# 2021-09-14 TENFL Pitch Decks Q&A Transcript

## Segment 1:
## How to put a Pitch deck together

Thanks for joining us today for our TEN Fundraise Launch Program. This is designed to help those who are getting ready to raise a fund round, and we're here to help with that. We have templates, we have tools, we have eGuides, we have advice, and we also have a short presentation, we'll kick off the session, take about 10 minutes to walk through. So if you're putting a pitch deck together, this is for you. And if you already have put a pitch deck together, this is for you to check and see if you have all the slides in there that you need for what you're doing. As we go forward, if you want to go and post potential questions in the chat box, like I said, this will only take 10 minutes, we can go further for the rest of the hour if you need to answer anybody's questions, but put your questions in there as we go, and then we'll answer them in the order in which they come in. So with that, let's go and kick off.

I'm Hall Martin with TEN Capital. I founded this company in 2009, under the name Texas Entrepreneur Networks, and we're here to help startups raise funding and connect with investors. And one of the key ways to connect with investors is to have a good pitch deck put together that provides contacts, tells a story, and convinces the investor, you have it together. So with that, let's go ahead and look into it.

In your pitch deck, there's basically one slide for each section of the business, it's 12 to 15 slides, in most cases; you don't need 40 or 50 slides; investors can't take in that much information in one sitting anyway. And so, the pitch deck is basically your executive summary, it's basically your business plan in a nutshell. And the key thing to remember is the deck is not your presentation, you're the presentation, the deck is there to help you tell the story with key information. So if you're putting on the slides, everything you're saying, word for word, well, you're duplicating, you shouldn't have to put everything on the slide that you're saying, because you're already saying it, and so forth. The other thing you want to make clear of is that the deck needs to be visually compelling. If you can say something with a picture, image, graph, chart or _________ instead of words, then do so, it really helps communicate the message a lot more clearly than if you put everything in text words on the screen itself.

So we'd go to the next slide here. So on your first slide, put up there your logo, your company name, and your tagline. The tagline is your mission, your mantra, it's what you do in five words or less, it's something that says something about your business. It's important to start telling people what you do in different ways, and so, make sure you put this up there in big bold letters and font so people can see it from a distance in Zoom calls _________ close to it, but in other places we are not.

So next slide up is your company description. Here, what you're doing is introducing your company, and in a few words, you're trying to explain what your business does, for whom, and why. And the key here is to start giving context about what area you're working in, what market you're working in, what problem you're solving, and who are you helping, I find as an investor it's very hard to understand a pitch deck or deal with it until I know what they do, specifically, what sector, segment, product problem, when I have that, then it starts to – everything else starts to make sense and fit in as we go forward. So you want to put that together in a short format as well. Next one up is let's talk about the problem you solve specifically, and start putting in their information about what is this problem, and why it needs to be solved and so forth. And it's important to make clear that this is a big problem. You're solving something that costs people a lot of dollars or a lot of time, and you're there to help reduce it. Solving somebody's problem by only a few percent, unless it's a very, very big problem, it's really not going to be compelling; you have to be making a significant impact into that as well. So talk about the problem you're solving there and identify the pain that the customer is feeling, and what they're doing there.

The next slide is your solution, and here this is often about your technology or your approach or how you're going to be bringing it to the table, and this is one of the most important slides because this is really your intellectual property, this is your value proposition, this is what you're bringing to the table. So you want to spend a little bit time in figuring out what that is and how to explain it to people in a short format word. And so, _________ make clear of is if this is a business worthy solution and you've got a solution for their problem that they have there.

And then the next slide, and this is the one that's most often missed in decks is what exactly is your product – in five words or less, can you tell me what your product is, and can you put a picture up there? If it's a mobile app, show a mobile phone with a screen of the app. If it's an enterprise software, show a picture of that as well with the screen to show something about what information you're taking in and working with on there. The key is you have to make clear what is the product itself, so people get a sense of what it is, how it works, and how people use it. And if you can put a picture up there, I'd find that that communicates a lot right away, so now we know what we have and where we are going with it as well.

Next up is your value proposition. Here, you want to start going into the details of – more details of your solution, and start talking about what are the benefits of using this product or solution and what the customer gets from it, and then make a clear, concise, focused presentation. Many companies have multiple products and ancillary solutions, and so forth, but in these decks, you want to always focus on the core, and that's because people have to understand the core of it before they can get to the variations and the other things that you may be offering. So always focus on the core information, in this case, focus on the core value proposition – are you saving them time? Are you saving them money? Are you saving them reputation? What are we actually helping them with that they want – so that they want this solution that we're offering out there?

And next up is you start talking about how your business works, and what you want to do here is make clear to people that we've got a process for how the business works. In some cases, it's not just an app or a piece of software, it's a full process, it's a service, it's something that they give us information, we put it in a database, we analyze it, we give them the solution back, and you want to start breaking down what you're doing, so people understand exactly what is going on in a more detailed way. The rule of pitching here is if you don't mention it, it doesn't exist. So if you don't make clear what your process is, people may not fully grasp all the work that you're really doing for the price that you're charging, so it's important to do that as well.

So the next one is to talk about your go to market plan – how are we going to get into the market, what channel are we going to use, what channel are we going to use to generate leads, and where are we going to find our initial customers? The worst thing you can say is we've got a very large market here, and we're going to take 1% of it. The problem with that is it doesn't tell the investor anything about how you're going to go after that market. It doesn't tell them where are you going to start, how are you going to proceed, and it's very important to give very good specifics about it. An ideal way is to say here are 20 initial customers we're going to go talk to – by the way, we've already talked to them and they love what we're doing and they're ready to buy. This is the kind of thing that investors really get excited about, because it shows you're in tune with the market, and you know how to get into it. Many of these markets are very large, you can start in many different ways, and investors trying to figure out what is your approach to that market as well.

And then the next one is the market size, and what we want to do here on the market size is to showcase the market in three dimensions. One, what is the total available market – if everybody in the world could use it, how big would that market be? And this needs to be in the multiple billions of dollars. Next is the serviceable market – this is the market that you're actually going after, and it also needs to be a big number, but it's going to be much smaller, because it's going to be the target that goes around what you're trying to do in this timeframe. And then the third is your beachhead market, and the purpose of this is to showcase, we know where we're going to start, we know who the first 20 customers are, and there's a reason why we're going after this segment, it's easier to penetrate, it has less competition, we have better connections. It could be many reasons why you pick it, but you want to show how you've got an entry into the marketplace and how are you going to use that to get into the rest of the market as well. So show the size of your market, and if you can show growth rates and some other detail, that's great too, but these are the three things investors are going to be looking for.

Next step is the competition. You don't see competition slides as much as you did before, but I think it's still important to put in there that you recognize there is competition out there, and you have a chart or graph or table or something that shows who the competitors are. And I find one reason this is a very useful tool is, as an investor, I've learned more about what segment of the market you're going into by the list of competitors than I do by the market slide we just looked at. The market slide is just to say it's a big market. This slide actually tells you which market you're going after, and in some senses, for many investors, the competition validates the market. If there are other people going after it, there's money there to be made. If no one's going after it, then there's no money to be made. So you find the competition slide is an important one to put in there, don't leave it out because investors are going to be afraid of competition and may look at competition as a great validator, but then show how you're better than the competition, what figures _________ are using to say, hey, we're better than what these other guys are doing.

The next slide is the traction slide. This is what you have going so far, what kind of audience are you building, what kind of engagement are you getting, what kind of revenue traction are we seeing; and whatever you have is important to put up there, that you're making progress with the customers. And so, traction slides are very important, even in the early stages, you want to show that you are out there engaging with customers, and you're succeeding at some level with it. Next one is slide revenue. This is where we actually start getting into how much are we bringing in, in the way of revenue, costs and profits, just three lines. This is the financial slide, where people often just cut and paste a big block of cells from their Excel spreadsheet into the slide. The problem with that is, it's almost unreadable, when it gets that much up there, about as much as you can put up there for financial data is about three rows of numbers, and then add a graph, either a bar chart or line chart that visualizes those three numbers to show where you're going. And the purpose of this is, this is do, say, this year, last year this year, and the next three years, so you have a five-year window on it. The purpose of this is to show that you know you're showcasing what you think the growth rate's going to be based on the fundraise, when you're going to cash flow positive, what slope are we putting on that curve, and where have we been before, just to give it context. So last year this year and next three years gives you a five-year window, and that should give you some bearing around what you're actually proposing is going to happen with the funds raised there as well.

And next one up is many people have a vision around what their product is going to do, but it may not be all the way there today, we're just now starting. So put out a platform roadmap, what do you think the product will be in the coming years. I meet many entrepreneurs who are building a service company today with the idea that they're going to collect data, and monetize the data in a few years, and then they're going to turn it into an AI, an AI system a year after that. Well, showcase that service data AI to show that you're on the track to get an AI business out of it, because you'll find your valuation goes up by an order of magnitude for each of those steps going forward. If you plan to do that, go ahead and telegraph that as a visionary statement to say where you're going to be with it.

The next slide is your team slide. This is where you want to highlight the founders and the team; and if you have advisors, put them on there as well. And the key is to put their name, their title, and any projects or companies they work with that are relevant to this industry. Keywords will shine a lot bigger than detailed BIOS or whatever. Nobody can read the detailed BIOS, so just put the big words up there that showcase that you have an experienced team, and everyone has industry knowledge is what investors are looking for in this case. Next slide up is if you have a board of directors, go ahead, or board of advisors, go and put them up there. If you're very early, go ahead and combine it with the previous slide just to make the team look bigger. Advisors are often brought in to fill gaps on the team that aren't there, there's no one for finance, so let's bring in an advisor who can stand in for the finance role. In the early days, we need a little bit, but we don't need a full time person for it, advisor's a good solution for that as well.

And then the next one is your fundraise slide, and what you want to do here is actually show how much you're raising, how much has been raised so far for the business, if any, and then, how much has been invested in the previous business before this round. So if I’m raising a million dollars, I have 500k raised so far, that means, I'm halfway to my goal, and if in previous rounds, I have $2 million into the business, that gives the investor some idea of how much investment has gone in already, and at what stage of the process you should be at, at this point.

And then the last slide is the exit strategy slide, and this is, what do you expect the business to become, are you planning to go IPO, planning to go public with the SPAC, planning to keep the business for 10 years, what do you think the business will become, and how do you think you'll be able to pay back the investors. And you're looking at similar comps or exits in the industry related to yours to show people that businesses buy the startups like the one you're building, and show the vision that we are going to be like them as well. So you have to have – you want to showcase that you have the exit in mind, even though we really can't get too detailed about it at this point.

So those are the major slides to put in it. We have a template with this, if you would like to have it, just send us a note in the chat box, and we'll send you the template that you can use. The key thing I always tell people about a slide deck, the way you want to approach this is take the template, on each slide, go through and write out on the slide the three messages you have for each of those slides. Before you sit down and start building the slides, think about what you want to say, what is your message, what is your content, if I’m putting metrics in there, which three metrics do I want to use. Once you have that, then go back through and start wordsmithing the bullet points into graphs, charts, and other things, so it looks good, and then practice it, walk through it, and do a dry run through the presentation and see if it flows. It doesn't flow, you may have to move some slides around, so your story carries all the way through. So the key is to figure out what you want to say and then start to build that in there as well.

## 16:25 Segment 2:
## Should I use Discounted Cash Flows to calculate Valuation?

**Jake:** Hi, I have a question about the valuation because that is mostly I think, a critical point that investors would like to talk about, and we, for example, we calculated a discounted cash flow model, based on an average what peers, what our peers are making in the market, because we do not have revenue at this point, and that was highly controversial as seen by some of the investors we talked to. And is there any better approach that we can take?

**Hall Martin:** Sure. Unfortunately, at the very early stages, especially pre-revenue, you'll find the traditional valuation metrics such as discounted cash flows, book value, asset value, they don't really apply because you don't have cash flows yet, and forecasted cash flows are just very hard to get everyone to agree upon. And so, in the earliest stage, we're losing other valuation metrics to go after it. The two that we'd like to focus on is, number one, what we call comparables, and what you want to do is look at similar companies, like you were doing with your example there, but instead of looking at their cash flows, look at their valuation, look at where they are today and what valuation they're getting, and then work back from that to where they were when they were at your stage, when they were pre-revenue, what valuation were they using, what were they doing at that stage, so you can – you want to look at similar companies, but you can't use a later stage company that's similar to yours, valuation, you have to use the valuation they use when they were at your stage. Now, another approach to this is what I call the rule of four. The rule of four valuation says give yourself $1 million valuation for each of four things, sales, team, product and fundraise. And if you have sales fully in place, and everything is working and revenue is coming in, give yourself a $1 million. If you have the product, it's fully in place, everything is working, give yourself $1 million. If on the other hand, your product is not fully in place, it's not shipping, it's not final, and maybe it's in beta, well, then give yourself a portion of it, say 500k. And then look at the team, if you have all the positions covered for the executive team and everyone's in place, $1 million. Well, maybe you only have two out of the three people, so let's give ourselves $600,000 for the team. And then the last one is intellectual property, if you have everything filed and awarded as patents and technology, intellectual property, well, then give yourself a $1 million. If you file three provisional patents, then let's give ourselves, say $250,000. So the idea is you're articulating the values that are in the business today, and you're putting a value on it dollar wise, and then you add up all four to get your valuation. Now, in today's market, the market's at a very high place, and so, what you'll find is that you're sometimes past that rule of four, and I call that that delta, the speculation factor. If I add up my four numbers, and I come out with $3 million, but I want to put a $5 million valuation on it, then $3 million __________ are value in the business and $2 million is a speculation. And now, when you talk to an investor, you want to talk about what's in the business today, and you want to highlight what values are there. If you don't mention the team, you don't get the credit for it. I will say, no matter what number you put on the table, investors will challenge it, so you must always be able to defend it. And to talk about how similar companies at your stage got that valuation, to you use a rule of four where you identify the specific things in the business the team is together, the product is working, the intellectual property is filed, it starts to make a more defensible valuation itself. And finally, with valuation, it's a negotiation, not a formula. Yes, we use formulas to come up with numbers, but in the end, it is a back and forth, it is a compromise. That helps when you go into a discussion with investor mentally, if you realize this is a negotiation, not everybody's going to agree, but we will come to compromise into a solution at some point, it will take some time, and you will get there. The key is to actually have hard value-adds in the business to put on the table rather than, I just think I'm worth it, because that ladder is really not very compelling. So those are my suggestions. What questions did you have for me, Jake?

**Jake:** That was pretty good, thank you. And, yeah, in fact, we are in a situation right now, where we probably need to also look at the amount of funding that we're required to fulfill all our milestones that we have set for our company, especially in terms of marketing expenditures – marketing a brand new product is very expensive. And if an investor gives you $1 million, and you do the kind of marketing that we are envisioning, then we're burning through that $1 million in one year. And so, it's really here the difficulty to agree to, with an investor to agree in some sort about what we need, what we need we think is at least $3 million, and then come up with a valuation that would actually allow to raise $3 million, even before we have revenue, and that's difficult. But yeah, thank you for the inputs, we will try to work it out a bit better.

**Hall Martin:** Sure. So on fundraising, what we always talk about is milestoning out the fundraise – typically, if you're going to market without a product, or it's even a pre-seed product, you're raising around 250 or 500. If you're going into the market with a product, you're raising 500 to 750, and partly because your valuation is going to be the lowest it will ever be upfront. And so, you want to raise – think about raising the minimum amount you need to get to the next level, not the maximum amount, because the more you raise at this early stage, the more equity you're giving away. And so, you want to scale it back, scale back features, marketing, etc., to do just the very basic things that you need, in order to stand up the product, stand up to customers, and get the thing going, and then raised the majority of it on the next or third round, when your valuation starts to go up. As you add product, team, and revenue to the process, your valuation takes _________ functions up, and that's where you want to raise the majority of it. So mostly, what you want to be thinking about is, how much can I do with 250-500k on the first round to get out there. And then when my valuation jumps up, now I can then start to use discounted cash flows, now I can use comps from other companies that are growing just like I am, and the valuations would be much higher, and it'll be a lot easier to raise 750, a million, and then on up after that, because you've not taken a big hit in equity up front itself. So consider milestone and get out and thinking about minimizing funding as opposed to maximizing funding, also because you'll spend a lot more time raising funding if you set the goal at a million rather than 500 – instead of 500, you'll spend less time on that and more time on the business.

**Jake:** Okay, well, thank you, that makes good sense. Appreciate it.

## 24:05 Segment 3:
## Should one use a video in a pitch deck?

**Speaker 4:** A question regarding the deck and keeping it visually appearing. What do you think about the use of video, and I ask because we've got a very simple 90-second video that thoroughly explains our technology and the problem, it's very effective – we've got a fairly challenging scientific chemical process that we utilize, it's our product, but it's very difficult to explain quickly, and this video does a nice job, but I just don't know if it would be a distraction, nobody's going to look at it, or if that's a better way to go about it.

**Hall Martin:** Right. I find videos work well, if you're using it as part of your presentation – you're showing the video, and instead of the video explaining, you're explaining, you're talking over it as it's going through. And so, since it's your presentation, you're going through the slides, and you're going through the video, the video gives you the visuals but you maintain, turn off the volume, but you actually do the voiceover to explain what's working, and then that kind of fits into the format of the slides. If you stop talking and turn on the video, and I've seen guys go over and get a cup of coffee while the video is playing, it just doesn't seem like we're doing the same thing anymore where it was a pitch but now we're watching TV, now we're going back to a pitch, and it just doesn't fit in very well. Most detailed videos also work better in advance of the meeting, send them the video to watch it before they come or to send it as a follow-up to watch afterwards to give yourself something to give them to do before and after the presentation is another option if you have that. So I like videos, I think the technology is there now, I used to tell people do not put videos up there because we spent half their airtime just jacking with the encoders and trying to get the mic to work, and it was just a real mess. Today, if it's all online with Zoom, video is really not an issue anymore, but I do think the format is off there, it really should be you driving the pitch, not delegating it over to the video and back. So those are just some thoughts there about how videos may or may not work for you there.

## 26:14 Segment 4:
## Should I focus my medical device on Covid alone or pursue a broader set of conditions for reimbursement?

**Speaker 5: I** have a quick question for you. This is specific, I work with a medical device company, so were trying to raise money for that. So it's kind of a little different than the tech base, but we just – we've been hearing some conflicting information recently, and I don't know if you know specifically with investors, ours is a respiratory device – and, of course, a lot of people, on their minds right now is COVID, when they hear respiratory, they're thinking COVID, ours does address that. But we don't want to be short sighted and only talk about COVID, and of course, limit ourselves, because it's much further reaching than that. Do you think there's any risk of just, because we've heard like, oh well, you should use it, you know, while we have a chance, people are thinking about

COVID, we should just use that and push the COVID aspect to get money, to get investment, to get towards FDA clearance where we're trying to reach, or we've heard other side where investors are – they hear COVID, and they turn their ears off, they're like, no, I don't want to hear it, it's short sighted, this is going to go away in a year or two, and we're going to move on – do you have any ideas with that, of the _________?

**Hall Martin:** Well, typically, you want a platform based product, a product that does more than just one thing. So the idea is you would – I would list COVID, and then I will list the other things that are up there, I'd put COVID first, but I put the other things that we're doing. If you're going after reimbursement codes that are specific to COVID, you have to think about that if you're going after codes that are more encompassing and include COVID, that seems like a better option because now you can get reimbursement for any respiratory, not just COVID. So it seemed like that might come in at the reimbursement code level itself, and so, if you're designing the product, it seemed like you would build a platform. And if there's the ability to do more than just COVID, I would do though, I'd make it a broader product myself. But in all the slides I'd put up there, number one, COVID is a big market, we're going after COVID, and that's part of it, but not take myself out of the ability to do other respiratory illnesses as well, and see where the real tradeoffs are there. Like I say, product design, and then reimbursement codes are the two I'm thinking of, are there any other tradeoffs you're seeing?

**Speaker 5:** Yeah, I mean, that's definitely the two big things, but reimbursement is definitely huge, yeah, _________.

**Hall Martin:** Right. I would go after the bigger market. But in the marketing of it, you can always emphasize COVID enough to make clear, you know, COVID is going to be a big driver, it's going to be around for more than a year, as we see with the variants, some say it's up to seven years, so I would get some data showcasing that COVID is really not over. We all thought that in July, but nobody's thinking that anymore. It's really going to be around for a while with variants, and so, there'll be plenty of time to go do both in this case is my coaching.

## 29:16 Segment 5:
## What is the best way to find the right VCs for my startup?

**Speaker 4:** Another question we had was: what is the best means to find and approach the right VC investors, especially stage and industry-specific, considering the amount of VCs and investors that are out there?

**Hall Martin:** So what was the best way to approach VCs?

**Speaker 4:** What was the best way to find and approach the right VC investors for you?

**Hall Martin**: Okay. Yeah, so step one is identify the right investors, research the investors and figure out who's in your revenue sector stage and criteria, who's funding deals that you think are relevant to what you're doing, so you're in there, your sweet spot. Half the deals that come to a VC are outside their criteria, do not meet their investment thesis. So if you research it, half of them go away right there because they're investing in something else. Second is talk to their portfolio companies and then see if they will give you a recommendation, how was it working with that VC, what did they help you with, how did it go – and then when you find a good answer to that, well, then the next question is, can you, mister portfolio company, help make an introduction for me, and see if they will do that. And that's the best way to reach a VC is through a trusted connection and a portfolio of a VC is a trusted connection. And at some point in doing diligence on a VC you want to talk to the portfolios anyway, so you want to be reaching out to those guys sooner rather than later to find out if they can, if there was a good thing, and if it matches what you want, how much support you want, how much funding you want, how much follow-up funding you want, what kind of expertise you want. All of those are the questions you want to ask that portfolio to see how much they delivered, and are they the right fit, and then next is to focus in on those groups. It's better to find 10 of those then, and focus on them for a period of time rather than a 100, where half of them don't fit the criteria and they don't work for you. So that's the way you do it is to know who you want to go talk to first, and then qualify them and then get the introduction from those who are helping you qualify it. Are there any other questions at this point?

## 31:31 Segment 6:
## Should I take an investment from one of my customers?

**Fred:** Yeah, sure. So this is a question that I've never been able to get an answer to. So we have a few larger customers, one particularly large, who is considering investing in the company, but they also want to be a customer. And part of the discussion is, if they invest, can they invest at a more advantageous valuation, if they get a discount or severe discount on the product on the platform, would you advise against that, is this artificial evaluation then, is it frowned upon, is it even legal – does that make sense?

**Hall Martin:** Right. So if the customer is really strategic, if they can really add value, by having their name on the cap table, and they can open doors for other people – there are some corporate VCs that are that way, they really make a big difference, it's worth doing, then it's worth doing. If they're not, then what I would do is, and this is what happens with many of these company investments is that they – the investment kind of goes away, and they just start buying the product. And now they've become a customer reference instead of a venture capital reference. And so, it just depends on how much you really – how much value you really put on having them on your cap table. If you really need a lead investor to close other investors, it may be worth it; if they have a big name, it may be worth it; if they don't have a big name, and they're really not adding any more value than dollars, then I would just shift it over to, well, let's just sell you more product. We will give you a discount, but not as deep as you are thinking about, but we'll give you a little bit of a discount, so you're good. But we want you to be a good customer reference in this case, and not lose the revenue in this case, because that is the challenge with taking an investment from a customer is that they want to trade off the price of the product for the investment, and that's usually not a good trade off, usually you need all the revenue you can get from that customer in order to grow the business, otherwise you're struggling to make the next customer work, because you didn't get enough revenue from the last customer. So I look harder at the value that that investment brings to you beyond just the dollars.

**Fred:** How about follow-up investors, could this be problematic for follow-up investors who look at that initial investment and say, wait a minute, that valuation doesn't make sense, even though that big company invested in your company?

**Hall Martin:** Right. Well, they have to have a meaningful valuation coming in, I think we are talking about taking discounts on the product you're selling, but they were going to come in at a standard valuation. If they're trying to get a lower valuation, because they're a customer...

**Fred:** No, the other way around, they would get a – they would be okay investing on the higher valuation if they got a discount on the product.

**Hall Martin:** And you have to look at how much of a discount that is, if that's too steep, then I'm looking at more than just the valuation, I'm looking at what that investment brings me with reputation, follow-on funding, other investors, that type of thing. And if they really have – if that's going to really help drive other investors to come in, then I would consider it. In most cases, that's really not the case, they don't have a big name, they don't have a big reputation, they're just trying to make a buck, well, then no – no, we don't want to do that. You're going to get yourself problems with other investors, and it could put the cap table in a funny place, and we don't want to do that as well, too much dilution early on is a big problem with some of these deals.

## 35:09 Segment 7:
## What is the maximum equity to give away in the first investment round?

**Speaker 4:** What would you consider as a maximum equity share to give away in a first investment round?

**Hall Martin:** You want to be in the 20 to 25% range. If it's anything above 25%, then we're raising less money. We could just go down to the minimum, the first raise could be – the minimum you can raise in this world is 250k. If you do less than 250k, investors will question, if you can really do anything. But you can do something with 250k, and you just take the absolute minimum amount of money, which is 250, if it's too far above 25% _________ of the equity. And then you want to try to keep it in the 20-25% range going forward, and as you get hired, go down to 20. But that's the rule is don't take, if the valuation is just not as good, well, then either walk away from the money or just take the bare minimum and go build something, and then come back six months later and try again with a different group of people, because now you've got more team, more product, and you're at a different place and more experienced, maybe more connections. So that's what you want to do is not get yourself diluted too much on the first round.