



# Avoiding Mentor Whiplash: How to Manage Conflicting Advice

JIM JEN

NOVEMBER 6, 2024

# WHO AM I?



- ▶ Director of the Corporate Startup Lab and Professor, Entrepreneurship at CMU's Tepper Business School
- ▶ Started AlphaLab accelerator for IW and helped launch AlphaLab Gear, AlphaLab Health and Robotics Factory
- ▶ Responsible for 200+ early-stage (preseed, seed) investments in Pgh region
- ▶ Led product at venture-backed software companies in Silicon Valley
- ▶ Companies include The Zebra, Formation Bio, Gridwise, sovaSage, Arieca, Blastpoint, Honeycomb Credit, Maven Machines,
- ▶ Exits include Wombat Security (Proofpoint), JazzHR (PE), ShowClix (PE), Shoefitr (Amazon), NoWait (Yelp), ActivAided Orthotics (Elizur)

# Founders get **A LOT** of ADVICE

- ▶ You need to build a network and meet many people including investors and mentors
- ▶ Programs at Swartz help you expand that network and introduce you to advisors
- ▶ That network can be incredibly powerful and valuable...but
- ▶ Everyone has an opinion and often, their advice appears to be contradictory
- ▶ This is a condition known as...



**MENTOR WHIPLASH!**

# EXAMPLES

- ▶ You need a big market and big vision
- ▶ You need a beachhead market
- ▶ You need to do things that don't scale
- ▶ You need to have a strong advisory board to get funding
- ▶ IP is critical; lock down your IP
- You need to focus on a niche and execute
- That's too small a market
- How are you going to scale the company?
- Advisors aren't as important; investors care about your core team
- Patents aren't as valuable; focus on other barriers to entry

OTHER EXAMPLES YOU'VE EXPERIENCED?



If there's one word you take away...



# Why “CONTEXT”?

- ▶ The advice you receive is often right and wrong
- ▶ The key is how you qualify and interpret the advice
- ▶ Think about the context behind the following:
  - ▶ The advisor
  - ▶ The assumptions or conditions behind their advice
  - ▶ Your current situation



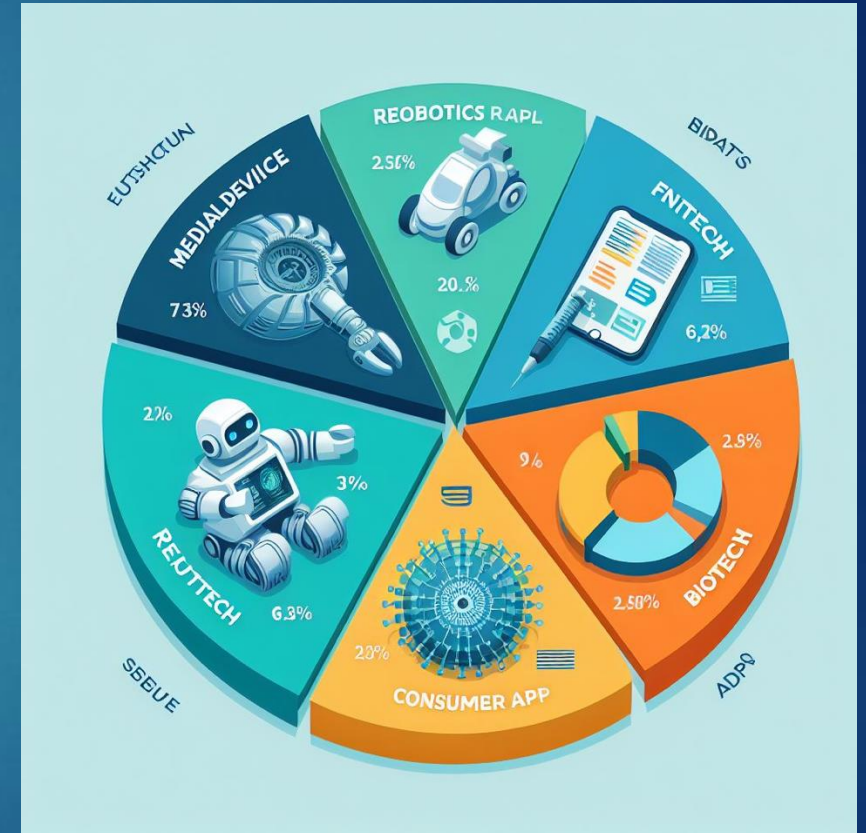


# Three dimensions to consider

- ▶ Sector
- ▶ Market conditions
- ▶ Stage

# Sector

- ▶ General term for your type of business and dimensions where there are differences
- ▶ Examples:
  - ▶ Industry (healthcare vs. financial services vs. manufacturing)
  - ▶ Technology (medical device vs. IoT vs. robotics)
  - ▶ Business model (SaaS vs. device sales vs. transaction revenues)
- ▶ Or even finer distinctions (e.g. regulatory pathway, customer acquisition model)





# Market conditions

- ▶ Important to keep in mind – the time and location context can drive differences in advice
- ▶ Examples
  - ▶ Timeframe (Late 1990's, 2008, 2021, 2024)
  - ▶ Funding environment (bullish vs. bearish, for your sector)
  - ▶ Geography (Pittsburgh vs. Boston vs. SF)



# Stage

- ▶ The stage of company is another big driver – different strategies are needed at different stages
- ▶ Examples
  - ▶ Customer acquisition – manual vs. repeatable
  - ▶ Sales – founder-driven vs. Sales expert
  - ▶ Development – outsource vs. in-house



# Evaluate the following with context dimensions in mind

- ▶ The advisor
- ▶ The assumptions or conditions behind their advice
- ▶ Your current situation



# Let's go back - WHO AM I?



- ▶ Director of the Corporate Startup Lab and Professor, Entrepreneurship at CMU's Tepper Business School
- ▶ Started AlphaLab accelerator for IW and helped launch AlphaLab Gear, AlphaLab Health and Robotics Factory
- ▶ Responsible for 200+ early-stage (preseed, seed) investments in Pgh region
- ▶ Led product at venture-backed software companies in Silicon Valley
- ▶ Companies include The Zebra, Formation Bio, Gridwise, sovaSage, Arieca, Blastpoint, Honeycomb Credit, Maven Machines,
- ▶ Exits include Wombat Security (Proofpoint), JazzHR (PE), ShowClix (PE), Shoefitr (Amazon), NoWait (Yelp), ActivAided Orthotics (Elizur)

# WHO AM I? (Sector)



- ▶ Director of the Corporate Startup Lab and Professor, Entrepreneurship at CMU's Tepper Business School
- ▶ Started AlphaLab accelerator for IW and helped launch AlphaLab Gear, **AlphaLab Health** and Robotics Factory
- ▶ Responsible for 200+ early-stage (preseed, seed) investments in Pgh region
- ▶ Led product at venture-backed **software** companies in Silicon Valley
- ▶ Companies include The Zebra, **Formation Bio**, Gridwise, **sovaSage**, Arieca, Blastpoint, Honeycomb Credit, Maven Machines,
- ▶ Exits include Wombat Security (Proofpoint), JazzHR (PE), ShowClix (PE), Shoefitr (Amazon), NoWait (Yelp), **ActivAided Orthotics (Elizur)**

# WHO AM I? (Market Conditions)



- ▶ Director of the Corporate Startup Lab and Professor, Entrepreneurship at CMU's Tepper Business School
- ▶ Started AlphaLab accelerator **(2008)** for IW and helped launch AlphaLab Gear **(2013)**, AlphaLab Health **(2020)** and Robotics Factory **(2023)**
- ▶ Responsible for 200+ early-stage (preseed, seed) investments in **Pgh** region **(from 2002-2023)**
- ▶ Led product at venture-backed software companies in **Silicon Valley (from 1989-2002)**
- ▶ Companies include The Zebra, Formation Bio, Gridwise, sovaSage, Arieca, Blastpoint, Honeycomb Credit, Maven Machines,
- ▶ Exits include Wombat Security (Proofpoint), JazzHR (PE), ShowClix (PE), Shoefitr (Amazon), NoWait (Yelp), ActivAided Orthotics (Elizur)



# WHO AM I? (Stage)



- ▶ Director of the **Corporate** Startup Lab and Professor, Entrepreneurship at CMU's Tepper Business School
- ▶ Started AlphaLab **accelerator** for IW and helped launch AlphaLab Gear, AlphaLab Health and Robotics Factory
- ▶ Responsible for 200+ early-stage (**preseed, seed**) investments in Pgh region
- ▶ Led product at **venture-backed** software companies in Silicon Valley
- ▶ Companies include The Zebra, Formation Bio, Gridwise, sovaSage, Arieca, Blastpoint, Honeycomb Credit, Maven Machines,
- ▶ Exits include Wombat Security (Proofpoint), JazzHR (PE), ShowClix (PE), Shoefitr (Amazon), NoWait (Yelp), ActivAided Orthotics (Elizur)

# For any advice, understand

- ▶ The rationale for the advice
- ▶ Assumptions being made about your company or situation
- ▶ If based on experience, what was the context of that experience
  - ▶ Company – industry, business model, etc.
  - ▶ Market conditions – Time, Funding environment, etc.
  - ▶ Stage – how big was company, how well capitalized, etc.

# Other Mentor/Advisor Management Methods

- ▶ Email update
- ▶ Provide something tangible
- ▶ Organize a meeting
- ▶ Value and respect time




# Email Updates

- ▶ Valuable and efficient way to engage mentors and ask for help
- ▶ Important to have a regular cadence – not just when you need something
- ▶ Typically contains:
  - ▶ Update on the company – progress, key milestones, wins, losses
  - ▶ KPI's or key metrics to show the above
  - ▶ Shoutout/Thank you to mentors who have helped
  - ▶ Asks for the group
- ▶ Example (next slide):

<https://medium.com/@JillianKathrynC/email-updates-to-your-mentors-why-you-should-send-them-and-what-to-include-8b4da64bc198>

# Email Updates to Your Mentors: Why You Should Send Them and What to Include

 Jillian Canning · Follow  
3 min read · Jun 6, 2019

Here’s a sample update email:

----- Forwarded message -----  
From: John Doe <[john@wewalk.com](mailto:john@wewalk.com)>  
Date: Wed, Feb 13, 2019 at 2:28 PM  
Subject: WeWalk Mentor Update - 02/15/2019  
To: <[Mentors@wewalk.com](mailto:Mentors@wewalk.com)>

Hi Mentors - as always, thanks for your continued support of WeWalk - we couldn't do it without you! A few key updates can be found below.

### Section 1: Shout Outs

Shout out @Jill for sharing us on Product Hunt. Also wanted to throw an @Everyone shout out for the support in up-voting us on Product Hunt!

### Section 2: KPIs

- Revenue:
  - Total last 12 months: \$200,000 USD (+8%)
- Cash in bank (including receivables and payables): \$97,000 USD
- Last month net burn: \$22,000 (~6+ mo runway)



# Example

### Section 3: Wins

- Partnered with Pets R Us to launch social impact initiative
- Successful Launch on Product Hunt
- Hired a Marketing Associate to start Q2
- We completed a direct mail campaign to 60 potential walkers, converting 18%

### Section 4: Struggles & Asks

- We are low on cash and thinking about starting to ramp up fundraising. It would be nice to have another \$250k in the bank
  - Our offshore tech team has been slow, we need to figure out a better way to manage
  - @Jane - I'd love your help with SEO for my website
  - If you still haven't already, up-vote us on [Product Hunt] and share [this] Tweet
- Here is the message you can copy/paste to share on social:  
One of the startups I'm mentoring is launching a new dog walking platform and is on Product Hunt today. Please check out their website and upvote them!

### Section 5: Goals for the next month

- Sign Account Manager
- Set up Google Ads

--  
John Doe  
CEO, Co-founder of WeWalk

# Provide something tangible

- ▶ Open-ended asks are hard – “What should my go-to-market strategy look like?”
- ▶ Context and Specific questions are better
  - ▶ Here are my current metrics on lead generation (paid, organic) by source or channel
    - ▶ Should I be spending more effort on paid acquisition or organic?
    - ▶ What channels should I evaluate for greater investment? Less?
    - ▶ How do these metrics compare to others you’ve seen for a company at our stage, with this type of acquisition process?
- ▶ First drafts of plans, decks are even better
  - ▶ Here is a draft of my GTM plans for the next 6 months, can you give me feedback on the following areas...
  - ▶ Here is a draft of the investor share pitch deck I am creating for my network to help get intros with investors...is there information in there that is too detailed and should be in the investor meeting pitch deck



# Organize a meeting...

- ▶ Efficient
- ▶ Everyone hears the same context
- ▶ Opportunity to build off each other
- ▶ Careful – different levels of knowledge – time to level-set vs. get productive feedback
- ▶ Group dynamics – dominant voice
- ▶ Focus on a specific issue – e.g. fundraising strategy, pitch deck

# Value and Respect Their Time

- ▶ They are busy
- ▶ They are doing it to pay it forward but that's not an invitation to take advantage
- ▶ Be careful with urgency – yes, everything is urgent but also differentiate your asks
- ▶ Updates are valuable – natural cadence avoids transactional
- ▶ Follow-up

# Parting thoughts

- ▶ Good mentors/advisors should provide you qualifiers or context with their advice
- ▶ Ask qualifying questions to get the context you need
- ▶ Be careful of absolutes
- ▶ Filter and apply advice to your situation

**Remember, it's your company and you (should) know the current industry, market conditions and stage better than anyone!**





Questions?



# THANK YOU!

JIM JEN

EMAIL: [JJEN@ANDREW.CMU.EDU](mailto:JJEN@ANDREW.CMU.EDU)

# Example: Fundraising

	Definition	Example
<b>Industry, Sector of Company</b>	The sector the company plays in – technology, business model, industry	Robotics vs. Life Sciences vs. SaaS vs. Consumer
<b>Market Conditions</b>	Fundraising environment when looking at comparables	2023 vs 2021
<b>Stage of Company</b>	Size of round, target investors	\$500K angel round vs. \$2M seed vs. \$10M Series A
<b>Geography</b>	Where the round was raised	Midwest vs. NY vs. CA
<b>Other Biases</b>	Background, experience of the person giving advice	Robotics founder vs. growth CEO vs. investor vs. corporate



# Fundraising – General Principles

- ▶ Investors are managing risk – depending on stage they invest at, will require different “proof points” to manage risk
- ▶ “Proof points”
  - ▶ Market problem/solution/vision
  - ▶ Founder or initial team
  - ▶ Working prototype or proof of technology
  - ▶ Customer validation – usage, proof of value
  - ▶ Customer revenues
  - ▶ Repeatable sales or customer acquisition process

# Proof Points and Stages

Stage	Dollar Ranges	Sources	Proof Points
Initial funding	Initial \$100K	F&F, govt grants (technology), accelerators, Econ Dev	Credibility/trust of team, concept or prototype
Preseed	First \$500K-\$1M	Individuals, syndicates, accelerators, angel groups, Preseed funds	Ranges from team/concept to product/customers
Seed	\$500K - \$2-3M	Individuals, Family offices, Seed funds	Customer traction, some repeatability
Series A	\$5M and above	Venture funds, seed funds, family offices	More repeatable process, ready to scale

# Analogy - POKER

- ▶ Investor mindset on how they view risk/reward and company progress
- ▶ Initial cards = what proof you currently have
- ▶ Initial investment = ante
- ▶ Additional data points = additional cards
  - ▶ Greater promise = double-down or increase the stakes
  - ▶ Expected promise = stay invested
  - ▶ Decreasing promise = fold



# ELEMENTs of GOOD PITCH and Summary

- ▶ Compelling narrative about the market opportunity
- ▶ Also referred to as...
  - ▶ Vision
  - ▶ Unique point of view about market
  - ▶ Large, growing market – ready for change or disruption
- ▶ Evidence that your company is the one to win this market opportunity

AND...

# EVIDENCE you're the one to win

- ▶ Aligns with pitch outlines you see
  - ▶ Product/technology
  - ▶ Competitive advantage/uniqueness
  - ▶ Customers/traction/proven value (ROI)
  - ▶ Go to market/Customer acquisition/Sales/Marketing
  - ▶ Team – Founder/Market Fit
  - ▶ Funding Plan
- ▶ No absolute order but play to your strengths and make sure it flows to tell a story that you are comfortable telling

# TRACTION or PROOF Points will vary

Type of Company	Key Considerations	Example
SAAS	Revenue, Growth rate, Retention (or churn rate), Price point, CAC, Length of contract, Stickiness	\$100K MRR, MoM growth, 97%+ retention
E-commerce	Revenue, AOV, repeat purchases, CAC, gross margins, subscription?, retail channels	\$1M, distribution agreement w/ major partner, increasing recurring revenues
Robotics	IP/technology, technical team, commercial go-to-market strategy, adoption in industry	Working prototype with pilots, demonstrated ROI, cost to manufacture
Life Sciences (regulatory)	IP/science, scientific team and advisory board, regulatory pathway, reimbursement, standard of care	Promising test or clinical results, FDA pathway defined (or approved), reimbursement code
Advanced Materials	IP portfolio, ability to scale, ability to get into production	Strong patent portfolio, proven ability to scale, pilots have progressed into production