

**Cremin Talk Ignites Audience at Economic Fuel Event
by Courtney Hunt-Munther, The Eureka Reporter
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Economic Fuel, the Humboldt County Student Business Challenge, hosted venture capitalist David Cremin at a recent venture capital forum.

Held at Humboldt State University's Kate Buchanan Room, the presentation focused on how to pitch a business idea to a venture capitalist in a limited amount of time. Called "elevator pitches," these brief business presentations are designed to spark the interest of a potential investor in the time it takes to ride an elevator to another floor.

Elevator pitches, which are often neglected by entrepreneurs, can be a critical component to many early stage businesses and is a major component of the Economic Fuel business plan competition. Before any business plans are read by judges, competitors must present 30-second elevator pitches to a panel that will evaluate the presentation, articulation, comprehensiveness and effectiveness of each pitch.

"The idea is how to communicate the feasibility of your business opportunity to a venture capitalist," Cremin said by phone. "It's critical. (Venture capitalists) practice it themselves all the time."

The short speeches can be intimidating and complex, but as an entrepreneur himself, Cremin is an expert both in what entrepreneurs need to present and what venture capitalists want to hear.

Cremin owned his own digital media business in the early 1990s and knows what it takes to build a start-up business. As a current venture capitalist, he also understands what "VCs" are looking for in terms of potential investments.

Cremin is involved with DFJ Frontier, a subsidiary of Draper Fisher Jurvetson, a Silicon Valley-based venture capital fund specializing in early stage investing. Through DFJ Frontier, Cremin works to provide seed money and business assistance to start-up technology businesses in California.

During his presentation, Cremin summed up the basics of presenting a business idea to an investor, including what the business is, what void it fills in the market, who the team filling this void is and why they are uniquely capable. He also addressed the importance of expressing who

the customers are, why they will buy the product or service, how big the addressable market and outlying markets are, how the business will make money, competitors or potential competitors, why the business is better than others and why it will stay better, and finally how much money is needed and what will be done with the funds.

“If you can articulate that really quickly to someone, you might get them interested in investing in your business,” he said.

It’s a lot of information, but Cremin believes it is a critical skill for entrepreneurs to have.

He later likened an elevator pitch to getting a date or job.

An entrepreneur presenting a pitch to an investor must present reasons for why a partnership would be mutually beneficial to both parties. Like trying to get a date, he said, presenting an elevator pitch is like saying, “Hey, if you get in, we can both make a lot of money. We can have a great partnership.”

Cremin sees big potential for small business development in Humboldt County and believes the three essential components for a good entrepreneurial environment exist, but that the area really needs some economic fuel, so to speak — money to provide support for new businesses.

Already in place are smart people, good educational institutions and research and science. What needs to happen now are efforts to keep the bright students and budding businesses from leaving the area.

He also believes now is a great time to be a start-up business.

“If people do the work now, the money will be there to support them. There’s never been a better time to be a start-up (business). In the United States right now, there’s so much money ready to go into young businesses — billions of dollars and growing,” Cremin said.

For more information about Economic Fuel, visit www.economicfuel.org. More information regarding DFJ Frontier is available at www.dfjfrontier.com.