The Nimble Start-Up: Surviving & Thriving

Workshop Led by: Adi Dehejia ’91, P’20

Case Study Featuring Stuart Ahlum ‘13, Co-Founder, Thousand Fell
A Little About Adi

- Princeton ‘91, S ‘92, P ‘20, Stanford GSB ‘96
- Background in communications technology and subscription business models
- Acting CFO and Advisor to startups and high-growth companies
- Mentor at First Round Capital and Food-X
A Little About Stuart

- Philosophy major ‘13
- Co-founder of Thousand Fell – footwear & sustainable materials
- Prior co-founder of House of Future
Topics We Will Cover Today

• Current Status
• Scenario Planning
• Strategies to Extend Runway
• Picking a Course and Implementation
• Monitoring Changes and Adjusting
• Thriving – Improving the Business
Current Status: If Things Stay the Same

Cash Runway

- Cash (in Bank) / Monthly Cash Burn
- Cash Burn = Revenue - Expenses

Fundraising Possibilities
Scenario Planning: How Might the Future Change?

Focus on Key Business Assumptions

Reductions in Revenue/Delays in Cash Inflows

Cutting Expenses/Deferring Cash Outflows

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**Runway Matrix Example**

<table>
<thead>
<tr>
<th></th>
<th>Plan Revenue</th>
<th>-10% Revenue</th>
<th>-30% Revenue</th>
<th>No Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Plan Opex</strong></td>
<td>22 months</td>
<td>18 months</td>
<td>12 months</td>
<td>8 months</td>
</tr>
<tr>
<td>-10% Opex</td>
<td>24 months</td>
<td>22 months</td>
<td>16 months</td>
<td>12 months</td>
</tr>
<tr>
<td>-30% Opex</td>
<td>28 months</td>
<td>26 months</td>
<td>22 months</td>
<td>18 months</td>
</tr>
<tr>
<td>-50% Opex</td>
<td>32 months</td>
<td>28 months</td>
<td>22 months</td>
<td>22 months</td>
</tr>
</tbody>
</table>
Selecting a Course

Likely Impact of Macro-Environment on:
- Buyer Behavior
- Product Cost / Availability
- Distribution Channels
- Regulation

Think More Broadly

Bucket Into Scenarios:
- Best, Middle and Worst Case
Implement, then Monitor with Triggers

What Metrics Do I Need to See to Make Additional Changes

• External triggers
• Internal triggers (prospect and customer behavior)

Revisit Regularly
From Surviving to Thriving

Moving from Defense to Offense
Thriving: The Path To Higher Quality Growth

Improve Operational Efficiency
• Product / Service COGS
• Customer Acquisition
• Retention & Upsell – new use cases, give extra attention to best clients

Product – Fix bugs, improve UI

Uplevel Team
It isn’t reunions without a liquidity option
Online Resources

- FRC blog post – The Founders Guide to Navigating this Crisis
- Gokul Rajaram – Playing Offense During a Downturn
- nfx (Gigi Levy-Weiss) – It’s Time to Start Playing Offense