The Post COVID Start Up

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What Happened?

- Big changes in everything
- Distorted demand
- Behavior fueled

Business Models

- Supercharged fads sped up marginal businesses
- Home everything focus
- Digital everywhere

Market Outcomes

- Trifecta +1
  - War, Disease, Big Valuations & Easy Money
    - 2022 VC investments ~210B, Down 36%
  - Psychology beat facts
  - Overcapacity, Sector Optimism, Collapse
  - Back to the future

Recession?
Key Lessons for Start Ups

- Boom-and-bust cycles of tech
- Don’t be late to the party
- Know when to exit or adjust early
- Investors adjust quickly
- Gravity & business fundamentals still matter
My Learning

- Be careful of false prophet/founders
- Limit “punch bowl” thinking
- Count on change
- Shoot the “zombies”
- Push to convert equity to cash
- Equity & liquidation preferences
<table>
<thead>
<tr>
<th><strong>Business 101</strong></th>
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<tbody>
<tr>
<td><strong>Build a durable business plan</strong></td>
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<td><strong>Count on things going wrong</strong></td>
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<td><strong>Easy money is not normal</strong></td>
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<td><strong>Avoid dumb money</strong></td>
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<td><strong>Have a 1 yr. plan- Don’t run out of money</strong></td>
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<td><strong>Profit and growth go together</strong></td>
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<td><strong>Layoffs are a “careful” opportunity for talent</strong></td>
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<td><strong>Only the paranoid survive</strong></td>
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Fundamentals

People Relationships Matter
- WFH is fragile
- Tech transfer & culture
- Culture

Business Fundamentals- Staying In Power
- Cash is king
- Customer focus
- Share and margin
- Narrow business focus

Timing Is Everything
- Investment
- Partner
- Sell

Change Is Opportunity- Innovation Continues

It Always Comes Back
Discussion and Q&A