Presentation to REEE

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Then and Now:
10 Changes in Entrepreneuring
<table>
<thead>
<tr>
<th>Then</th>
<th>Cleverness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Now</td>
<td>Technology</td>
</tr>
</tbody>
</table>
Priority

2

<table>
<thead>
<tr>
<th>Then</th>
<th>Build Brand</th>
</tr>
</thead>
<tbody>
<tr>
<td>Now</td>
<td>Build Business</td>
</tr>
</tbody>
</table>
3

Then

Raise more money

Now

Bootstrap
Key Employees

Then | MBAs
---|---
Now | Engineers
Getting the Word Out

<table>
<thead>
<tr>
<th>Then</th>
<th>Advertising</th>
</tr>
</thead>
<tbody>
<tr>
<td>Now</td>
<td>PR</td>
</tr>
</tbody>
</table>
Then

Disintermediation

Now

Evangelism
Then: Think Global
Now: Act Local
Business Development

Then

Alliances

Now

Revenues
Raison d’ être

Then  Liquidity

Now  Passion
Big Picture

Then

Next Big Thing

Now

Next Big Thing
Silicon Valley 4.0

1.0 Chips
2.0 Personal Computers
3.0 Internet
4.0 Intelligence
1 Not fixing Silicon Valley 3.0
Quantum leap in ubiquity
Silicon Valley 4.0

3

Infinite and free bandwidth
Totally wireless
Always on
Always connected
Every device has an IP address
Self healing
New storage and search architecture
10 Network is the knowledge
Ten Ways It’s Not Going to Happen
Ten Ways It’s Not Going to Happen

1. Not going to be a proven team
Ten Ways It’s Not Going to Happen

2. Not going to be a proven technology
Ten Ways It’s Not Going to Happen

3 Not going to be a proven business model
Ten Ways It’s Not Going to Happen

4 Not going to raise $50 million in capital
Ten Ways It’s Not Going to Happen

Not going to generate competitive term sheets
Ten Ways It’s Not Going to Happen

6 Not going to be embraced by today’s “experts”
Not going to be created by an existing company
Ten Ways It’s Not Going to Happen

8 Not going to be sold to expected customers
Ten Ways It’s Not Going to Happen

9 Not going to be used in anticipated ways
Ten Ways It’s Not Going to Happen

10 Not going to happen if nobody tries
Lessons from the Trenches

1

Ideas are easy, implementation is hard
Lessons from the Trenches

2 More OB, less Finance

Garage Technology Ventures
Lessons from the Trenches

3 Do the math
Lessons from the Trenches

- Costs $1
- Sell for $5
- Margin = 20%
4 Everyone is a “product manager”
Lessons from the Trenches

Power

Incoming students

Curriculum

Kona

Responsibility

X
Lessons from the Trenches

5

Be brief

- One-page emails
- Twelve slides
- One hour meetings
6 Make your boss look good
7 Life’s a niche
Lessons from the Trenches

Unique ability to provide

Stupid

Dotcom

Price

Value to customer
A players hire A players
B players hire C players
Lessons from the Trenches

Don’t ask anyone to do something you wouldn’t do.
Right and wrong are absolute
Lessons from the Trenches

11  Karma counts
Overview of Garage

- **Boutique investment bank**
- **Three services**
  - ✓ Venture capital
  - ✓ Private placement
  - ✓ M & A advisory
- **Capital for innovation**
  - ✓ Venture
  - ✓ Intellectual
  - ✓ Relationship
Garage California Entrepreneurs Fund

- $10M funded by CalPERS
- Focus on companies emerging from California universities and research labs
- Sectors: software, communications, and infrastructure
- Garage will lead or co-invest
- Typical investment: $250K seed stage, up to $400-500K total over time
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