

About Me

Al Linke is a Senior Director of IT at a Fortune 500 company

In his spare time, Al is a fashion tech entrepreneur and creator of the CAT Clutch, a smart phone controlled LED handbag

Al was a cast member on the reality TV shows "America's Greatest Makers" and "Entrepreneur Elevator Pitch".



Entrepreneur 101 – From Idea to Product

- Crowd Funding Best Practices & Lessons Learned
- Lean Startup Process & Customer Validation
- Marketing
- Sales Channels
- Investor Reality TV
- Investor Pitch Deck Example

A photograph of a white shelving unit filled with numerous handbags of various styles, colors, and brands. The bags are arranged in rows across five shelves. The collection includes several Louis Vuitton bags with the monogram pattern, a Gucci bag with the interlocking G logo, and many other bags in colors like black, brown, red, yellow, and blue. Some bags are hanging from the shelves, while others are placed flat. The text "THE PROBLEM" is centered at the top in a large, bold, black font, and "Wife Buys too many Handbags" is centered below it in a slightly smaller, bold, black font.

THE PROBLEM

Wife Buys too many Handbags

My Journey

Entrepreneur
ELEVATOR PITCH powered by INDIEGOGO



**KICK
STARTER**

FOXCONN

Manufacturing Incubator Program

RetailXelerator

April 2013

LED Pixel Art
Frame Kickstarter

LED Handbag
Idea & Prototype

April '15

Dec '15

Kickstarter
Campaign

Intel America's
Greatest Makers
TV Show & UC Berkeley
Hardware Accelerator

Feb '16

May '16

Selected by Foxconn
Manufacturing
Incubator Program

Mar '17

Beta Shipment
150 Bags

Nov '16

Oct '17

Now

Hey AI, make
me an LED
bag



Arcade LED Marquee



...because anything else is just ordinary

[HOME](#) [PRODUCTS](#) [CONTACT US](#) [AFFILIATE PROGRAM](#) [THE DIFFERENCE](#) [SHOPPING CART](#)

NEW !!!

LED PIXEL MARQUEE


Add your own personal message or animated graphic to your custom video arcade system

- SUPPORTS ANIMATION
- CHANGES WITH EACH GAME
- COMPLETELY CUSTOMIZABLE

[LEARN MORE](#)



My Crowd Funding Experience




By Al Linke
4 created

Follow

Droidalyzer - Android Alcohol Detector + Android Dev Kit

Droidalyzer is an open source, Bluetooth alcohol detector accessory for Android Phones which doubles as an Android HW development kit



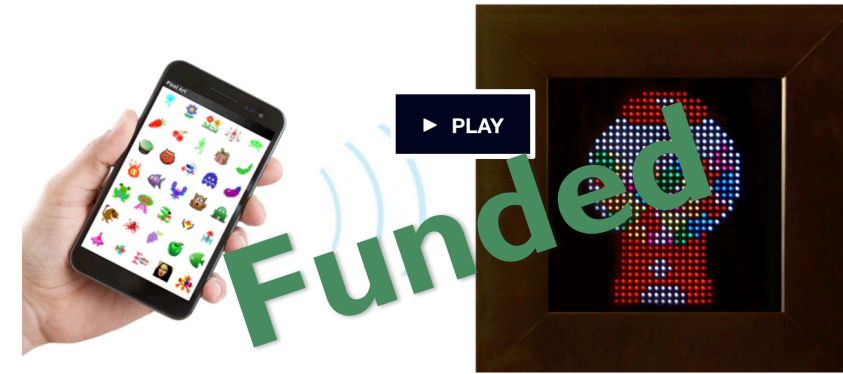
Not Funded

\$667
pledged of \$6,500 goal

15
backers

0
seconds to go

Funding Unsuccessful
This project's funding goal was not reached on July 28.



PIXEL: Interactive LED Art

📍 Santa Clara, CA 🛠️ Gadgets

\$51,536

pledged of \$8,000 goal

303

backers



PIXEL V2: LED ART

📍 Santa Clara, CA 🛠️ Hardware

\$32,652

pledged of \$10,000 goal

157

backers



CAT Clutch - The Ultimate Evening Bag

📍 Santa Clara, CA 🕒 Wearables

\$22,186

pledged of \$20,000 goal

73

backers



CLOSED

CAT Clutch LED Handbag - One Bag, Many Looks

The Ultimate Evening Clutch and Conversion Starter

 CAT Clutch
Santa Clara, United States +  Arrow Electronics
Certification
[About](#) | [Ask a question](#) [Learn more](#)

\$6,025 USD raised by 0 backers

30% of \$20,000 fixed goal

Options to Raise Money

- Bootstrap
 - You pay yourself, possibly with help from friends and family
- Crowd Funding
 - Many people give comparatively small amounts of money to fund an idea. In exchange, funders typically get some form of reward. You maintain 100% company ownership.
- Startup Accelerator
 - Also known as seed accelerators, are typically 3 month programs, that include mentorship and educational components and culminate in a public pitch event or demo day. Some include seed funding in exchange for a piece of ownership in your company.

Options to Raise Money

- Angel Investors
 - Wealthy individual who gives you his own personal money in exchange for a piece of ownership in your company. Often found through referrals and networking.
- Venture Capital
 - Professionally managed fund, for a larger amount of money. Typically look for a return on investment of 10x.

Crowdfunding 101 for Hardware Projects

- KICKSTARTER and INDIEGOGO are the top crowd funding platforms
- Allows you to test the market with minimal investment AND GET EARLY CUSTOMER FEEDBACK
- You set a funding goal based on the amount of funds you need to manufacture an initial batch (ex. \$10,000 USD)
- You choose a funding window between 30 and 60 days
- KickStarter users then choose to back you based on a reward you offer (typically the actual product)
- If funding goal met, KickStarter takes 5% + 3-5% money transfer fees. If funding goal not met, no money changes hands

Proceed with Caution!

- A Kickstarter project that doesn't get funded is no big deal
- A successfully funded Kickstarter project can be a **very public failure**



Kickstarter Case Study: Hanfree iPad Stand



1,405 people like this. Be the first of your friends.



<> Embed

<http://kck.st/e0EMtN>

Imagine reading an eBook or

📅 Launched: Mar 11, 2011

🕒 Funding ended: May 11, 2011

440

backers

\$35,004

pledged of \$15,000 goal

0

seconds to go



Project by

—
Los Alamos, NM

[Contact me](#)



2 created · 11 backed



Has not connected Facebook

[See full bio](#)

KickStarter Case Study: Hanfree iPad Stand



Michael Droth on March 18, 2011

Great / useful idea!



Rainer Roth on March 18, 2011

Hi Seth,
great design! I've just pledged 90\$ (including 40\$ for international shipment), but I could not find a way to specify the iPad 2 option, which I prefer.
Thanks and success!



JP vd Heuvel on March 18, 2011

Hi Seth,
The Hanfree looks really great and a perfect solution for watching movies in bed.
The only big thing that is holding me from pre ordering this wonderfull product is the shipping cost for europe. There is even a chance that the customs make it more expensive.. Do you have any idea on this?
Here in the Netherlands your product has been discussed on the biggest ipad website and the readers are enthousiastic!
http://www.ipadclub.nl/17061/hanfree-nieuwe-houder-om-ipad-handsfree-te-gebruiken/#utm_source=rss&utm_medium=rss&utm_campaign=hanfree-nieuwe-houder-om-ipad-handsfree-te-gebruiken
Maybe an idea to also create a way to attach the Hanfree to the back board of a bed (image: <http://bit.ly/g2QyW3>)

KickStarter Case Study: Hanfree iPad Stand



Yep, I got the bankruptcy letter too. Super confusing for awhile as I had not remembered any "Seth Quest" previously. Anyway, super disappointed in this scam. It was a cool idea. Too bad he gamed the system and stole our money. Well, be careful who and what you back I guess. This is the only Kickstarter project I haven't actually gotten though, on the plus side. Everything else was on the up and up it seems.



Chris on December 24

Seth Richard Quest
Seth Quest Designs
81 Pearl Street #3A
Brooklyn, NY 11201
USA
SSN: xxx-xx-9622

Seth Quest is "discharged and discharged and relieved of said trust," for those who have not received the letter.

Merry Christmas you scammer.



Neil Singh on December 17

I did not. Was too busy. If anyone wants the documentation I secured through my lawsuit that shows how poorly managed this project was, feel free to contact me. Otherwise, I am done with Seth Quest.



Patrick A. on December 14

Any news? Anyone here attended the creditors meeting?

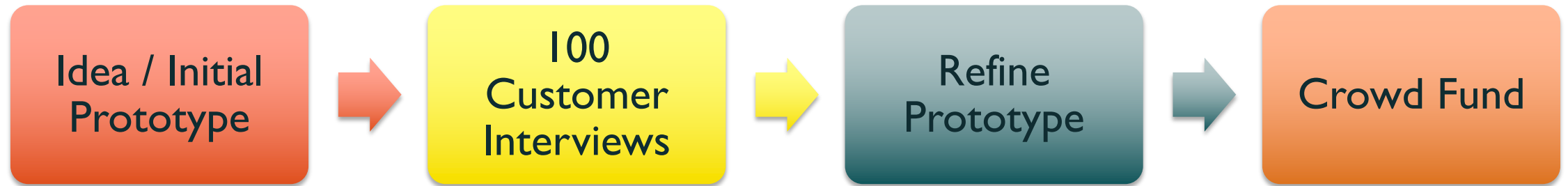
Kickstarter Case Study: Hanfree iPad Stand

- "Later that year, Seth Quest moved to Brooklyn, but because of the damage to his reputation, he could only find part-time work in what he calls a non-design-related field
- "When you fail on Kickstarter, it's a very public failure," says Quest. "It definitely derailed my career substantially. Your backers can give you massive support, but they can also tear you down if you fail." *

Take Away: Creating a physical product is a non-trivial endeavor. Work out as many technical challenges before posting AND if at all possible, have a relationship with a manufacturer in place **prior** to Kickstarter.

Product Development Process

Don't Skip this Step!!!



Recommended Reading:

Lean Startup
Talking to Humans

<https://steveblank.com/>
<http://www.talkingtohumans.com/>

Finding a Manufacturer

Option 1: Find a Maker friendly manufacturer who will act as your project manager and take care of sourcing and managing manufacturing (avoid large factories)

Option 2: Tour factories, pick one, and plan for multiple trips to manage the project.

Option 3: Manufacture yourself

Option 1 is the most viable if you've got a day job and/or limited time

Marketing

- The best marketing is your existing customers
- Focus marketing efforts where you target demographic is
 - Blogs
 - Web Sites
 - Facebook Ads
- Keep your marketing pitch short and sweet. "If I had more time, I would have written a shorter letter" --Blaise Pascal

"THIS SEASON'S CONVERSATION STARTER"

"THE CLASSIC CLUTCH IS GETTING A TECH UPGRADE"

ARCHITECTURAL DIGEST

FASHN
VCTM
LESS



THIRD WAVE FASHION



Ri / Styled

techionista



FashNerd



ELECTRIC RUNWAY

#FashTECH
WHERE STYLE & TECHNOLOGY MEET

Inc.



TRENDHUNTER

iPHONENESS



Entrepreneur
MAGAZINE

KickStarter Video Length

- Most funded KickStarters have a polished video
- Keep it short , less than 2 minutes
- PIXEL V1 video was 3:44 min, watched to completion only 16% of the time
- PIXEL V2 video length 2:25 min, 29% watched to completion

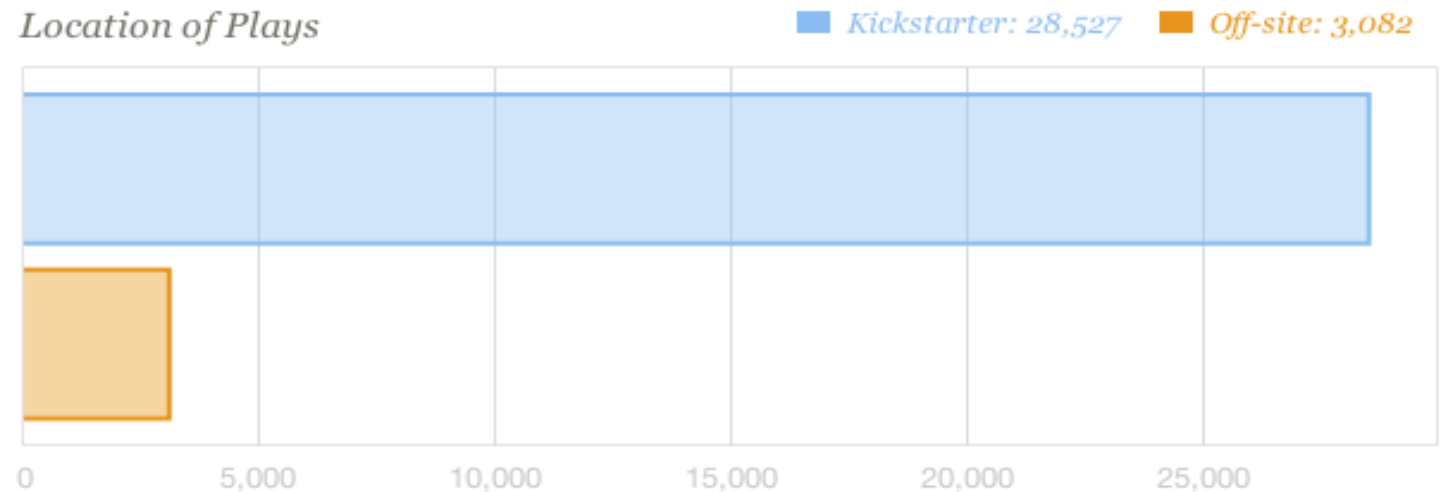
Project Video Stats

Project Video Plays

31,609

15.85% of plays completed

Location of Plays



Shooting your Video on a Budget

- Cheap constructions lights provide decent results, diffuse with parchment paper (warning very hot!)
- Get a cheap wired microphone for decent audio - \$25 *



* http://www.bhphotovideo.com/c/product/659062-REG/Pearstone_9111930_OLM_10_Omnidirectional_Lavalier_Microphone.html

PIXEL Kickstarter Backer Statistics

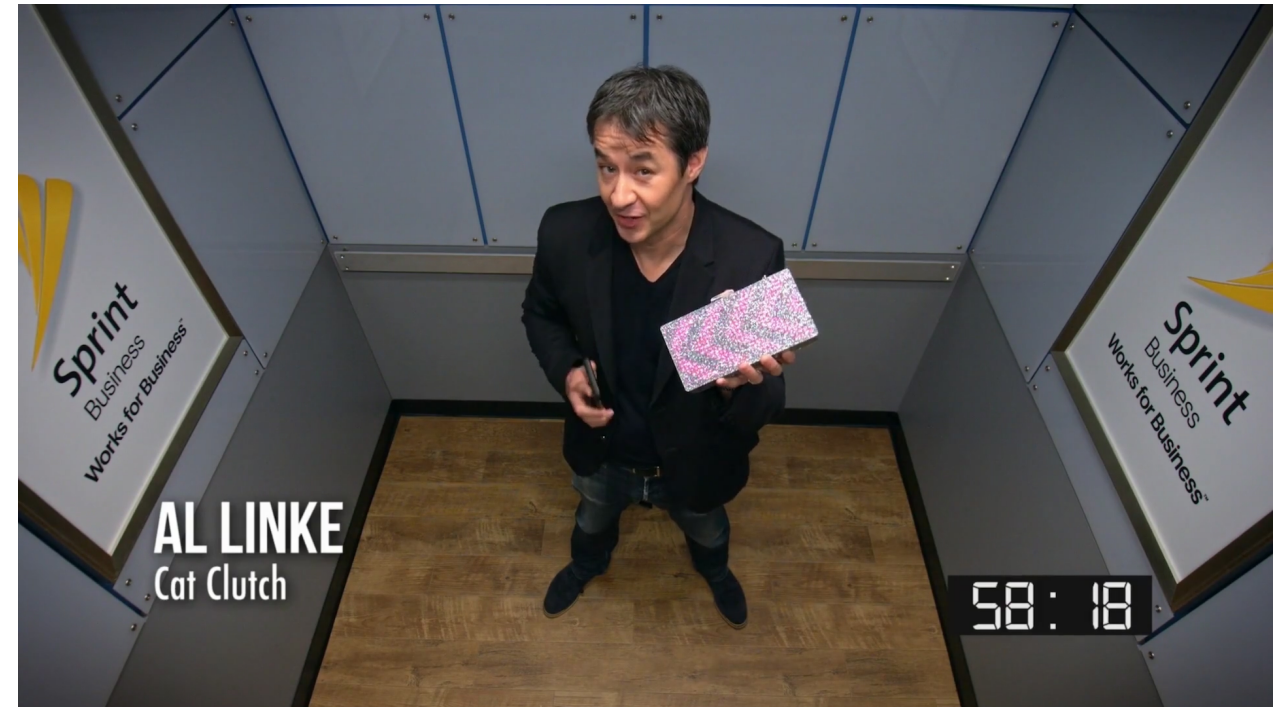
- Total Backers: 213
 - My backers also backed on average 27 other Kickstarter projects
 - 10 of them backed over 100 other Kickstarter
 - One of them backed 567 KickStarters
- 66% of Backers from Kickstarter directly, rest from external blog referrals
- 30 Backers cancelled during the Kickstarter

Kickstarter Backers are early adopters and not reflective of general consumers post Kickstarter

Kickstarter vs. Indiegogo

- Kickstarter featured projects are curated by actual people
- Indiegogo features projects via an algorithm
 - 30% Funding goal must be reached within 2 days to maintain placement
 - Step 1: Self generate the 30% using your mailing list
 - Step 2: Facebook Ads

Investor Reality TV Lessons Learned



Investor Reality TV

- American Reality TV is a formula, don't be the villain
- Know the risk, America likes to see people fail
- Great public speaking practice
- Most likely not the marketing boost you're expecting

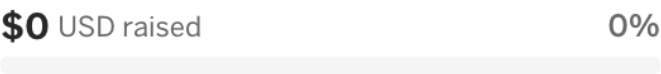


FUNDING

Thirstzzzz - Sleep Hydration System

Sleep aid solution to quenching night time thirst and staying hydrated WHILE SLEEPING

HEALTH & FITNESS



41 days left



FUNDING

RALLY FLIP CAP: Double the bill, double the fun.

It's a double billed hat with a hidden flip-up feature.

FASHION & WEARABLES



11 days left



FUNDING

YukBGone: Evolution of using a public restroom

The only non-toxic toilet seat spray and hand sanitizer on the market.

TRAVEL & OUTDOORS



3 days left



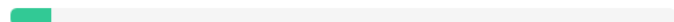
FUNDING

Free Party And Event Planning Site For Women

Helping women plan parties, girl's nights out + celebrations online for FREE!

TECH & INNOVATION

\$318 USD raised 6%



⌚ 6 days left



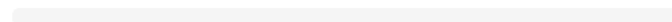
FUNDING

Shop & Support Nanedi Valles!

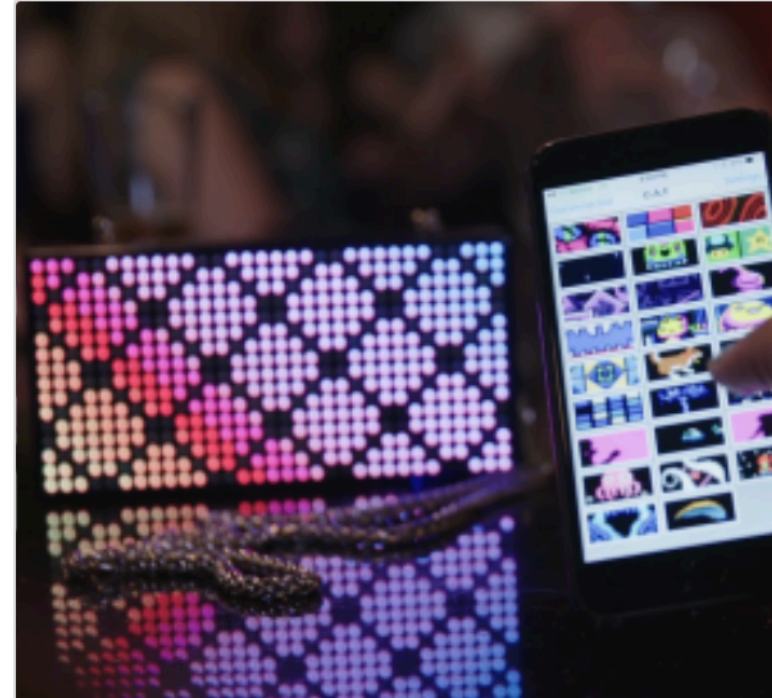
The portal to an affordable, luxurious lifestyle...

FASHION & WEARABLES

\$0 USD raised 0%



⌚ 26 days left



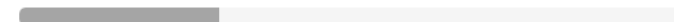
FUNDING

CAT Clutch LED Handbag - One Bag, Many Looks

The Ultimate Evening Clutch and Conversation Starter

FASHION & WEARABLES

\$6,025 USD raised 30%



⌚ Ended

Business Development Cold Call Email Example

----- Original Message -----

Subject: LED Marquee and Possible Collaboration with North Coast Custom Arcades

From: Al Linke <alinke2000@gmail.com>

Date: Sat, April 13, 2019 4:35 am

To: info@northcoastarcades.com

Hi, I created an LED platform for pixel art <http://ledpixelart.com> and recently completed an arcade build that automatically displays an LED marquee image or animation to match the selected game. Here's a few videos showing the build in action:



Overview ==> <https://youtu.be/krdcABgy68A>

Arcade Play ==> <https://youtu.be/yyrPJVBM88>

This tutorial describes how the integration works including the RetroPie scripts to integrate the LED matrix display <https://www.instructables.com/id/Vertical-Bartop-Arcade-With-Integrated-PIXEL-LED-D/>

This particular build is a Bartop but a larger display would also be possible, example here <https://www.youtube.com/watch?v=H36Bk9wCgns>

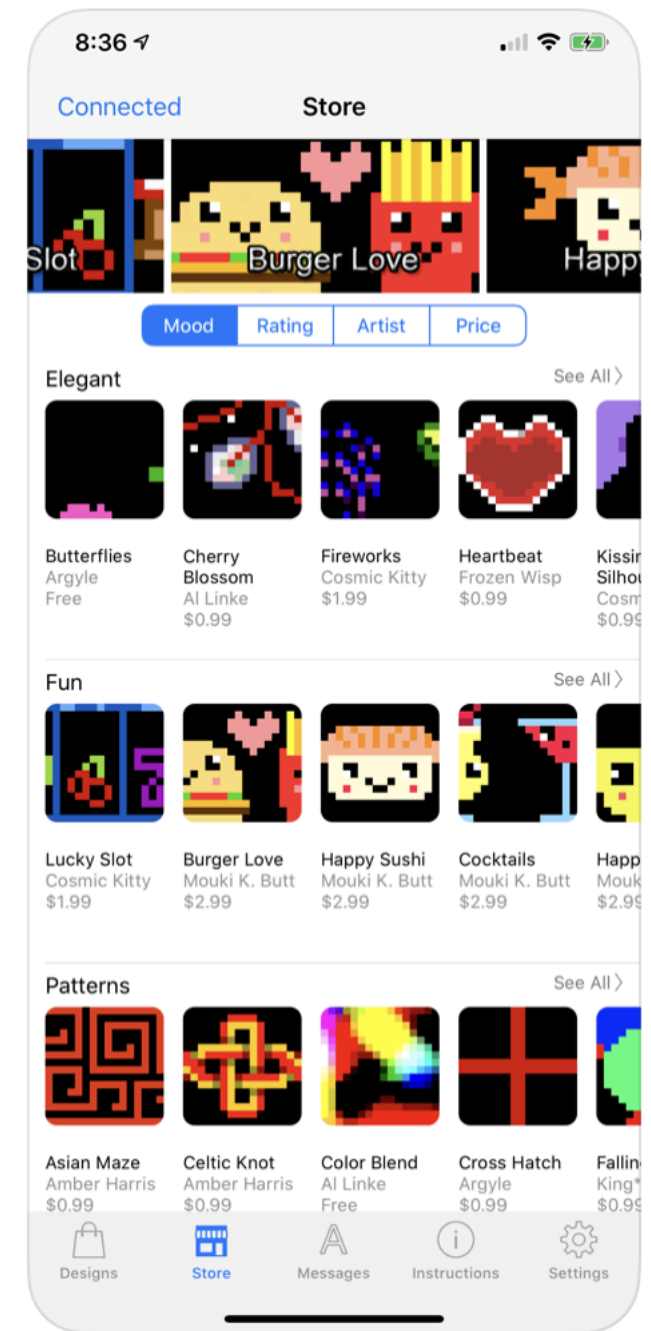
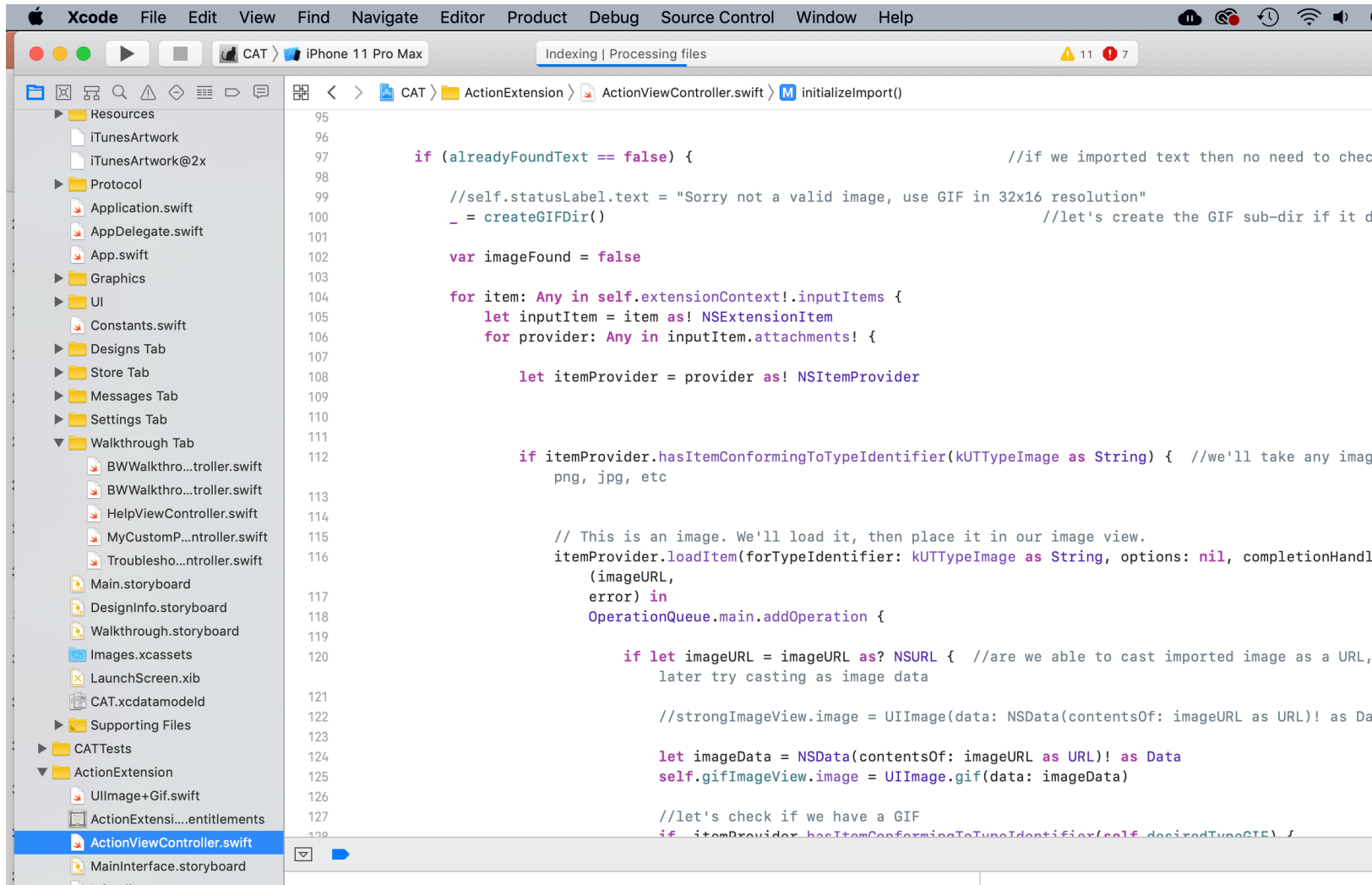
It might be an interesting option to add to North Coast Custom arcades and if interest in a collaboration, shoot me a note and we can chat.

Best,

Al

<https://www.linkedin.com/in/alinke/>

Should You Open Source?



Open Source License Variations

Allow adaptations of your work to be shared?



☒ Yes ☐ No ☐ Yes, as long as others share alike

Allow commercial uses of your work?



☐ Yes ☒ No



Selected License

Attribution-NonCommercial 4.0 International



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Adapt — remix, transform, and build upon the material

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Under the following terms:



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Sales Channels

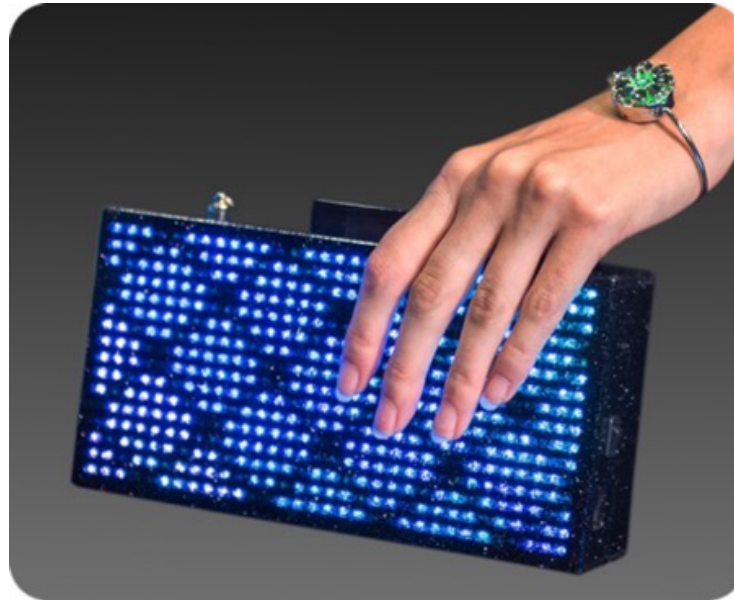
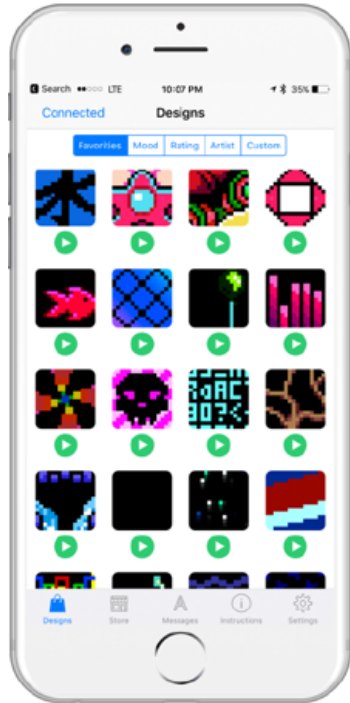
Option	Fees	Pros	Cons
1. Online Direct on your Web Site	3% (Paypal or Credit Card Fees)	You keep the most \$\$\$	<ul style="list-style-type: none"> No Marketing or Reviews You develop & maintain online site You have to ship
2. Crowd Funding	10%	Great marketing if your project is featured	High pressure to deliver
3. Amazon.com You Ship	15%	<ul style="list-style-type: none"> Half of US online sales happen on Amazon Amazon reviews 	You have to ship
4. Amazon.com They Ship Fulfillment by Amazon or FBA	~21%	<ul style="list-style-type: none"> Amazon ships 	<ul style="list-style-type: none"> More returns relative to option 1
5. Retail	50-60%	You keep the least \$\$\$	

Investor Pitch Deck Example

Creative Arts & Technology

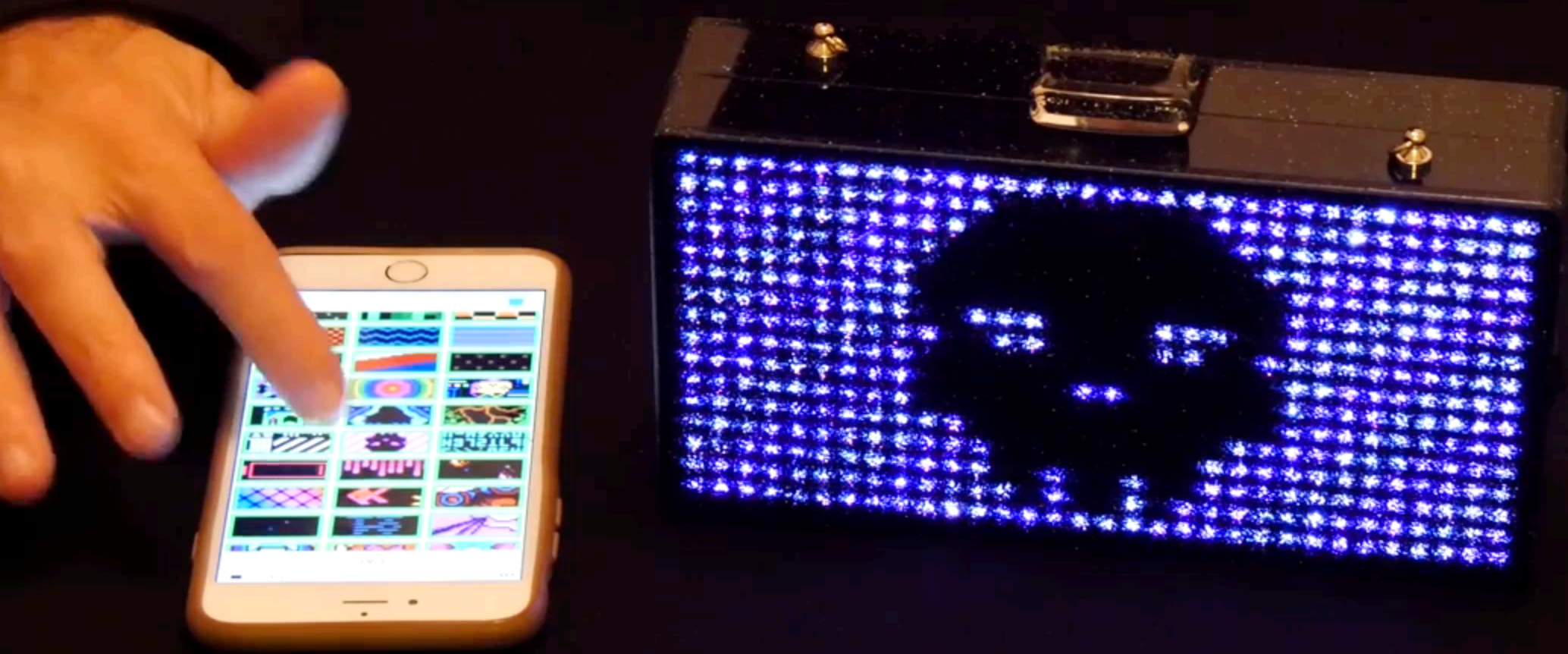
C.A.T

A wearable display platform for fashion accessories



B2B Company

We **license** our platform to **existing** brands



App Controlled via Bluetooth

Creative Arts & Technology



Erin Linke, Co-Founder & Creative Director

Erin is the US head for a Chinese open source hardware manufacturer and a fervent fashion enthusiast.

Skills: Open source hardware, fashion

RetailXelerator



B.A. Geography
Magna Cum Laude



Al Linke, Co-Founder & Engineer

Al is a Maker & mobile app developer
3 Funded Kickstarter Projects

Skills: Hardware, iOS and Android Development
Senior Director IT, Applied Materials



Kevin Lovette, Engineer

Kevin is an embedded hardware engineer and iOS developer.

Skills: Firmware & iOS development

Berkeley
UNIVERSITY OF CALIFORNIA
Hardware Accelerator



FOXCONN
Manufacturing Incubator Program



B.S. Electrical Engineering

Business Model

- LICENSE TECHNOLOGY PLATFORM TO FASHION BRANDS
 - Handbag Manufacturers (Randa Brands, Judith Leiber)
 - Backpacks & Messenger Bags (Timbuk2, North Face)
- WHITE LABEL COLLECTIBLE / LUXURY GIFTS
 - Movie Studios (Disney, Star Wars)
 - Sports (Nike, SF Giants, Golden State Warriors, Intel)
 - Cosmetics (Benefit Beauty)
 - Bridal Party Gifts
- DESIGN STORE IN APP PURCHASES (Apple App Store Model)
- WEARABLE ADS (market not yet validated)
 - Facebook, Google

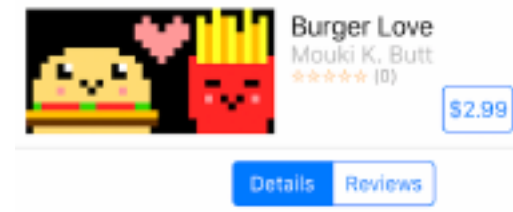
Market Size



\$60M



\$80M



\$2M

\$?

Is there a market?

- Produced 150 LED handbags to test market
- Interviewed 100 potential customers
 - Millennials liked product but not price point
 - Discovered interest from 35-55 affluent female demographic
 - Added elegant LED designs to match target demographic feedback
- **Sold out** on Kickstarter & pre-orders (\$299 - \$450 selling price)
 - Majority of customers 35-55 affluent female demographic

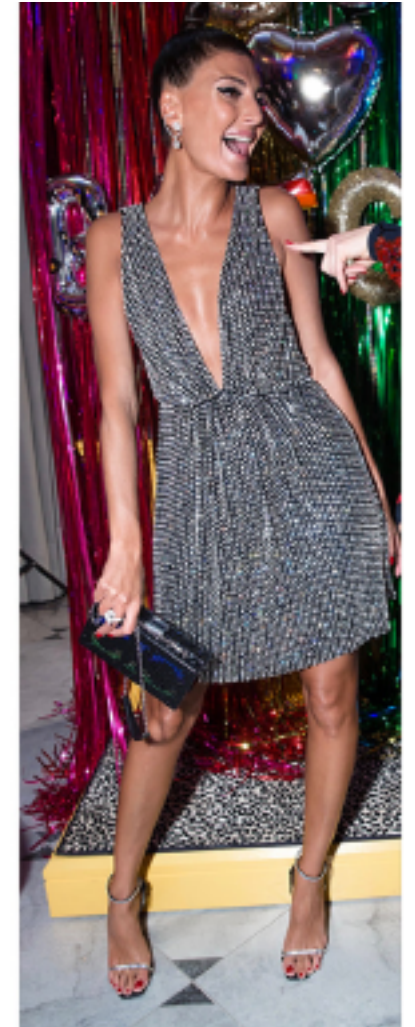


End Customer Value

"I have never been stopped more and asked about a purse, it is a natural conversation starter -- Paying Customer

B2B Customer Value

A way to differentiate amidst end customer price pressure & brand dilution



Fashion Editor & Paying Customer
[Giovanna Battaglia Engelbert](#)
(photo credit: BFA)

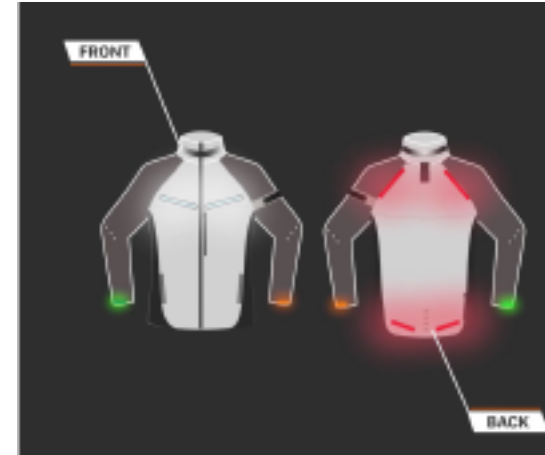
Revenue Projection

	2018	2019	2020	2021
Platform License Revenue	\$100,000	\$1,000,000	\$3,000,000	\$8,000,000
Platform License Seats	1,000	10,000	30,000	80,000
White Label Revenue	\$100,000	\$1,000,000	\$4,000,000	\$6,000,000
White Label Units	500	5,000	20,000	30,000
LED App Store Revenue	\$10,500	\$115,500	\$465,500	\$1,235,500
Total Revenue	\$212,000	\$2,130,500	\$7,515,500	\$15,345,500

Competition



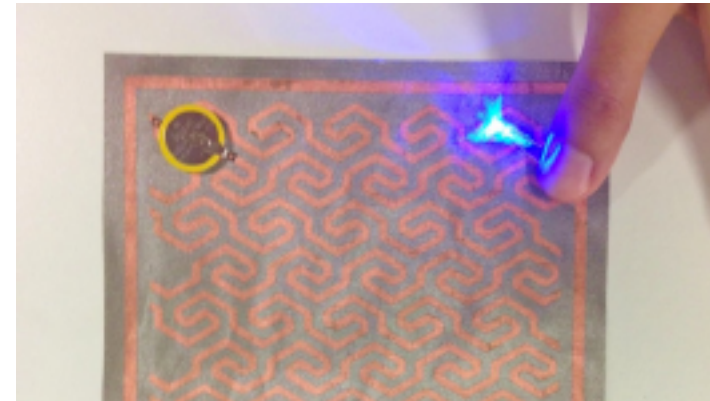
Project Jacquard



Lumenus



XO Studio



Loomia

Other solutions can do accent lighting but **not** full animations and text

Funding Asks & Help Needed

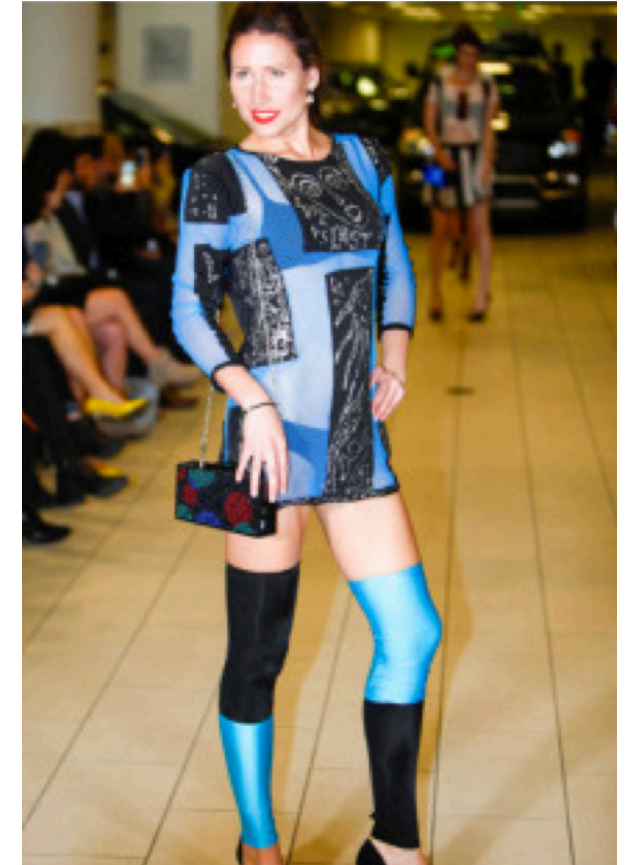
- Round A - 2018: \$300K to optimize design for manufacturability & cost, execute at least two deals
 - 15% equity // \$2M Post Money Valuation and \$1.7M Pre-Money Valuation
- Round B - 2019 to 2021: \$700K to expand and scale-up to meet revenue projections
 - 15% equity // \$4.6M Post Money Valuation and \$3.9M Pre-Money Valuation
- Currently 100% boot strapped
 - Invested \$120K personal funds to date with \$60K revenue
- Need help connecting with tech friendly & forward looking brands
 - Interest from one brand: Judith Leiber (see backup)

Exit Strategy

Scenario #1: Acquisition by an accessory manufacturer

Scenario #2: Acquisition by tech company aspiring to enter fashion technology market

Thank You!



al@catclutch.com
erin@catclutch.com

<https://www.linkedin.com/in/alinke/>
<https://www.linkedin.com/in/erinlinke/>

408 892 1718
408 887 0729

<http://creativeartsandtechnology.com>

In Conclusion

- Taxing on Family Life
- IT Transferrable Skills
 - Product validation process
 - Communications and Marketing Acumen
 - Great way to keep technical / hands on skills current
 - Increased Network
 - General business acumen / real life MBA

Summary

- Financials: Invested \$150K, Revenue = \$140K
- Real life MBA, expanded network
- Transferrable skills to day job, customer interview discipline and marketing
- Do this while you're young

Thank You!

Q&A

al@catclutch.com

Download this deck at
<http://catclutch.com/our-story>



BACKUP

PIXEL KICKSTARTER Funding Timeline

Funding progress

