Morgenthaler Re-Brands

The Canvas Venture Fund:

- $175M early-stage venture fund
- Raised in August 2013
- Focused on Series A/B
- Software and Services

Managing Directors

Gary Little
Rebecca Lynn
Gary Morgenthaler
Portfolio Companies

- ADARA
- LendingClub
- HealthLoop
- practice fusion™
- doximity
- Check
- EVERNOTE
- CrowdFlower
Thesis Investing: Focus on Key Verticals

- Health IT
- Big Data
- Mobile
- FinTech

Health IT: practice fusion™, doximity, HEALTHLOOP
Big Data: Socrata, NuoDB, CrowdFlower
Mobile: Siri, EVERNOTE, Check
FinTech: LendingClub

Infrastructure: MuleSoft™, NuoDB
SaaS: PEOPLE MATTER®, TOTANGO
AdTech: rhythm
Education: ADARA

Deep dives in 2010 and 2012, and passed
Berkeley Tops the Charts!

<table>
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<th>Rank</th>
<th>University</th>
<th>Number</th>
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<tr>
<td>1</td>
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Ranked by number of alumni who founded companies that received a first round of VC funding.

Source: PitchBook
Secrets to the Successful Business Pitch: Tips from VCs and Entrepreneurs

Rebecca Lynn, Partner at Canvas Venture Fund, Haas 2008
Layton Han, CEO ADARA, Haas 1996
Target the Appropriate Angel or VC

- **Venture Firm or angel?**
  - Depends upon your stage and round size
  - **Angels**
    - Amount: Typically $25K to $1.5M
    - Stage: very early, but will want to see proof of concept
  - **Venture Firms**
    - Amount: Typically $3-$5M
    - Stage: when there is a significant level of traction

- **Who should you target? Do your homework.**
  - Target a firm that is currently investing with interest and expertise in your space.
  - Research *which* partner at the firm you should target
Getting a meeting

- **Introduction**
  - Sending in a “cold” email is very unlikely to get a response
  - Have someone introduce you if at all possible.
    - People in companies they invested in, people they know, other investors
  - Meet them where they are
    - Conferences, events, where they hang out

- **Material**
  - Brief summary in the email
  - Executive Summary
  - PowerPoint presentation
At a High Level ...

- **Investors look for:**
  - Truly disruptive technology or approach
  - Team that can execute
  - TAM that is $1B +
  - Traction and proof of concept
  - Timing that is right for the market
What to include in an investor pitch

1. Elevator pitch
2. Problem
3. Solution
4. Market Size
5. Business Model
6. Why you?
7. Competition
8. Go to Market
9. Team
10. Money
What do you do?

Pinpointing customers

The Adara Data Platform helps companies monetize and leverage 1st party data to make online advertising and ecommerce more powerful.
2: Problem – what are you solving?

- Clearly state the problem
  - The bigger and more widespread the pain, the better
3: Solution

- How do you uniquely solve the problem?
  - What is your advantage?
  - What are users saying?
  - What are your proof points? Users, sales, etc.

- Adara and our data partners have created a portfolio of premium consumer data, with hundreds of millions of pieces of data. Actual purchase patterns, life stages, lifestyle, and demographics are all at your fingertips. Our data provides insights, instead of just being part of a metric.
4: Market Size

- Bigger is better
  - Identify the market you believe you can capture
  - If it is a new market, talk about how it is evolving
  - Why is the market ready now?

“ADARA’s Market Opportunity is $29 Billion”
5: Business Model

- How will you make money?
  - Describe 1 to 3 revenue sources
  - Do you have any proof points that show customers will pay?

ADARA Revenue Sources
Advertising & eCommerce
Business Intelligence and Analytics
6: Why you?

- What proprietary technology or advantages do you have?
  - Stellar execution is an advantage
  - Patents, experience, market leadership
  - Team with experience in the space

ADARA Team
Previous Success with MyPoints & Orbitz
Deep Industry Experience
Technology Focused
7: Competition

- Everyone has competition
  - Show how you are better
  - Evaluate current known companies as well as other startups
  - Matrix, chart, testimonial
8: Go to Market

- **How do you acquire customers?**
  - Social media, Email, Radio, Channel partners, etc.
  - How will you sell and ramp sales?

- **Focus on volume, cost and conversion!**
  - What is your CAC ratio?
  - Do you have user cohort analysis or customer retention data?
9: Team

- **Who is on your team? How are they relevant?**
  - Entrepreneurs who have done before
  - Technology geeks with deep expertise
  - Sales people who can bring in customers
  - People with key insights/know how
10: Money and financials

- Financials and Projections
  - 3 years maximum
  - VCs will focus on burn rate and headcount
  - Where do you need to be to raise the next round?

- The Ask
  - How much money do you need?
  - Where will it take you?
Thank you!

Come and see us if you are starting a company!

*Canvas Venture Fund*
“The Dating Game”
Getting a “YES”

- “Being Popular”
- “First Impression”
- “Personality”
- “Age”
- “Hotness”
Other Factors in Deciding VCs

- Partner
- Previous & Current Investments
- Stage
- Investment Size
- Reputation