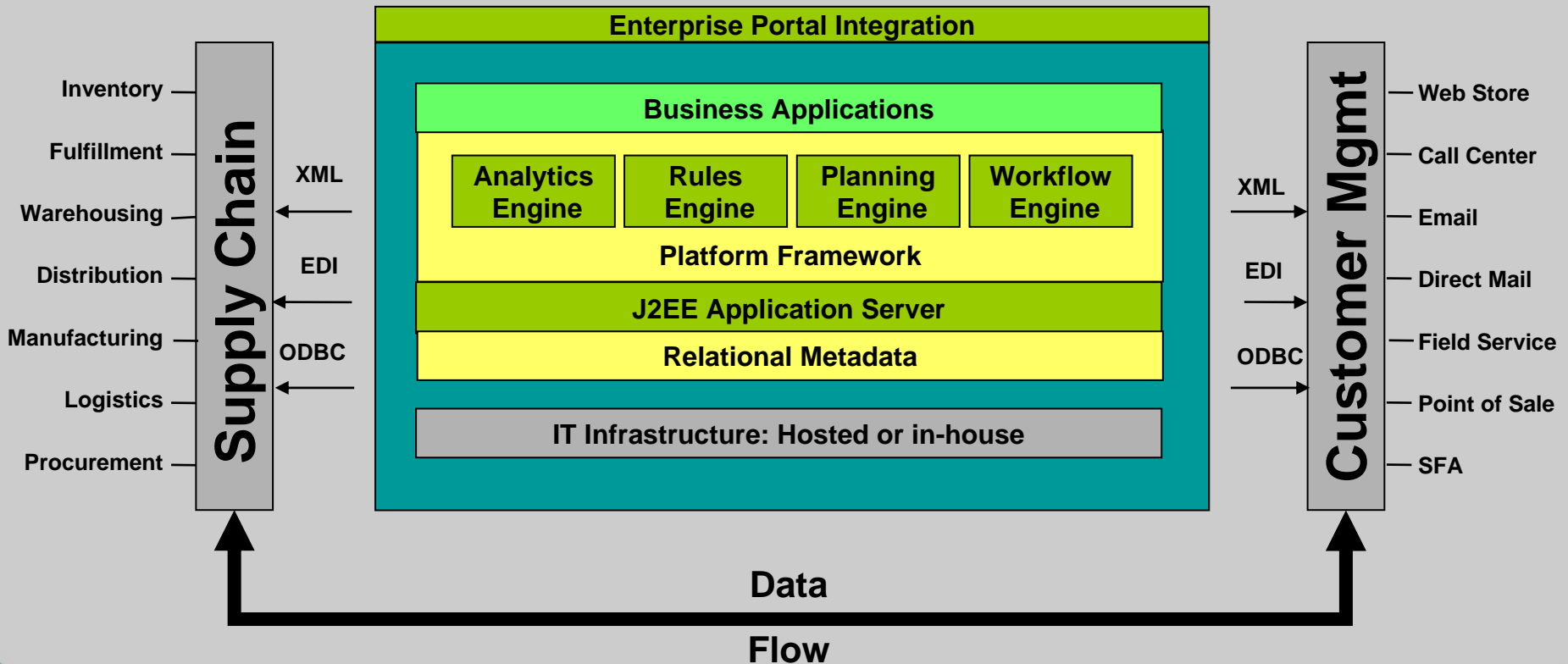
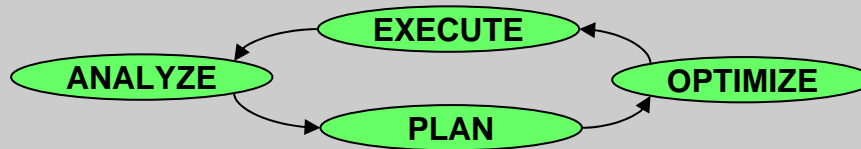


## Slide 5: Technology

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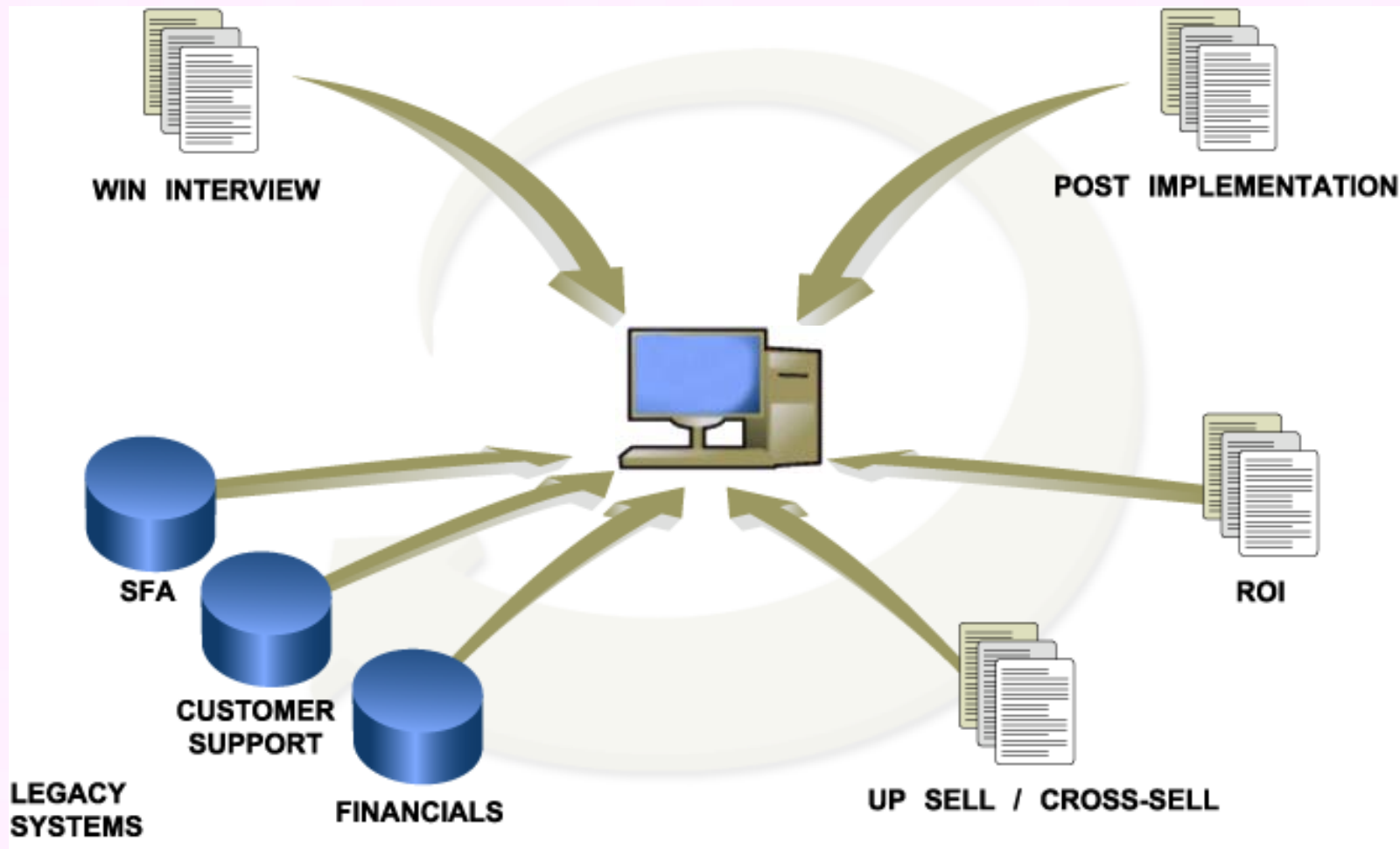
- Translate key points from business to technical domain
  - Show how customers and partners fit in, if possible
- Best to use animated graphics
  - Before and after diagrams often work well
- Concentrate on essential value proposition!!
  - Talk to important but peripheral issues and details, avoid clutter
- Address “invent vs. integrate” issues
  - Show that you will invent only uniquely competitive elements
  - Show incremental development path that reduces risk, if possible

# >>> Technology



# Technology Overview

Acme



# Slide 6: Unique Competitive Advantages

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Team, relationships, intellectual property,  
new insights, domain expertise

- Are they yours alone?
- Will they provide a 10X+ advantage?
- How long will they last?
- What will it take to overcome them?
- Why will customers care?



## **Team has strong background in key technical areas**

- ❑ CEO, Chuck Smith, 5 years of speech systems experience at Nuance
- ❑ VP Engineering, Dave Johnson, built enterprise software products for TenFold
- ❑ Team has nearly 20 years collective experience in computer telephony

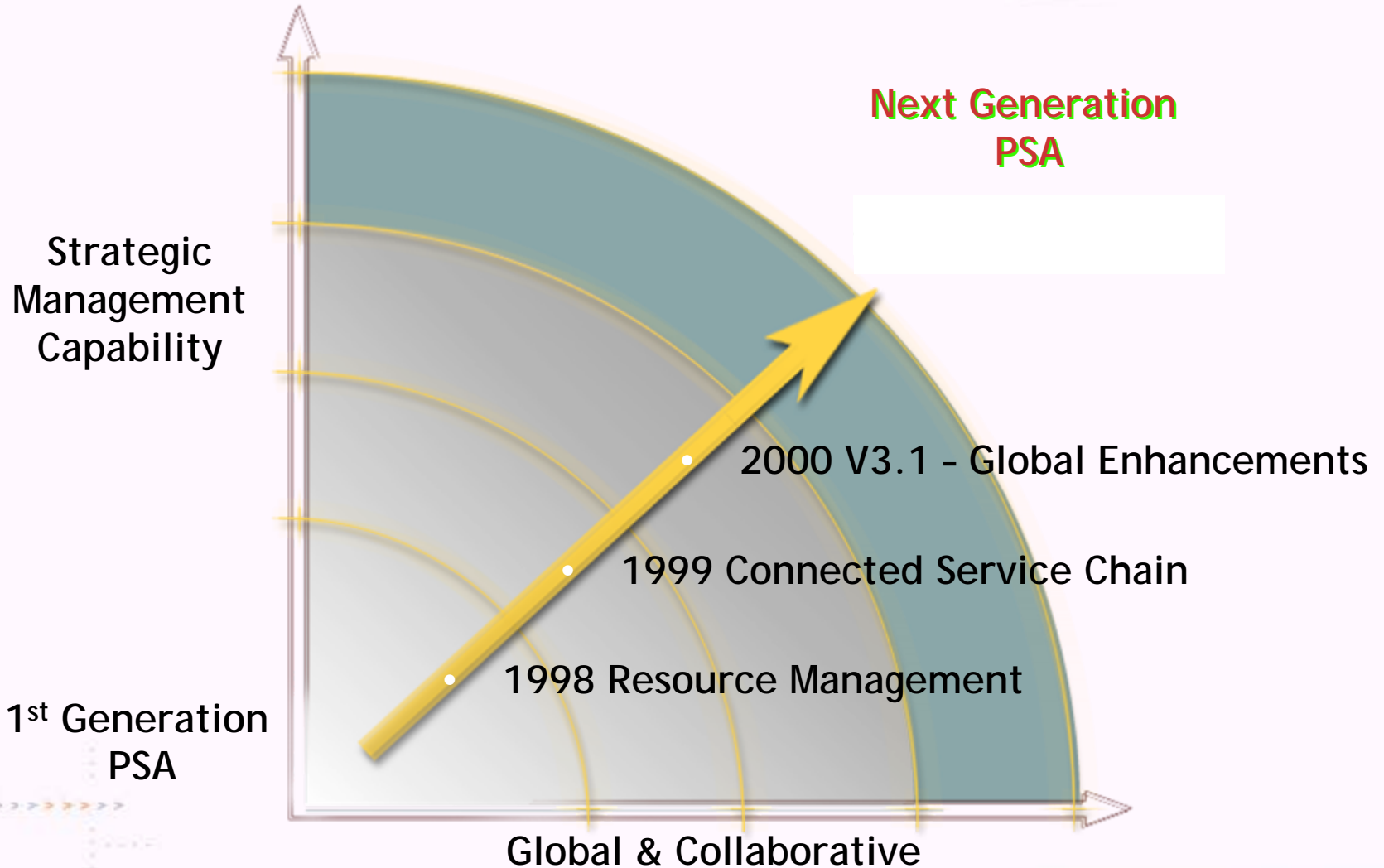
## **Partnerships in place with dominant market players**

- ❑ Speech Technology – Nuance and Speechworks
- ❑ Voice Portals – TellMe and BeVocal
- ❑ Authorization Software – Netegrity and RSA Security
- ❑ Provisioning and Management – BMC and M-Tech

## **Patenting innovations in technology and applications**

- ❑ Voiceprint store & forward from PC – voiceprinting on internet from standard PC
- ❑ Voiceprint store & forward from IVR – allows bolt-on rather than re-write
- ❑ Several other patentable innovations coming

# Competitive Advantage



# Slide 7: Competitive Landscape

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- Discuss current and potential competitors
  - Demonstrate knowledge of the landscape
  - The answer “no competition” → red flag → no market
- Provide framework to differentiate
  - Use customer-centric attributes and dimensions
  - Reinforce your unique competitive advantages
- Upper right quadrant graphic?
  - VCs see ‘em everyday – risk of being cliché
- Quote prospective customers
  - What do they say about your competitors?
  - Why would they rather buy from you?

# Competitive Advantage

ACME

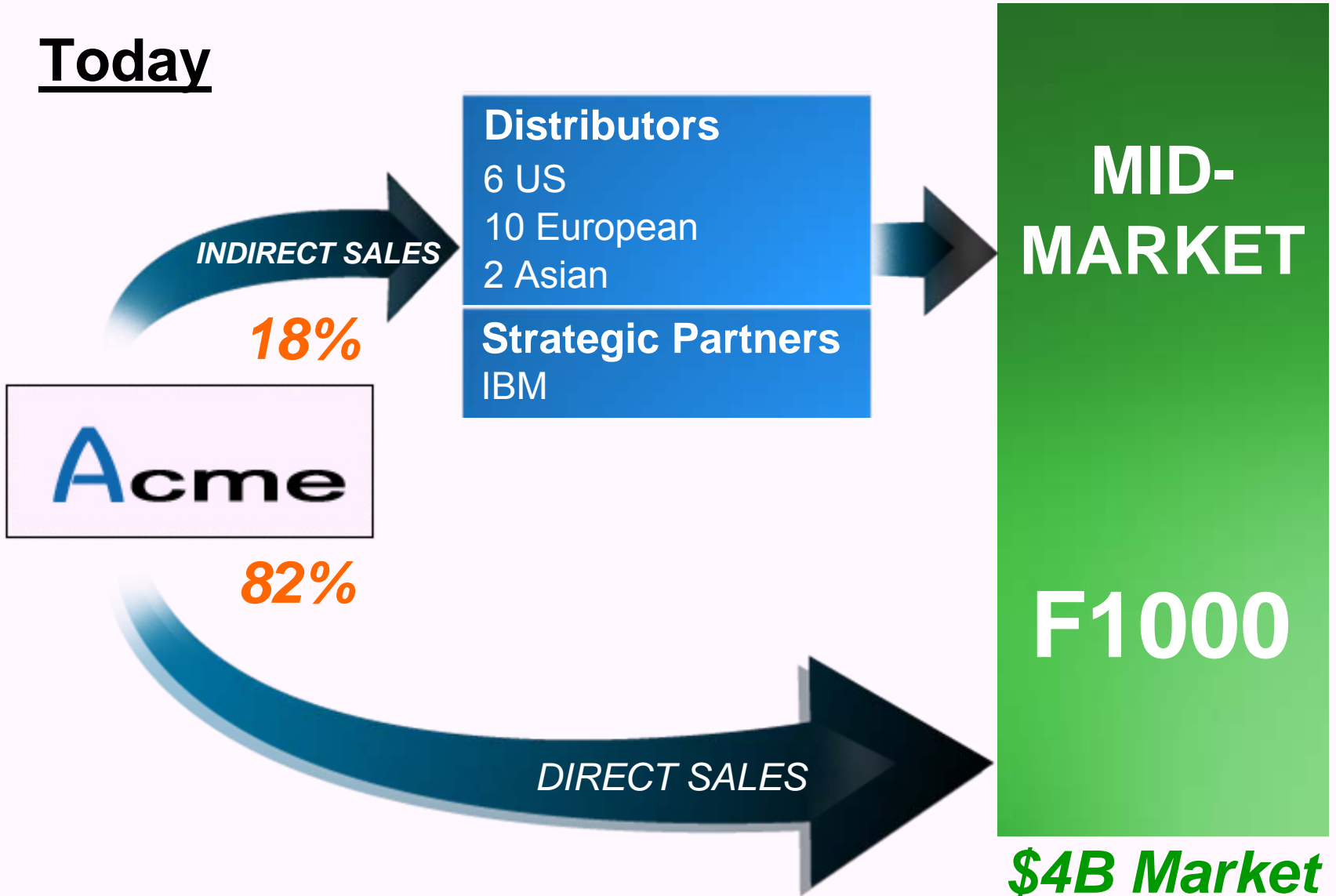
	Product GA	Production Customers	Highly Scalable Architecture	>\$10 per IP-DSO
Acme	X	X	X	X
Company A			TBD	X
Company B			TBD	TBD
Company C			TBD	TBD
Company D	X	X		X
Company E	X	X		X
Company F	TBD			X

# Slide 8: Go to Market Strategy

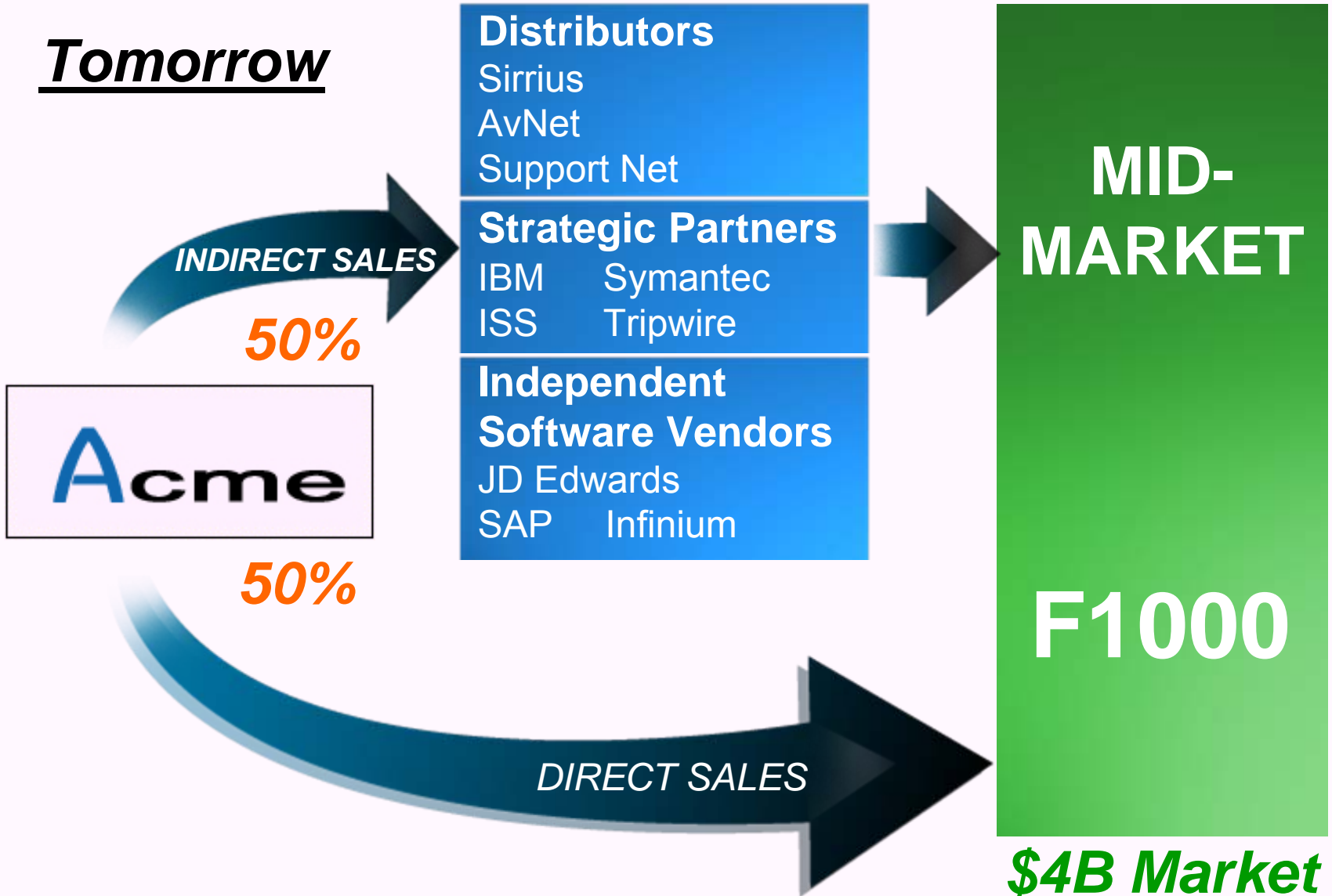
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- Who are the key players?
  - Profile the customer
  - Discuss critical partner relationships (current and future)
  - Describe who (in/out-house) sells your product or service
- How and what do customers buy?
  - Discuss high level pricing (e.g., annuity or one fee)
  - Describe what the customer will get (today and beyond)
- Marketing and sales plan
  - Explain value chain and sales cycle
  - Compare and contrast to other firms
- Graphics work well
- Emphasize external validation

## Today



Tomorrow



## Slide 9: Financial Roadmap

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- Provide high level 5 year projections
  - Revenues and expenses by major categories
  - Pretax profit (loss), cash flow from operations, capital requirements
- Highlight milestone targets
  - First revenues
  - Cash-flow positive
  - Tangible competitive barriers (customers, IP, etc.)
  - \$100M/yr run rate in year 5 is cliché, but expected
- Prepare “hip pocket” detail slides
  - Best for a second meeting, but produce if requested

# Financial Overview

	□2002	□2003	□2004	□2005	□2006
□Revenues (\$K)	□\$1,500	□\$7,000	□\$25,000	□\$60,000	□\$105,000
□Expenses (\$K)	□\$2,500	□\$10,000	□\$24,000	□\$49,000	□\$79,000
□Profit (\$K)	□(\$1,000)	□(\$3,000)	□\$1,000	□\$11,000	□\$26,000
□Investment (\$K)	□\$5,000	□\$5,000			
□Headcount	□15	□60	□150	□300	□450
□Customers	□5	□20	□50	□150	□250

## Investment Sought

\$5M Series A: Now

\$5M Series B: 12-18 months after Series A

## Use of Proceeds

Get product into Beta/GA, implement with 1-3 beta customers

Build solid pipeline, sign initial partnership deals

Stage scaling of Sales / Prof Serv / Engineering / G&A



# Future Timeline

*March  
2003*

**Begin Marketing  
Efforts for AEDI**

*January  
2003*

**Complete identification  
of management team**

*December  
2002*

**Begin strategic product  
development**

*August  
2002*

**Elevate marketing of DD  
to achieve sales goals**

*July  
2002*

**Close A-round**

# What's Behind the Financial Slide?

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- Deep understanding of the business model
- Be prepared to discuss key assumptions
  - Revenue analysis – market penetration and timing
    - Top-down (supportable percentages)
    - Bottom-up (pipeline, revenue by customers, validation)
  - Expense analysis
    - Validate with comparable companies, as available
  - Other (capital equipment, A/R & A/P turnover, etc.)
- Detailed proforma backup (P&L, cash flow, balance sheet, use of proceeds & headcount)

## Slide 10: The Team

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- Previous relevant accomplishments
  - Include academic credentials
- How does this team work together?
- Be honest - who's missing?
  - Discuss your hiring plan to fill key slots
- Relate to unique competitive advantages
- Emphasize what YOU bring to the table
  - The CEO is the most critical team member
  - Demonstrate your competence through your presentation

## Chuck Smith, CEO

- ❑ 9 years enterprise systems expertise – IBM
- ❑ 10 years call center systems expertise – ROLM/IBM and Tandem
- ❑ 5 years speech solutions expertise – Nuance
- ❑ BS Mathematics, Loyola University, Los Angeles

## Dave Johnson, VP Engineering

- ❑ 6 years telecom & imbedded systems expertise – Tanner
- ❑ 6 years enterprise software integration expertise – TenFold
- ❑ BS Engineering, CalTech

## Herman Lewis, VP Sales

- ❑ 20 years of sales success in Call Center market – Teknekron and Teloquent
- ❑ Sales process expert with 8 years sales management experience
- ❑ BA Philosophy, Bloomfield College, NJ

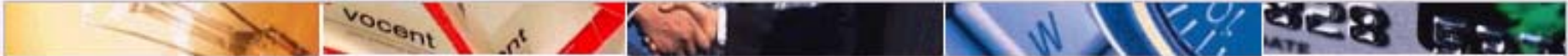
## Board of Directors

- ❑ Mike Baker, Chairman of Blue Note Software
- ❑ Bruce Davidson, retired VP Sales, Nuance
- ❑ Charlie Clay , board member SRI

## Slide 11: Current Status

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- Highlight milestones achieved to date
- What have you already accomplished with other investors' money?
  - Investors like to see efficient, productive use of resources
- Historical timeline format can be useful
- Emphasize where you go from here
  - Show you are in position for some key next steps



Launched: January 2001, angel funding

## Product Status

- ❑ **Password Reset announced 5/01, available 9/01**
- ❑ **Confirmed Caller announced 2/02, available 4/02**
- ❑ **Voice Secure Web – prototype available**

## Customer Status

- ❑ **Hartford Life – Password Reset 9/01**
- ❑ **Bank of America – Password Reset 1/02**

## Partnerships complete and functional

- ❑ **Nuance and Speechworks both contributing funding**
- ❑ **Netegrity, RSA Security and BMC**

Seed team effective and efficient

## prospects

Wells Fargo	Password Reset
US Bank	Password Reset
Hewitt	Password Reset
Visa	Password Reset
E*TRADE	Confirmed Caller
GE Card Services	Confirmed Caller

## Slide 12: Summary

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- Summarize your three strongest points
  - Have these distilled down to memorable sound bites
  - Highlight synergies with prospective investor (portfolio, GP background, domain expertise, etc.)
- Solicit feedback
  - Identify and address concerns
- Call to action
  - Ask about the process, and what it takes to do a deal
- Next steps
  - Determine conditions for second meeting
  - Set up follow-up meeting, if possible



## Great opportunity to impact security market

- ❑ Voiceprints are best authentication approach
- ❑ Proprietary advantages in place

## Proven team and initial results

- ❑ Delivering products to paying customers
- ❑ Established partnerships with market leaders

## Seeking support to capture the opportunity

- ❑ Financing
- ❑ Building management team