

BUILDING YOUR OWN VENTURE FACTORY

November 2022

Linda Yates
Founder and CEO
MACH49™



WHO WE ARE.

MACH49™

Mach49 is the Growth Venture Factory for Global Businesses.

We help large companies build and invest in a pipeline and portfolio of new ventures to drive disruptive growth.



Launch Ventures

Leverage your internal talent, customers, and assets to incubate disruptive new ventures in 12 weeks. Launch and accelerate them to generate real revenue.



Build a Venture Factory

Create and operate an internal Venture Factory or Growth Division that continuously delivers a pipeline and portfolio of new ventures.



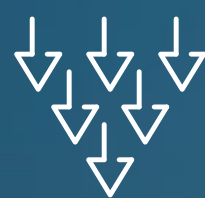
Do Corporate Venturing

Develop C-suite Buy / Partner / Invest strategies to drive growth. Design and manage world-class CVC Funds, improve the performance of Executive Investment Committees, support M&A activities, and build/maximize partnering opportunities with external startups.



Transform / Turnaround Existing Ventures

Review ventures clients may have incubated themselves that aren't achieving their full potential in the market. Our team members have years of operating experience and will help transform them, turn them around, or even shut them down if necessary.



Bring the Silicon Valley Inside

Build an internal ecosystem of entrepreneurs, investors, and new venture advocates in every department to drive growth and seize your Mothership advantage. **Mach49 Growth Programs** offers CHROs and Heads of Talent new opportunities for professional development and change focused on learning by doing. Licensing **our SAAS platform, 2401**, puts venture building in your hands.

Mach49 is 100% focused on execution.

We help companies disrupt themselves from the **InsideOut** and **OutsideIn** to build their growth engine.

We're a unique cadre of successful serial entrepreneurs, top-tier VCs, and C-Suite executives — an extremely experienced team that has collectively helped **generate over \$50B dollars in market value** over our operating careers.

We have invested years **developing a teachable, repeatable, scalable methodology** and library of processes, tools, templates, activities, and more to **build client capability** — not dependency.

**How Companies
Can Create
Game-Changing
Ventures at
Startup Speed**

Linda K. Yates

HARVARD BUSINESS REVIEW PRESS

The Unicorn Within

**COMPANIES
ARE GOING
OUT OF
BUSINESS
FASTER THAN
EVER BEFORE.**

75 years

Life expectancy
of a Fortune 500
company.

88% irrelevant

12% still kicking

15 years

50 YEARS AGO

Forbes: Stephen Denning

TODAY

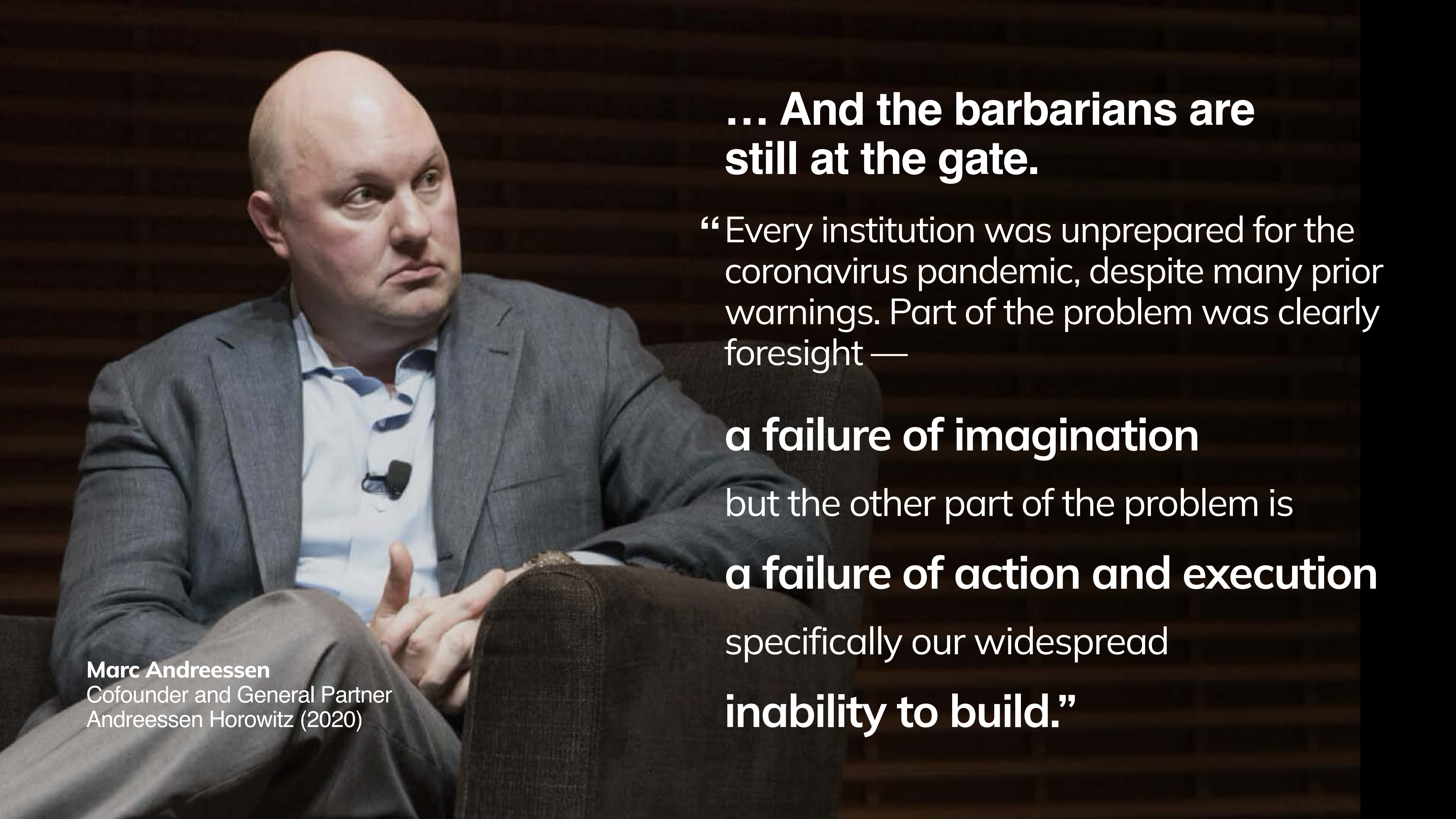
A portrait of John Chambers, former CEO of Cisco, looking slightly to the right. He is wearing a dark blazer over a blue and white checkered shirt.

**“IF I’M
NOT
MAKING
YOU
SWEAT, I
SHOULD
BE.”**

“40% of the businesses in this room, unfortunately, will not exist in a meaningful way in 10 years ...

... and 70% of you will attempt to go digital but only 30% of you will succeed.”

John Chambers
Former CEO, Cisco

A photograph of Marc Andreessen, a bald man with a serious expression, sitting on a dark couch. He is wearing a grey blazer over a light blue button-down shirt. His hands are clasped in his lap. The background is a dark, textured wall.

... And the barbarians are still at the gate.

“Every institution was unprepared for the coronavirus pandemic, despite many prior warnings. Part of the problem was clearly foresight —

a failure of imagination

but the other part of the problem is

a failure of action and execution

specifically our widespread

inability to build.”

Marc Andreessen
Cofounder and General Partner
Andreessen Horowitz (2020)

**EVEN IF THEY AREN'T GOING
OUT OF BUSINESS, THE
G1000 IS LEAVING A LOT OF
MONEY ON THE TABLE.**

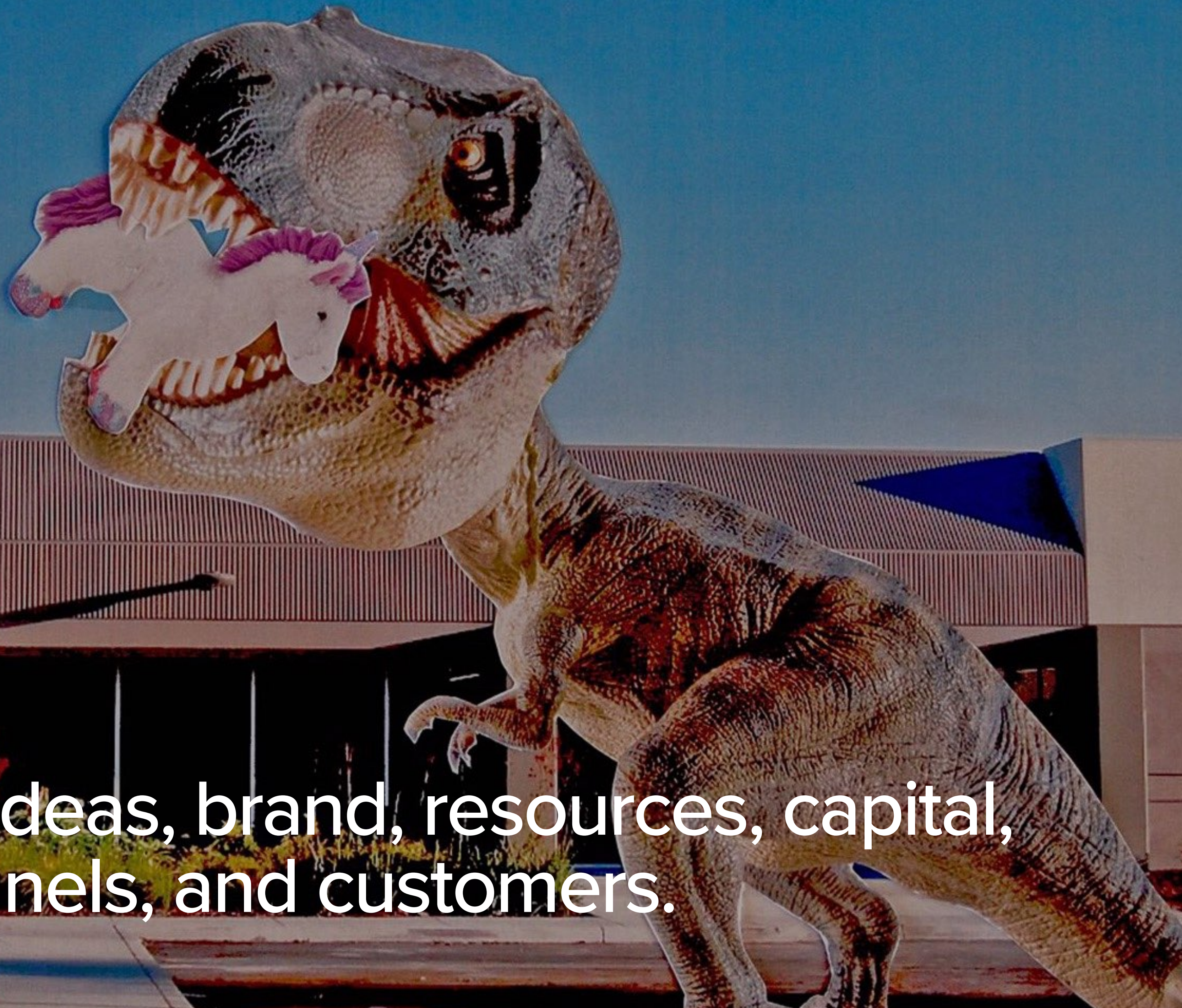
**1187 unicorns
with a total
valuation of
\$3.8 Trillion**

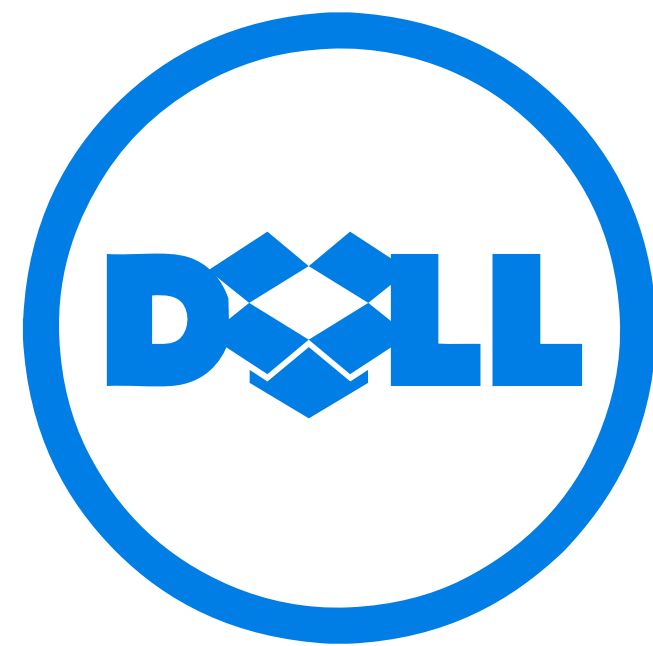
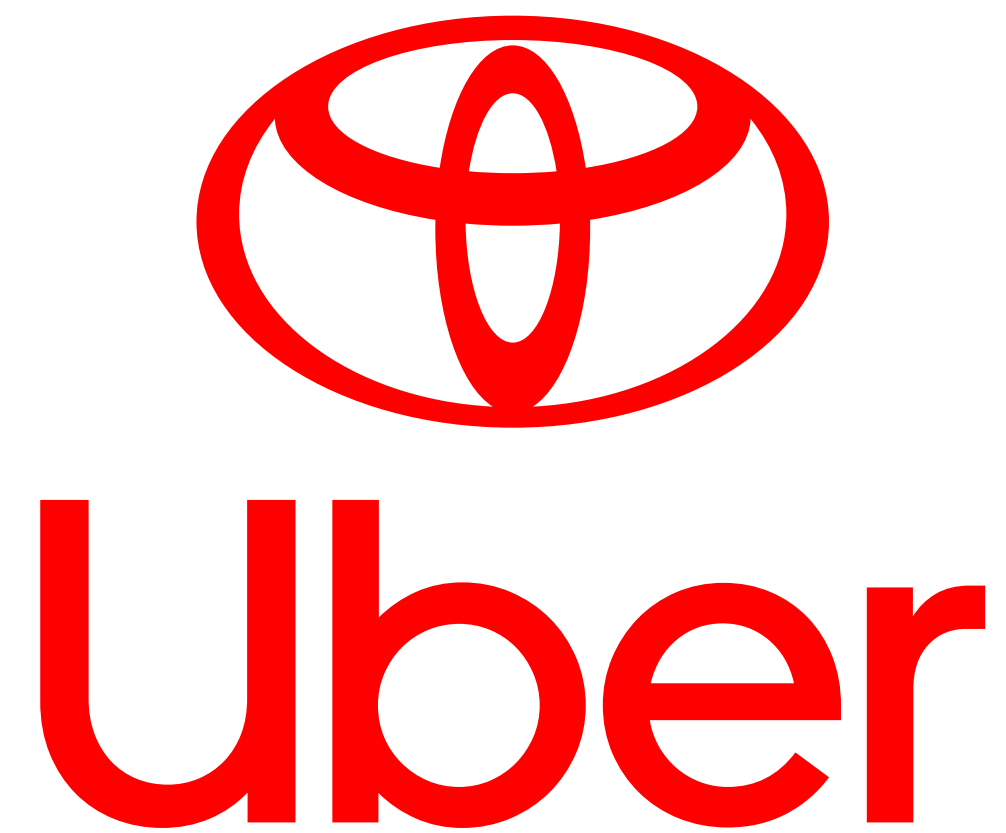


**NOW IS THE TIME TO DISRUPT
MARKETS AND CREATE NEW VENTURES
TO DRIVE MEANINGFUL GROWTH.**

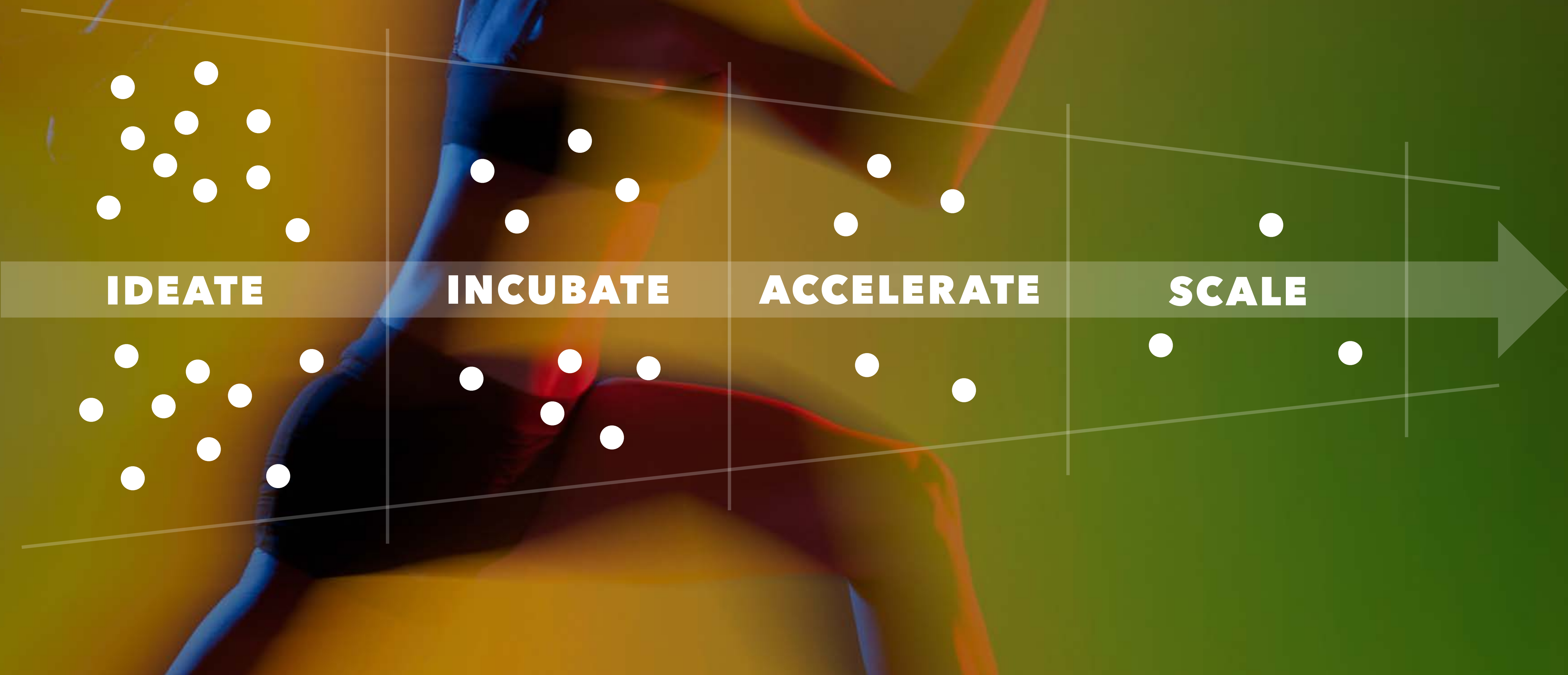
**THERE IS
NO BETTER
MOMENT
FOR THE
DINOSAURS
TO EAT THE
UNICORNS.**

**You have talent, ideas, brand, resources, capital,
technology, channels, and customers.**





THE GOAL IS TO BUILD A PIPELINE AND PORTFOLIO OF VENTURES TO GENERATE SUSTAINABLE, MEANINGFUL GROWTH.



TO DO THAT YOU MUST BUILD YOUR OWN GROWTH ENGINE

Organic Venture Building
in your own Venture Factory

Venture Investing

Strategic Partnering

Targeted M&A

Four Arrows in Your Growth Engine Quiver



DESIGNING A WORLD CLASS VENTURE FACTORY

An internal Venture Factory will allow your company to **institutionalize and scale growth efforts** for decades to come.

NEW VENTURES

Create and launch a portfolio of high-quality new ventures.

TALENT

Recruit and develop a pool of highly motivated and exceptionally talented entrepreneurs.

LEADERS

Develop an executive team capable of managing a portfolio of new ventures like top-tier VCs.



BUT DO IT RIGHT! Corporate accelerators have always had a bad reputation, but is it deserved?

11%

Traditional startups have an **11% success rate ...**

12%

That increases to 12% if the venture had been part of an **accelerator program ...**

8%

... **UNLESS** it was a **corporate accelerator**, in which case **only 8% succeeded.**

SOURCE: Alex Mahr of Stryber

THREE REASONS CORPORATE VENTURE FACTORYS FAIL.

NO METHODOLOGY

Corporations keep trying traditional VC and startup Venture Factory models — money and mentors.

Model doesn't work for large corporations as VCs and Venture Factorys like YC (Y Combinator) can afford large failure rates because just 1 or 2 successes can return their funds.

Corporations need much higher success rates which come with a customer-driven, repeatable, and scalable methodology for venture creation.

MOTHERSHIP FRICTION

Companies have the ideas, talent, assets, competencies, capital, and customers to create ventures and drive growth.

Seizing the Mothership advantage for your ventures helps you beat the startups at their own game.

Companies also have inertia, antibodies, and orthodoxies that have to be overcome.

Corporate accelerators often fail to engage the Mothership to make the from-to shifts in metrics, compensation, procurement, policies, politics, etc. to ensure their ventures reach escape velocity and thrive.

EXECUTIVE DECISION-MAKERS FAIL TO GROW

Senior executives must get out of a management review board mindset and adopt the discipline and perspective of top-tier venture capitalists.

Execute a portfolio strategy, build many not one (seed fund ventures, don't overspend too early).

Focus on option value not net-present value.

Strive for customer acquisition and revenue vs. short-term profit.

Remove the greatest amount of risk on the least amount of capital. Embrace placing a series of small bets and building to learn, then standardize, then scale.



DESIGN

LAUNCHING A VENTURE FACTORY

Venture Factory Objective

Venture Factory Basics

Audience

Venture Factory Model

Spectrum of Venture Creation

Keys to Successful Venture Creation

New Venture Launch Options

The New Venture Creation Process

Ideate

Incubate

Accelerate

Scale

Governance

Mothership

Venture Factory

Ventures

Talent Plan

Venture Factory Team

New Venture Teams

New Venture Boards

Hiring and Compensation

Venture Factory Operations

Volume

Cadence

Calendar

The Venture Factory Experience

Space

Tools, Methodology, Technology

Programming and Inspiration

Communication Plans

Venture Factory

New Ventures

Budget / Funding / Metrics

Costs to Consider

Fund Estimate

Metrics and Accountability

The Venture-Funding Journey

How We Win

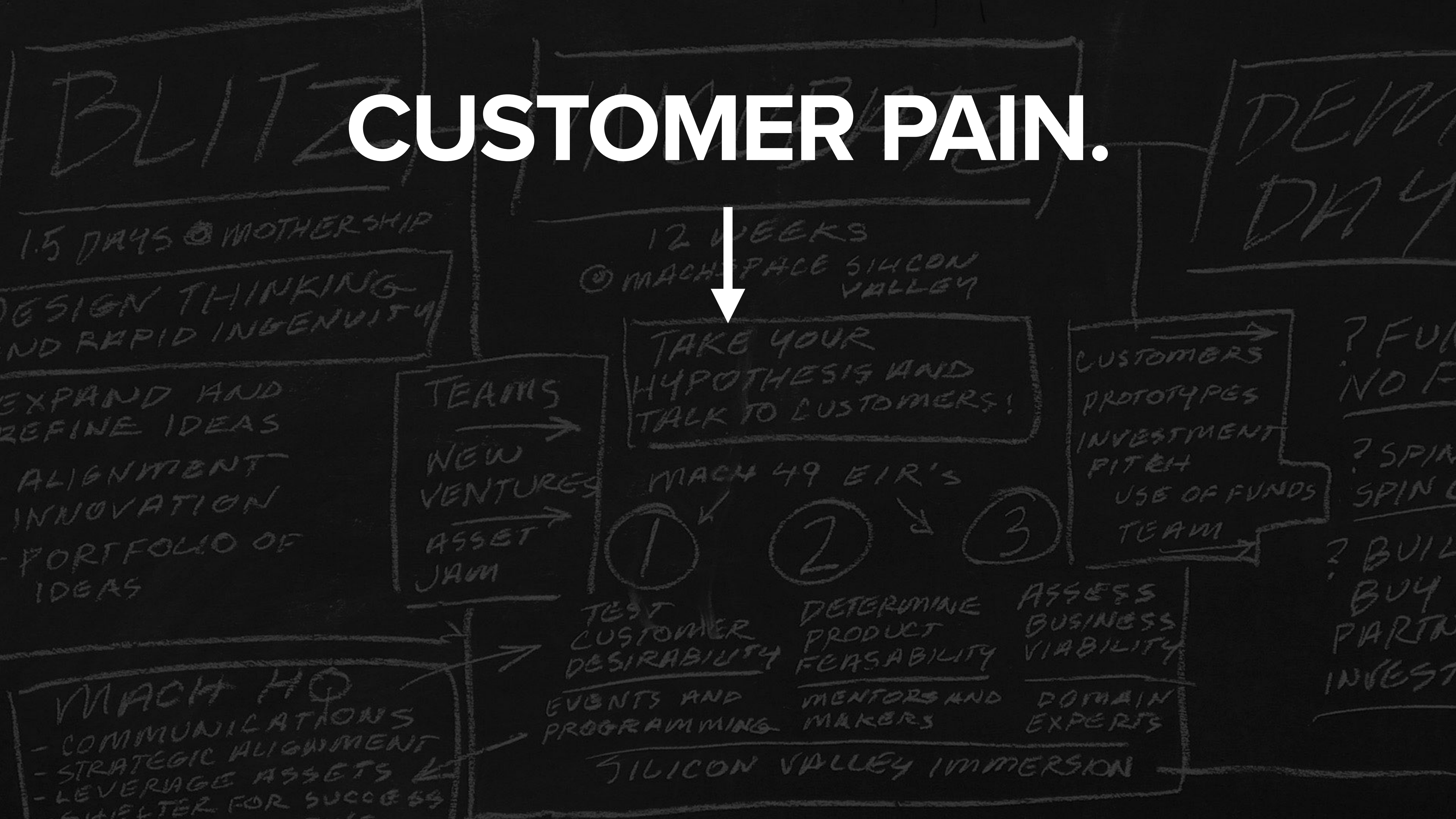
VENTURE BUILDING METHODOLOGY.

THE NOT-SO-SECRET SECRET OF SILICON VALLEY.



It's not that hard.

CUSTOMER PAIN.



CUSTOMER PAIN.



ART OF THE POSSIBLE.

CUSTOMER PAIN.



Big Data . Predictive Analytics . AI . IoT . Fintech . Blockchain . AR
VR . Wearables . 3D Printing . Material Science . Synthetic Biology



ART OF THE POSSIBLE.

CUSTOMER PAIN.



Experiments +
Small Bets



ART OF THE POSSIBLE.

IDEATE. Building Your New Venture Opportunity Pipeline.

OUTCOMES

Strategic Challenge Statements

Customer Pain Hypotheses With a Stakeholder Map

New Venture Ideas to Incubate

Engaged Intrapreneurs Ready to Incubate Ventures

HOW WILL YOU SOURCE NEW VENTURE IDEAS?

EXECUTIVE-SPONSORED

A leader has an idea or domain they want to explore.

BU-SPONSORED

Executive interviews combined with design thinking activities help identify possible areas for incubation.

R&D-SPONSORED

Technology / prototype exists and we want to validate customer need and confirm there is a market.

VENTURE FACTORY TEAM

Continuous exploration of customer pain / opportunity leads to new venture ideas.

COMPANY TEAM MEMBERS

Challenge your next generation of internal entrepreneurs with a company-wide venture plan competition.

PARTNER-IDENTIFIED

A partner has a complementary idea or domain they want to explore with us.

CVC-INSPIRED

Ideas inspired by technology and trends scouted by Corporate Venturing / Investing Groups.

OTHER?



IDEATE.



PORTFOLIO REVIEW.

Identify, Evaluate, and Prioritize.



PORTFOLIO REVIEW + ASSESSMENT

*How do we evaluate and
prioritize existing concepts?*

Identify, sort, and prioritize venture opportunities with a comprehensive evaluation of your existing portfolio, leveraging input from expert interviews and research.

6 – 8 weeks

Multiple venture concepts

TECH PUSH PORTFOLIO

*How do we find a market for
our proprietary technology?*

Identify market opportunities for a selected technology by combining top-down business analysis and bottom-up concept generation, guided by input from SMEs and investors.

5 – 6 weeks

Single venture concept

LONG HORIZON PORTFOLIO

*How do we identify near-
term programs to accelerate
long-term opportunities?*

Evaluate long-term technical, regulatory, or infrastructure dependencies, develop a roadmap, and select near-term incubation or investment opportunities driving toward the long-term objective.

4 – 5 weeks

Single venture concept

VENTURE DISCOVERY.

Select the Best Domains and Concepts.



DOMAIN EXPLORATION

How do we identify concepts we can Incubate as new ventures?

Map the business landscape for the domain, create a large pool of candidate venture ideas, identify the most promising opportunities for Incubate, and conclude with Challenge Framing.

3 – 8 weeks

VENTURE COMPETITION

How do we generate many venture concepts and identify our internal entrepreneurs?

Design and run a venture competition, with the winning concepts selected for Incubate.

19 – 22+ weeks

Concept Assessment — Define Your Criteria



DESIRABILITY

**Finding
Customer Need**

*Does anyone
want it?*



FEASIBILITY

**Determining the
Product or Service**

*Can we
build it?*



VIABILITY

**Designing
the Business**

*How do we
make money?*



SUITABILITY

**Mothership
Alignment**

*Should we
build it?*



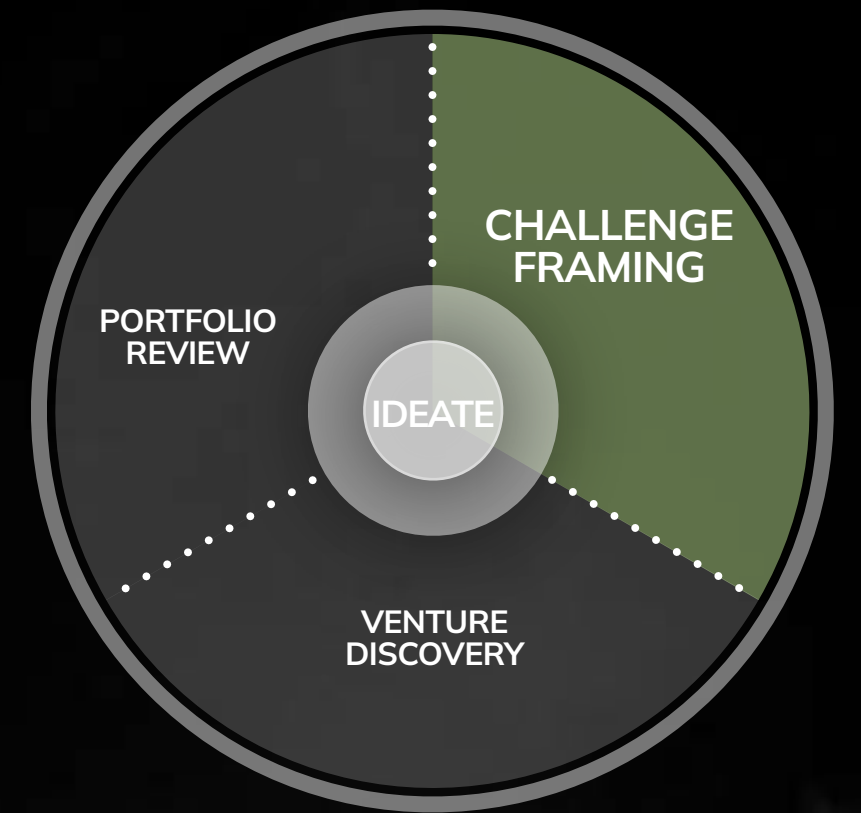
CAPABILITY

**Venture
Team**

*Do we have the
right people?*

CHALLENGE FRAMING.

Align on the Path Forward.



CHALLENGE FRAMING

Where do we start when we have an idea ready to incubate?

A great challenge statement:

Establishes the aspiration or moonshot for your new ventures.

Points to some early hypotheses that give the venture a starting point to test through open-ended customer interviews.

Provides some boundaries so the venture isn't trying to be all things to all people.

An initial stakeholder map:

Identifies “Who Matters Most,” giving the team a starting set of potential customers, partners, or other key influencers to interview from day one.

1 day



INCUBATE. From Idea to Fundable Venture.

OUTCOMES

- A Fundable Business With a Milestone-Driven, Detailed Execution Plan
- A New Venture Board Trained to Help Seize the Mothership Advantage
- A Startup Team Prepared to Help Launch the New Venture
- Pilot Customers Ready to Test Products and Services

INCUBATE. Only 12 Weeks to Launch a New Venture.



INCUBATE. Customer Development Never Sleeps.

TEAMS

Client
CEO / Team Lead
Product
GTM
SME

Mach49
EIR
CD
Designer
BMIR
Specialists

PROCESS

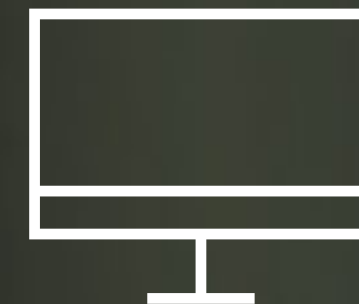
Pain Point
Interviews



Storyboard
Interviews



Prototype
Interviews



150 – 300 interviews in 12 weeks.

OUTCOMES

A Fundable Business
with a Milestone-Driven,
Detailed Execution Plan

A New Venture Board
Trained to Help Seize the
Mothership Advantage

A Startup Team
Prepared to Help Launch
the New Venture

Pilot Customers Ready
to Test Products and
Services

INCUBATE. Teams Divide and Conquer as Ventures Progress Through Incubation.

MONTH 1

Find Customer Pain

MONTH 2

Conceptualize the Product

MONTH 3

Define the Business

INCUBATE. On Pitch Day Every Venture Will Have a Full Business, Execution, and Operating Plan.

Where We've Been
The Market
The Pain We Heard
The Opportunity Framework
The Customer Journey
The Product Vision and MVP
Product and Tech Roadmap
GTM and Monetization
Operating and Execution Plan
The Ask
Governance
Gives and Gets
Risks and Competition
Why Us?
Do It on Monday



ACCELERATE. From Fundable Venture to Revenue.

OUTCOMES

First Revenue Through Paying Pilot Customers

Product-Market Fit

Team and Infrastructure Ready to Scale

Businesses Ready for Series A Funding (if outside funding desired)

A Self-Governing Team

Validated and Proven Business Model and Pricing

Repeatable and Measurable Processes for:

Customer Acquisition / Sales
Customer Success
Operations

HR
Product Development
Partnerships / Channels

New Venture Advocates Selected and Trained

3 ACCELERATE PHASES.

The Silicon Valley Startup Approach.

"Seed" Funding
6 – 12 Months

Build to **Validate**

Major risks addressed
Core assumptions
validated
Business model
confirmed
Willingness to pay
validated
Strong founding team
prepared for next phase
Series "A" Pitch (Plan
and Budget)
developed

Series "A"
12 – 18 Months

Build to **Automate**

Product-market fit
achieved
MVP advanced through
rapid iteration
Core go-to-market
capabilities developed
Operating processes
automated
Reference customers
attained
At least \$1M in revenue /
ARR run-rate achieved
Customer engagement
metrics positive
Core team expanded

Series "B and beyond"
18+ Months

Build to **Grow**

Product-market-channel
fit achieved
Repeatable sales and
revenue model
developed
Attractive unit
economics achieved
Operating playbooks
developed for scaling
3x revenue / ARR run-
rate achieved
Leadership team built out
Administrative
functions developed

Business Ready for Scale **Financing or Spin-in**

Compelling **Transformative Purpose**

Fully Formed **Functional Team and Board**

Proven **Product, Business Model, and Pricing**

Reference Customers Advocating for the Product

Monthly **Revenue Growth**

High **Customer Retention**

Repeatable and Measurable Processes for:

Customer Acquisition
Customer Success and Retention
Product Development
Growth Marketing and Sales
Partnerships and Channels
Operations

Scalable **Product Infrastructure**

Mothership Assets Being Leveraged

Operating Plan to **Scale Revenue at Optimized
Unit Economics**

ACCELERATE WORK PLAN.

Build to **Validate**

Product

“Wizard of Oz” experiments
Pilots with minimal functionality
Pilot customers provide feedback

Go-to-Market

Initial lead generation experiments
Initial testing of messaging
Develop customer database

Business Model / Unit Economics

Identify core value proposition and initial monetization approach
Update initial business model

Operations

Set up startup collaboration and project management tools
Develop low-friction agreements for pilot customers
Manual delivery for pilots and early MVP customers
Identify target KPIs

Team

Small “founding” team adapts startup mindset and cadence
All team members work across work streams

Build to **Automate**

Product

Iterate MVP based on insights and customer feedback
Focus on UX and quality to drive engagement
First paying customer
Reference customers become advocates for the product

Go-to-Market

Acquire first X new customers
Develop sales model, processes, and infrastructure
Develop cross-functional customer retention and growth plan

Business Model / Unit Economics

Test price elasticity
Confirm business model, pricing, and packaging
Establish methodology to track target unit economics

Operations

Build Customer Success / Care playbooks
Develop early finance operations
Develop early people management operations
Create playbooks to drive improvements

Team

Grow team across Product, Engineering, Sales, and Marketing
Operational paradigm goes from “wear many hats” to more functional
Develop processes and artifacts to drive alignment across functions

Build to **Grow**

Product

Scale product to accommodate rapid growth
Product builds are stable to minimize disruption to customers
Continuous customer research and feedback defining product roadmap

Go-to-Market

Robust sales pipeline
Sales process highly structured and mechanized
Highly efficient sales channels discovered and leveraged

Business Model / Unit Economics

Ongoing optimization of pricing and packaging through testing
Add product lines and services to extend ACV, LTV
Predictable cost to acquire customer (CAC)
Documented customer lifetime value (LTV)

Operations

Operating playbooks developed for scaling
Optimization of unit economics operationalized
Maturing finance operations
Maturing people management operations

Team

Organizational design completed to enable alignment while scaling
Learning and development plan in place
Full leadership team in place
Continuous strategic planning and alignment practices in place

VENTURE FACTORY BASICS.

WHO WILL THE VENTURE FACTORY SERVE?

Inside

Outside

**SPECIFIC
BUSINESS
UNIT(S)**

**THE WHOLE
COMPANY**

PARTNERS

CUSTOMERS

**EXTERNAL
STARTUPS**

INCUBATION MODELS.



100% **Virtual**

Capitalize on the global footprint of your team and incubate in full virtual mode leveraging Mach49 EIRs, partners, and specialists, as well as our technology stack, tools, and methodology to provide full immersion with your co-founders, regardless of where you are.

100% **Physical**

Bring your team of internal entrepreneurs to Silicon Valley, San Francisco, London, Boston, or Singapore to create, build, and launch new ventures face-to-face alongside Mach49 and your other co-founders. Enhance your team's indoctrination into startup thinking through inspiration and networking events available in the area.

Hybrid Model

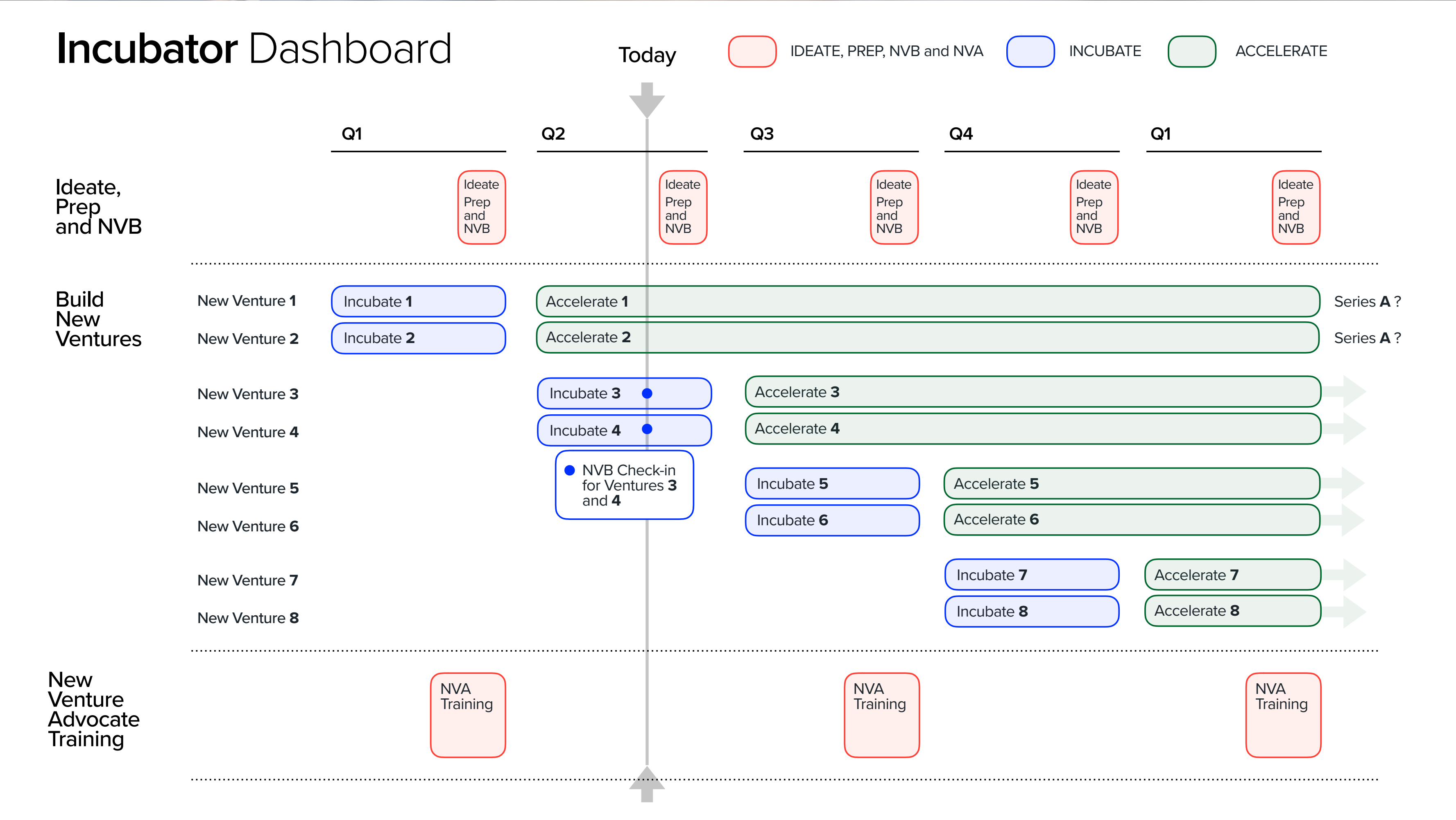
Leverage the best of both approaches and customize the incubation calendar to take advantage of the 100% Physical experience in one of Mach49's Venture Factory Hubs during certain weeks of the project, and leverage Mach49's 100% Virtual approach during other weeks.

WILL YOUR VENTURE FACTORY OPERATE GLOBALLY?



WILL THE VENTURE FACTORY COVER ALL ASPECTS OF VENTURE CREATION?

IDEATE. INCUBATE. ACCELERATE. SCALE.



IF NOT, WHO WILL HANDLE OTHER STAGES?

EVERY VENTURE NEEDS TO BE RIGOROUSLY DOCUMENTED.

Go back one page
Pull down to show history

TeamVoxel Customer Validation

PIPEDRIVE Interviews Customer Hypothesis Segments Pain Points Potential Solutions / Concepts Industry COMPANY CATEGORIES COMPANIES SHARE

Segment View 11 hidden fields Filter Grouped by 1 field Sort

	Interviewee	Pain Point 1	Pain Point 2	Pain Point 3	Key Quote 1	Key Quote 2	Key Quote 3
▼	SP Partner: Fabricator Spare parts COUNT 1						
45	Santiago Yamin Abud	very specialized tool	Highly specialized trained	He can not expand his	"We are a little school	"Of course I am willing to	
+							
▼	SP User: Finance Spare parts COUNT 4						
46	Veronica Santos	Finance Leadership team	She particularly doesn't	There are about 10 MUSD	There is no simple control	"Money standing is	"We don't track
47	Ana Karina Cristerna	e for managing the				"Maintenance budget is	"There are always
48	Alonso Ramos	the Financial Planning in				"Inventory represent	"Reducing the Working
49	Omar Garcia	U finance team. He				"Plants are responsible	"Spare parts is not
+							
▼	SP User: Maintenance Mgr Spare parts COUNT 16						
50	Eduardo Herrera aka Pupi	nce team for one of	Unions	They are always tracking	Reducing lead time	"The way the budget is	"If I had a magic wand I
51	Carlos Guerra	Coordinator at Metalsa.	Quality of local	Timing to get urgent	Obsolete spare parts, they	"We have had to fly	"Instead of lasting 5 years,
52	Dither Galicia	for Metalsa's plant in	Purchasing is always	Lacks control of the	Increase of CAPEX	"Equipment that fails a	"If I had a magic wand, I
53	Luis Javier Vazquez	and maintenance die	Human error: in operating	Specialized parts take a	Handling too many models	"We lost a lot of time	"Many mistakes have been
54	Hector Guillermo Ramirez Tamayo	manager for a company	Misalignment of priorities	Human talent (lack of	Need for negotiating better	"The problem is that for	"The machines we use are

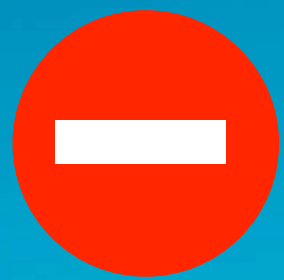
99 records

DOCUMENTED AND CODIFIED in Airtable or G-Drive

THE WILL TO KILL. The Venture Factory needs the discipline to kill ventures whenever necessary, at every stage.

Month 1

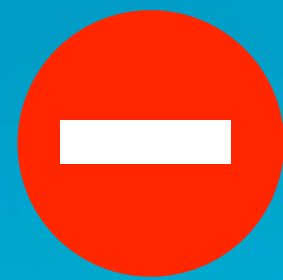
Finding
Customer
Pain



~~There's no
pain.~~

Month 2

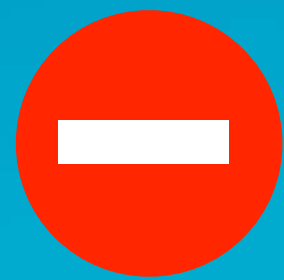
Determining
the **Product**
or Service



~~The technology
is too far out or
can't be built.~~

Month 3

Designing
the
Business



~~Will not move
the revenue
needle or the
unit economics
don't work.~~

What other
criteria might
dictate ending
a venture?



HOW WILL VENTURES BE LAUNCHED?



SPIN-IN

The venture joins an existing or new business unit, leveraging all or some of the support services from the Mothership or the Venture Factory.



WHOLLY-OWNED SUBSIDIARY

The venture is set up as a wholly-owned subsidiary, leveraging a mix of independent and Mothership support services.



SPIN-OUT NEWCO

The venture exits the Mothership, creates a NewCo entity, and becomes self-sufficient.



**THE VENTURE FACTORY CAN PROVIDE THE COMPANY OPTION VALUE.
WHAT OPTIONS FOR FUNDING WILL YOU CONSIDER?**

MULTIPLE OPTIONS FOR LAUNCHING VENTURES

**SCALE
INTERNALLY**

**TAKE OUTSIDE
INVESTMENT**

**CREATE JV WITH
PARTNER(S) /
CUSTOMER(S)**

SPIN OFF / SELL

WHAT WILL BE THE VENTURE CALENDAR CADENCE?

WW		Cohort 1						Cohort 2					
	Team	EIR1 CD1 Design1	EIR2 CD2 Design2	EIR3 CD3 Design3	EIR1 CD1 Design4	EIR2 CD2 Design1	EIR3 CD3 Design2	EIR1 CD1 Design1	EIR2 CD2 Design2	EIR3 CD3 Design3	EIR1 CD1 Design4	EIR2 CD2 Design1	EIR3 CD3 Design2
2	1/6 - 1/12												
3	1/13 - 1/19	Week 0											
4	1/20 - 1/26												
5	1/27 - 2/2												
6	2/3 - 2/9	Week 1	Week 1										
7	2/10 - 2/16	Week 2	Week 2										
8	2/17 - 2/23	Week 3	Week 3										
9	2/24 - 3/1	Week 4	Week 4										
10	3/2 - 3/8	Week 5	Week 5	Week 1	Week 1								
11	3/9 - 3/15	Week 6	Week 6	Week 2	Week 2								
12	3/16 - 3/22	Week 7	Week 7	Week 3	Week 3								
13	3/23 - 3/29	Week 8	Week 8	Week 4	Week 4								
14	3/30 - 4/5	Week 9 (Check-in)	Week 9 (Check-in)	Week 5	Week 5	Week 1	Week 1						
15	4/6 - 4/12	Week 10	Week 10	Week 6	Week 6	Week 2	Week 2						
16	4/13 - 4/19	Week 11	Week 11	Week 7	Week 7	Week 3	Week 3						
17	4/20 - 4/26	Week 12 (Pitch Day)	Week 12 (Pitch Day)	Week 8	Week 8	Week 4	Week 4						
18	4/27 - 5/3			Week 9 (Check-in)	Week 9 (Check-in)	Week 5	Week 5						
19	5/4 - 5/10			Week 10	Week 10	Week 6	Week 6						
20	5/11 - 5/17			Week 11	Week 11	Week 7	Week 7						
21	5/18 - 5/24			Week 12 (Pitch Day)	Week 12 (Pitch Day)	Week 8	Week 8						
22	5/25 - 5/31					Week 9 (Check-in)	Week 9 (Check-in)						
23	6/1 - 6/7					Week 10	Week 10						
24	6/8 - 6/14					Week 11	Week 11						
25	6/15 - 6/21					Week 12 (Pitch Day)	Week 12 (Pitch Day)						
26	6/22 - 6/28												
27	6/29 - 7/5												
28	7/6 - 7/12							Week 0					
29	7/13 - 7/19												
30	7/20 - 7/26												
31	7/27 - 8/2							Week 1	Week 1				
32	8/3 - 8/9							Week 2	Week 2				
33	8/10 - 8/16							Week 3	Week 3				
34	8/17 - 8/23							Week 4	Week 4				
35	8/24 - 8/30							Week 5	Week 5	Week 1	Week 1		
36	8/31 - 9/6							Week 6	Week 6	Week 2	Week 2		
37	9/7 - 9/13							Week 7	Week 7	Week 3	Week 3		
38	9/14 - 9/20							Week 8	Week 8	Week 4	Week 4		
39	9/21 - 9/27							Week 9 (Check-in)	Week 9 (Check-in)	Week 5	Week 5	Week 1	Week 1
40	9/28 - 10/4							Week 10	Week 10	Week 6	Week 6	Week 2	Week 2
41	10/5 - 10/11							Week 11	Week 11	Week 7	Week 7	Week 3	Week 3
42	10/12 - 10/18							Week 12 (Pitch Day)	Week 12 (Pitch Day)	Week 8	Week 8	Week 4	Week 4
43	10/19 - 10/25									Week 9 (Check-in)	Week 9 (Check-in)	Week 5	Week 5
44	10/26 - 11/1									Week 10	Week 10	Week 6	Week 6
45	11/2 - 11/8									Week 11	Week 11	Week 7	Week 7
46	11/9 - 11/15									Week 12 (Pitch Day)	Week 12 (Pitch Day)	Week 8	Week 8
47	11/16 - 11/22											Week 9 (Check-in)	Week 9 (Check-in)
48	THANKSGIVING												
49	11/30 - 12/6											Week 10	Week 10
50	12/7 - 12/13											Week 11	Week 11
51	12/14 - 12/20											Week 12 (Pitch Day)	Week 12 (Pitch Day)
52	12/21 - 12/27 - XMAS												
53	12/28 - 1/3 - NEW YEARS												

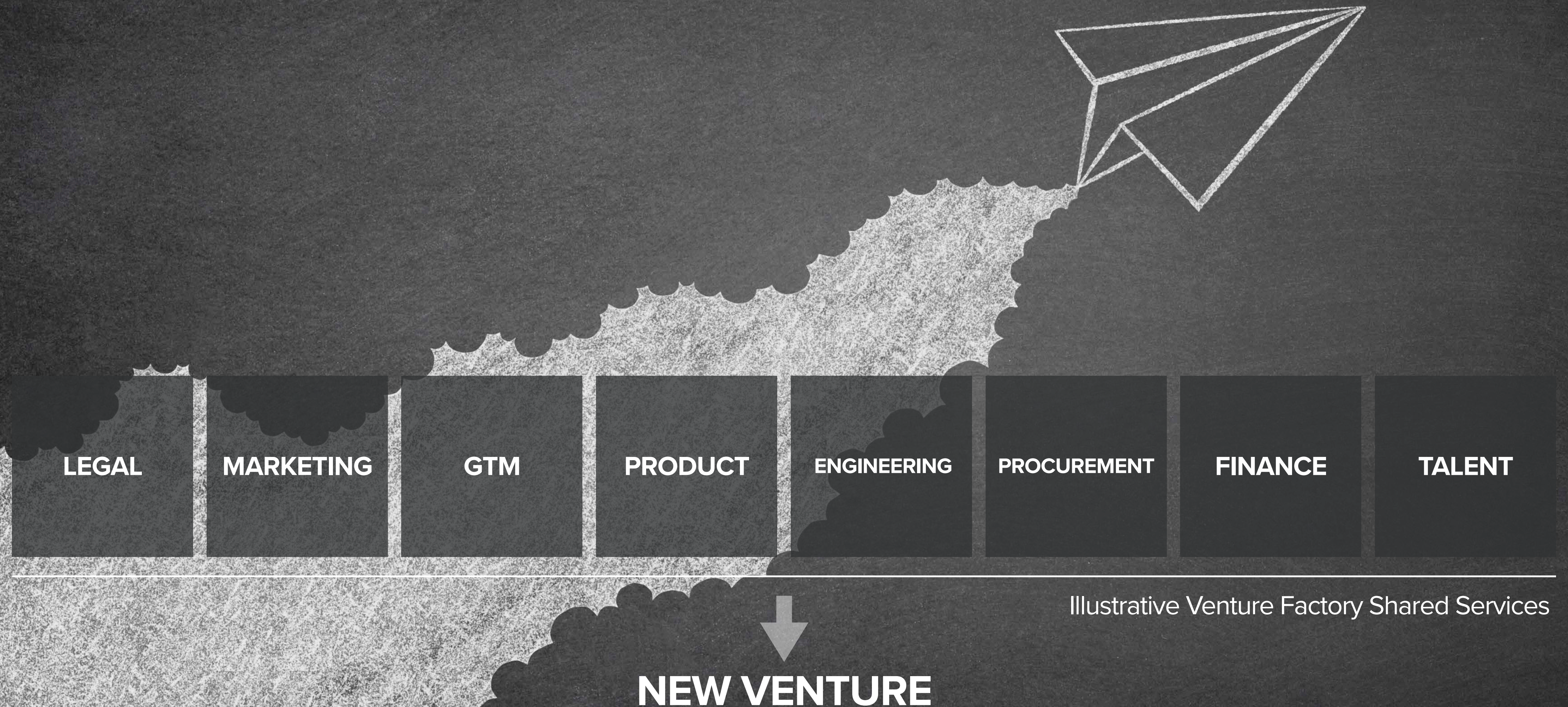
What will be the annual rhythm of Venture Factory activities and events?

Will we host venture competitions to source ideas and teams? How often?

Will we run cohorts or classes of new ventures that are all incubating at the same time, or will we stagger the starts?

Will we allow a venture to come into the Venture Factory at any time, or only at set times of the year?

WHAT SERVICES WILL THE VENTURE FACTORY PROVIDE TO VENTURES ?



... WHAT SERVICES WILL THE VENTURE FACTORY / NEW VENTURES LEVERAGE THE MOTHERSHIP TO PROVIDE?

COMPLIANCE /
REGULATORY

OPERATIONS /
SUPPLY CHAIN

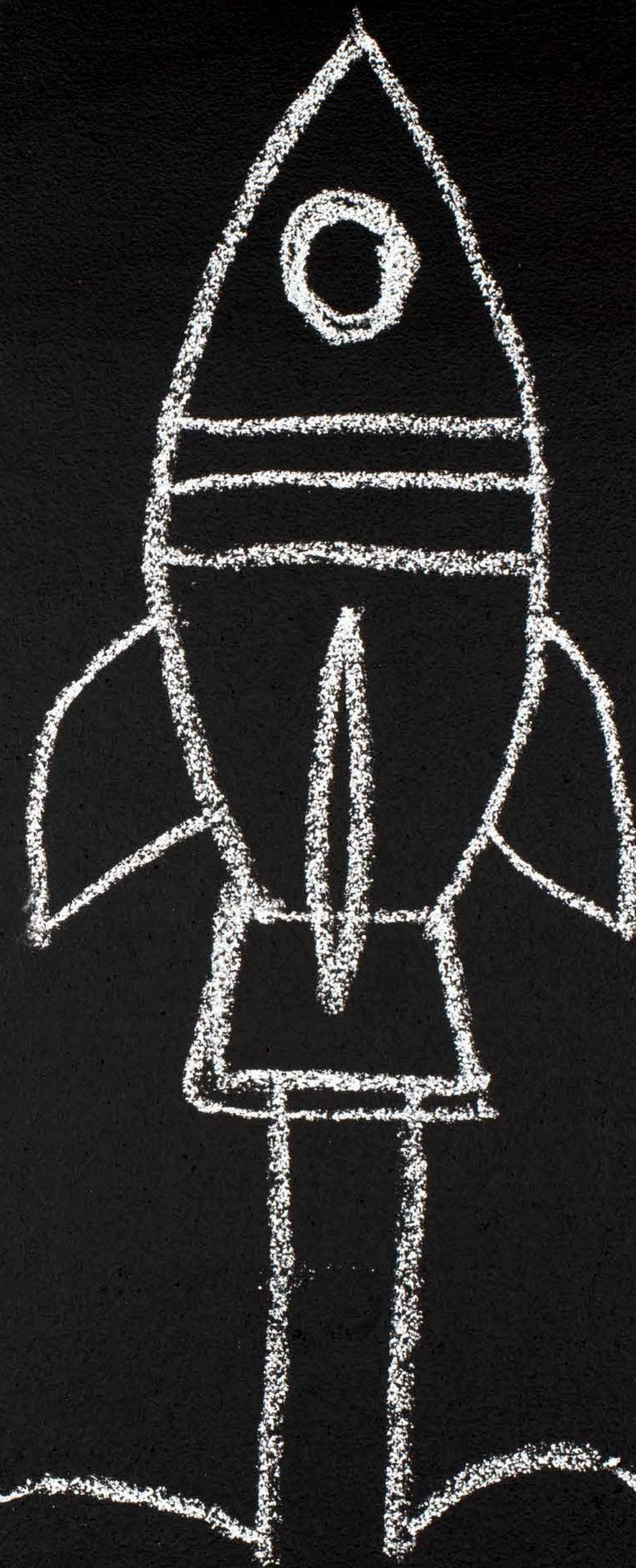
MANUFACTURING

IT

Illustrative Mothership Functions



NEW VENTURE



NEW VENTURE ADVOCATES ARE KEY TO NEW VENTURE SUCCESS.



New Venture Advocates must be empowered to make changes and exceptions to standard rules and procedures.

Who in legal will write the one-page term sheet for the deal with another startup you need to accelerate the venture (not the 40-page term sheet)?

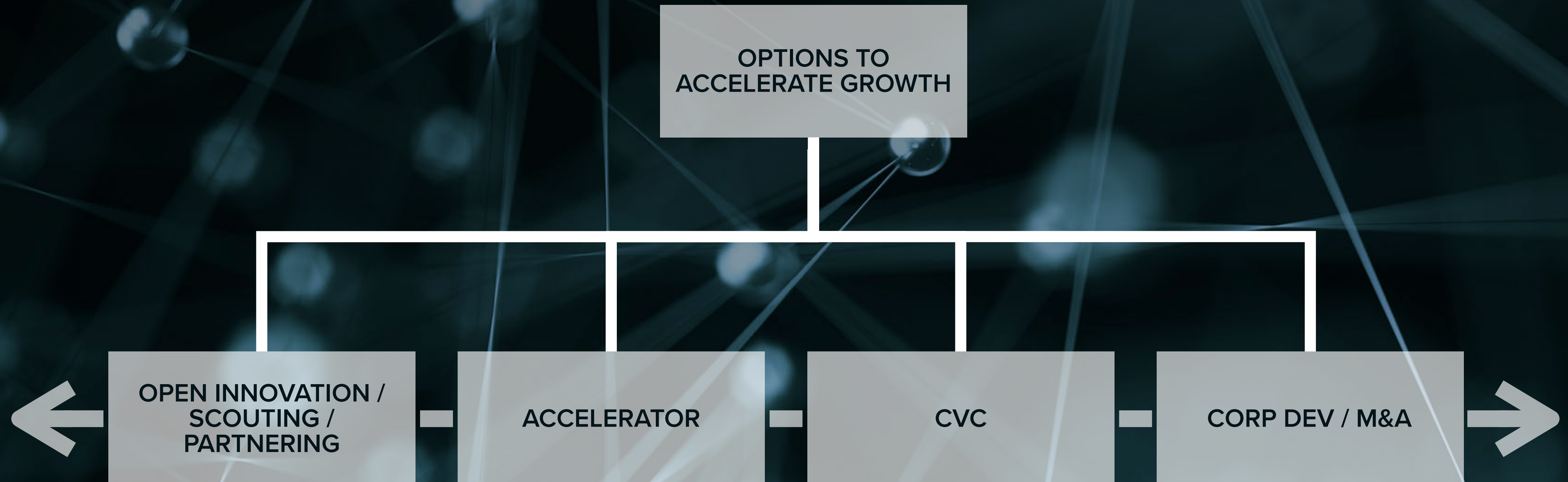
Who in procurement will get a new vendor the startup needs to partner with on your approved list in a week vs. 90 days?

Who in marketing is going to challenge the traditional brand police and help the new venture develop momentum in the market?

Who in HR is going to fast-track employees needed to build the new venture who don't look like your typical employee?

... and so on through all the departments likely to see requests from your new ventures as they accelerate and scale.

BESIDES VENTURE BUILDING, WILL YOU HAVE A VENTURE INVESTING, PARTNERING AND M&A FUNCTION?



GOVERNANCE.
VENTURE FACTORY AND NEW
VENTURES.

BE CLEAR ABOUT HOW THE VENTURE FACTORY FITS INTO THE MOTHERSHIP.

How will the **Venture Factory** be governed?

Will members of the Venture Factory Governance team also be **members** of the individual **New Venture Boards**?

Will the Venture Factory have an **Advisory Board**?

How will the Venture Factory team **gain / consolidate support from** and work with **various business units and functions**?

Will there be a **cadre of New Venture Advocates or Venture Factory Ambassadors** appointed / trained across the Mothership to support the new ventures?

How will any of these extended network members be **rewarded** and / or **recognized**?

What Mothership / antibody management and friction control mechanisms will be put in place?

THINK FRESH.

Venture Factory leadership must identify and help manage potential challenges to venture-building across the company.

Governance

Lack of Internal Entrepreneurial Talent

Risk Tolerance

Compensation

Metrics

Policies

Procedures

Procurement

Politics

Others?

ALL VENTURES MUST HAVE A NEW VENTURE BOARD.

Set Up a New Venture Board to Ensure Startup Success

With executives who can:

- Deliver funding** and make Go / No-Go decisions

- Ensure new venture can **get access** to customers, channels, and markets

- Provide **access to core competencies, assets, and capabilities** of the organization

- Remove Mothership friction** to ensure the new venture can reach escape velocity



TYPICAL NEW VENTURE BOARD (NVB)

**VENTURE
FACTORY
LEADER**

**VENTURE
FACTORY
SPONSOR**

**SENIOR
EXECUTIVES**

**BU AND
CORPORATE
SPONSORS**

PARTNER

**VENTURE-
SPECIFIC**

(SME, VC, FACULTY
ADVISOR, OTHER)

MOTHERSHIP / VENTURE GIVES AND GETS.

STARTUPS

Access to new markets / customers

Innovation credibility

New business models

New channels

Learning

New technology

New talent pool

Meaningful new growth

Seed capital

CVC portfolio

Mentorship

Industry connections

The company expertise

Technology / customer validation

Becoming an early customer

Brand equity

Strategic opportunities

MOTHERSHIP



TALENT PLAN.
VENTURE FACTORY STAFFING.

VENTURE FACTORY STAFFING. **Core Team.**

There are three types of core team members we will hire onto our Venture Factory team to support new venture development.



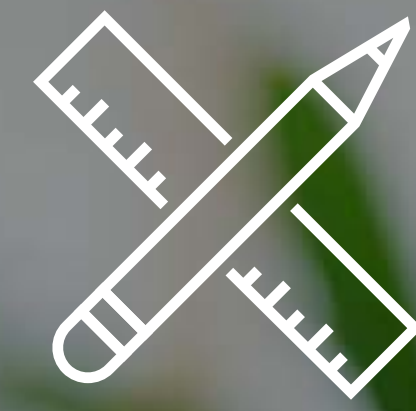
ENTREPRENEUR- IN-RESIDENCE

EIRs support the **overall venture-building process.**



CUSTOMER DEVELOPMENT LEADS

CD Leads **drive, train, and provide quality control for the three customer interview processes:** pain points, storyboards, and prototypes.



DESIGNERS

Designers are specialists who **support all areas requiring design, including storyboard and prototype development** — plus the Check-In / Pitch narrative and visual imagery.

VENTURE FACTORY STAFFING. **Specialist Team**



SUBJECT MATTER EXPERTS

Leveraged to fill team expertise or knowledge gaps.

Especially helpful in domain-specific or highly technical efforts to help build team credibility.

Helpful in network connections to source customer interviews.

Brought on for an hour, a day, a week — or for the whole project.

VENTURE FACTORY STAFFING. Specialist Team



PRODUCT / ENGINEERING SPECIALIST

Added to the team around week 6 when our solutions to pain are testing well.

May be one or many specialists based on product type (hardware, software, physical product, etc.)

Balances between conceptual product vision based on customer needs and a technical acumen on the “art of the possible.”

Leverages connections to help find the right people for each venture as needed.

VENTURE FACTORY STAFFING. **Specialist Team**



FINANCE / BUSINESS MODEL EXPERT

Added to the team around week 8 when the team is starting the Business Viability phase of incubation.

Helps to drive discipline and decisions on market sizing, business modeling, pricing, budgets, funding requirements, etc.

Ideally, someone with startup finance experience.

VENTURE FACTORY STAFFING. **Specialist Team**



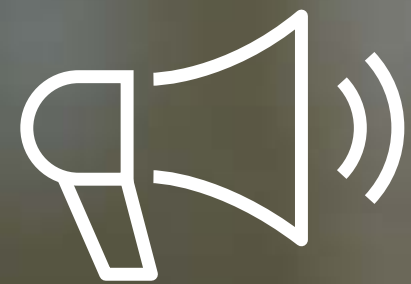
GO-TO-MARKET / SALES SPECIALIST

Added to the team to hear the week 9 Check-In presentation and learn what the venture team thinks the big opportunity might be.

Helps the team in the last phase to imagine how the product / service can go to market, and what experiments the team might run during the early Accelerate phase to determine the best way to go to market.

“Stay small and scrappy” experimentation mindset is best supported by an experienced startup strategic sales or marketing person.

VENTURE FACTORY STAFFING. **Specialist Team**



STORYTELLER

Every Venture Factory should have an expert at helping the startups tell their stories.

Teams need to think about their pitch decks not as PowerPoint, but as a narrative. You need to tell stories, not just report data.

Helps the NVB to feel customer pain, to get excited by the opportunity, and to develop a sense of urgency.

VENTURE FACTORY STAFFING. **Support Team**



INCUBATION LEADERSHIP

The Venture Factory — operating at full scale across the spectrum of new venture creation — is a full-time job.

The Venture Factory needs senior executive sponsorship at a minimum, and ultimately, senior executive leadership as well.

Balancing venture creation with Mothership needs while navigating the political waters inherent in driving change requires a seasoned leadership team.

VENTURE FACTORY STAFFING. **Support Team**



HR / HIRING / STAFFING

Staffing the various teams with the RIGHT talent will be a never-ending effort.

There are six key things this person will do:

Define where and how the Venture Factory will source talent.

Help hire and develop the Venture Factory staff.

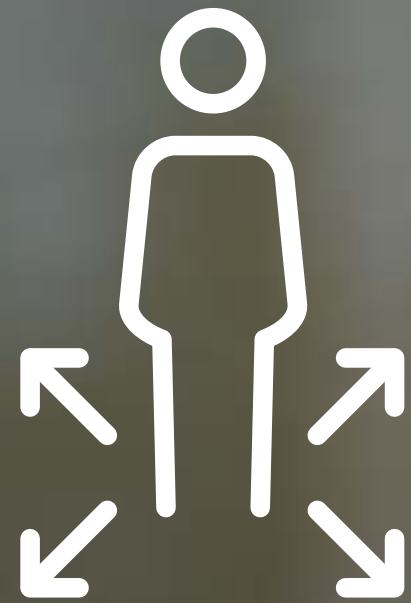
Help screen, interview, recruit, and hire the new venture team members.

Help create the programming that can help develop, curate, and refine a pool of highly motivated and exceptionally talented entrepreneurs.

Help curate and manage, on an ongoing basis, a network of outside experts and advisors.

Interface with outside recruiters.

VENTURE FACTORY STAFFING. **Support Team**



COO / PROGRAM MANAGER TO HANDLE ALL ADMINISTRATION AND COORDINATION

The dynamic nature of the Venture Factory will assuredly need someone to manage all the activity of the Venture Factory.

It is critical to have a Renaissance person for whom no task is daunting, and who can stay on top of it all — juggling a thousand things for the Venture Factory team and every new venture team.

VENTURE FACTORY STAFFING. **Support Team**



MOTHERSHIP MANAGEMENT

Depending on the complexity of the Mothership, it may be helpful to have someone whose full-time job is to manage the Mothership.

Activities this person will cover include:

Capture and share insights / learnings from Incubation and Acceleration with all of the company.

Identify, train, and manage the network of New Venture Advocates inside the Mothership to support new ventures.

Develop a network of internal experts and ambassadors who represent or can provide access to the core competencies, assets, and capabilities of the Mothership.

Act as the bridge between the new venture and the Mothership during the Accelerate phase.

Manage the Gives and the Gets as identified by the new venture team in their business.

VENTURE FACTORY STAFFING. **Support Team**



FACILITIES AND SPACE MANAGEMENT

The Venture Factory will have any number of teams coming and going at any given moment. All of them need space to set up, and ultimately photo-document and disassemble once they graduate.

Also, these teams are working a ton — and while they don't need a foosball table, they will need food and drinks to keep them going.



IT AND TECH SUPPORT

The Venture Factory will have its own hardware and software solutions, and need staff who can install, maintain, and support team members as they get going with the different technology tools they need.

ONBOARDING AND TRAINING VENTURE FACTORY STAFF WILL BE KEY TO VENTURE FACTORY SUCCESS.

STEP 1 — LEARN BY DOING

Whenever we bring on a new team member, we have them work side by side with more experienced team members as they work full-time ideating and incubating at least one new venture.

STEP 2 — LEARN BY DESIGNING

While working on their first new venture, the new members of your Venture Factory team can work with the experienced Venture Factory team members to design the Incubate phase for the next new venture.

STEP 3 — LEARN BY LEADING

Once we finish incubating the first set of ventures, the client Venture Factory team takes the lead on running ideation sessions and incubating the next set of new ventures, with more experienced team members merely mentoring.

STEP 4 — BECOME A MENTOR

Lead up to 3 incubations and mentor new Venture Factory staff.

BEYOND THE VENTURE FACTORY TEAM, RECRUITING WILL BE A CONSTANT ACTIVITY.



NEW VENTURE STARTUP teams

Own creating the new venture (see How to Guide to Selecting a New Venture Team)

NEW VENTURE BOARD teams

Venture Capital-minded executive decision board (see How To Guide to Selecting a New Venture Board)

NEW VENTURE ADVOCATE teams

Functional area experts trained in startup thinking who can become the startup factory / new venture advocates in their respective departments and / or functions

The background consists of several overlapping, semi-transparent red geometric shapes, primarily triangles and quadrilaterals, creating a dynamic, layered effect. The colors range from a deep, dark red to a bright, vibrant red.

TALENT PLAN.

NEW VENTURE TEAMS.

NEW VENTURE TEAM. Incubate Staffing.

Team size: 5 – 7. Depends on number of segments to be explored and team experience.

100% commitment to the venture for **3 months**.

All hands on deck, but members specialize over time.

Customer Research, Marketing, Go-to-Market, Subject Matter Expert (SME) and Project Manager.

Goal is to have 2 – 3 members stay with the venture post-incubation.

Great opportunity for employee engagement and leadership development.

SELECTING THE RIGHT VENTURE TEAM.

Primary Roles.

Typically, there are three primary roles that represent the core of the venture team. One person can take on multiple roles.



Leads the team at startup speed; drives strategy, story, and post-incubate plan; acts as main interface with the NVB (potential CEO for venture).



Ultimately drives and iterates product vision, roadmap, MVP, and technical feasibility.



Manages interview pipeline, helps synthesize and document results, learns to design experimentation plans.

SELECTING THE RIGHT VENTURE TEAM.

Supporting Functions.

There are additional new venture team roles that can be filled either with an existing team member playing a primary role, additional internal team members assigned to the new venture, or outside team members that Mach49 can help recruit.

PROGRAM MANAGER

Coordinates and schedules the team's work, runs team routines, resolves blockers to team's progress.

SUBJECT MATTER EXPERT

Serves as a leading voice for the nuances of the industry and market using deep domain knowledge; Team or Product Lead can play this role, or we can add an additional team member for this particular role.

GO-TO- MARKET LEAD

Develops and executes marketing, sales, and pricing plans to engage customers for the venture.

FINANCE AND OPERATIONS

Estimates total / serviceable addressable market sizes; creates revenue projections, cost models, and investment ask; helps build the operating and execution plan.

NEW VENTURE TEAM. Accelerate Staffing.

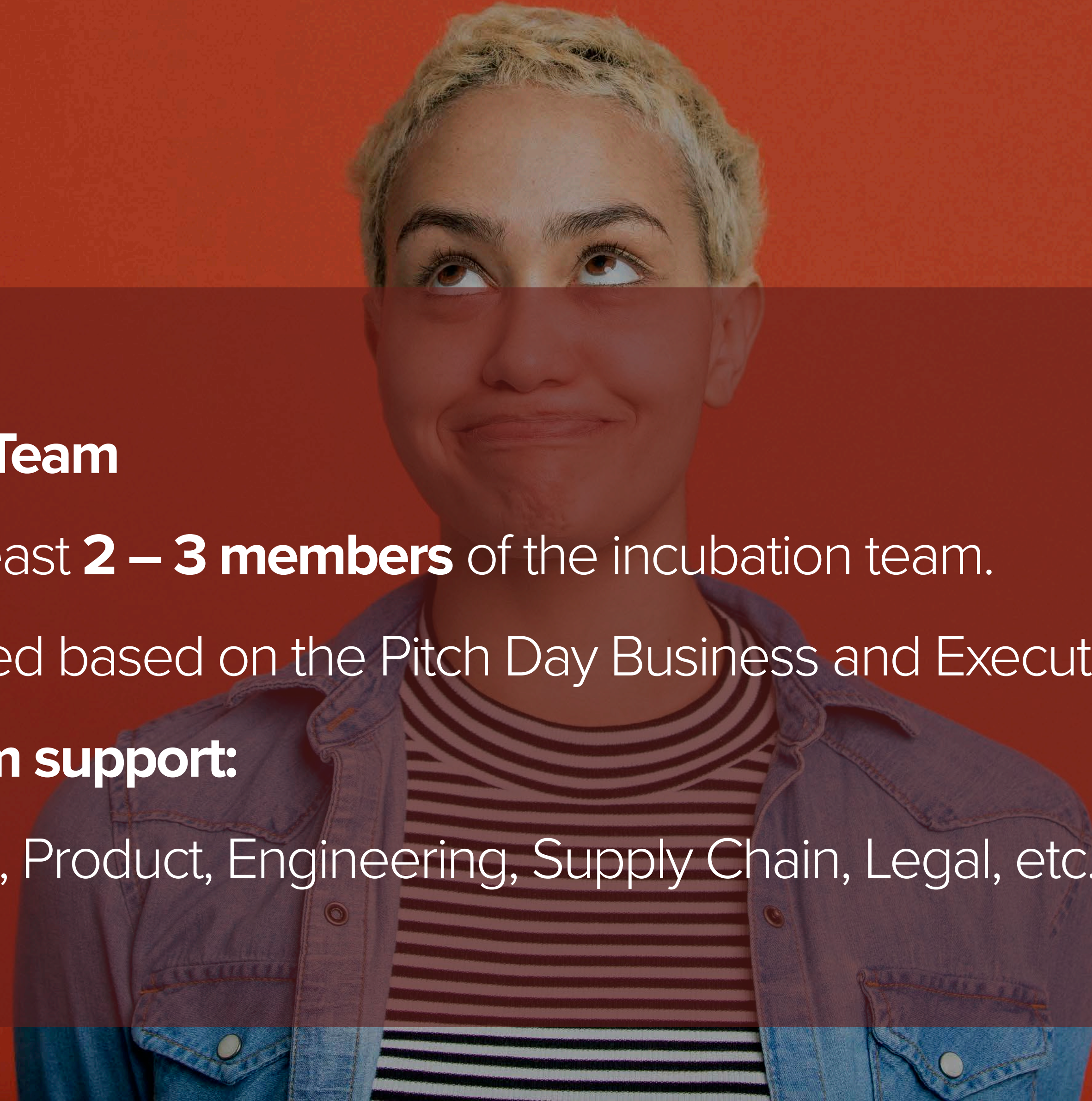
New Venture Team

Start with at least **2 – 3 members** of the incubation team.

Hire as needed based on the Pitch Day Business and Execution Plan.

Specialist team support:

Finance, SME, Product, Engineering, Supply Chain, Legal, etc.



CREATE A TALENT PLAN.
COMPENSATING GREAT TEAMS.

WE MUST CONSIDER DIFFERENT OPTIONS FOR COMPENSATING NEW VENTURE TEAMS.

	Spin-In	Wholly-Owned Subsidiary	Spin-Out NewCo
NewCo Required	No	Sometimes	Yes
Mothership Ownership Considerations	100% owned by Mothership.	100% owned by Mothership (or majority / minority in partnership).	Ownership varies by Venture / Mothership circumstance, consolidation policies. Good practice for future funding is less than 49% of common initially owned by Mothership, without ROFR / special terms.
Equity / Cash Incentive	Regular equity participation in Mothership. No specific entity equity.	Regular / no equity participation in Mothership phantom (theoretical) shares.	Founder Shares (Repurchase Rights) Stock Options / Restricted Shares.
Likely Incentive Compensation Structure	Existing Mothership Executive Comp programs. - Or - Milestone Cash Bonus Program as Venture moves through Milestones (Build to Automate, Build to Scale, Scaling).	Create Phantom Equity Structure for all team members to attract key outside talent and keep team aligned in incentive.	Founding Team receives Restricted Stock Grant at entity formation with repurchase rights (founders file individual 83b elections). Rest of team on equity incentive plan incentivized with restricted share or common stock options with vesting schedules. Initial grants followed biannual follow-on grants to preserve vested / unvested ratio for key employees.
Equity Monetization	Milestone Payouts based upon Target Pool, Longevity. Much like Traditional Corporate Bonus.	Target Pool based upon specific entity algorithm. More like Traditional VC incentive.	Liquidity-Driven (secondary share sale, Liquidity Event, IPO — secondary / public). Well-understood Traditional VC structures.

VENTURE FACTORY OPERATIONS.

ww		Same schedule for US, Europe and Asia sites								
	Team	EIR1 CD1 Design1	EIR2 CD2 Design2	EIR3 CD3 Design3	EIR1 CD1 Design1	EIR2 CD2 Design2	EIR3 CD3 Design3	EIR1 CD1 Design1	EIR2 CD2 Design2	
2	1/6 - 1/12	Week 0								
3	1/13 - 1/19									
4	1/20 - 1/26	Week 1								
5	1/27 - 2/2	Week 2								
6	2/3 - 2/9	Week 3								
7	2/10 - 2/16	Week 4								
8	2/17 - 2/23	Week 5	Week 1							
9	2/24 - 3/1	Week 6	Week 2							
10	3/2 - 3/8	Week 7	Week 3							
11	3/9 - 3/15	Week 8	Week 4	Week 0						
12	3/16 - 3/22	Week 9 (Check-in)	Week 5							
13	3/23 - 3/29	Week 10	Week 6	Week 1						
14	3/30 - 4/5	Week 11	Week 7	Week 2						
15	4/6 - 4/12	Week 12 (Pitch Day)	Week 8	Week 3						
16	4/13 - 4/19		Week 9 (Check-in)	Week 4						
17	4/20 - 4/26		Week 10	Week 5	Week 1					
18	4/27 - 5/3		Week 11	Week 6	Week 2					
19	5/4 - 5/10		Week 12 (Pitch Day)	Week 7	Week 3					
20	5/11 - 5/17			Week 8	Week 4					
21	5/18 - 5/24			Week 9 (Check-in)	Week 5					
22	5/25 - 5/31			Week 10	Week 6	Week 0				
23	6/1 - 6/7			Week 11	Week 7					
24	6/8 - 6/14			Week 12 (Pitch Day)	Week 8	Week 1				
25	6/15 - 6/21				Week 9 (Check-in)	Week 2				
26	6/22 - 6/28				Week 10	Week 3				
27	6/29 - 7/5				Week 11	Week 4				
28	7/6 - 7/12				Week 12 (Pitch Day)	Week 5	Week 1			
29	7/13 - 7/19					Week 6	Week 2			
30	7/20 - 7/26					Week 7	Week 3			
31	7/27 - 8/2					Week 8	Week 4			
32	8/3 - 8/9					Week 9 (Check-in)	Week 5			
33	8/10 - 8/16					Week 10	Week 6	Week 0		
34	8/17 - 8/23					Week 11	Week 7			
35	8/24 - 8/30					Week 12 (Pitch Day)	Week 8	Week 1		
36	8/31 - 9/6						Week 9 (Check-in)	Week 2		
37	9/7 - 9/13						Week 10	Week 3		
38	9/14 - 9/20						Week 11	Week 4		
39	9/21 - 9/27						Week 12 (Pitch Day)	Week 5	Week 1	
40	9/28 - 10/4							Week 6	Week 2	
41	10/5 - 10/11							Week 7	Week 3	
42	10/12 - 10/18							Week 8	Week 4	
43	10/19 - 10/25							Week 9 (Check-in)	Week 5	
44	10/26 - 11/1							Week 10	Week 6	
45	11/2 - 11/8							Week 11	Week 7	
46	11/9 - 11/15							Week 12 (Pitch Day)	Week 8	
47	11/16 - 11/22								Week 9 (Check-in)	
48	THANKSGIVING								Week 10	
49	11/30 - 12/6								Week 11	
50	12/7 - 12/13								Week 12 (Pitch Day)	
51	12/14 - 12/20									
52	12/21 - 12/27 - XMAS									
53	12/28 - 1/3 - NEW YEARS									

HOW MANY
VENTURES
WILL YOU
INCUBATE
PER YEAR?

ww		Same schedule for US, Europe and Asia sites								
	Team	EIR1 CD1 Design1	EIR2 CD2 Design2	EIR3 CD3 Design3	EIR1 CD1 Design1	EIR2 CD2 Design2	EIR3 CD3 Design3	EIR1 CD1 Design1	EIR2 CD2 Design2	
2	1/6 - 1/12	Week 0								
3	1/13 - 1/19									
4	1/20 - 1/26	Week 1								
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8	2/17 - 2/23	Week 5	Week 1							
9	2/24 - 3/1	Week 6	Week 2							
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22	5/25 - 5/31			Week 10	Week 6	Week 0				
23	6/1 - 6/7			Week 11	Week 7					
24	6/8 - 6/14			Week 12 (Pitch Day)	Week 8	Week 1				
25	6/15 - 6/21				Week 9 (Check-in)	Week 2				
26	6/22 - 6/28				Week 10	Week 3				
27	6/29 - 7/5				Week 11	Week 4				
28	7/6 - 7/12				Week 12 (Pitch Day)	Week 5	Week 1			
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31	7/27 - 8/2					Week 8	Week 4			
32	8/3 - 8/9					Week 9 (Check-in)	Week 5			
33	8/10 - 8/16					Week 10	Week 6	Week 0		
34	8/17 - 8/23					Week 11	Week 7			
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51	12/14 - 12/20									
52	12/21 - 12/27 - XMAS									
53	12/28 - 1/3 - NEW YEARS									

HOW MANY
WILL YOU
LIKELY
ACCELERATE
PER YEAR?

DESIGNING THE VENTURE FACTORY EXPERIENCE.

SPACE DESIGN MATTERS.

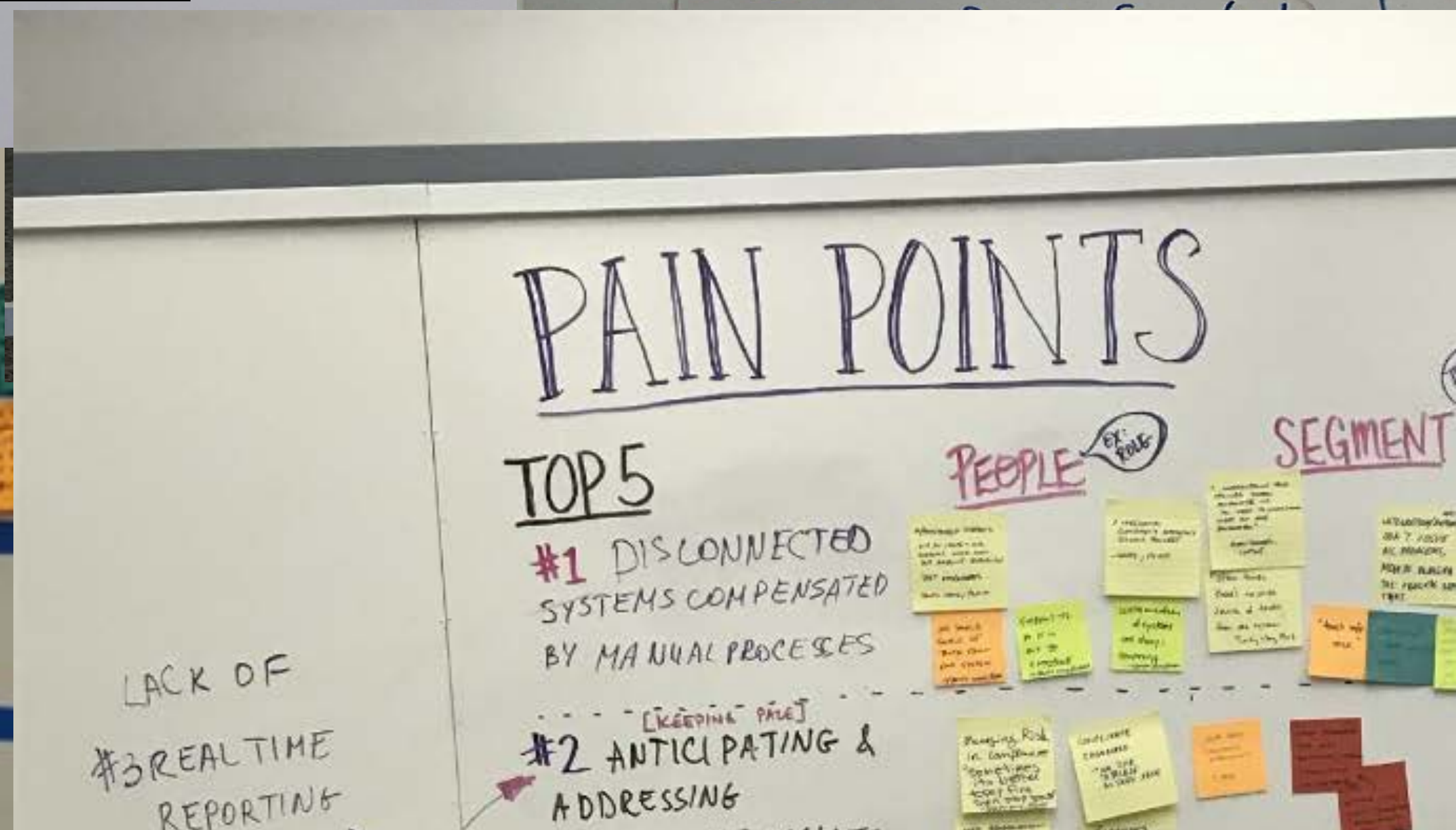
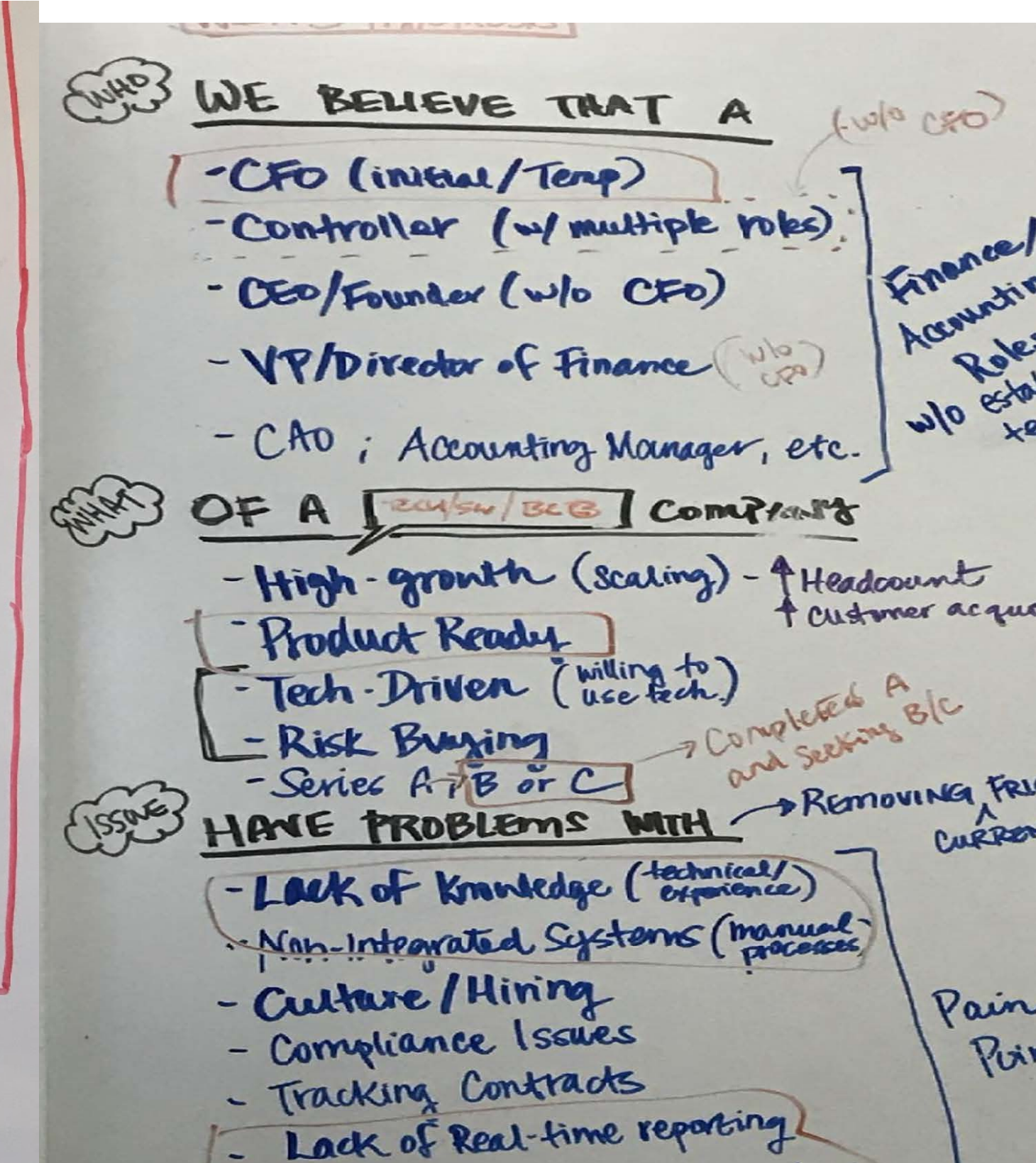
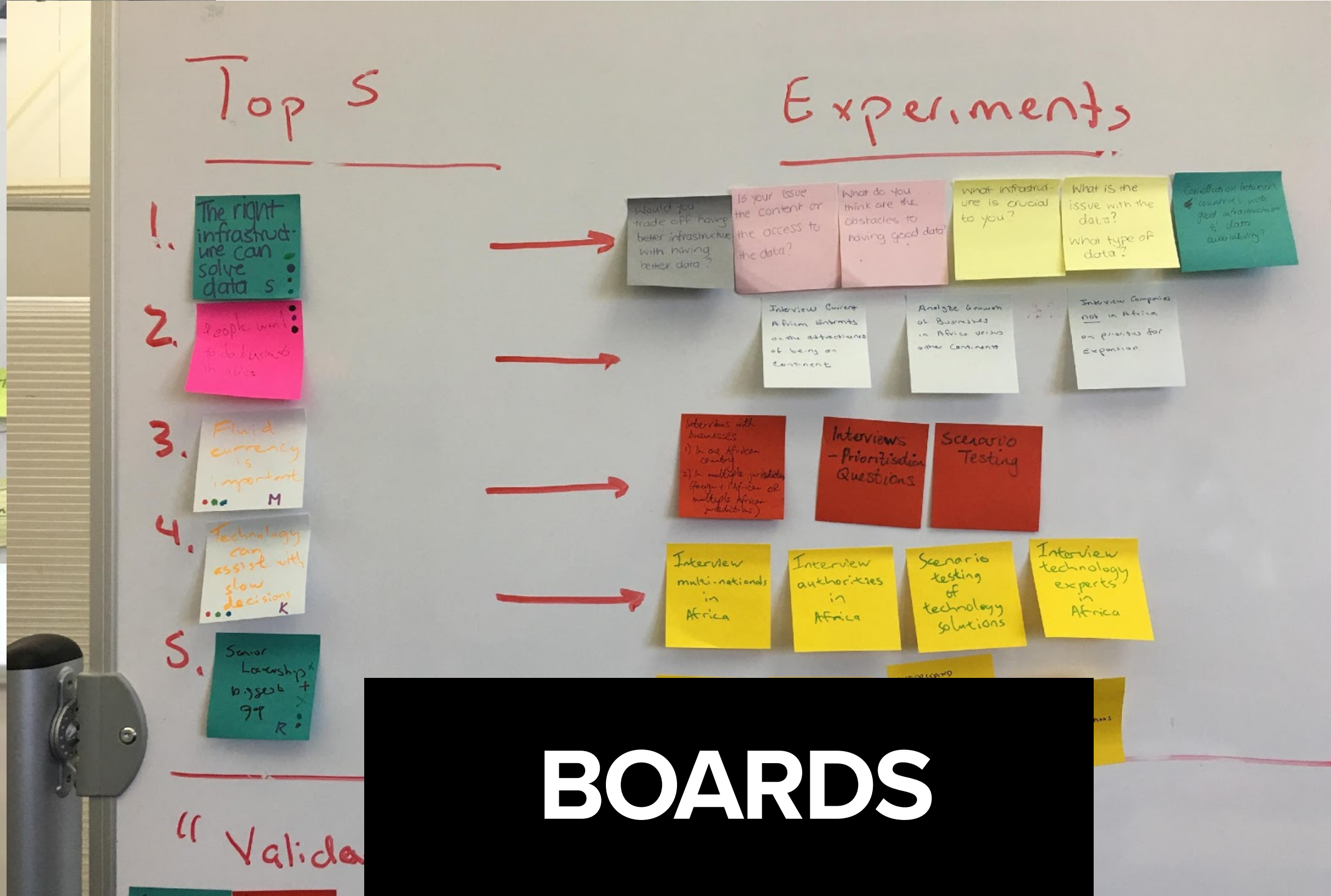


Design Thinking Lab
Team Rooms
Interview / Zoom Rooms
Event Space
Maker Space
Media Space



TEAM ROOM

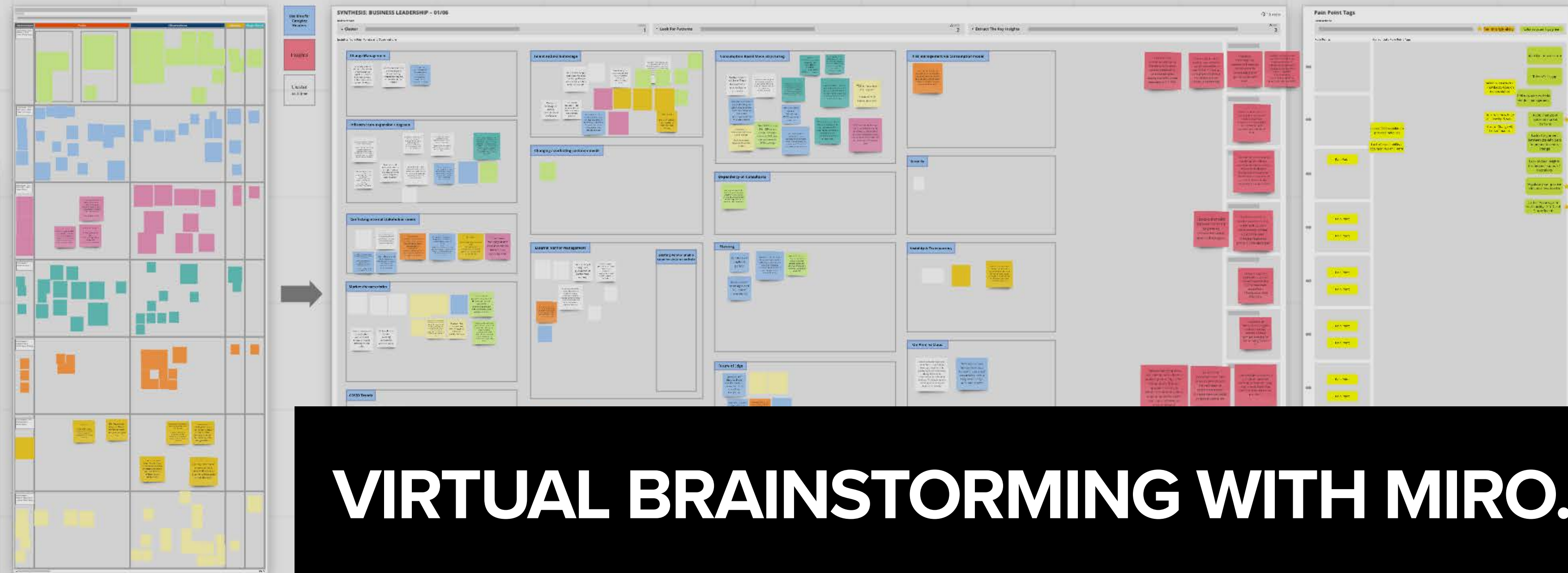




EXTENDING THE TEAM GLOBALLY

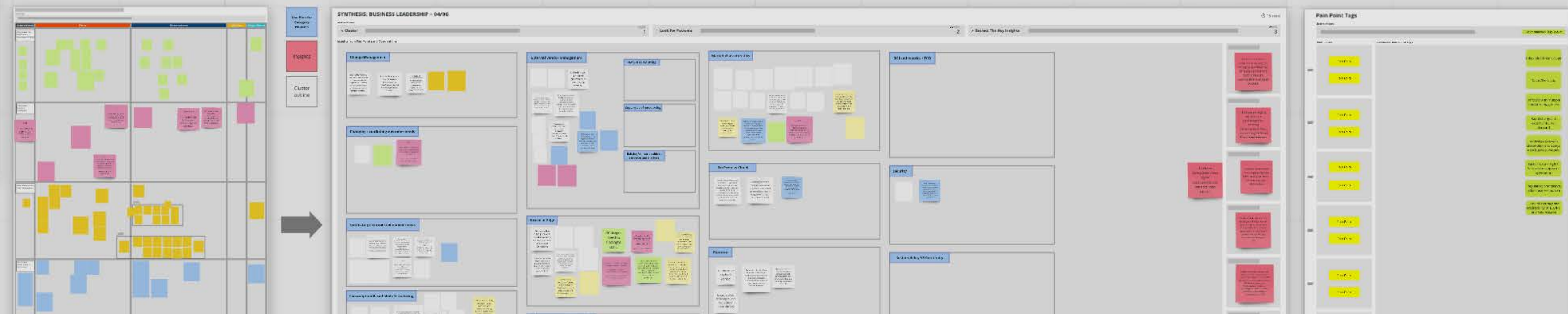


Copy of POQs: Business Leadership - 01/06



VIRTUAL BRAINSTORMING WITH MIRO.

04/06 Copy of POQs: Business Leadership Synthesis 04/06 Business Leadership - 04/06





HAVE FUN!

**FINALIZE VENTURE FACTORY
TOOLS, METHODOLOGY,
AND TECHNOLOGY STACK.**

MANAGING THE 12 WEEKS.

NewCo Weekly Schedule

ListBoardTimelineCalendarProgressFormsMore...

+ Add Task

Incomplete tasksFilterSortRulesFields

Task name	Assignee	Due date	
Week 0 Prep			
INTERNAL			
Review "What Worked and What Didn't Work" Archive from Past Incubations			
INCUBATION PLAN			
Send Incubation bundle to key mothership leadership			
Update Incubation Plan and re-publish			
New Venture Team			
Identify, interview and finalize short list of potential team members.			
Mothership Management			
Distribute team selection guide			
Distribute content & host 2H NVB Onboarding session			
Determine comms plan back to the mothership			
Idea Generation-Blitz			

New Master (WIP)

ListBoardTimelineCalendarProgressFormsMore...

JYERMC

Share

Search

+ ? Upgrade ER

Created on Nov 12, 2019

Incomplete tasksFilterSortRulesFields

Early Project Prep Phase 1	Early Project Prep Phase 2	Week 0 Prep	Project Prep Phase 3
+ Create New Asana Project 4	+ Schedule internal team kickoff call	+ Reserve week 0 facilities & send out invite	+ Calendar Synthesis & weekly synch
Create New Incubation Folder in GDrive 3	Schedule 2 hour NVB Onboarding Sessions 2	Schedule 1 hour Week 0 Script Review and Walk through meeting	Calendar weekly meeting w/ team lead, client lead & sponsor.
Review "Incubate Retrospectives" Archive from Past Incubations	Distribute content & host 2H NVB Onboarding session	Schedule Week 0 Friendly Interview	Determine comms plan back to the mothership with Sponsor
Assign weeks, resources & room in Staffing Overview/Incubate Calendar doc	Schedule 1 hour client team kickoff	Place Week 0 printing assets (Posters and Handouts) into separate printing folder in the Active folder for that Incubation	Exit criteria: regular meetings calendared on team calendar
Start contact list	Host 2h Challenge Framing session	Set up Week 0 space	
Create client facing incubation	Calendar NVB Check-in and Pitch Day meetings		

BUILDING A CONTENT LIBRARY.

My Drive

>

...

>

0. Setup

>

Mach49 Example Team GDrive

Name

↑

Homework

Interview Notes

Interview Prep Materials

Interview Recordings

Interview Scripts

Mach49 Content

Personas

Photo Documentation

Presentations

Prototypes

Storyboards

Accounts and Passwords

SYNTHESIS AND STORYBOARD
TRAINING FACILITATION GUIDE

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HOW IT'S DONE

Customer Development team member to train client team on Storyboard Creation and testing following the process steps outlined below.

Time Required	Module	Goal	Links
60 Minutes	Synthesis / EIR	Synthesize insights from Pain Point interviews into themes and hypotheses for Storyboard Interviews	PDF: Synthesis Instructions Keynote: Synthesis Instructions
45 Minutes	Storyboard Training	Introduce Storyboards and teach team to draw	PDF: Storyboard Creation Keynote: Storyboard Creation
60 Minutes	Concept Development and Storyboard Generation / CD and Design co-lead	Generate a broad solution set for storyboards. Start by teaching how they'll use the Storyboard Creation Deck	Local version of: Storyboard Creation Deck
30 Minutes	Storyboard Philosophy and Quiz	Help the team understand that their assumptions may be incorrect and communicate best practices for storyboard research	PDF: Customer Development Mindset Training (formerly known as the Storyboard Quiz w/ Slack)

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How To Guide

STORYBOARD CREATION — WEEK 0

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EXAMPLE LEAD-IN
STATEMENT.

“Pretend you are [user/persona] that is [objective/goal]. You hear about Lock this object to prevent editing. n] that might help you with [objective / goal]. Use System A and think out loud as you go.”

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KITCHEN SINK
PROTOTYPE SCRIPT

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■ (Optional) How likely is it that you would recommend this to a friend or colleague on a scale of 0 – 10? (With 0 being not at all likely and 10 being extremely likely.)

■ Why is that?

AT THE END OF ALL SCENARIOS:

■ Looking at all of the stories together, all that you want through today:
How likely is it that you would recommend this to a friend or colleague on a scale of 0 – 10? (With 0 being not at all likely and 10 being extremely likely.)

■ Why is that?

■ You went through several stories today. How would you prioritize these in your own life / business?

■ If you were talking to a friend or colleague and telling them what this system is and what it does, what would you tell them?

■ Overall, can you tell me 3 things you like best and 3 things you like least?

■ Was there anything you expected to see, but didn't?

■ Was there anything that surprised you?

■ Ask anything specific that came up during the test that you'd like to drill into more deeply. You should be saving most of your questions until this point.

■ (Optional) What might you do to improve on any of the systems?

■ Do you have any questions for me?

■ Would you mind if I reached out to you in the future to hear your thoughts as things evolve?

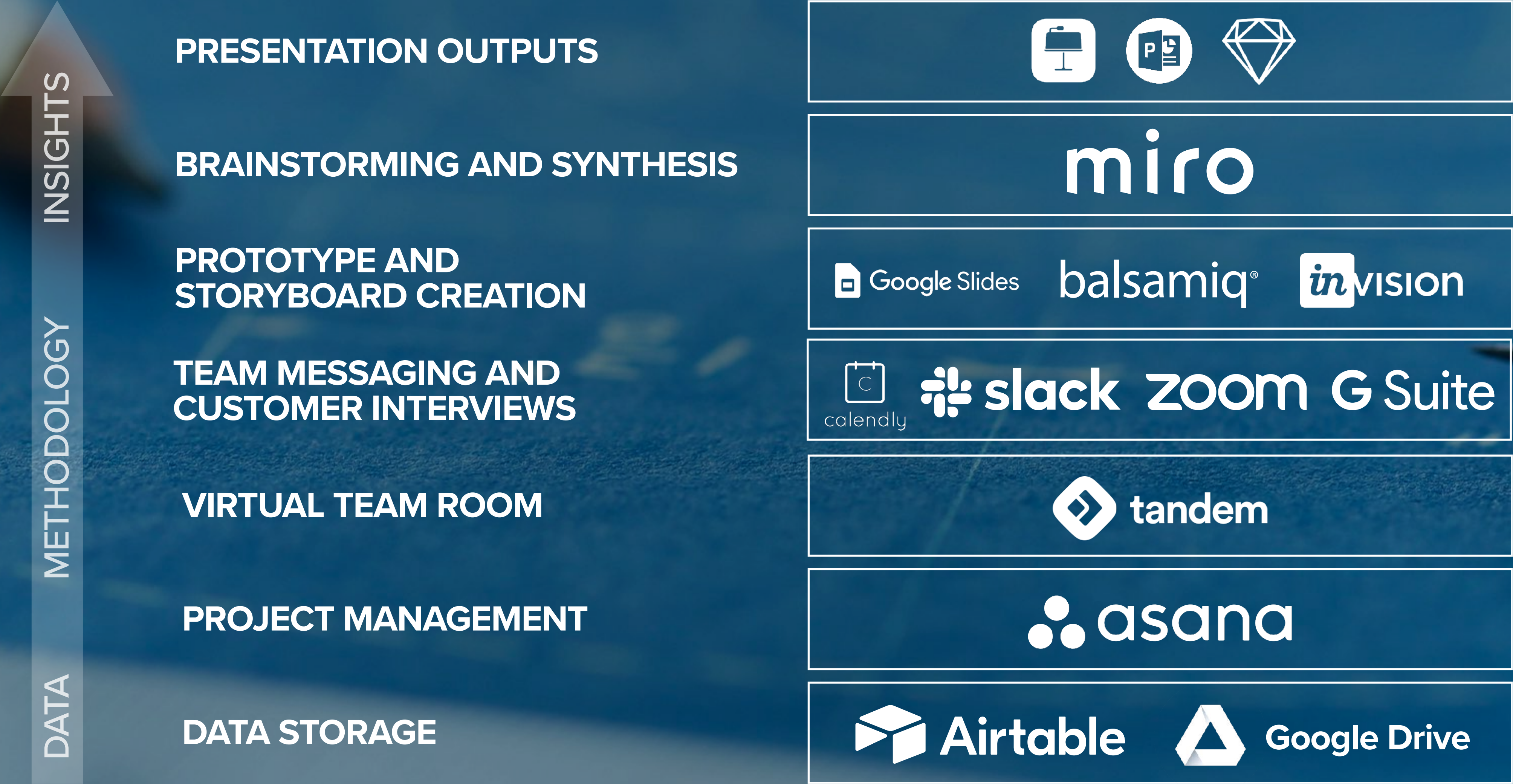
■ (Depending on team philosophy) Also, I'm happy to send you anonymized aggregated observations from these interviews if that would be interesting to you. Would you like me to send them?

■ Only if this is a first-time interview:
I'm continually looking for feedback from people like you. Is there someone else whom you think would be comfortable giving us their thoughts?

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LEVERAGE TECHNOLOGY TO EXPEDITE VENTURE-BUILDING.



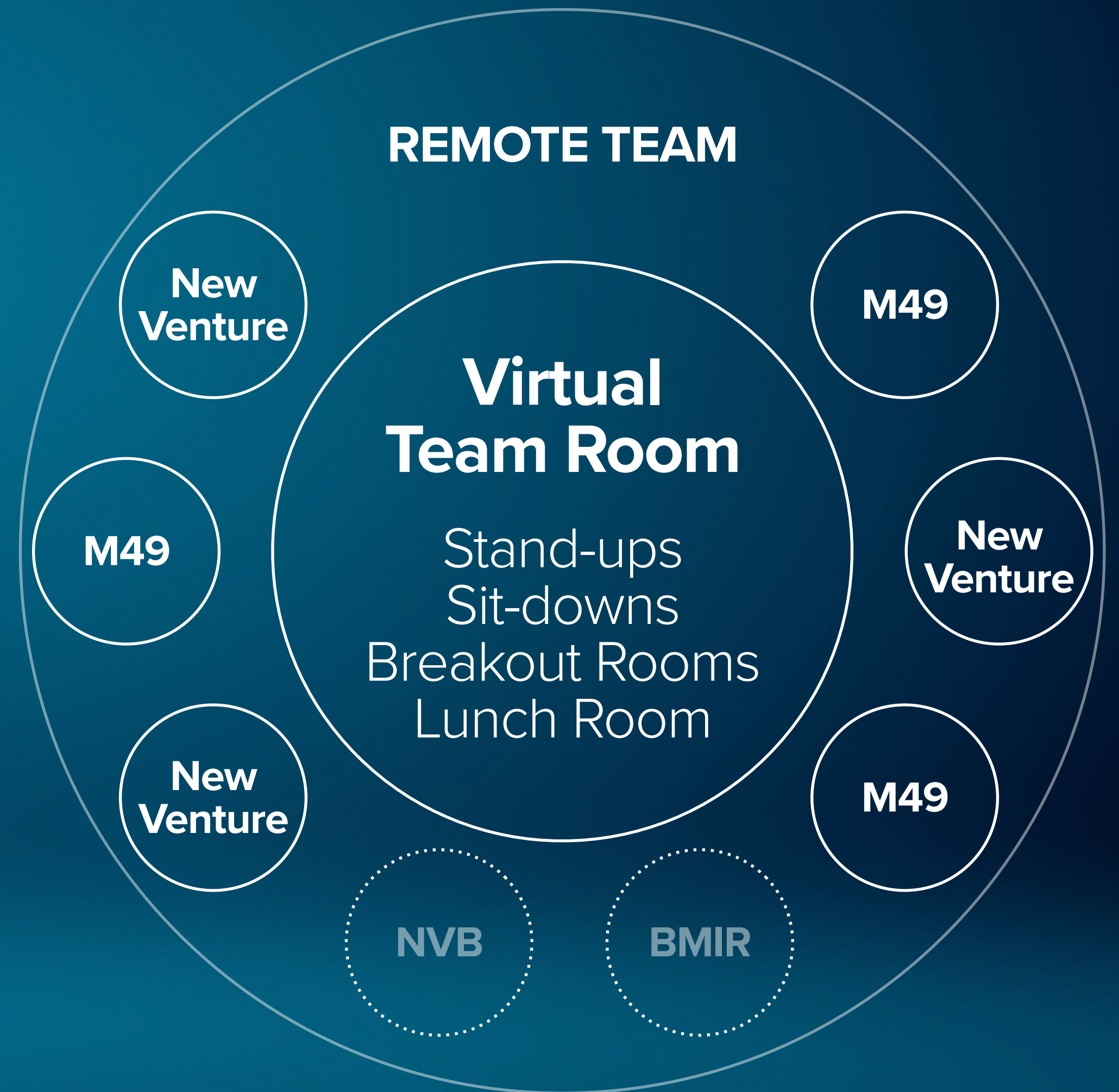
VIRTUAL ENVIRONMENTS ARE CRITICAL

The **virtual team room** is the hub of a virtual incubation.

This is the center of our world and where **the team interacts on a daily basis**.

We also have an **entire virtual office** at our disposal.

Virtual rooms for various activities and events allow us to **move our office seamlessly into a digital environment**, giving us the transparency, freedom of movement, and realistic feeling of being in our physical team rooms.



HOME OFFICE SETUP FOR VIRTUAL TEAMS.



DON'T FORGET THE SUPPLIES (OR THE SNACKS).

When we have client new venture teams move in, we outfit the room with the following supplies:



OFFICE SUPPLIES

Post-it Notes — Super Sticky Kind
Sharpies — Black / Blue
Pens / Highlighters
Pencils / Pencil Sharpener
Blue Painter's Tape
Whiteboards, Dry Erase Markers, Erasers
Foam Core Boards
Scissors
Stapler, Tape, Paper Clips, Binder Clips
Recycling and Garbage Cans
Cleaning Supplies, Tissues, Basic First Aid Kit

ELECTRONICS / IT

Desktop Monitors
Access to Printer
Extension Cords, HDMI Cables, and Computer Connectors

OFFICE EQUIPMENT

Tables, Chairs, and File Cabinets
Storage or Shelf Unit
Water Cooler and Fridge
Compostable Paper Products (Plates, Cups, Utensils, Napkins, etc.)
Basic Kitchen Equipment So You Never Have to Leave the Space

PROVISIONS

Healthy Snacks and Drinks
Tea / Coffee / Sugar / Honey / Beverages
Water Bottle
RESOURCES: BOOK AND ARTICLES
Mach49 Client Handbook
Mach49 Knowledge Library

**PROGRAMMING AND
INSPIRATION.**

THE VENTURE FACTORY CAN HELP THE MOTHERSHIP BUILD A GLOBAL CORPORATE COMMUNITY FOCUSED ON GROWTH.

Inspire. Enable. Excite.

Drive employee engagement.

Build a global community focused on growth.

Maximize collisions, collaboration, inquiry, surprise,
and serendipity.

Develop future leadership.



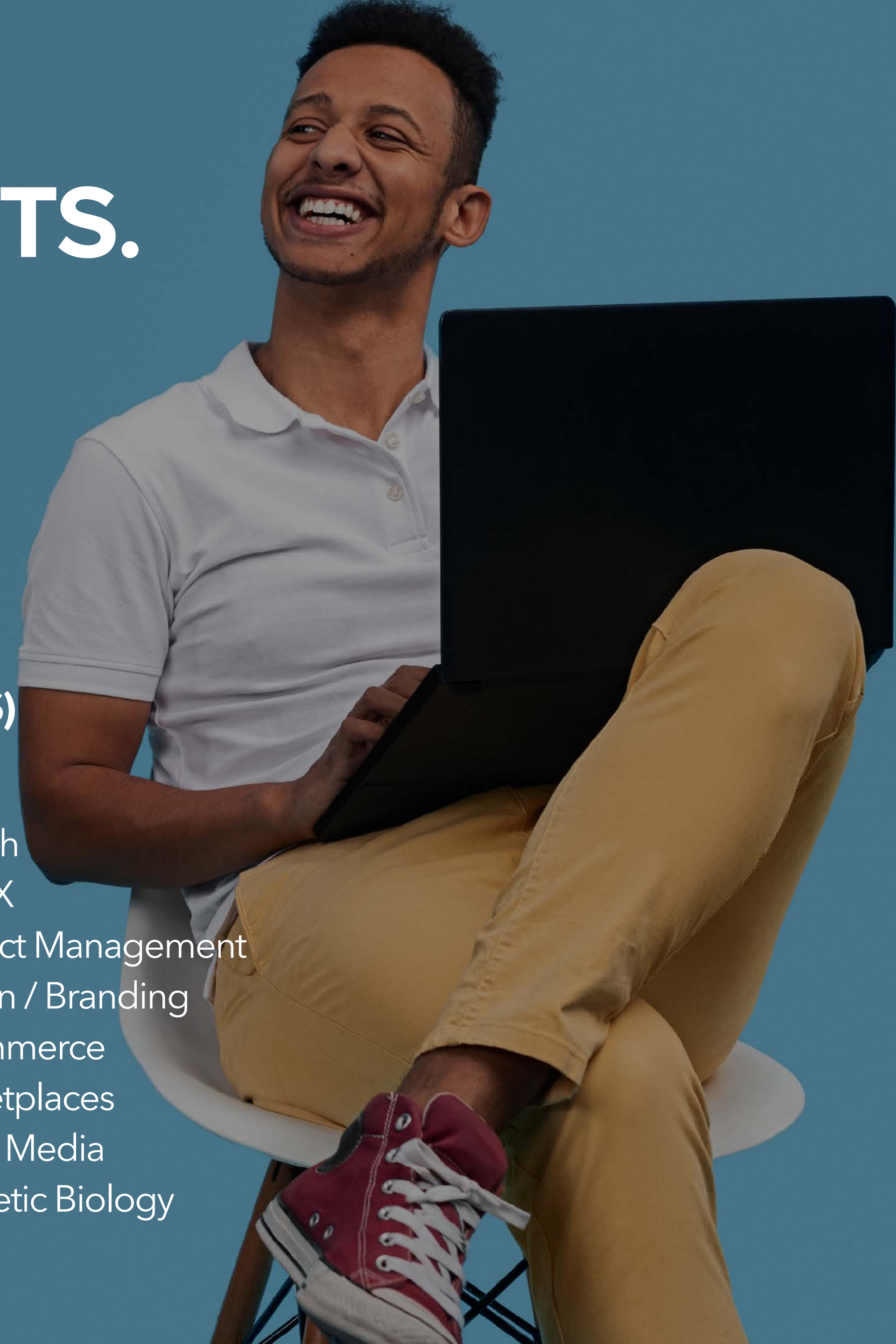
TEAM MEMBERS WILL MASTER NEW CONCEPTS.

EXPOSE TEAM TO BROAD RANGE OF NEW VENTURE- RELEVANT TOPICS (SEE APPENDIX FOR MORE TOPICS)

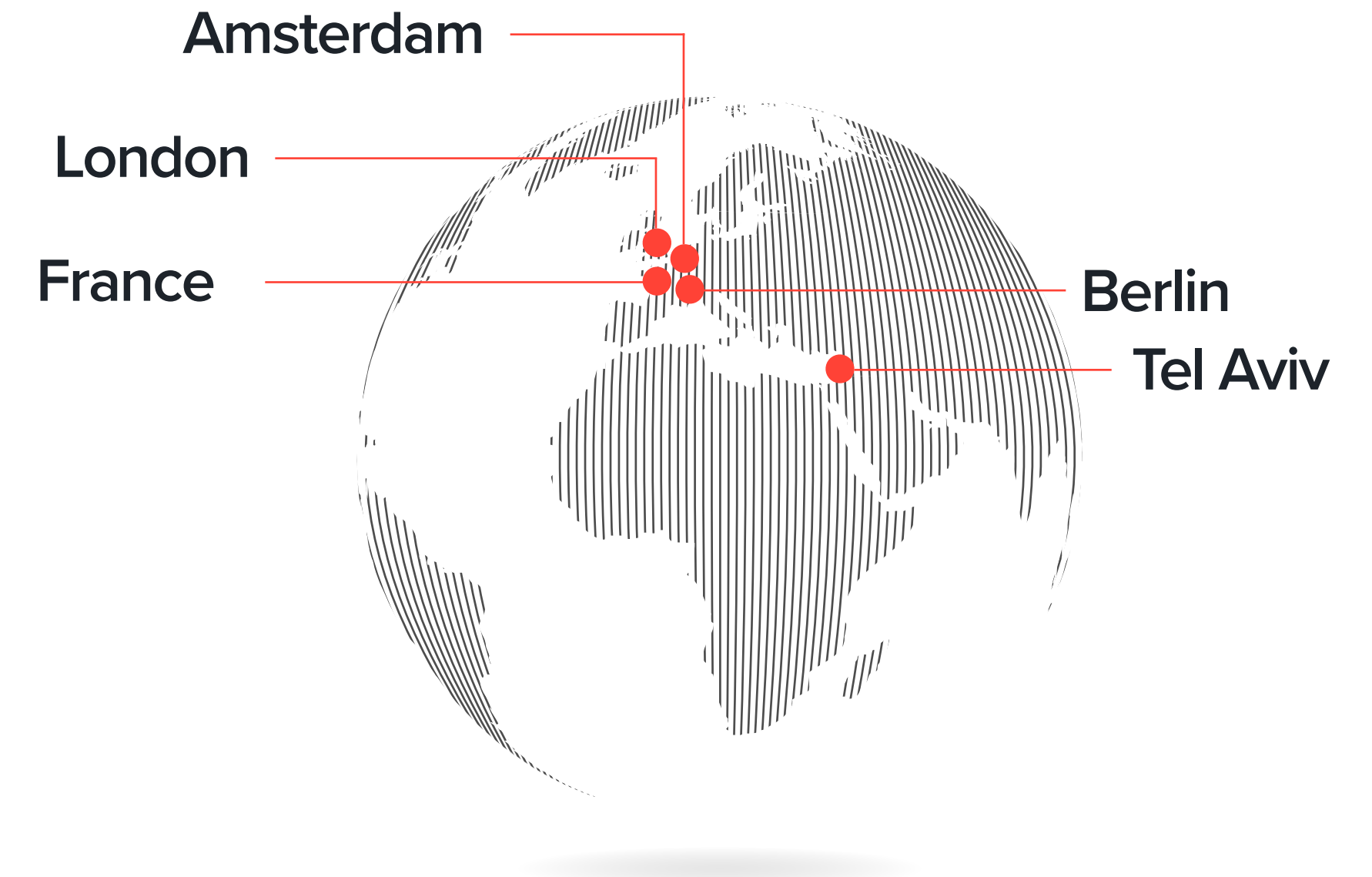
Design Thinking Workshops
Business Plan Competitions
Idea Hackathons
Agile Development
Makers and Mentors
New Venture Incubation
Startup Demo Days
Mothership Management
Corporate Venturing

Lean Startup
Customer Validation
Big Data
Machine Learning
Predictive Analytics
Growth Hacking, Scaling
IoT, IIoT
Smart Home
Digital Health

Fintech
UI / UX
Product Management
Design / Branding
E-commerce
Marketplaces
Social Media
Synthetic Biology



EXTEND YOUR PROGRAMMING REACH GLOBALLY.



Build a network of experts to call on for information, inspiration, conversation.

COMMUNICATION PLAN. VENTURE FACTORY.

PREPARE A COMMUNICATION PROGRAM TO SHARE / SCALE LEARNING, INSIGHTS, AND STORIES

How will we consolidate corporate support and sponsorship?

Does it make sense to “stay under the radar,” or to message startup factory efforts broadly within the company?

What is your external PR plan? Are teams staffed appropriately to handle the follow-up?

How can the communications plan also satisfy the need for ongoing talent recruitment?

How will we communicate the value we are providing, including useful customer insights that could be used more broadly?

BLOCKING AND TACKLING IS KEY

Talking points / key messages

Internal (examples)

Benefits to the Mothership
Key **learnings** and **insights**
Investment **highlights**
Portfolio company **news**
Interesting **events** to attend

External (examples)

Market knowledge and point of view
(demographic, ethnographic, trends)
Access to company customers and partners
for pilots and early product validation
The **company as a customer** to lend brand
validation and credibility
The **company as a channel partner** to sell /
market to your customers
Wide range of **operating expertise** (data,
supply chain, sales, marketing, etc.)

Internal mechanisms

Regular newsletter / blog / video /
podcasts on CVC activities

**Solicitation of Mothership and
Business Unit ideas** and customer
insights

Regular sharing on trends,
technology, customer desirability,
industry moves

Reach out to internal experts to help
startups leverage our global assets
and capabilities

Board meeting presentations

External mechanisms

Website

Social media

Newsletter, blog, podcast

Launch event

Ongoing outreach to press, influencers, think
tanks, universities, industry / domain experts
with public relations

Regular appearances at events, panels,
meetups, entrepreneur forums

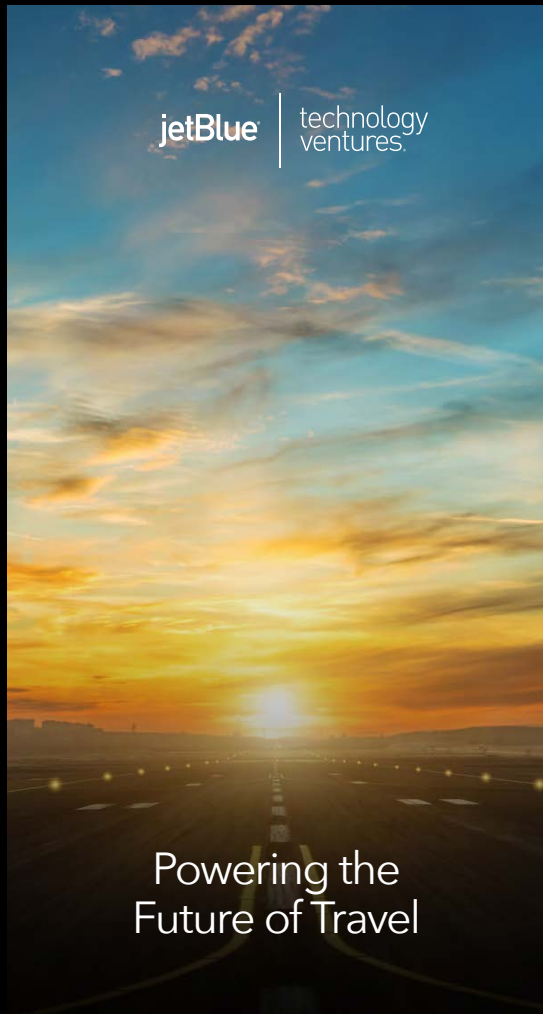
Joint events with complementary corporate
venturing units, G1000-backed startups

Regular meetings with strategic VCs

Outreach to universities (with campus
communications), millennial and Gen Z
influencers (sensor network)

REMEMBER – DESIGN MATTERS IN EVERYTHING YOU DO.

Brochure



jetBlue | technology ventures

Powering the Future of Travel

We focus on **five themes**.



Seamless Customer Journey



Technology Powered Magnificent Service



Future of Maintenance and Operations



Innovation in Distribution, Revenue and Loyalty



Evolving Regional Travel

jetBlue | technology ventures

JOB Y AVIATION

MEET Joby Aviation

Building a fully-electric vertical take-off and landing passenger aircraft optimized to deliver air-transportation-as-a-service.

The company's vehicle is a 5-seat aircraft that is faster than existing rotorcraft, flies 150 miles on a charge, and will be 100 times quieter than existing rotorcraft or small planes during takeoff and landing and near-silent in flyover.

"People waste billions of hours sitting on roads worldwide each year. We envision a future where commuting by eVTOL is a safer, faster, and cost-competitive alternative to ground transportation. We have spent the last ten years developing the technologies that have made our full-scale technical demonstrator possible and are now ready to build a commercial version of the aircraft. We're excited to have attracted the backing of JetBlue Technology Ventures, a leader in the transportation sector."

Joe Ben Bovert
Founder and CEO

www.jobyaviation.com

FILAMENT

MEET Filament

Maximizes the potential of connected devices via a wireless network that's flexible and secure.

Filament's Blocklet™ application software and Blocklet Chip™ hardware solutions enable connected machines and devices to transact and exchange value against a blockchain, taking enterprise and industrial IoT connectivity benefits to the next level.

"JetBlue Technology Ventures was able to see what we were trying to build quickly, and that doesn't always happen. They even helped us see spots where we could use our technology that we hadn't considered. Working with them has been wonderful."

Allison Clift-Jennings
CEO and Co-founder

www.filament.com

jetBlue | technology ventures

www.jetblueventures.com

Website

jetBlue | technology ventures

ABOUT PORTFOLIO PEOPLE NEWS & EVENTS CONTACT NEWSLETTER

We invest in and partner with early stage startups at the intersection of technology and travel.

Explore our investment focus

Sign up for our weekly newsletter to keep up to date on the future of travel!

PORTFOLIO COMPANIES

Looping Video for Events / Lobby

jetBlue | technology ventures portfolio

Bringing you electric air travel to a thousand miles



ZUNUM Aero

COMMUNICATED WELL, YOUR VENTURE FACTORY SENDS A POSITIVE MESSAGE TO OUR COMPANY, INVESTORS, PARTNERS, RECRUITS — TO THE WORLD.

Innovation at our company is not mere window dressing, it's for real.

We aren't just talking about growth, we are **building an engine for growth.**

We have no intention of getting disrupted, but every intention of being the disruptor, leveraging all the gifts we have as a large company — ideas, talent, brand, resources, technology, channels, capital, global reach, and customers — to **beat the startups at their own game.**

We are a growth stock, not a value stock.

We aren't abandoning our core as we continue to work on new products and business line extensions.

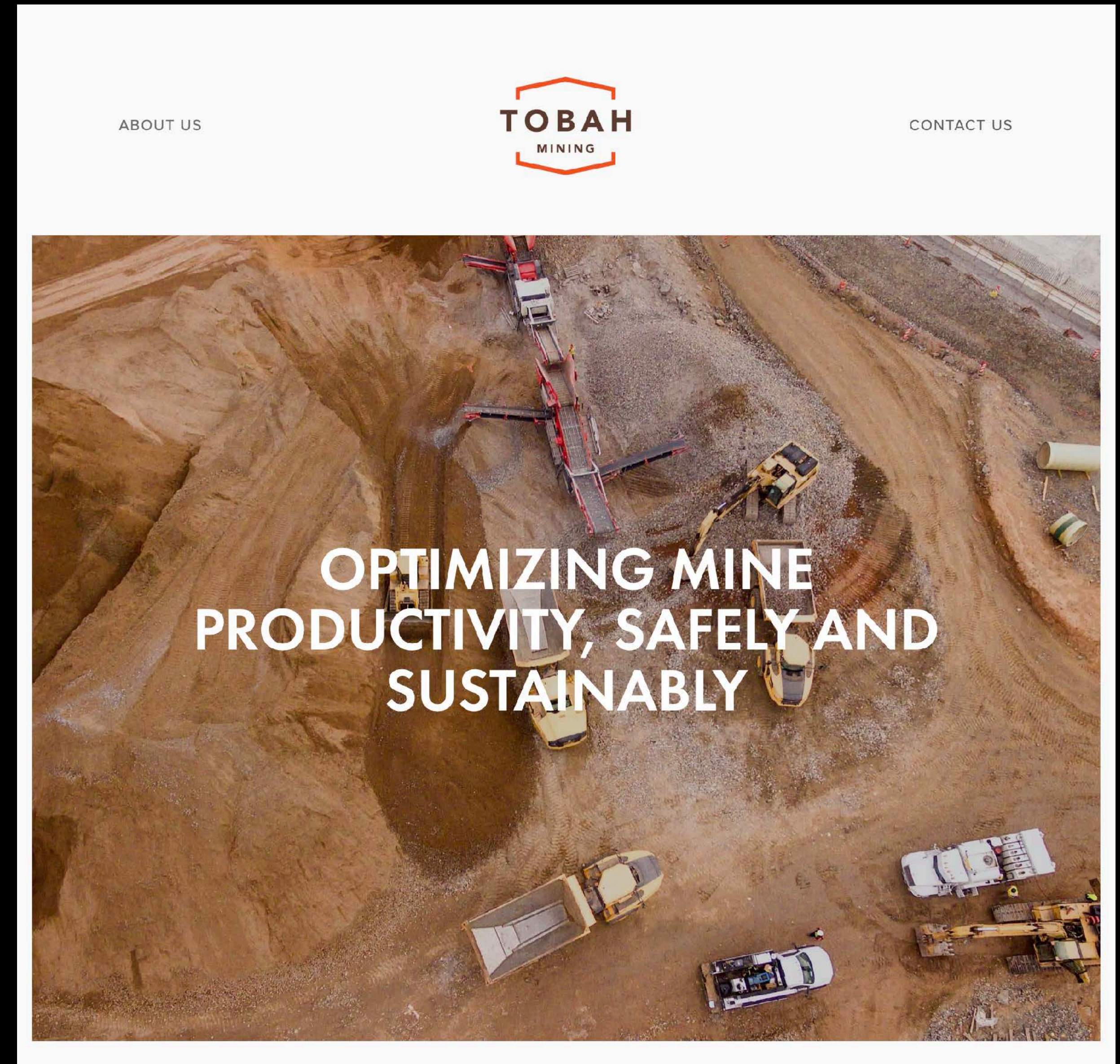
We are **working on big problems** to make a difference in the world.

The background consists of several overlapping, semi-transparent red geometric shapes, primarily triangles and quadrilaterals, creating a dynamic and layered effect. The colors range from a deep, dark red to a bright, vibrant red.

COMMUNICATION PLAN. NEW VENTURES.



AND A WEBSITE TO BUILD CREDIBILITY WITH CUSTOMERS.



BUDGET / FUNDING / METRICS.

WHAT IS THE SOURCE AND FUNDING AMOUNT FOR THE VENTURE FACTORY?

Where will funding for the Venture Factory come from?

How much funding will it receive?

Will the funding for Ideate and Incubate come from a different bucket than Accelerate?

Will the Venture Factory own the seed fund for the ventures, or will that fund reside elsewhere?

Will there even be a fund, or will all investment be evergreen and / or off the balance sheet?

Will spin-out to take outside funding from traditional VC or CVCs ever be an option?



COSTS TO CONSIDER.

Operating Budget Mix

Salaries **58%**
Contractors **21%**
Rent / Office Expenses **10%**
Travel **8%**
Miscellaneous **3%**

Per Venture Expenses

New Venture Team member salary
Housing and T&E (if applicable)
Computing, Software, and SaaS
Subscriptions
Customer Recruiting
Conferences
Experts
Meals

New Incubation Space

~\$30K for:

Furniture, TV, video / audio
conference, boards,
materials, etc.

WHAT ARE THE GOALS AND HOW IS VENTURE FACTORY MEASURED?

What are the overall objectives of the Venture Factory?

What is its reason for existence?

What metrics should we use to evaluate the performance of the Venture Factory (appropriate to each phase)?

Are the metrics aligned with a “small bets, fail fast” new venture-creation mindset?



METRICS AND ACCOUNTABILITY MATTER.

Sample Venture Factory Metrics.

Incubations and Accelerations **executed vs. plan**

Incubations and Accelerations **% success**

Additional demand for Venture Factory services from
inside and outside the company

Top-line and bottom-line **financial contribution**

Brand value perception impact

Incubation / Acceleration team and board **satisfaction**

Budget vs. actual **spend**

Hires and retention



METRICS AND ACCOUNTABILITY MATTER.

Sample Venture Metrics.

During Incubation

- Early Interview Volume-to-Set Pacing
- Details of Concepts and Prototypes Tested Hang Together
- Strong, Fundable Operating Plan (via test results, risks resolved) Approved

During Acceleration / Build to Learn

- Functional Team Delivering Pilots
- Pilot Participants Evangelizing to Colleagues
- Granular Understanding of Features to Build and Workflow
- Milestones Achieved

During Acceleration / Build to Automate

- Product-Market Fit Indicator Trending Positive
- Sales, Marketing, Customer Success, Operations, Finance, HR, Functions in Place for Scale
- Commercially Available Product Released
- First Revenue – Commercial Product
- Milestones Achieved

During Acceleration / Build to Scale

- First \$100,000, and First \$1 Million in Revenue
- Path to Positive Unit Economics Detailed
- Venture Funded by Mothership / Outside Investors to Growth / Scale



HOW WE WIN.

How we win

Build Network

Build a solid extensive inr network ove generate de accelerate st

Build Skillset

Location Matters

Team Stability

Sense of Urgency

ency and decision- the committee. oets, fail e learning.

What Are Your Key Differentiators? How Will You Win?

Report to CEO

Reporting to CEO will accelerate our efforts.
R&D or CFO as advisors as needed.

Investment Commitment

Commit to incubate new business models and invest selectively in startups.
Not a blind cash pool.
Agile and responsive.
24-48 hour decisions on investments - no obstacles to moving fast.

Mothership Management

Good working relationships with individuals throughout the PR: brands, marketing, R&D.
Internal communication to understand needs, share learning and generate a win-win relationship.

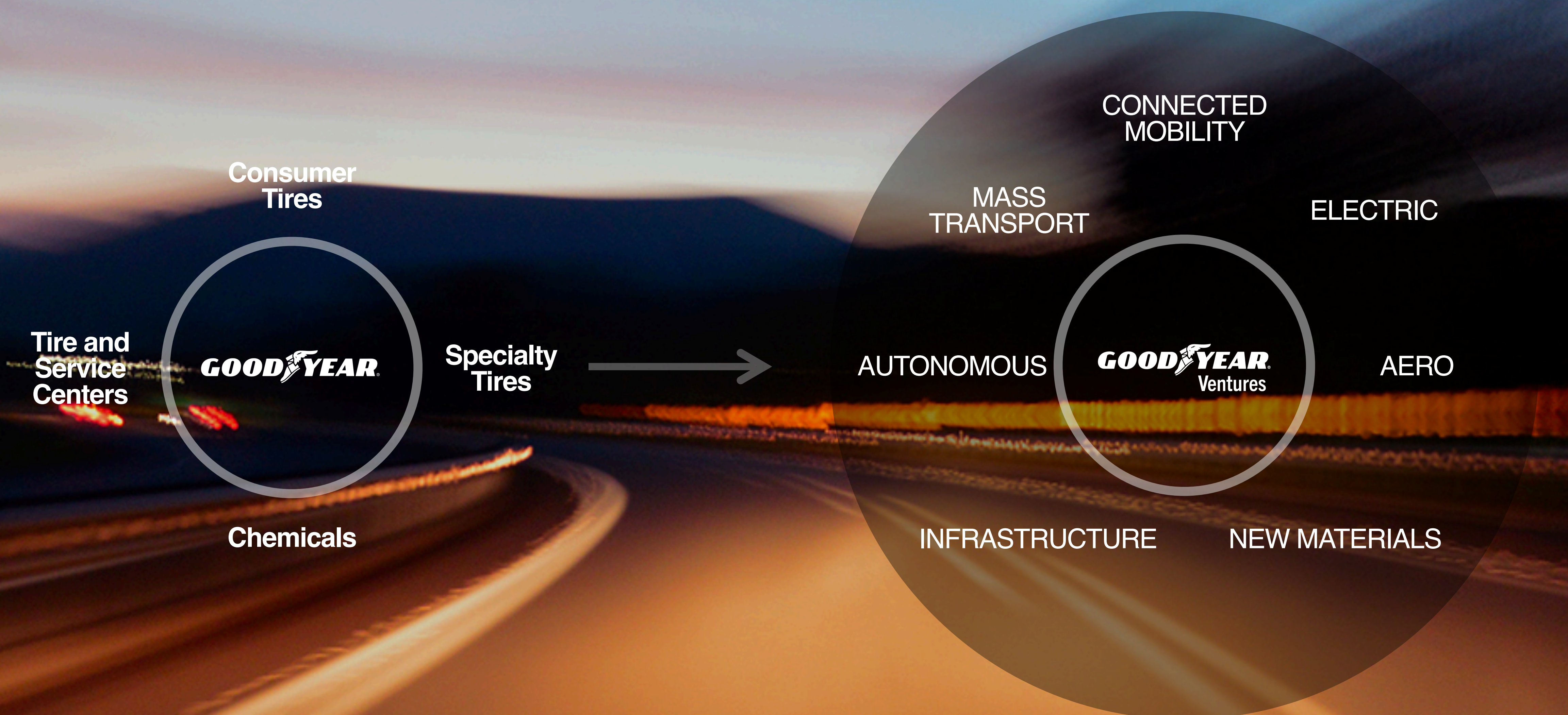
Reciprocity

Learn and adopt the "pay-it-forward" approach of working within the ecosystem.
Understand the needs of all PR stakeholders in order to maximize success for CV and the PR brands.

Product / Market Fit

Leverage Silicon Valley best practices to deeply understand customers and consumers.
Stay relevant and current on trends, technologies and business models.

ACCELERATING DISRUPTION



FROM TIRES

TO MOBILITY REIMAGINED

EXPANDING TO NEW FRONTIERS.

€228B WW



Pernod Ricard

€8.7B



FROM WINE AND SPIRITS

TO CONVIVIALITY

CHANGING THE WORLD.



OmniBridge

POWERED BY
INTEL

BUILDING YOUR OWN VENTURE FACTORY

November 2022

Linda Yates
Founder and CEO
MACH49™

