 

RVC Investor Response Report

**Snowvation**

**Angel Capital Summit 2017 Investor Forum**

**03/22/2017**

University of Denver, Sturm Hall

2000 E. Asbury Ave

Denver, CO 80208

Investors

Lead(s): Keith Camhi, Brad Bickerton

Total Follow(s): **35**

* ACS 2017: **23**
* Previous Events/Investor Meetings: **12**

Current Funding Round

Seeking: $500,000

Security Type: Preferred Equity

* *Valuation:* $3.5M Pre-Money
* *Runway:* 15 months

General Impressions

Snowvation presented at Rockies Venture Club’s Angel Capital Summit 2017 (ACS) on March 21st, 2017. The company was then discussed at the ACS investor forum that followed the conference on March 22nd, 2017. Feedback and outstanding questions from the investor forum are included below.

Many of the RVC investors felt that this was a necessary solution given the antiquated technology being used by the ski industry. And several commented that it was hard to believe the opportunity to bring an industry with this much money into the next phase of technology adoption was still available. It was noted that this is an opportunity for a land-grab, so moving quickly will be critical. Some of the investors felt that the market size was too small to potentially attract VC funding down the line, so this was perceived as being a company that may stick with Angel funding through exit.

The Snowvation team and CEO Michael Stocker was highlighted by the group for their professionalism and work ethic. It was mentioned that Michael is a first time CEO which presents some execution risk, but everyone that has worked with him through the due diligence process commended his ability to build and lead a team. Team member Alex Rich was also commended by the group for being a big asset to the development and traction to date.

A competitor based in Switzerland, Skioo (<http://www.skioo.ch/en/>) was raised during the investor discussion. According to one investor, this competitor already has significant traction with ski resorts across Europe as a solution for skiers/snowboarders to easily purchase lift tickets. It appears that Skioo is mainly a consumer-facing app, and does not provide much insight to the resorts themselves, ski instructors or lessons. This competitor can be discussed in greater detail during the Deep Dive.

The presented financials were discussed, specifically in regard to the jump in expenses between 2017 and 2018. It was explained that this is due to costs of adding on additional services, like lift ticket sales and management, and marketing of both the ShredBetter and SV Enterprise platforms. More details were requested on the development timeline of the products, which can be addressed in the **Outstanding Questions from Investors** section below in this report.

Outstanding Questions from Investors

These are questions that were raised by the investors that require your follow-up. These questions and your answers will be added to your Gust profile on RVC's Deal List for investor review.

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| **Item** | **Question** | **Follow-up** |
| **Q1.** | What is the timeline and the priority stack for follow-on modules/products, such as lift ticket sales, season passes, rentals, lodging, etc? What about ancillary resort services, like golf or mountain biking? | Development on our rental and ticketing module are currently in planning phase. This will include season pass sales. Our snow school product is also currently being modified slightly to function for mountain bike operations in the Summer at resorts. Following development of ticketing/rentals, the subsequent key modules will be CRM, Finance/Accounting, F&B, retail. From there, we will evaluate and begin to move into secondary operations such as lodging and other summer operations aside from mountain biking.  We will likely be piloting our mountain bike module with 2-3 of our existing resorts for Summer 2017. We are planning to release our ticketing/rental modules to a select group of early adopters for Winter 17-18. Following the Winter 17-18 season, we will begin to release the ancillary modules in time for the Spring 2018 selling cycle. At this point, we will offer a solution that is comprehensive enough to replace a resort’s entire current system, like RTP or Siriusware.  Additionally, for Winter 17-18, we will be releasing Version 3 of ShredBetter.com, which will include more robust booking functionality and additional guest engagement tools which will help with our b2b sales strategy while also passively accumulating an increasingly large user base of instructors/consumers to ShredBetter.com for future use as we begin to penetrate the b2c opportunity down the road. |
| **Q2.** | Can you address how Snowvation differs and compares to European competitor Skioo? | Skioo is a producer of a lift ticket that is usable at many resorts around Europe. It enables ski areas to offer a convenient lift ticket that can be transferrable among participating Skioo resorts. Skioo is not an enterprise software company and does not provide the logistical and operational tools that Snowvation does. Additionally, Skioo is focused solely on ticketing and does not have any modules for other operations at resorts. Skioo could most closely be compared to something like the Epic Pass, with the main difference being that it is a pass usable across resorts beyond just one company.  I am happy to discuss these differentiations further as well as any other ski industry technology companies during our deep dive! |

Questions from Investors - January 2017

(RVC HyperAccelerator Demo Day)

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| **Item** | Question | **Follow-up** |
| **Q1.** | Who is the decision maker at these ski resorts that you are working with to execute sales of the software? | *Responses can be found in the “****RVC Investor Response Report - Snowvation HyperAccelerator Jan 2017 v2 (Company Responses)”*** *file available on the Snowvation Gust profile page, here:* [**https://gust.com/deals/809828**](https://gust.com/deals/809828) |
| **Q2.** | What is the timeline to implement the software and on-board resort staff? |
| **Q3.** | Please provide more details on the supporting team members and their roles at Snowvation. |

Key Risks

These are issues or concerns that were raised as items to verify during the due diligence process. These represent the 2-4 “hairy” issues that investors identified.

These DO NOT require your response at this time - these are simply to help you understand how the investors interpreted the key risks from your pitch.

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| **Item** | **Issue/Concern** | **Description** |
| **1** | Speed-to-Market / Barriers to Entry | Perceived as low barriers, and need to get to market quickly and capture market share. |
| **2** | International Growth | Channel partner relationships with international groups to be explored further during due diligence. |
| **3** | Execution Risk | First time management team. Fractional CTO and CMO at the moment. |

Next Steps

Snowvation gained 23 investor followers at Angel Capital Summit 2017, bringing the total RVC interest to 35 investors. Snowvation had Co-Lead Investors going into ACS 2017, in Keith Camhi and Brad Bickerton. This deal has already progressed through the RVC group due diligence process, and term sheet negotiations, so this is an open Deal-in-Play at RVC. All deal documents are now available to RVC members on the [RVC Deals page](http://www.rockiesventureclub.org/rvcdeals/).

This report will be shared with all interested investors once the outstanding questions have been addressed, along with the other materials in the Snowvation deal package.

Please follow-up on the outstanding questions included in this report and pass the report back to RVC staff so they can share it among the interested investors. If you are not yet in RVC’s Gust system, please add your company info so investors can follow along on your deal - <https://gust.com/organizations/rockies-venture-club>