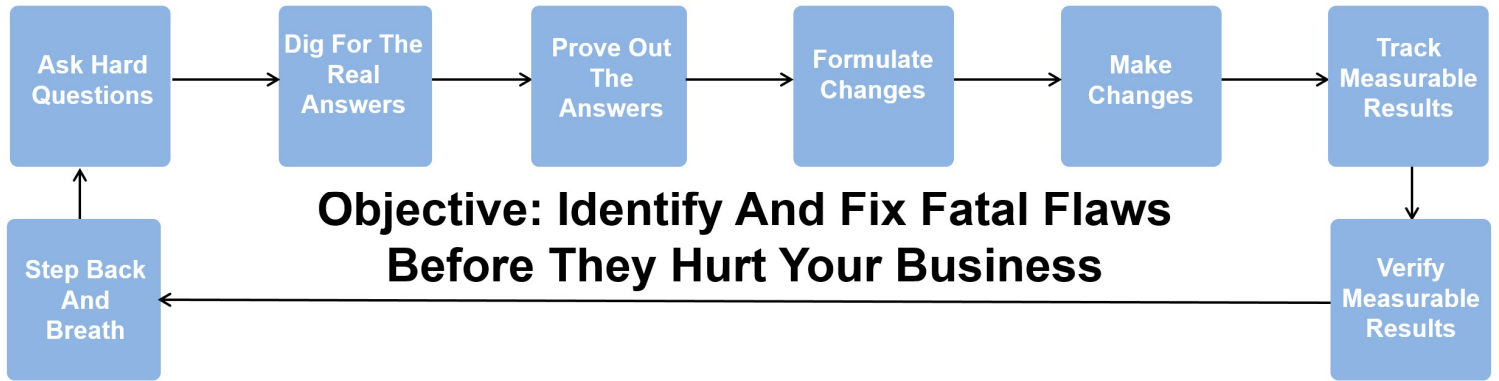


Fatal Flaw CheatSheet – Find Your Fatal Flaws And Fix Them!



What Is A Fatal Flaw And Why Should You Care?

- It is business killing or crippling.
- Usually something you just don't want to face right now.
- Sometimes everyone else sees it but you don't.
- Makes your business "uninvestible". Radioactive to Investors.
- The right questions, thoughtfully answered, can find a fatal flaw.
- And... Once you fix it, another one will emerge.

START Phase: Fatal Flaw Questions

- Does the team have a clear leader?
- Does the team work well together? What is the history?
- Is the Mentor matched to the prospective business?
- Does the pitch excite, interest, and motivate people?
- Is the team ready to pivot when needed?
- Does the prospective business have a clear moat?
- Does the business have a reasonable break-even point?
- Does the business have a clear distribution strategy?
- Is your Intellectual Property protected?
- Are you really a Wantrepreneur?

RUN Phase: Fatal Flaw Questions

- Has the team listened to customers and created a needed product?
- Do you have five (or less) measurable goals guiding everyone in the company? Does everyone know and follow them?
- Is the team matched to your goals? Are all team members clearly contributing to the stated goals every day?
- Is the team working well together?
- Are critical deadlines being met? Is there real progress?
- Have your business assumptions been accurate?
- Are revenue and expense estimates accurate?
- Have critical team positions been filled?

EXIT Phase: Fatal Flaw Questions

- Has the business been set up for a clean, simple, smooth exit from day one? Customer contracts? Employee Agreements? Accounting systems? Clear ownership? Corporate structure?
- Are you negotiating from a position of weakness?
- Have you maximized your value yet?
- Does the buyer see your true value?
- Are you ready to "walk away" if the deal is not right?
- Are you really ready to exit the business?

Bonus – Working With Mentors

- Use local business networks and/or LinkedIn to identify potential mentors based on experience, expertise, and contacts.
- Don't be afraid to reach out to potential mentors and ask for their help. If you have a compelling company pitch, they will want to be on your team.
- Be sure the mentor is the best match for your company based on experience, contacts, temperament, and ability to give you a few hours a month of time.
- When you find a well matched mentor, offer them some equity in your company that vests over time or based on financial targets.
- Work with only one mentor at a time. More will be a distraction.
- Meet with your mentor in person or by phone/skype a minimum of once a month.
- Be clear on what you expect from your mentor. Put it in writing.
- Prepare for your mentoring sessions. Have questions, financials, product demos, competitive comparisons, and anything else ready to help the mentor better understand your business.
- Each mentoring session should end with a clear list of ToDo items with due dates and who is responsible for the item's completion.
- Each mentoring session should begin with a review of the ToDo items. What was completed and what was not completed? Why?
- Use a cloud service like BaseCamp.com to track mentoring sessions results, ToDo, and deadlines. It's free!
- Listen to your Mentor. They have the experience you do not have. If you are not listening to your mentor, either fire the mentor and find another one or fire yourself.

Bonus - Pitching Essentials

- 1) You know your product... Now you need to inform others and get them excited about it, too.
- 2) The first best way to bring targets to the next level. It's your opener.
- 3) Everyone in your organization should know the pitch. You never know who they will meet.
- 4) Different pitches for different targets. Keep it simple. Test the pitch on everyone. Watch how they react. Not what they say.
- 5) You really need three pitches: a one-sentence Pitch, a one-minute Pitch, and a three-minute Pitch.
- 6) The shape of your pitch:
 - * Why – 35,000 foot view - Why your product/service should even exist. What you believe about your product or service.
 - * What's different – 15,000 foot view - What makes your product/service different? What advantage do you have over the "Competition."
 - * What your product or service does – Ground level view
- 7) The First Secret – Make them laugh, cry and be surprised. Connect.
- 8) The Second Secret – Practice, Practice, Practice... Then Test. Modify, Improve and Perfect it.



Start, Run, Exit!...

Find Your Fatal Flaws And Fix Them.

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