

From Concept to Investor-Ready Pitch in Less Than a Year

Posted by: Renee Hopkins | April 27, 2012 - 11:59am |

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Michael Garel entered the Texas Executive MBA program hoping to improve his career. In May he'll graduate with an investor-ready startup.

As executive MBA student Michael Garel prepared to pitch his business at the Global Venture Labs Investment Competition, we tracked his progress from before he had even conceived of the idea.

Michael Garel expected his [Texas Executive MBA](#) program to help his career. What he didn't expect was that just one class would change his life completely.

In February, Garel's startup concept won the [Texas Venture Labs Investment Competition](#) (TVLIC). And in May he'll compete in the global round of the competition, hoping to land a prize package worth \$135,000 and the support to turn his concept into a reality.

But a year ago, the idea wasn't even a gleam in his eye.

Spring 2011: First Steps

Garel started on the entrepreneurship path just one year ago, when he took the New Venture Creation class taught by [Rob Adams](#), who is also the director of the entrepreneurship incubator [Texas Venture Labs](#). Garel thought he'd like to be an entrepreneur eventually, but "taking the New Venture class really helped speed up my process," he says.

The next fall, Garel completed an independent study with Adams that focused on creating and validating new business ideas. "I researched about a dozen ideas and went to Rob with the top three," Garel says. His eventual winning idea was not on that initial list, but Garel was on a roll. From Adams he learned that he should "first, find something you are passionate about, and then perform a lot of market validation to vet your idea."

With his engineering background, including a B.S. from Carnegie Mellon University, Garel decided to apply his passion for technology to a retail challenge.

At the time, he had no idea how far that passion would take him down the startup path.

Fall 2011: Research and Validation

Obviously there's a gap between having a business idea you're passionate about and seeking investors for that idea.

Garel says he learned that bridging the gap takes "a lot of research and a lot of conversations. I performed about 30 interviews with those in the retail industry and more than 75 interviews with (potential) consumers."

Relying on the [McCombs Alumni Network](#), LinkedIn and other networks, Garel connected with people who work for large retailers, with whom he could discuss IT, business intelligence, marketing, information, and data—the key aspects of his particular business.

Because he was a McCombs student, Garel also had access to online databases and research reports that helped him shape and validate his idea. Eventually, he honed his idea into something that directly addressed a previously unaddressed market.

Alumni Spotlight



Kevin Yu: Hitting the Right Note
His company, Coregami, created a breakthrough product for classical musicians.



Kelly Merryman: Global Views
Kelly Merryman, BBA '98, launched YouTube TV, a monthly TV package for millennials.



Kenny Worrell: Accelerating Oil and Gas
Kenny Worrell, BBA '10, co-founded Accelerate Resources to capitalize on market inefficiencies.

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VENTURE EXPO

May 3, 1-5 p.m. and 5:30-7:30 p.m.
AT&T Center, UT Campus
[Click here for details and registration](#)

See a showcase of new ventures from across the university and the world ready for commercialization and funding, and rub elbows with fellow entrepreneurs and investors.

INVESTMENT COMPETITION

Opening, Money, and Final Rounds
May 4-5, AT&T Center, UT Campus
[Click here for schedule](#)

Watch teams from around the world pitch their business plans to panels of investors in a simulation of the real-world process of raising venture capital.

All that idea refining and research finally produced a concrete business called [eyeQ](#). Using video analytics to provide bricks-and-mortar shoppers with an experience as rich as shopping online, eyeQ shares ratings, reviews, and information about what others have bought. The product also offers retailers the ability to monitor shopper purchasing behavior and use that information to offer shoppers discounts based on what they are looking at.

Less than six months after completing the New Venture Creation class, Garel had a thoroughly researched business concept and became founder and CEO of his very own early-stage startup.

Even so, he only had part of a business model. He still needed to find a way to make the technology work, create a prototype and financial projections and devise a pitch for investors. He felt far away from eyeQ seeing the light of day.

"I would never have thought I'd be competing in global business plan competitions," Garel says. "I didn't realize the potential of my idea until November."

Winter 2012: Focused and Investor-Ready

Perhaps the most important lesson Garel has learned from his experience has been narrowing his focus, he says.

"You have to focus in order to create a good pitch or a good business plan," Garel says. Included must be a specific pitch to investors as to how much money is needed across set rounds of funding, as well as an exit strategy. Focus must also be applied to the product. "My initial focus is to be the best at delivering a specific kind of data for the sporting goods industry," he says. "I want to develop the concept further right in the focused area, then expand from there."

Garel continued the market validation process and started working with fellow EMBA student **Harish Jayakumar** and other developers and eventually decided eyeQ was ready to compete in the Texas Venture Labs Competition in February. The team built a rough prototype that would demonstrate how eyeQ worked, and Garel created the business plan meant to convince the judges that eyeQ was worth investing in.

At TVLIC, the first competition in which eyeQ was entered, Garel and Jayakumar beat 15 other University of Texas teams during the semifinals and three teams in the finals. They won a one-year membership and an office in the [Austin Technology Incubator](#)—valuable resources to further develop eyeQ. The win also earned eyeQ the right to compete at the Global Venture Labs Investment Competition in May.

Though eyeQ was only a few months old and still in the prototype stage, the judges were impressed.

"The judges thought eyeQ had the best idea, strongest management team, and the clearest and most persuasive business plan and oral presentation," [SiliconHillsNews.com](#) reported. Garel was learning his lesson about focus.

Garel then attended SXSW Interactive in March, where he networked with angel investors and spent time with other entrepreneurs in the entrepreneur and startup lounges. "The best SXSW event I went to was the McCombs startup mixer, where I was able to meet angel investors and VCs," he says. "There are not many times of the year you can get access to those people."

In early April, Garel and Jayakumar took eyeQ to an Oregon venture competition, eager to gather feedback from different judges about how to refine the pitch to investors. "Feedback from TVLIC was primarily about our sales model and financial plan," Garel says. The feedback they received from Oregon was mostly about operations and the presentation and mostly positive, but not enough to win the competition.

Preparation for the global finals at UT has meant logging dozens more hours of work. Garel and his team have been fine-tuning the software, making the prototype more robust and more impressive. Garel has been tweaking the PowerPoint presentation and his pitch to a fine shine, taking into consideration what he's learned from the previous competitions and the Texas Venture Labs faculty and fellow student-entrepreneurs.

The stage is now set for what could be a major turning-point in making eyeQ a reality.

May 2012: Going Global

The [Global Venture Labs Investment Competition](#) (GLVIC), often referred to as the "Super Bowl of investment competitions," brings together about 40 teams whose business plans and prototypes have won events similar to TVLIC held at other business schools. At GLVIC, eyeQ will compete against teams from the United States as well as from countries such as Thailand, Australia, Argentina, Brazil, Colombia, Germany, and France.

At stake is the GLVIC grand prize: a \$135,000 package including Austin Technology Incubator office space, mentoring, and consulting services; a full-page ad in Inc. magazine; consulting with the McCombs entrepreneurship faculty worth \$25,000; and cash. Smaller prizes include the \$10,000 Wells Fargo Clean Energy prize, which is new this year.

Garel isn't thinking about the prize yet. He's still aiming that focus on his business plan, prototype, and pitch.

"Venture competitions are not about the technology, but about the product idea itself and how to sell investors on the idea of investing in it," he says.

When the competition begins, Garel will have honed his plan for eyeQ still further, in preparation for the biggest test yet of a product idea and pitch that hadn't even been conceived of one year ago.

At the Global Venture Labs Investment Competition held May 4-5, 2012, Michael Garel and eyeQ won a \$1,000 E. Craig Nemeck Achievement Challenge award, as well as well as an award for "Outstanding Written Business Plan" in their division.

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