

b1ix

“fast VC: PZI/SHY”

*borrows from studio system
“feature development model”

- coordinated creative + engineering services
- emphasis on client-product opportunity management
- idea to market-ready product methodology

****PROVENANCE:** borrows ethos from Michael Ovitz
CAA “packaging model,” which A16Z appropriated in
creating a friendly VC shingle for technical founders
— which b1ix then transcodes for creative founders.*

Value Proposition

“increase ROI metrics using new VC products”

B1ix, as a VC methodology, would enable further cross-pollination between Silicon Valley and Hollywood business models and practices.

VC Products

Reserved IP
Premium IP

Deal Flow

Outright Acquisition
Participatory Acquisition
Leveraged Acquisition

Both models start with an IP

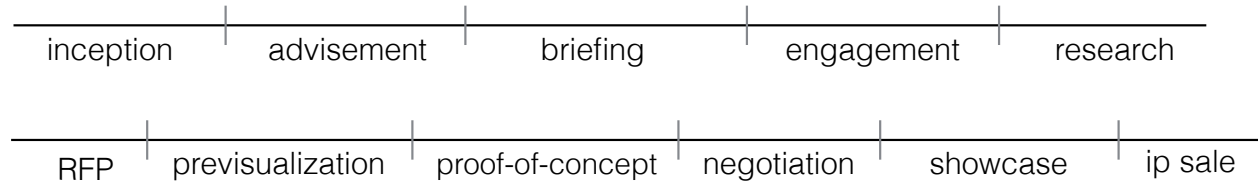
*the business cycle begins
with a literary document,
i.e. continuity script*
(an original or adapted IP)*

studio model



*the business cycle begins
with an architectural
document, i.e. schematic
(a premium or reserved IP)*

b1ix VC model



***HISTORICAL ANTECEDENT:** <https://bit.ly/2Q1oZ5p>

IP Parameters

Each IP has a unique domain, a recognizable brand identity, client interface, custom research, alpha models, previsualization and proof-of-concept stages, campaign media, and a spectacular final showcase event.

From IP to IT

The IP anticipates the production of an original technology that serves the goals of the client or market. The “big idea” methodology services this interpolation by catalyzing the production of intangible assets that are recorded as immanent patents, trademarks, brand collateral, and other specific expressions of the salable IP.

Ultimately the IP protracts “vision,” using a teleological service, which CEOs and other principles charged with strategic leadership are implicitly required to deliver.

This is potentially an extensible VC SaaP tier, which b1ix MT articulates for one market space.

Media Technology Frontiers

- As an IP creator and founder, my work situates an intersection of communication, entertainment and education technologies.
- This collision, rooted in “new media,” is not actually IT, but MT, media technology.
- This new lateral market (convergence media technology) can be described by protocols defined as “media metabolics,” which optimize literacy (digital and traditional media) and culture (oral, alphabetic and post-alphabetic).
- MT, in other words, enables developing humans with new tools, products and services that augment identity, productivity, and ultimately new kinds of human rights and values.

PZI/SHY Model

Practically Zero Investment /
Super High Yield

- The low cost of developing an IP allows for experimentation to occur.
- The extensibility of the “big idea” the IP is based on pushes the boundaries of what is possible before costly investment in IT.
- Engineers that are also great product designers are rare.
- B1ix augments creativity with design thinking, invoking new kinds of VC diligence and transparency of vision.
- Fast cycling of VC funds can create an exit within one year.

The IP Cycle

b1ix Methodology

- Developing the IP in stages ensures that the initial concept is vetted and tailored to the needs of the client or market.
- The “big idea” methodology is both a creative work flow and deal flow.
- Vision, now a service, is no longer an abstract commodity, or intangible human talent.
- However, intangible assets affect the nature of acquisitions, and so the basis for valuation, which requires repositioned diligence parameters.
- Innovation occurs within a known product ecosystem, not in abstraction.
- The result being a synergy that optimizes brand, product, technology, and user cultures.

1. Inception

b1ix Methodology

Pre-funding. Product vision including copy, schematics, domain, value proposition, in other words, a scale model of the “big idea” put to paper, addressing product, technology, brand identity, client, business model, and other key differentiators. The IP creator works alone.

2. Advisement

b1ix Methodology

The concept is presented (co-founders/ team managers/consultants) to discuss the framework of the project, and establish delimiters. What is the problem/solution, market context, product/technology, and any specifications required, which can be used to both position the research and anticipate client needs and market status.

3. Briefing

b1ix Methodology

Client is introduced to the IP service, the proposed IP, and new VC products. The potential relationship is then itemized according to IP cycle, in order to qualify the terms of engagement, which align client goals with market factors, and the immanent opportunity. The intent being to initialize a custom fast VC product: Reserved IP.

4. Engagement

b1ix Methodology

The client is officially courted with a more concrete set of values that have been contractually rendered in order to begin the IP development process. The engagement also more generally presents b1ix protocol, or how the client can engage with the process across the timeline, to maximize intervals where cooperation and communication are required. The development fee enters escrow.

5. Custom Research

b1ix Methodology

... and acquired research. This phase allows the IP to establish its currency, to undergo necessary adaptation through iterative design thinking, critical market differentiation, and applied modes of diligence. Communication intervals present principles with milestones or key transaction targets contained by project management and the timeline interface.

6. RFP/NDA

b1ix Methodology

Requests for proposal are submitted to any outsource partners: (1) media design/creative agency, and (1) architecture/application development entity. Selection is based on predetermined criteria, regarding capability and feasibility of the elective agency/entity to meet design or coding criteria, and/or timeline objectives. An NDA/PIA is required for insource or outsource partners.

7. Previz/IP Modeling

b1ix Methodology

It is now time to dive into the tandem worlds of previz and software architecture, where ideas start to shift from concept to design artifact, anticipating the transition of IP into market-ready IT/MT products. The look and feel of the brand is established here, as well as objectives for an MVP, which will have both visual and interactive mock-up components. Ideas are enhanced as well as critiqued at this stage. Simulations, in advance of the proof-of-concept (i.e. lower cost iterations of the IP) can be processed and tested before any coding begins. As in studio feature dynamics, previz allows key talent to get on the same page about big ideas by allowing for those ideas to be in a format that can create imprints or impressions, and hence feedback based on enhancement and transparency. Also, the beginning phases of campaign development are initiated, which will in final offer the client specific tools related to team and brand building, product introduction, publicity, and other internal/external media related concerns.

8. Proof-of-Concept

b1ix Methodology

This phase overlaps with the previz phase in that IP and IT are becoming interdependent, such that previz design language along with UML software schematics, will aid coders in visualizing the product – and conversely, technology prototypes will inform the presentational media being created. The final proof-of-concept will be an MVP, or component feature of the product set or module, as per the client goals and the aligned feasibility.

Continuous project evolution, and communication with client is also supported through the overlapping previz/proof-of-concept phases. Both previz and proof-of-concept design thinking phases result in artifacts that inform the final staging of the IP.

9. Negotiation

b1ix Methodology

This is a pre-closing negotiation which stipulates deal structure, valuation, and any terms for all parties involved. Final contracts will be prepared for closing. The elements of the IP sale stipulate the kind of acquisition, which is varied based on both initial framing and any subsequent IP development: (1) Participatory Acquisition – fully extended co-party IP/IT development; (2) Leveraged Acquisition – key talent attachment or other assets such as acquired technology, physical capital, or VC funding may be included with development and closing; (3) Outright Acquisition – raw or unprocessed IP purchased in an early phase, post-briefing, due to market conditions, or CEO conviction or desire to integrate privately. A foreshortened IP sale through an Outright Acquisition may best exemplify the PZI/SHY billion dollar idea model, and may offer the greatest ROI for fast VC, per deal terms.*

*Optimization may include risk management (C-level boarding period), vesting limitations (1-3-5 installment deal), key talent or targets (attachments or assets), etc.

10. Showcase Event

b1ix Methodology

This is the private final presentation, which stages in aggregation the conclusive study models, MVP, ecosystem, and media in a highly visual and interactive event-based venue, emulating a keynote or product introduction, which of course is designed for a smaller population, with discretionary exclusions (no press or other outside parties). The goal of the event is to transmit and represent all of the perceived and actual value being acquired. It should be spectacular in that the full extensions of the product will be available as both digital media and physical build-outs that offer demos of brand, product, technology, user experience and other extruded IP modalities. Once the event is completed the physical aspects of the production can be transferred to the client for further use internally, extending the production's utility after closing of the sale.

11. IP Sale

b1ix Methodology

Your bought it, now pay for it! This is the final closing “ritual” held at the big idea showcase event, where the transaction is formalized. Ongoing legal, marketing, design, or coding may be due, but the terms of the deal will be articulated in final format. And associated principles will sign on the dotted line. b1ix thanks you for the imaginative ride into developing new technology that can provide your company with critical marketplace relevance that only a deeply vetted ideation process can unlock. We had a great time. Enjoy your new VC-enabled innovation for your mature brand, or new market category launch. Whether you have chosen an Outright, Participatory, or Leveraged IP sale, you will begin a journey along media technology frontiers informed by an architectural VC model that places human value into the context of technology development.

Fast VC products

Reserved IP - conception of intellectual property on behalf of a specific client, which after engagement becomes the primary beneficiary of the development process.

Premium IP - conception of intellectual property with attention to a specific market space, but without a specific client, which after development is subject to an elective (potentially multi-party) briefing process.

*Reserved and Premium IP categories define product ecologies, with out-of-the-gate monetization (OGM), such that early revenue streams can be implemented with product launch.

Appendix 1

Market Analogs

IP / IT	b1ix	full extension of ideation process, organized into a business model focused on mature brands, CEO / market ecology, and intensive development of custom products and technologies. process ends with launch event showcasing deep IP ecosystem and market-ready IT.
Idea Bank	ideamarket <i>(closed 2016)</i>	pre-funded ideas are ranked using the wisdom of the crowd, and teams submit plans to win development funds. the emphasis is on finding a suitable team, and the goal is development of a minimum viable product and company launch.
Accelerator	Ycombinator, Techstars Brandery	contracted growth model where existing company is mentored and infused with seed capital in exchange for small equity stakes, usually ending with an investor pitch event.
Incubator	idealab TechNexus	co-working space, with shared business infrastructure, generally supporting ideal growth conditions for seed or early stage companies. incubators may be focused on specific markets, and have variable program length, depending on industry and key growth factors.
Founder Lab	milk churn labs	entrepreneur-driven app development company focused on owner/principle experiments and personal projects.
Enterprise R&D	Google X Microsoft Research Skunk Works	moonshot and long-range research initiatives fueling innovation of future markets and growth strategies. self-funded and operated by established technology companies, typically within secure facilities, by top level talent granted autonomy. and growth by management team develops ideas internally over an

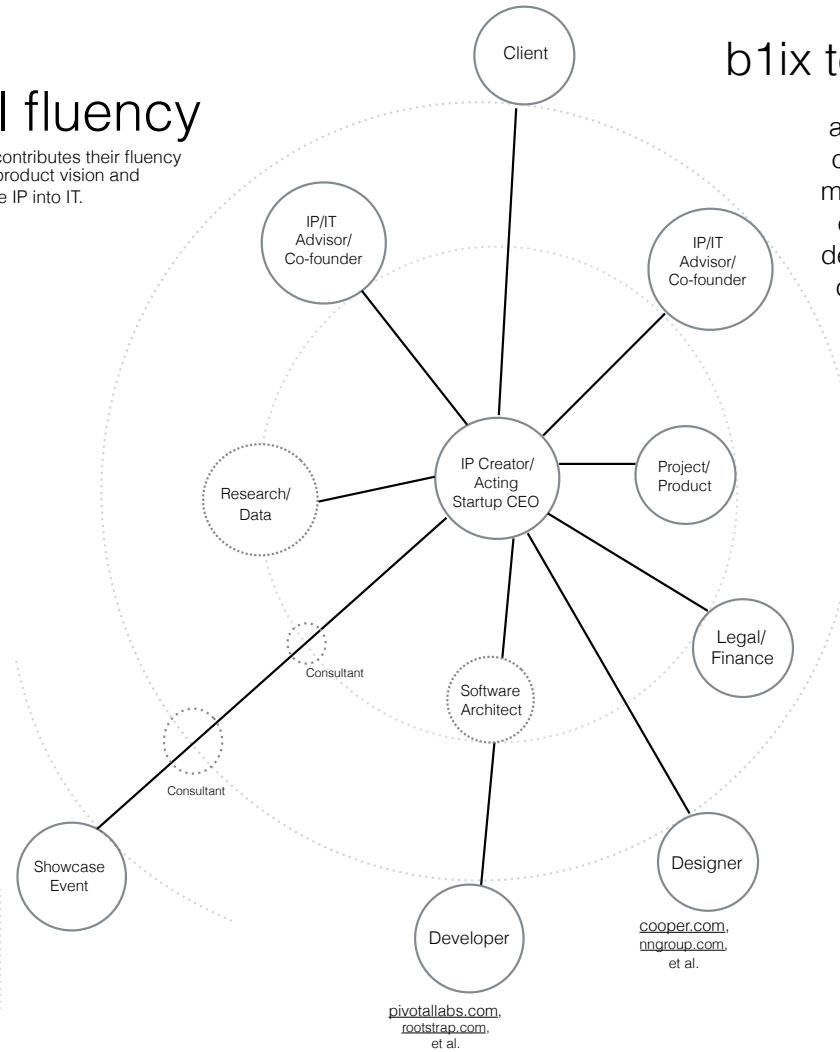
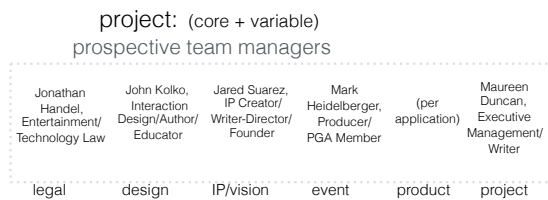
Appendix 2

radial fluency

Each b1ix member contributes their fluency to contain the product vision and correlate IP into IT.

b1ix team

advisor
creator
manager
consultant
designer
developer



Appendix 3 b1ix budget

6-9 MONTH ALLOCATION (per entity)

<u>DESIGN</u>	
Brand ID	\$175,000
Visual Identity	
Digital Assets	
Prototypes	\$185,000
Mock-Ups	
Schematics UML/UX/UI	
PreViz	\$185,000
Graphics	
Motion Graphics	
Campaign Media	\$520,000
Video	
Interactive	
<u>INTELLECTUAL PROPERTY</u>	
Domain	\$100,000 - \$5,000,000
(expense exceeding allocation carried by b1ix VC fund)	
Legal / Finance	\$250,000 (+ deal pts.)
<u>RESEARCH</u>	
Custom Research	\$135,000
Acquired Research	\$135,000
Consultant(s)	(allocation per research fund)
<u>MANAGER</u>	
Event Manager	(+ PGA fees)
Product Manager	(+ deal pts.)
Design Manager	(+ deal pts.)
Project Manager	(+ bonus)
<u>CREATOR/ADVISOR</u>	
IP Creator/Founder	(+ option fee + deal)
Startup CEO	(+ package)
Co-Founder(s)/Advisor	(deferred + deal)

<u>OVERHEAD</u>	\$160,000
Rent	
Utilities	
Insurance	
Phone	
Internet	

<u>DEVELOPER</u>	
Alpha Models (Coding)	\$1,450,000
Software Architect	(allocation per developer fund + deal pts.)

<u>MISC EXPENSES</u>	\$50,000
Travel	
Lodging	
Food	
Transportation	
Supplies	

<u>EVENT</u>	
Venue	\$120,000
Event	\$1,000,000
Design	
Build-out	
Rentals	
Security	
Technical Staff	
Catering	\$50,000
Event Media	\$150,000

----- \$5,575,000 SUBTOTAL

(+ variable domain fee(s))
(+ variable consultant(s) + architect fees)

Seed Capital \$10,000,000 (per project)
(allocation per B1ix VC fund)

ESCROW AT ENGAGEMENT \$100M
(capital may be applied to underwrite key elements or assets in leveraged or participatory acquisition pre-closing)

Appendix 4

STEM vs. LAWD*

A critical difference that needs
to be articulated is the denotation of

Creative vs Technical Founder. While a16z established
a VC apparatus to defend and celebrate the technical founder
as the principle actor in the long term development of a company –
supporting the founder to lead at c-level – b1ix intends to
establish a talent directive and install founders with a diverse skill
set, referenced as LAWD, capacitated by a methodology
that can launch not only a new kind of technology leader, but also, by
wit of vision and imagination, new technology spaces, products and services –
rendering the creative founder a vital source of future market value.
(Examples of non-engineering founders include Steve Jobs, Brian Chesky, Michael Dubin, et al.)

*(STEM: Science Technology Engineering Math/
LAWD: **Language Arts Writing and Design**)

The functional difference between these two modalities
of knowledge acquisition is that the first is primarily alphanumeric,
and the second primarily alphagraphical. It should also be
understood that writing is a form of coding; the U.S. Constitution, textually,
being one example of “clean code.” Also, at scale, the Big Idea may be to VC,
what the Lean Startup has been to entrepreneurs, and Agile to developers.
*Therefore, with symbolic systems as the shared basis for coding software or culture,
b1ix engineers a new kind of capital management critical to diversity imperatives.*

IP Creator/ Creative Founder

Jared Suarez

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