

Burn Management

Do Not Be Consumed

Today's Zoom Rules

This will be interactive

Please speak up

Your stories help others

“Make no small plans for they have no power to stir the soul.”

Niccolò Machiavelli or Daniel Burnham



Why do most startups fail?

Ideas \Leftrightarrow Money

What Stresses Out Investors?

Basically everything but especially...

- **Gross burn (GB)**
 - how much you spend per month
- **Net burn (NB)**
 - how much you lose per month
- **Runway (months to live)**
 - worst case scenario (cash on hand / GB)
 - better scenario (cash on hand / NB)

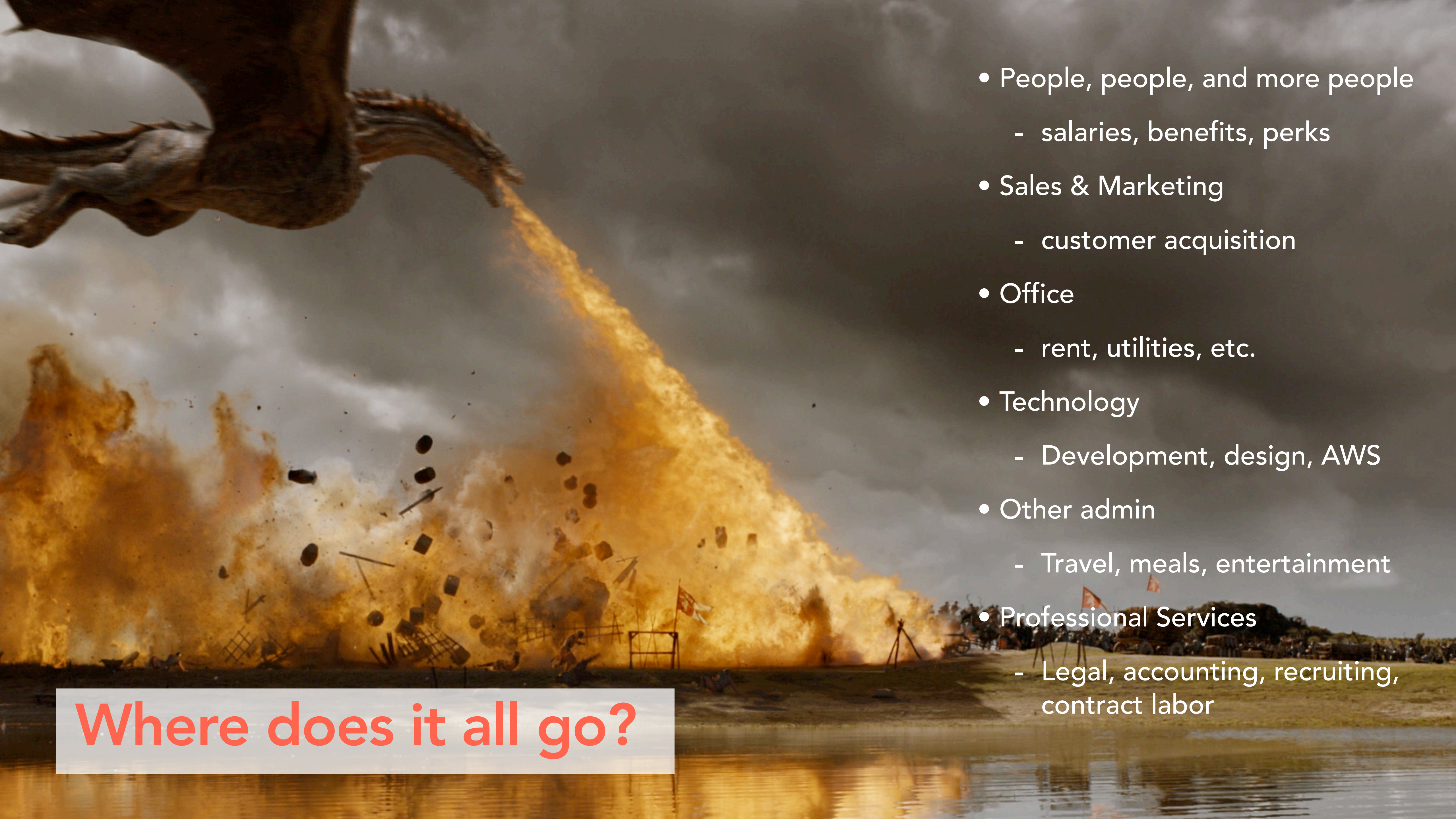


After the pitch

What investors say once you leave the room

- How do they think about spending money?
- What are they spending money on?
- Is the spending working?
- Are they spending enough?
- How long before they'll need to raise more?
- Who are they likely to get money from?





- People, people, and more people
 - salaries, benefits, perks
- Sales & Marketing
 - customer acquisition
- Office
 - rent, utilities, etc.
- Technology
 - Development, design, AWS
- Other admin
 - Travel, meals, entertainment
- Professional Services
 - Legal, accounting, recruiting, contract labor

Where does it all go?

THE
SURVIVAL SKILLS
EVERYONE SHOULD KNOW



NAVIGATE, FIND FOOD,
DEFEND YOURSELF, AND MORE

“Cash is king but growth rules”

Me

Staying Alive

Funding levers to pull

- Get old revenue
- Reduce expenses
- Sweat equity
- Find “free money”
- Get new revenue
- Raise more debt
- Raise more equity



Case Studies

Cautionary Tales from the Real World

- The rent is too damn high!
 - *5-year lease with 12 months of cash*
- There must be a better way.
 - *Funding inventory with equity*
- Wait, they make how much?
 - *Danger Zone: When high salary expectations meet desperation*
- I want my money!
 - *Receivables are low-hanging fruit but aging receivables are like black bananas*