Perfect Equity Splits for Early-Stage, Bootstrapped Startups.

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The first “deal”…

$$\text{Your Share \%} = \frac{\text{The Value of Your Contribution}}{\text{The Total Value}}$$

$$\text{Your Share \%} = \frac{?}{?}$$

$$\text{Share \%} = \frac{\text{Promises}}{\text{Dreams}}$$

Unfortunately…

lawyers, advisors, professors

girlfriend, boyfriend, mom, dad, rich uncle

Estimates, Rule of thumb
Financial projections,
Industry standards
Darts, crystal balls,
guessing…

CAN YOU PREDICT FUTURE EVENTS?

Fixed Equity Split

67% split equity at the outset of the venture

* Wasserman/Hellman

“60/40”

“51/49”

“25/30/45”

Let’s keep it simple…

“50/50”

“33.3/33.3/33.3”

“25/25/25/25”

90%+ of startups do equal splits

But, what if…

You do all the work?

You bring in another guy?

Your partner wants to quit?

You want to quit?

Your CTO gets hit by a bus?

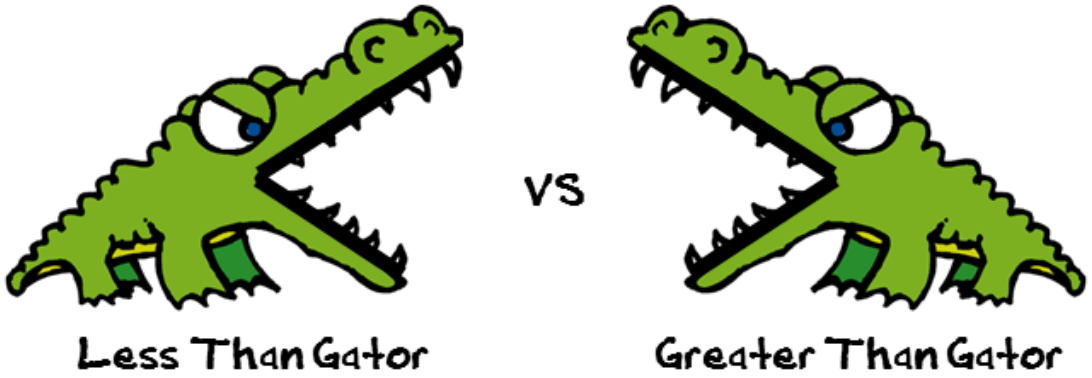
1,000,000 other things?

$$\text{Your Share \%} > \frac{\text{The Value of Your Contribution}}{\text{The Total Value}}$$

$$\text{Your Share \%} < \frac{\text{The Value of Your Contribution}}{\text{The Total Value}}$$

@GruntFunds

Alligator Pit



@SlicingPie

FIX

&

FIGHT

Not Fair

=

Not Fun

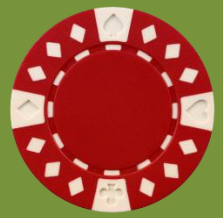
Fair

=

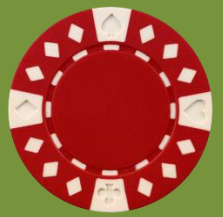
Fun

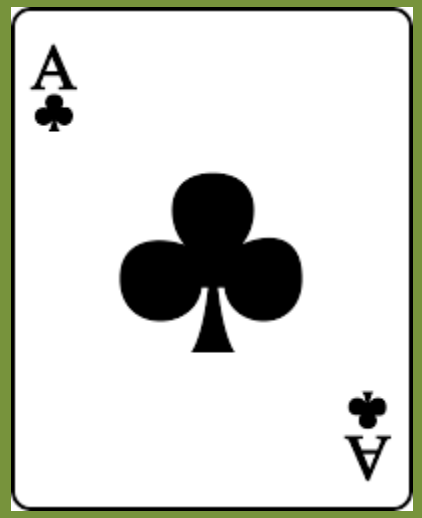
Blackjack...

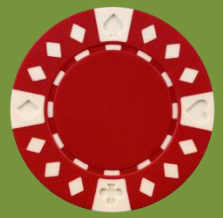


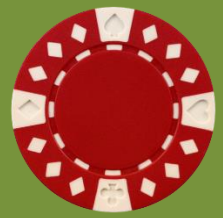


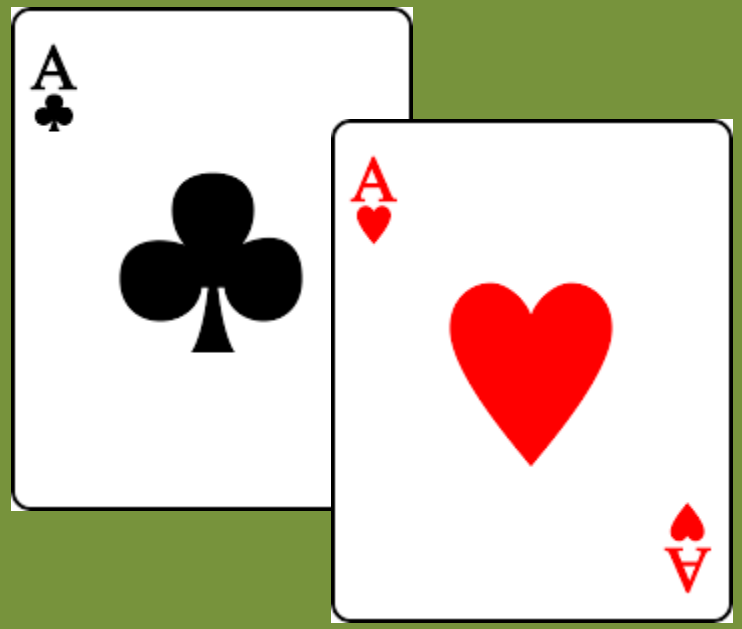


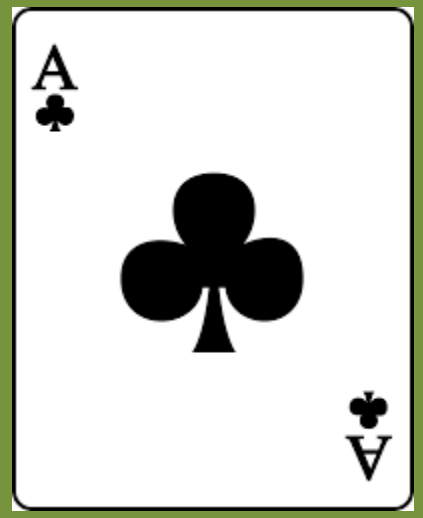


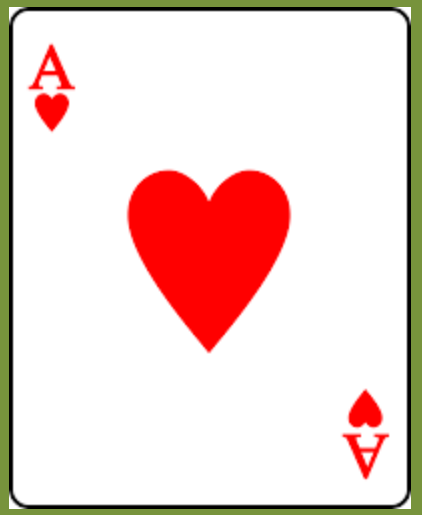

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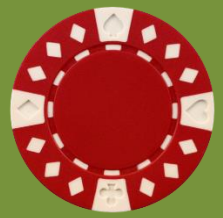


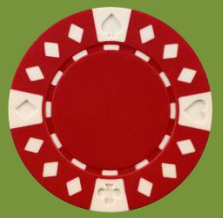


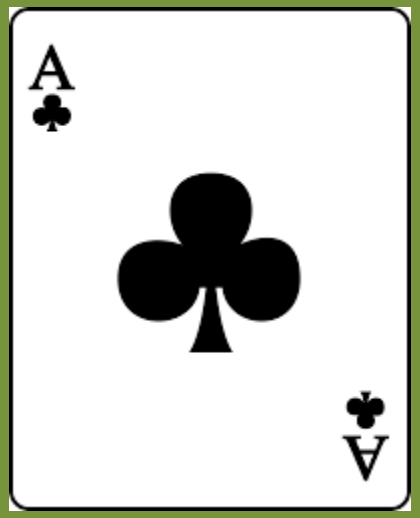


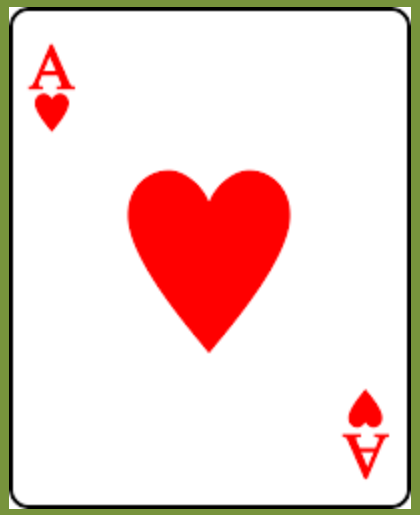


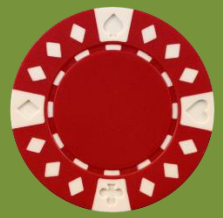


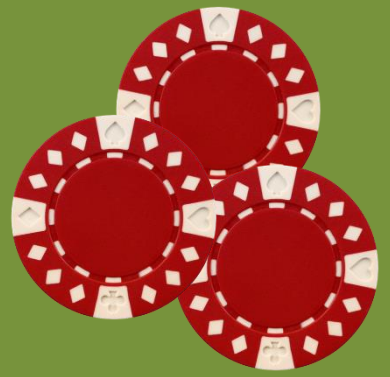




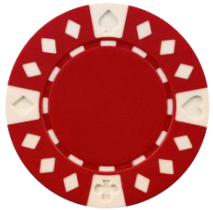

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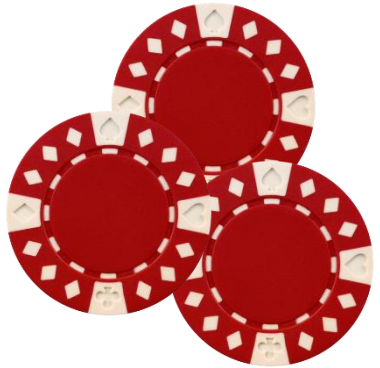

A
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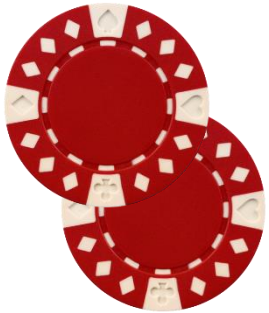


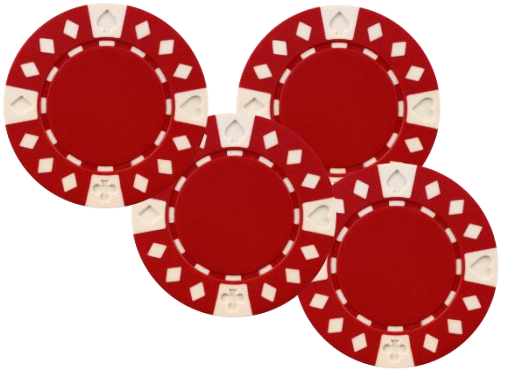




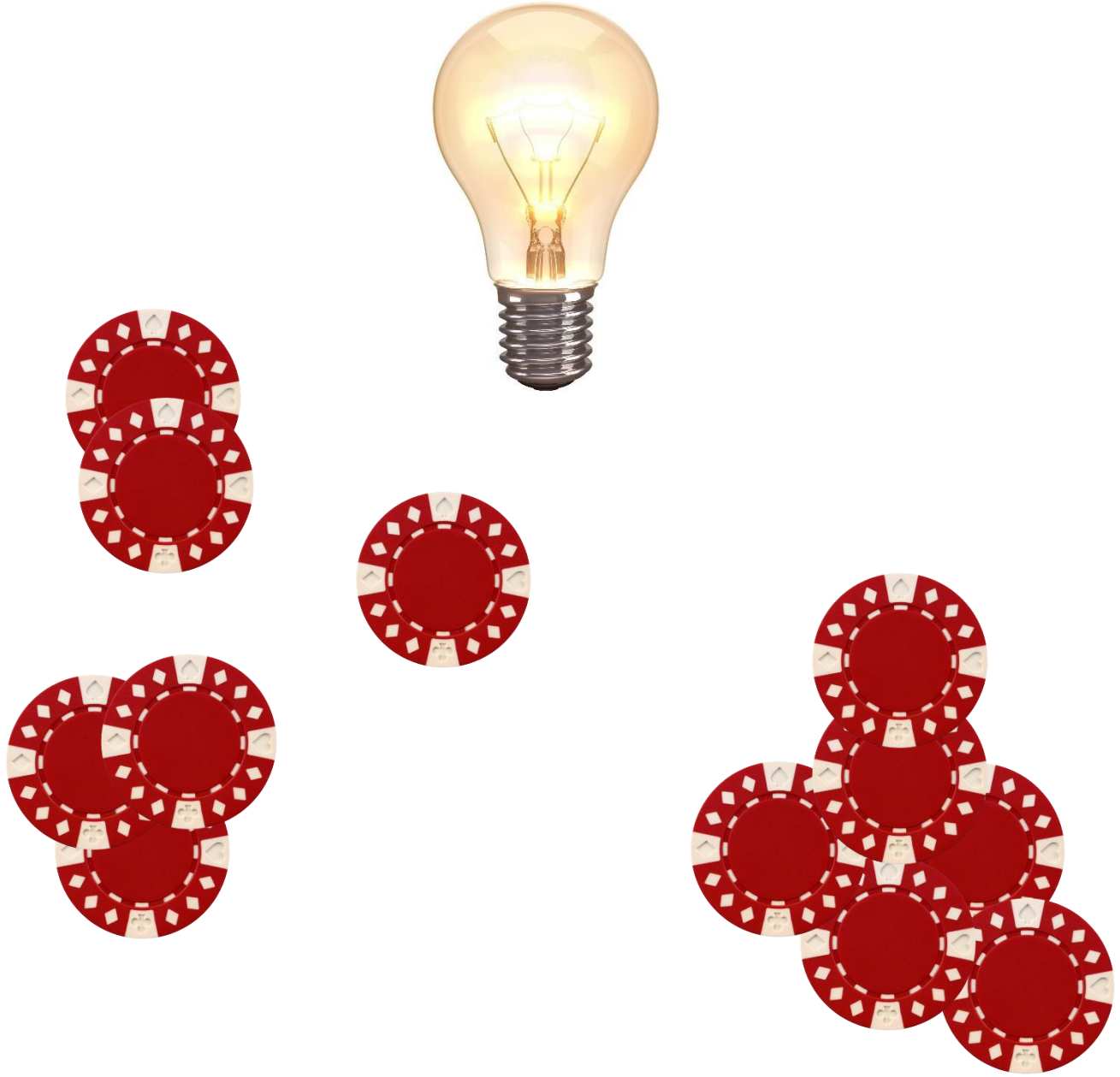
@SlicingPie



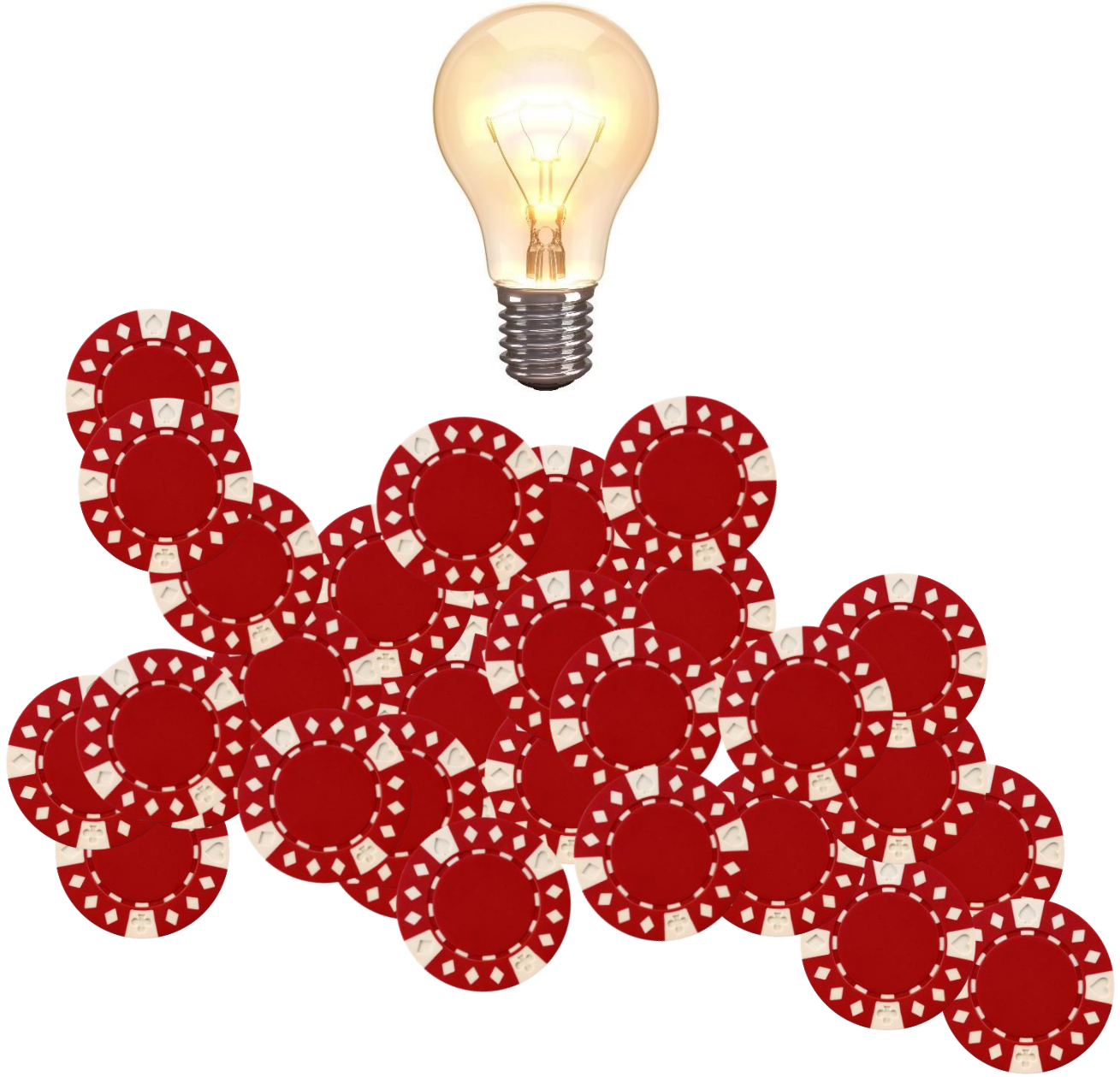




@SlicingPie



@SlicingPie



@SlicingPie

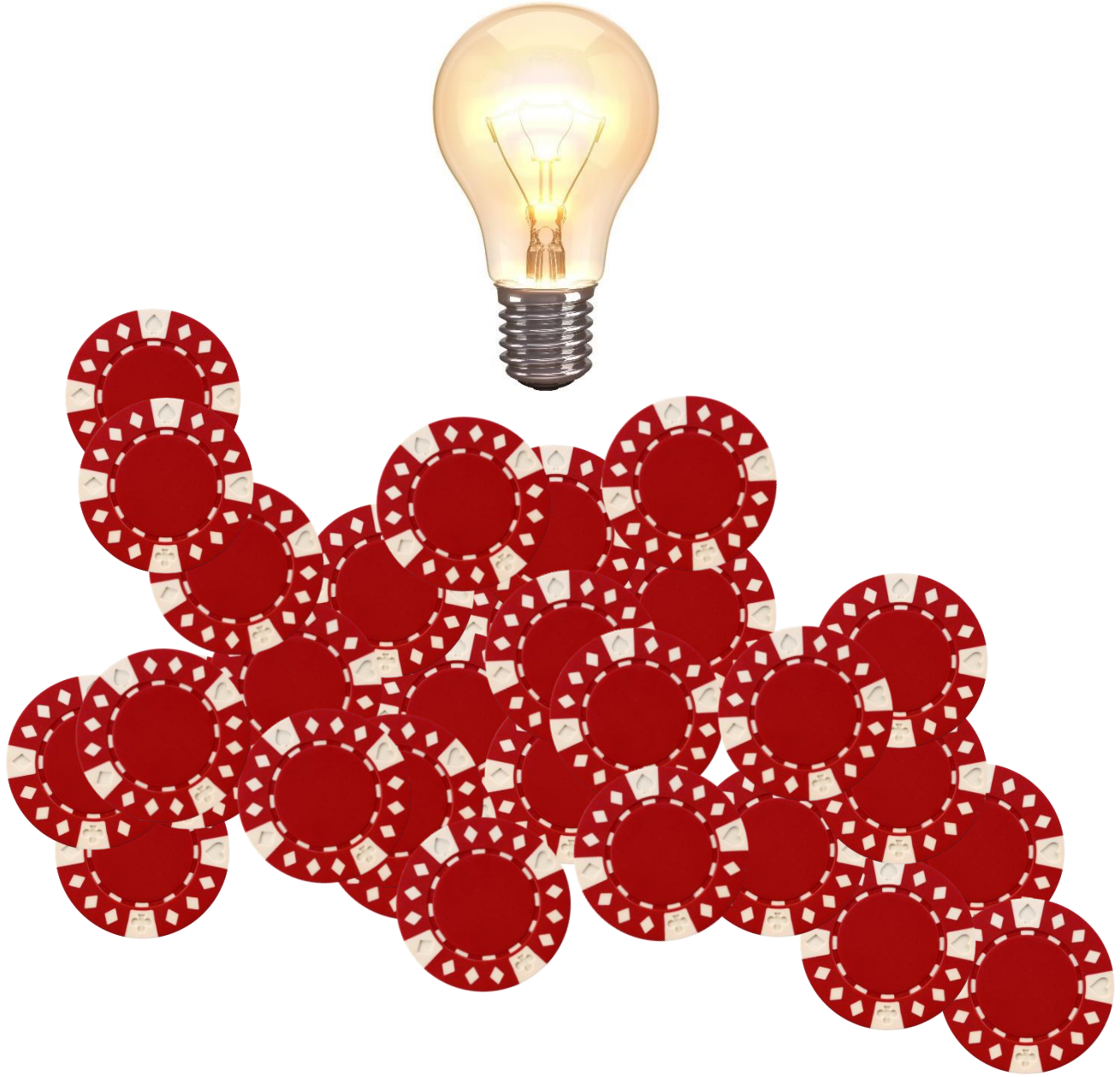


= Fair Market Value

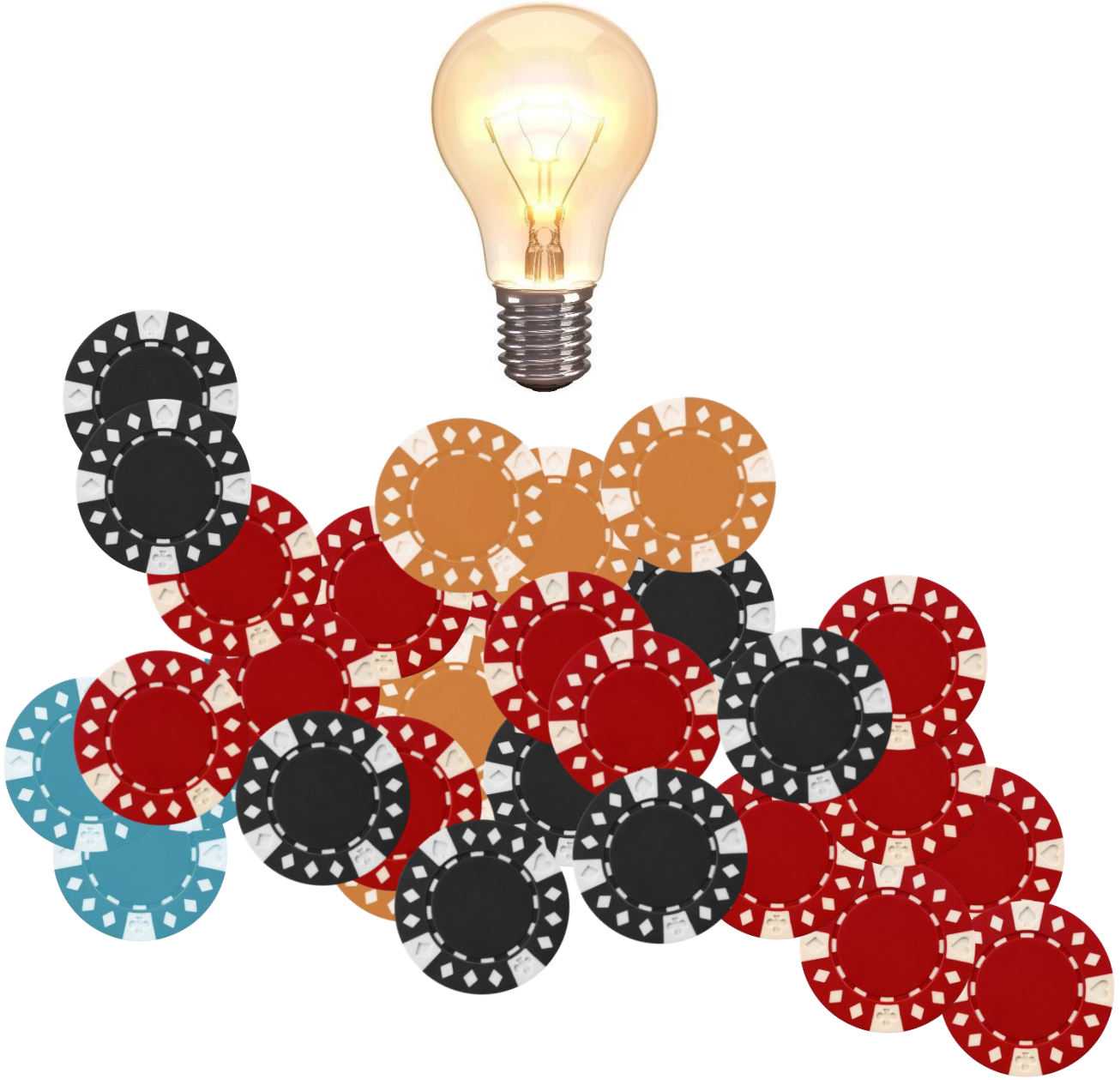
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A person's share of the equity should be based on that person's share of the bets.

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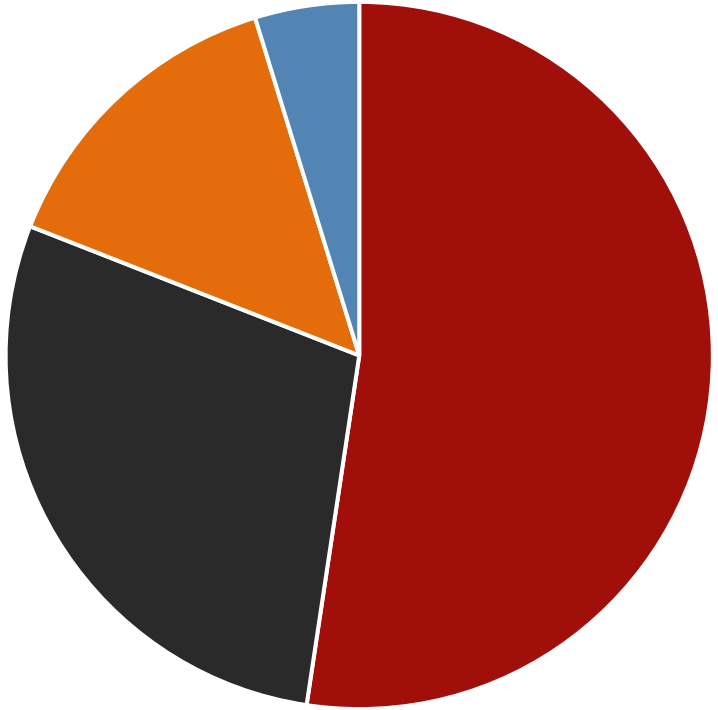
@SlicingPie



@SlicingPie

Anne

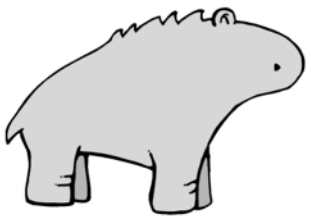
John



Sam

Mike

Is there some kind of legal agreement that I need?



@SlicingPie



1. Allocation Framework
2. Recovery Framework

@SlicingPie

Grunt



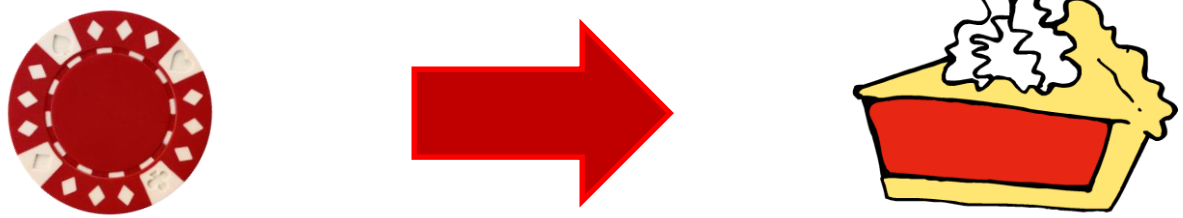
1. Allocation Framework
2. Recovery Framework

@SlicingPie

Slicing Pie is a Universal, One-Size-Fits-All Solution for the Allocation and Recovery of Equity in an Early-Stage, Bootstrapped Startup.

Allocation Framework

@SlicingPie



Allocation Framework

1. Convert contributions to Slices 

2. $$\text{Your Share \%} = \frac{\text{Your Slices}}{\text{Total Slices}}$$

1. Allow it to self adjust over time (dynamic)

Isn't a fixed split easier?

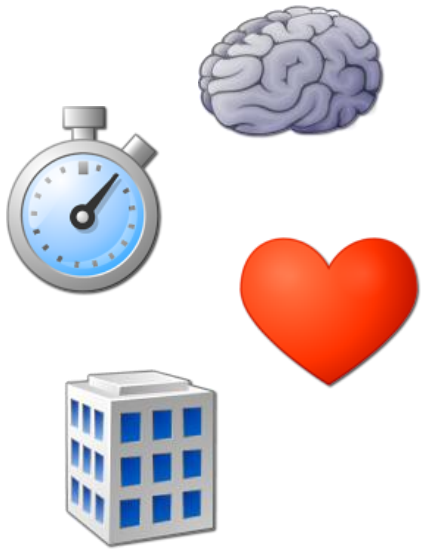
Convert to Slices

Non Cash

Cash

Convert to Slices

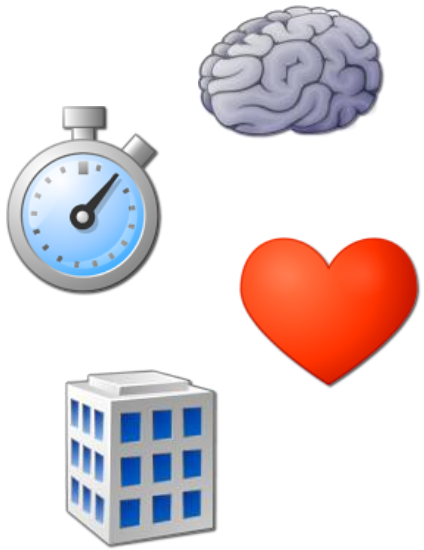
Non Cash



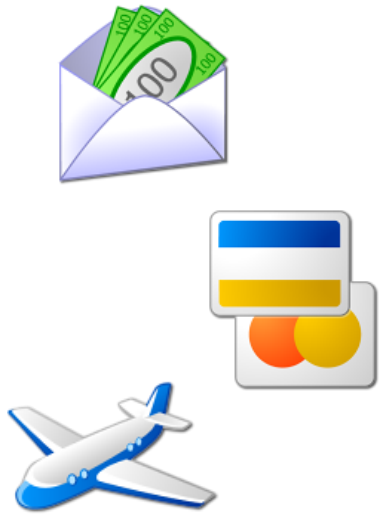
Cash

Convert to Slices

Non Cash



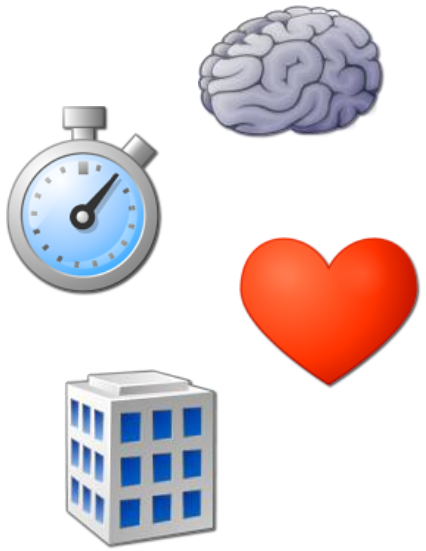
Cash



@SlicingPie

Convert to Slices

Non Cash





Cash



Convert to Slices

Non Cash

FAIR
MARKET
VALUE

Cash

FAIR
MARKET
VALUE

Convert to Slices

Non Cash	Cash
FAIR MARKET VALUE	FAIR MARKET VALUE

x2

@SlicingPie

Convert to Slices

Non Cash

FAIR
MARKET
VALUE

x2

Cash

FAIR
MARKET
VALUE

x4

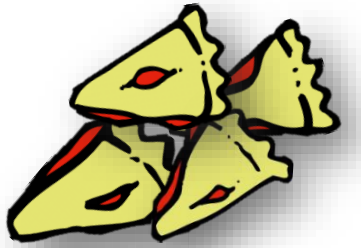
@SlicingPie

Convert to Slices

Non Cash

$1 = 

Cash

$1 = 

@SlicingPie



Time

Fair Market Salary*

-

Cash Compensation

X

2

=

Grunt Hourly Resource Rate (GHRR!)

@SlicingPie

* Hourly @ 2,000 Hours/Year



Time

$50/hour*

X

2

=

Grunt Hourly Resource Rate (GHRR!)

100 *slices*/hr

@SlicingPie

* $100,000 per year



Time

$50/hour* - $10/hour paid in cash

=

$40/hour at-risk

X

2

=

Grunt Hourly Resource Rate (GHRR!)

80 *slices*/hr

@SlicingPie

* $100,000 per year



Money

Cash Amount

X

4

(Investments Convert When Spent)

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Equipment

- New = Purchase price x 4 (cash)
- Less than a year old = Purchase price x 2 (non-cash)
- Older than a year = Book value x 2 (non-cash)

Everything Can Convert



- Unpaid Commission x 2



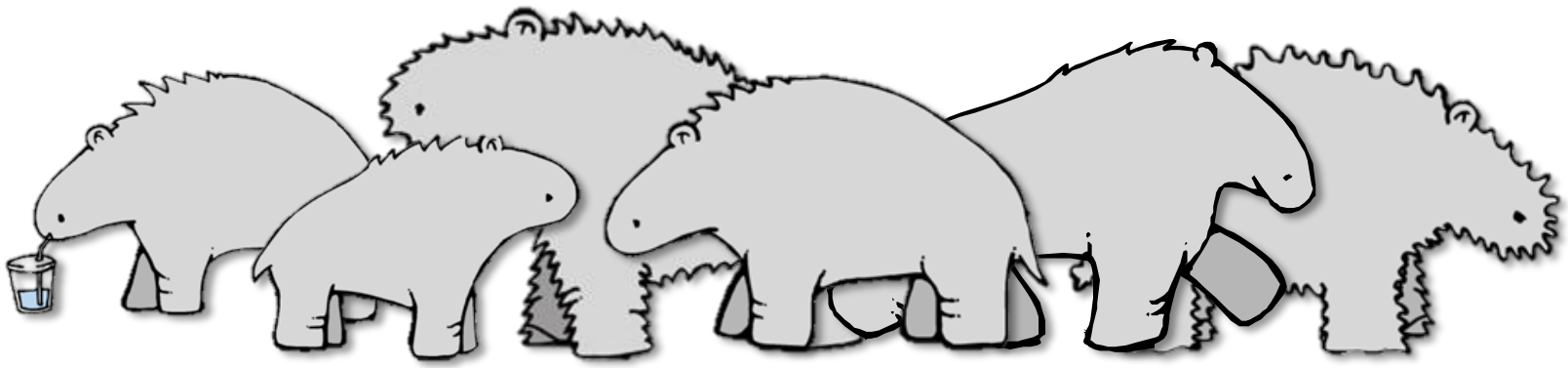
- Unpaid Royalty x 2



- Unreimbursed Expense x 4

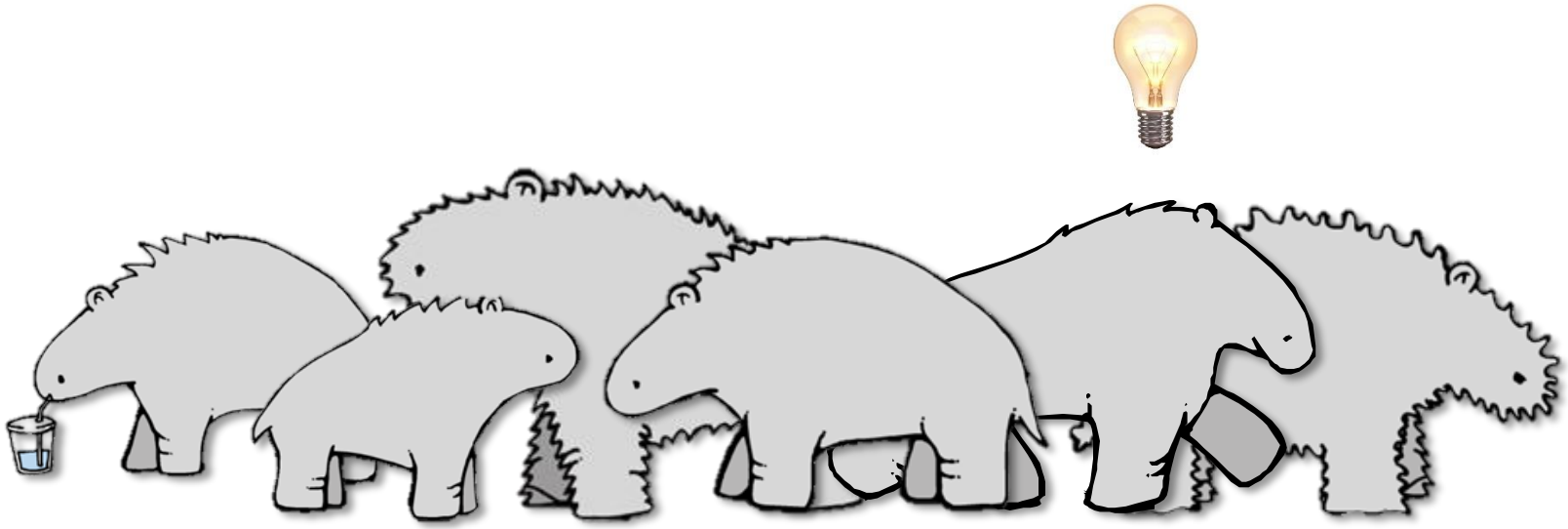
Gee, Mike, that sounds like a lot of tracking which can get confusing!

Grunt Funds in Action



@SlicingPie

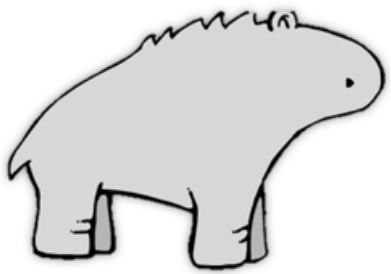
Grunt Funds in Action



@SlicingPie

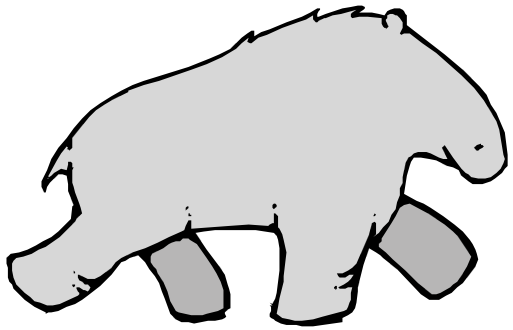
Grunts Contribute Different Things

Grunt 1



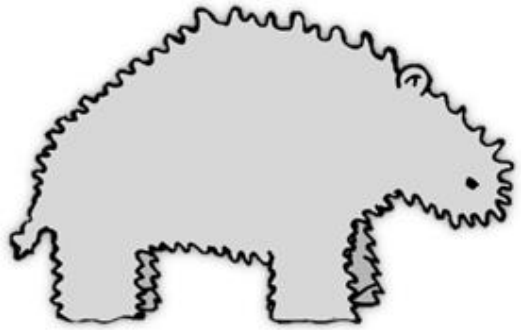
Jr. Developer

Grunt 2



Founder

Grunt 3

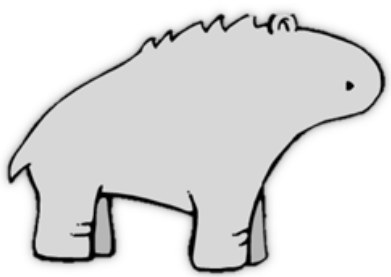


Rich Uncle

@SlicingPie

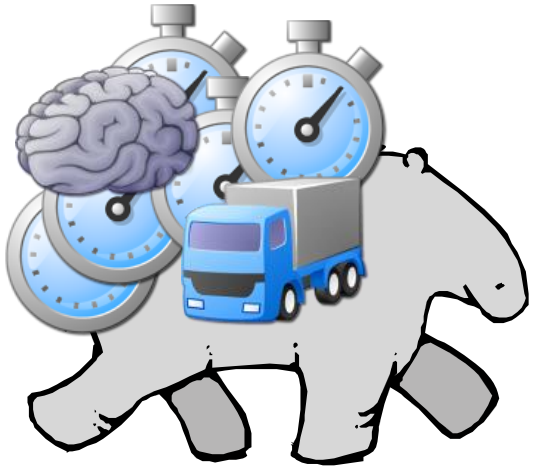
Grunts Contribute Different Things

Grunt 1



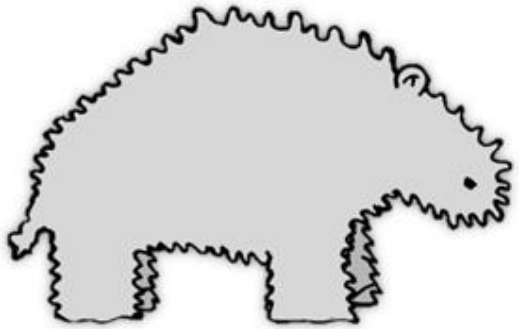
Jr. Developer

Grunt 2



Founder

Grunt 3



Rich Uncle

@SlicingPie

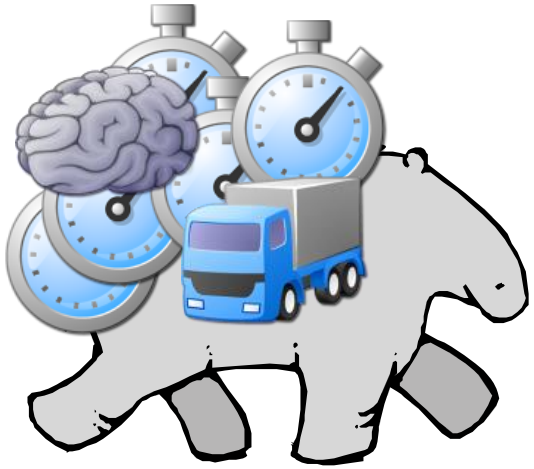
Grunts Contribute Different Things

Grunt 1



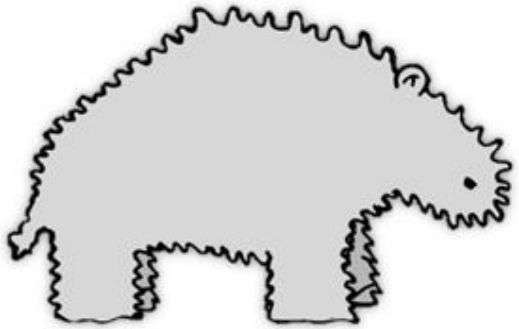
Jr. Developer

Grunt 2



Founder

Grunt 3



Rich Uncle

@SlicingPie

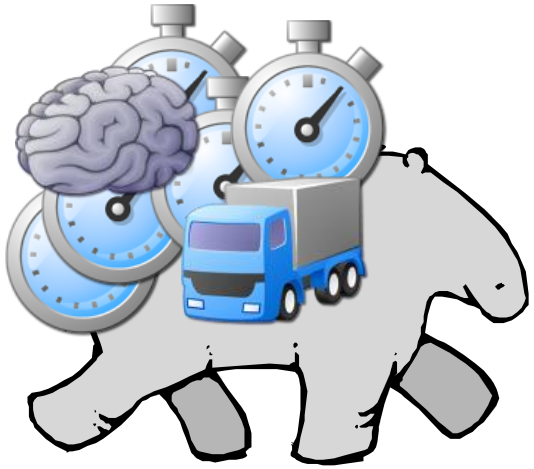
Grunts Contribute Different Things

Grunt 1



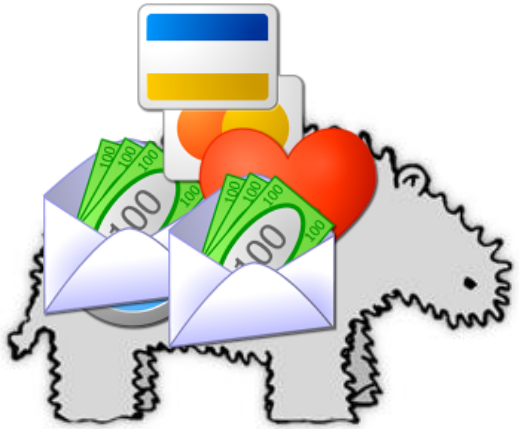
Jr. Developer

Grunt 2



Founder

Grunt 3

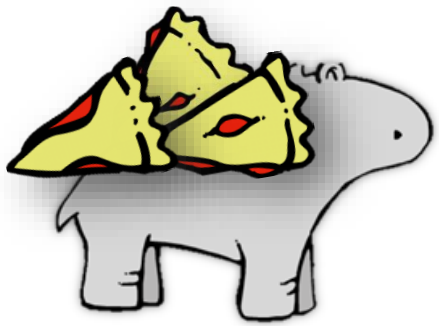


Rich Uncle

@SlicingPie

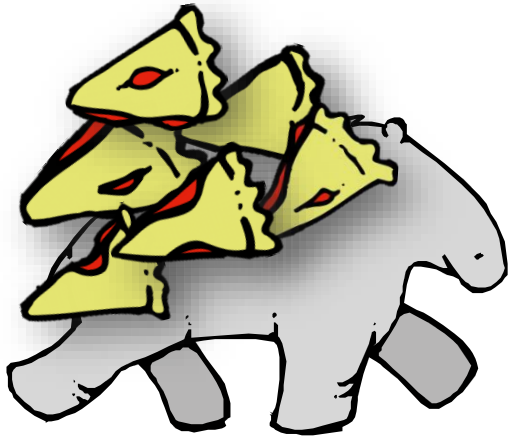
Convert to Slices

Grunt 1



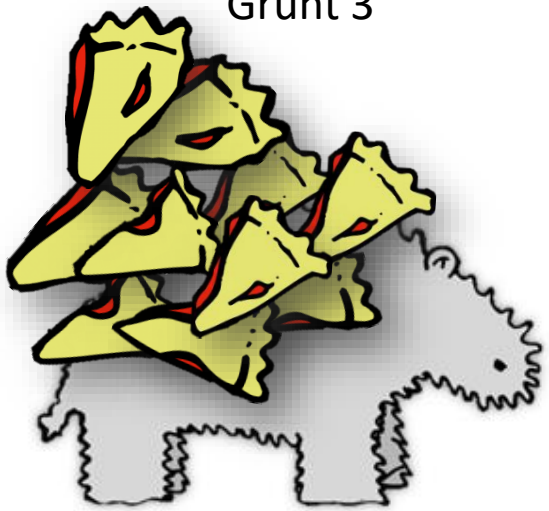
Jr. Developer

Grunt 2



Founder

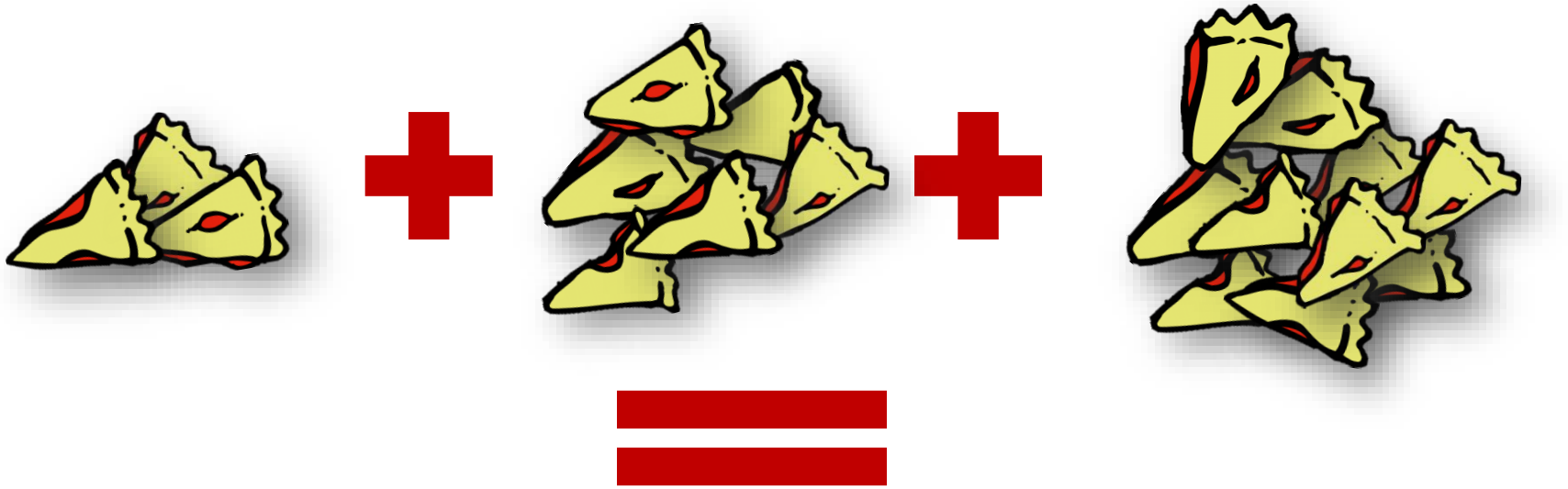
Grunt 3

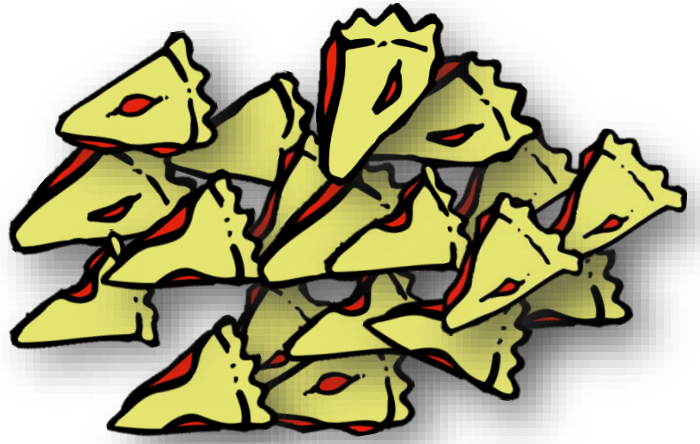


Rich Uncle

@SlicingPie

Add ‘Em Up!



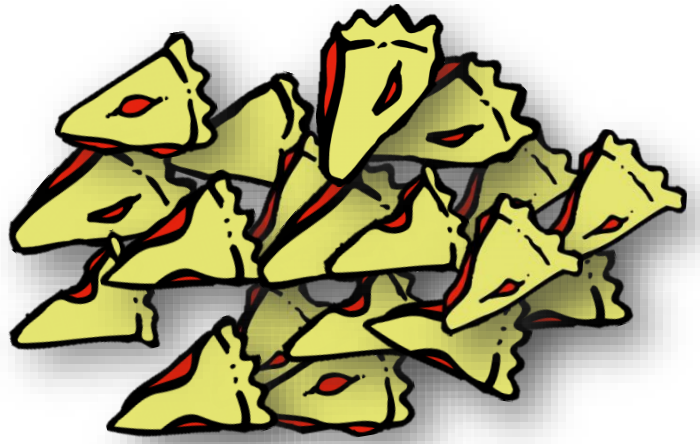


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Grunt 1’s Share



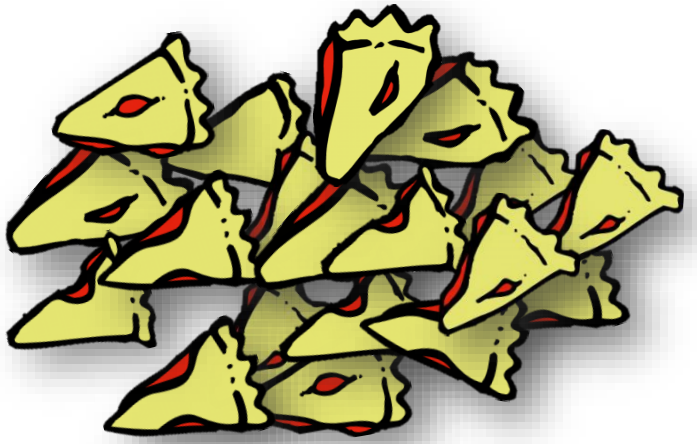
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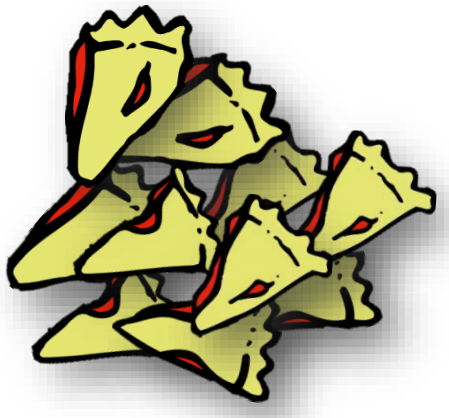
Grunt 2’s Share



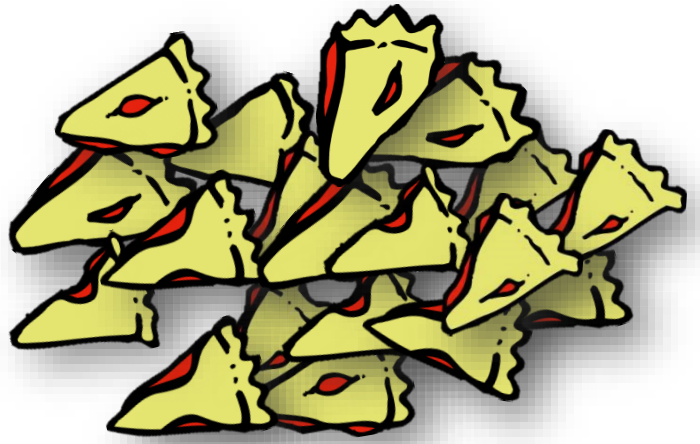
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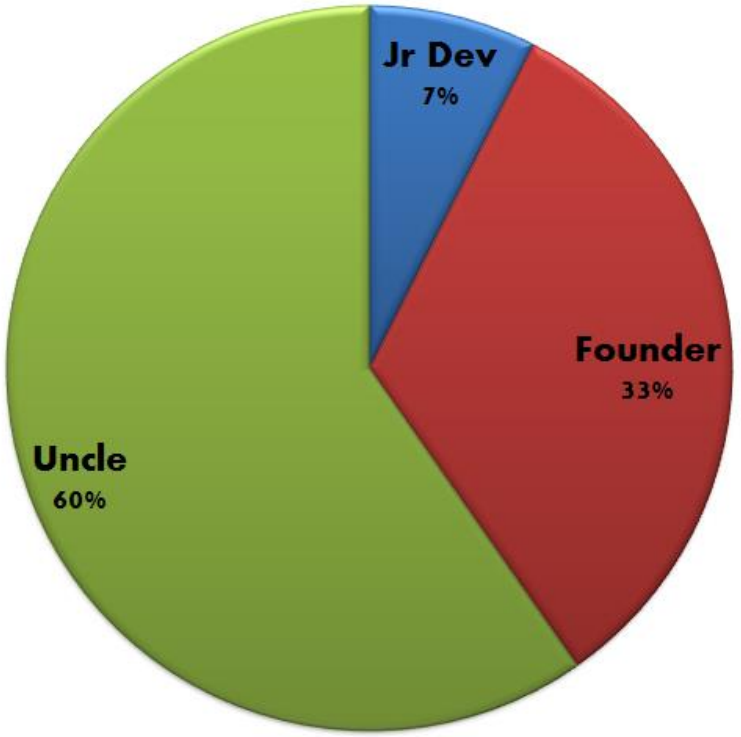


Grunt 3’s Share

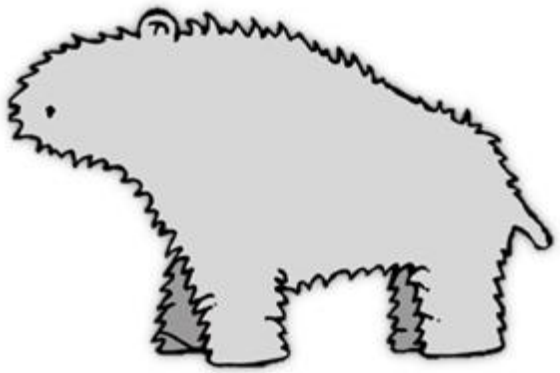


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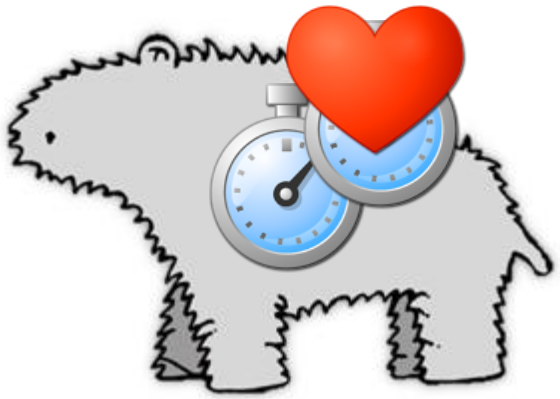
@SlicingPie



Grunt 4 Sales Guy

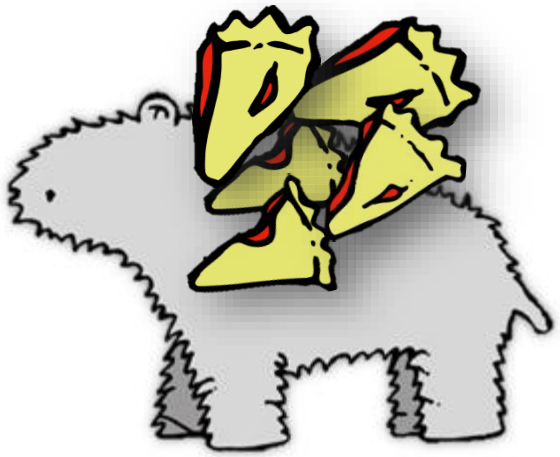
@SlicingPie

Grunt 4

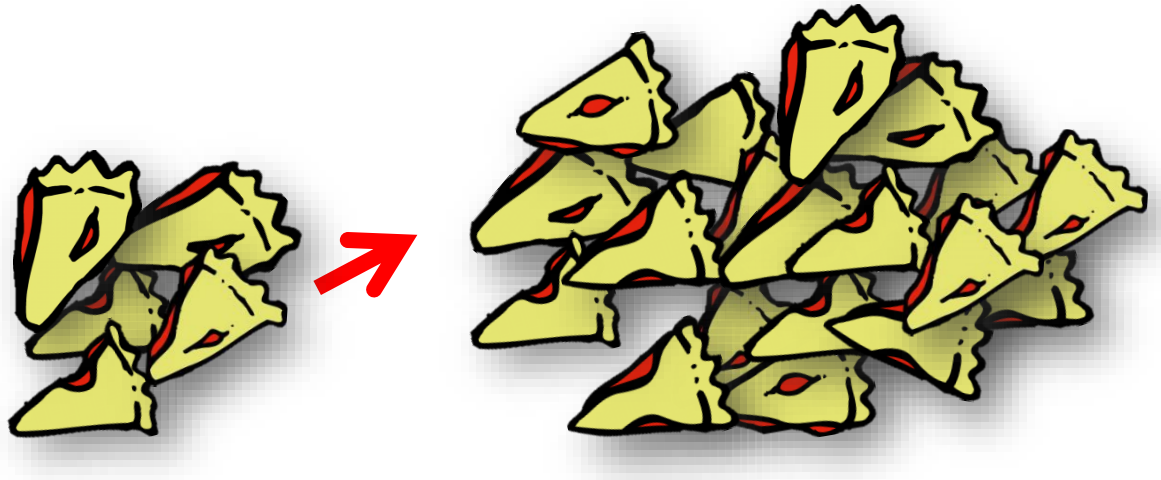


Sales Guy

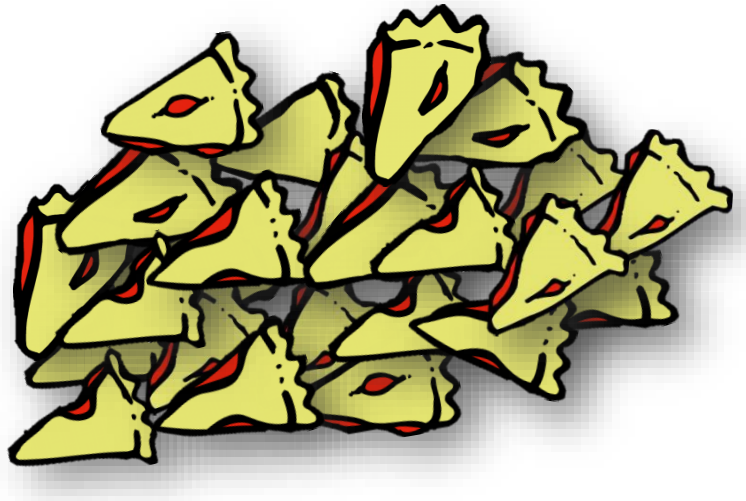
Grunt 4



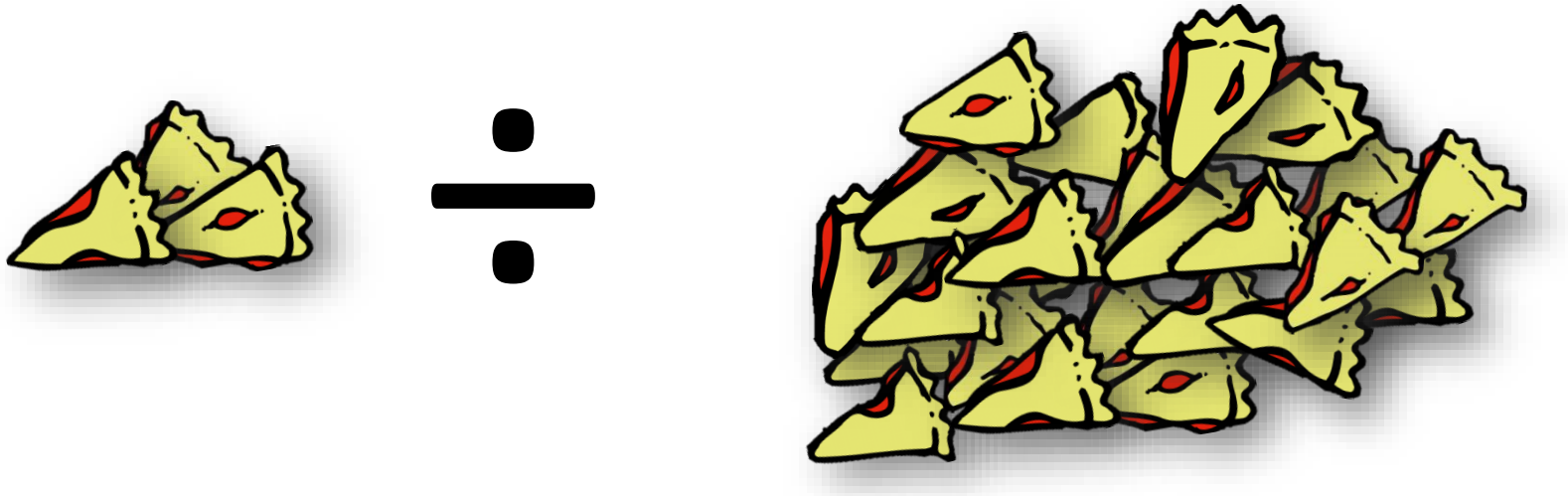
Sales Guy



@SlicingPie



Grunt 1’s Share*



*If the Grunt Does Nothing Else

Grunt 2's Share*



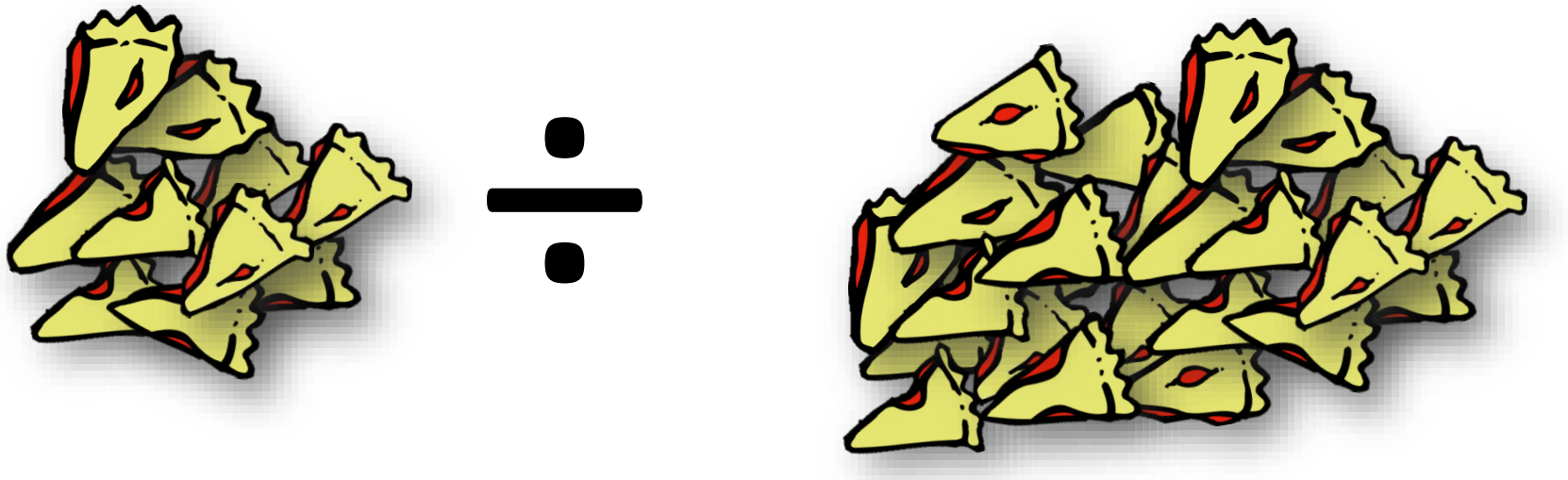
÷



@SlicingPie

*If the Grunt Does Nothing Else

Grunt 3’s Share*

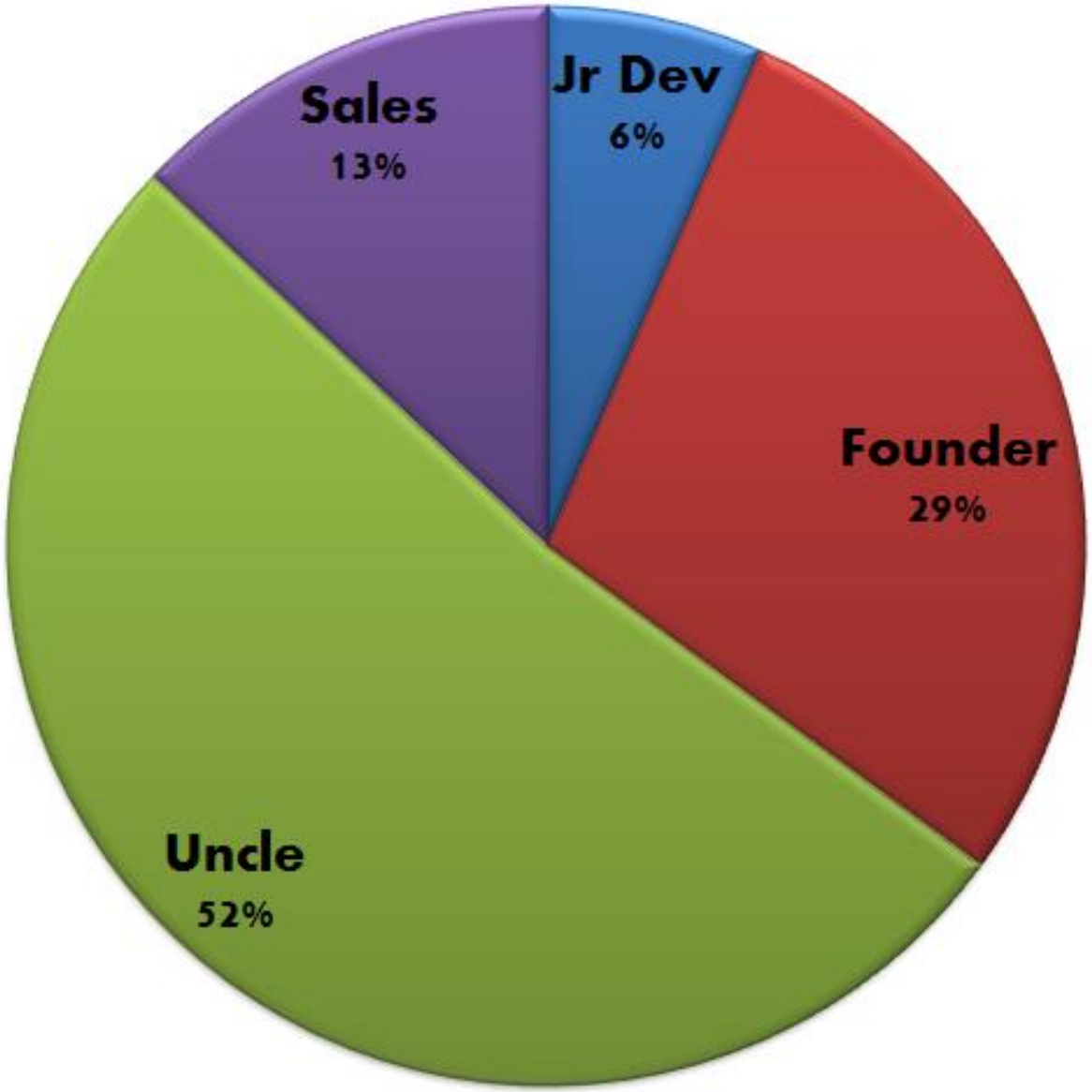


@SlicingPie

*If the Grunt Does Nothing Else

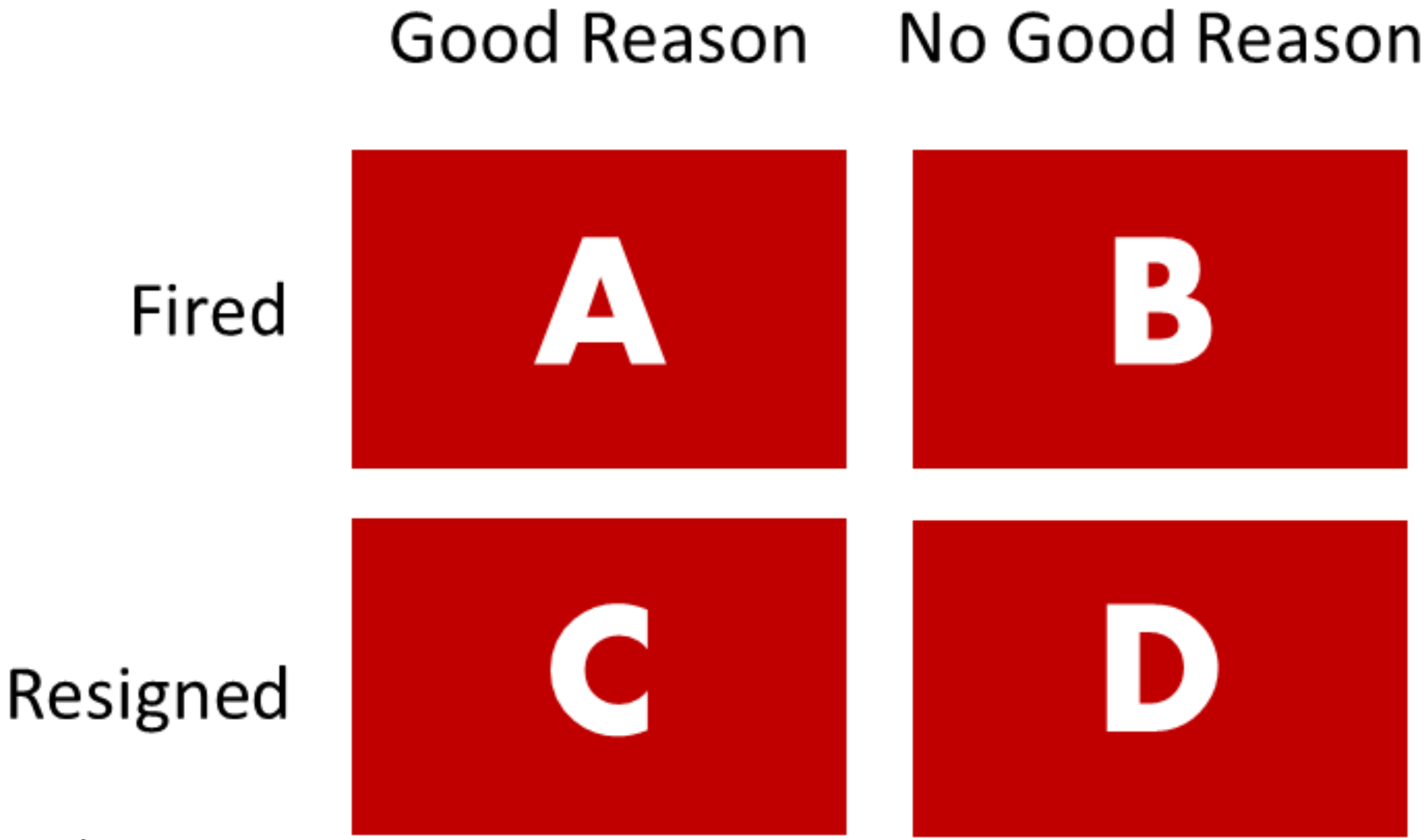
Grunt 4’s Share





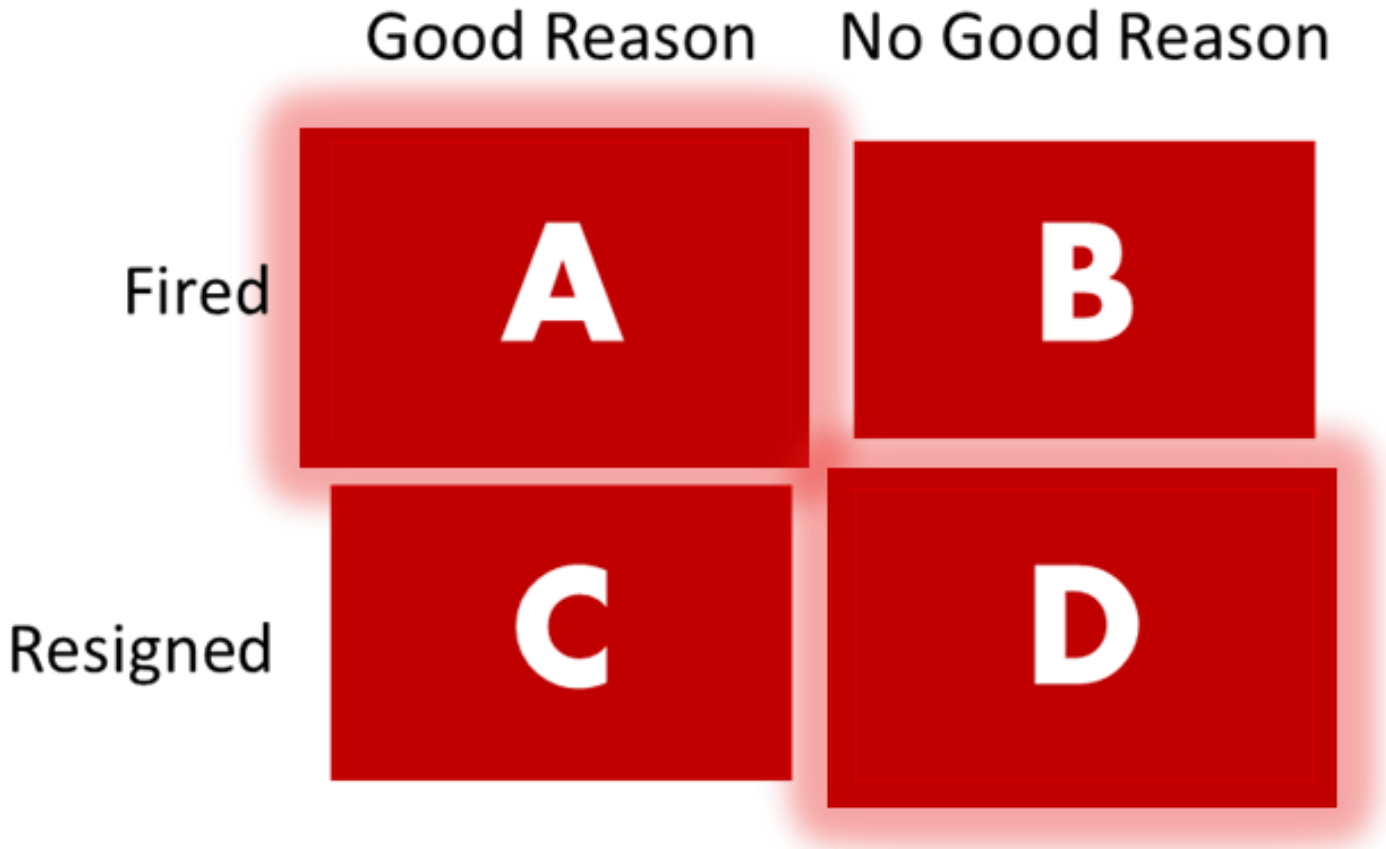
@SlicingPie

Recovery Framework

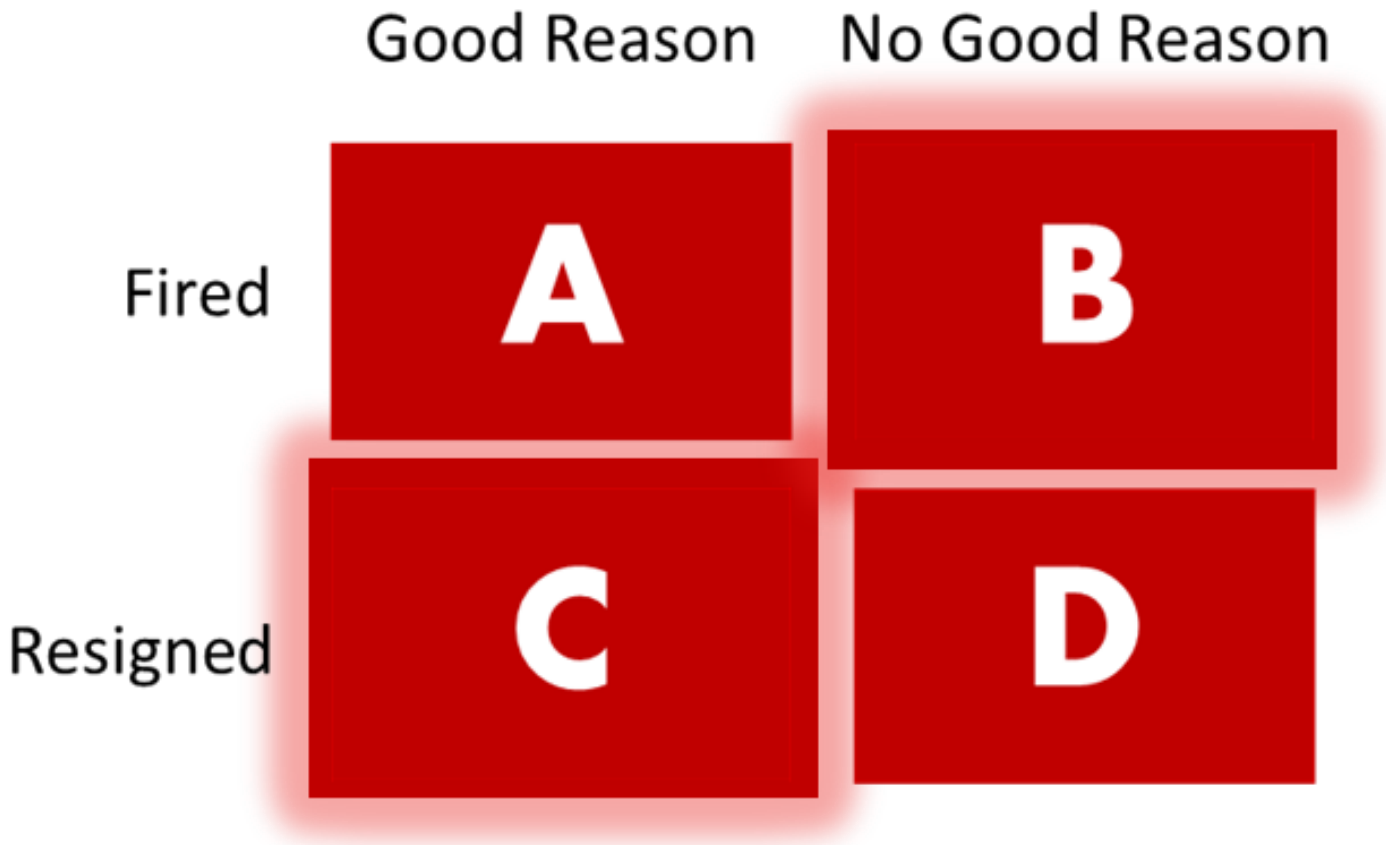


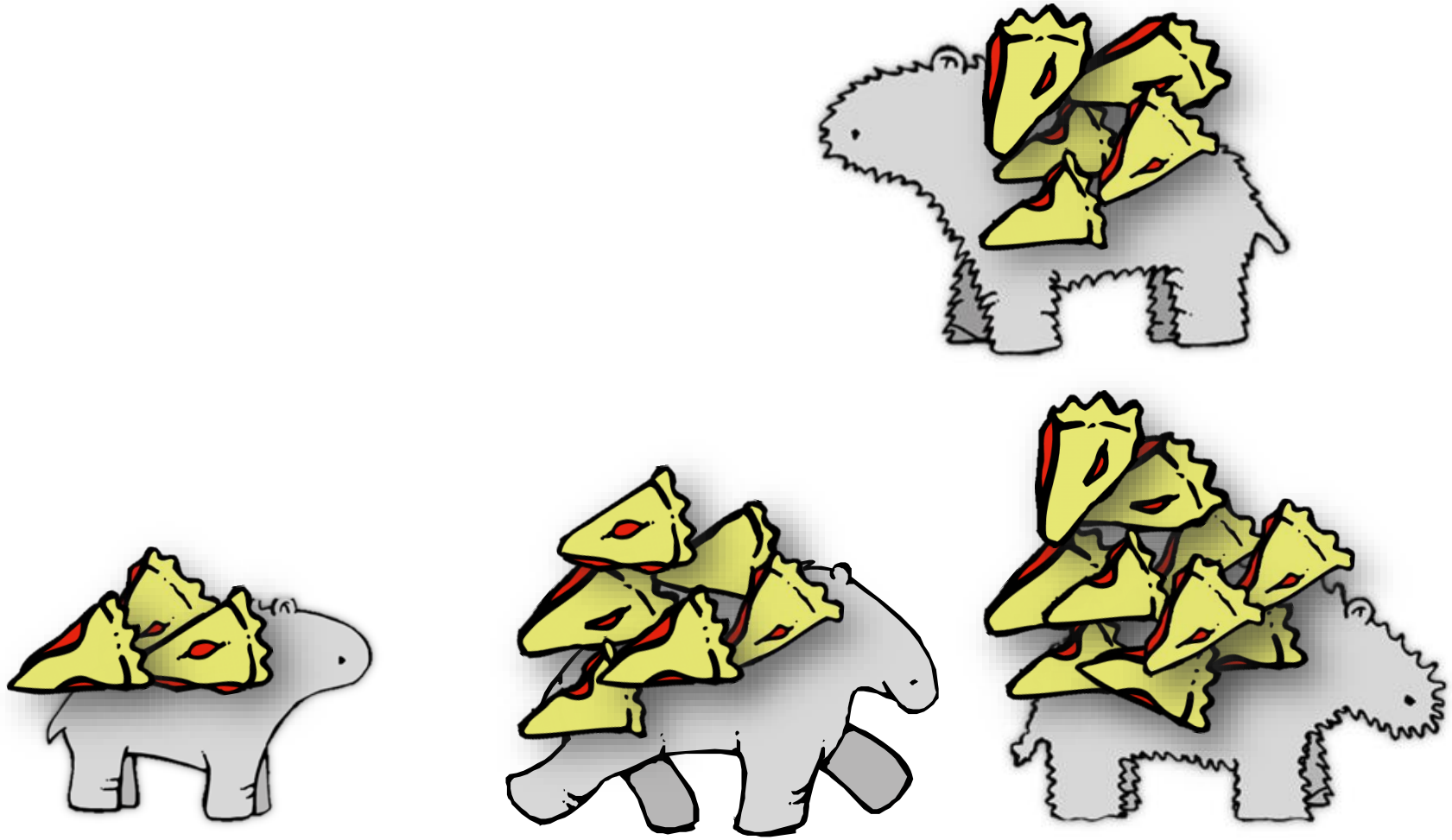
@SlicingPie

- No slices for non-cash
- No multiplier for cash or tangible property
- Company gets buyback option

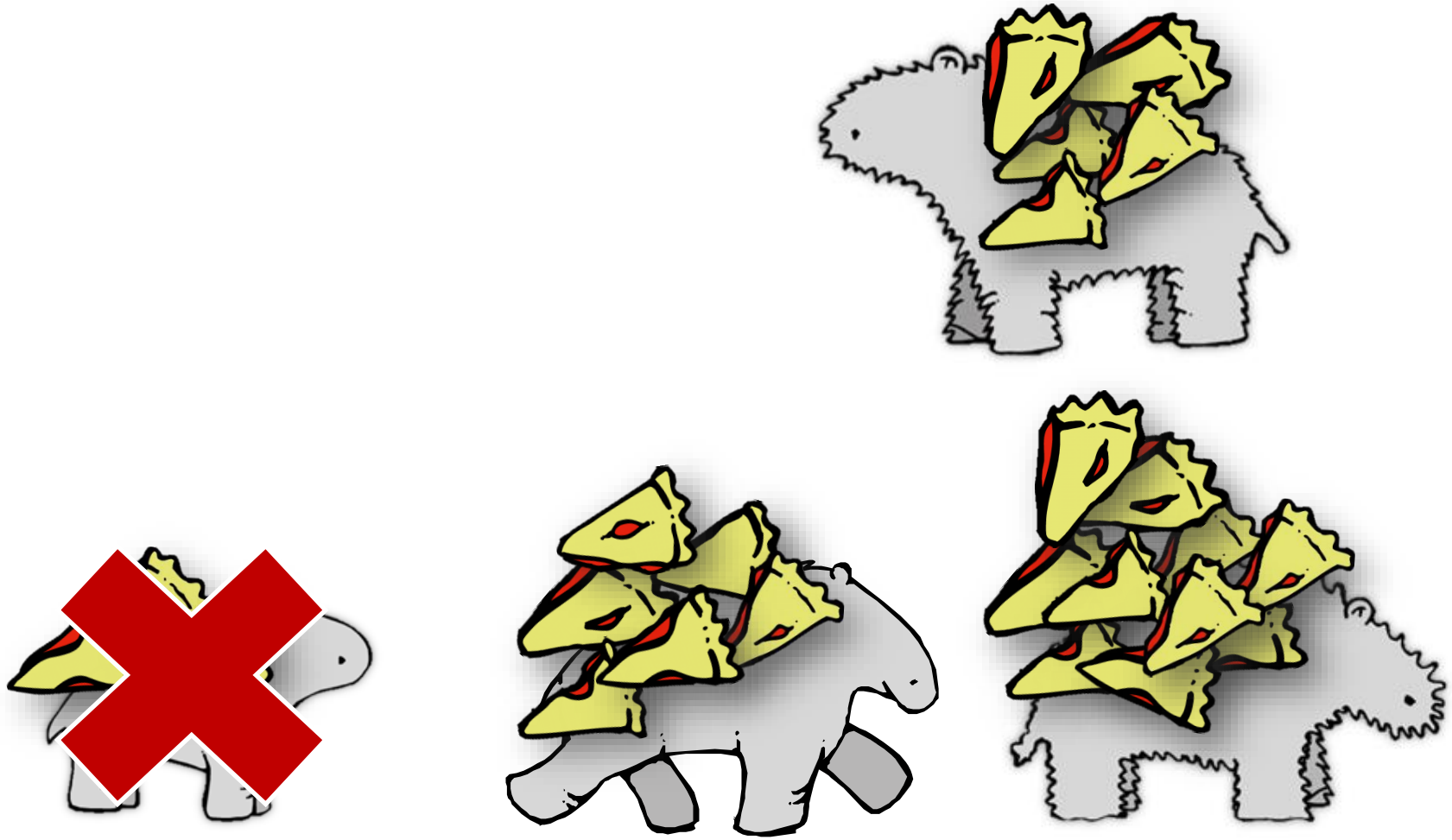


- Keeps slices
- No forced buyout

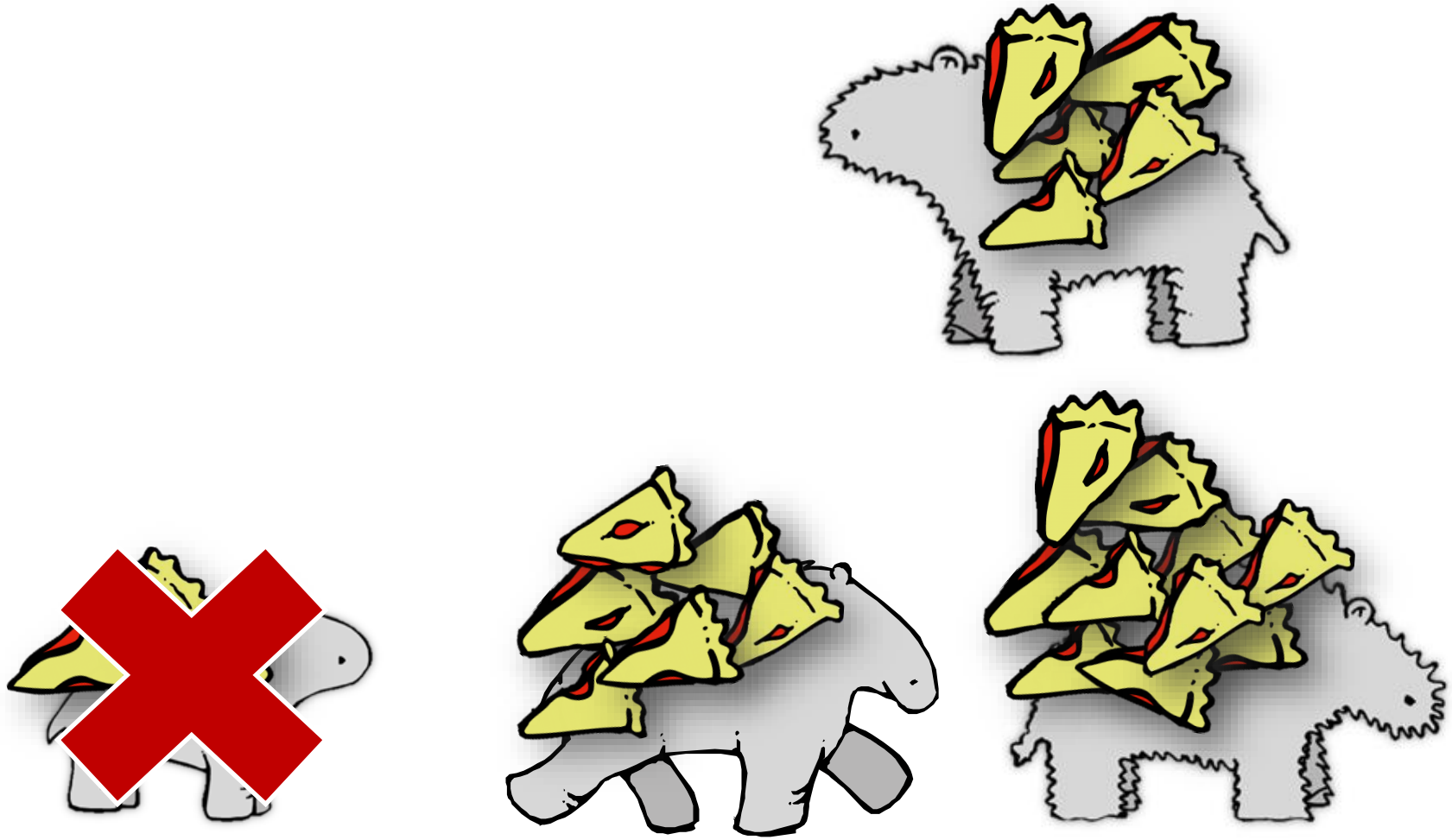




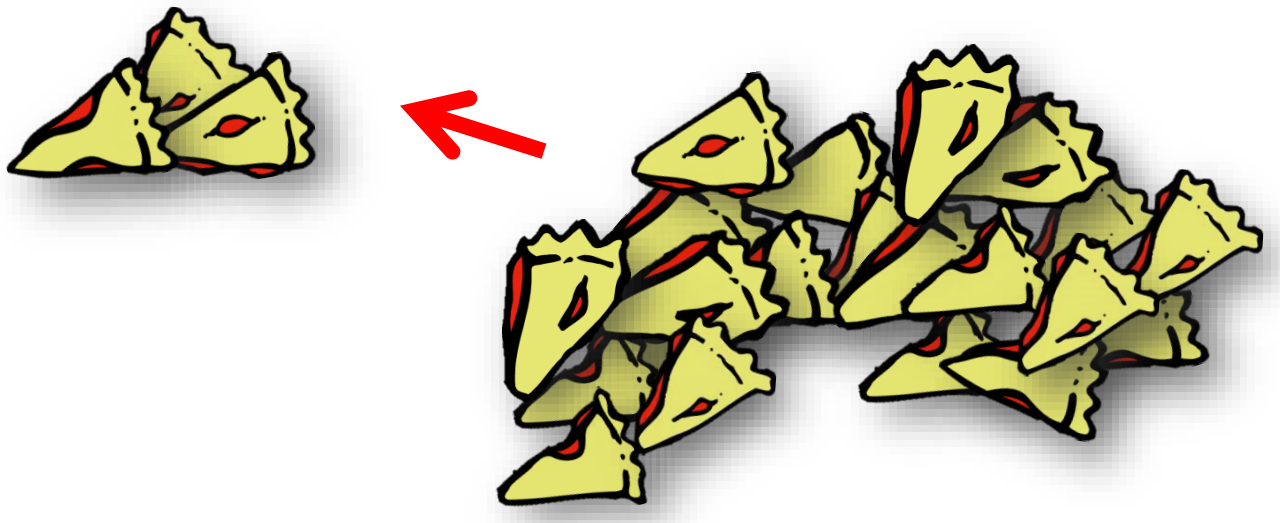
@SlicingPie



@SlicingPie

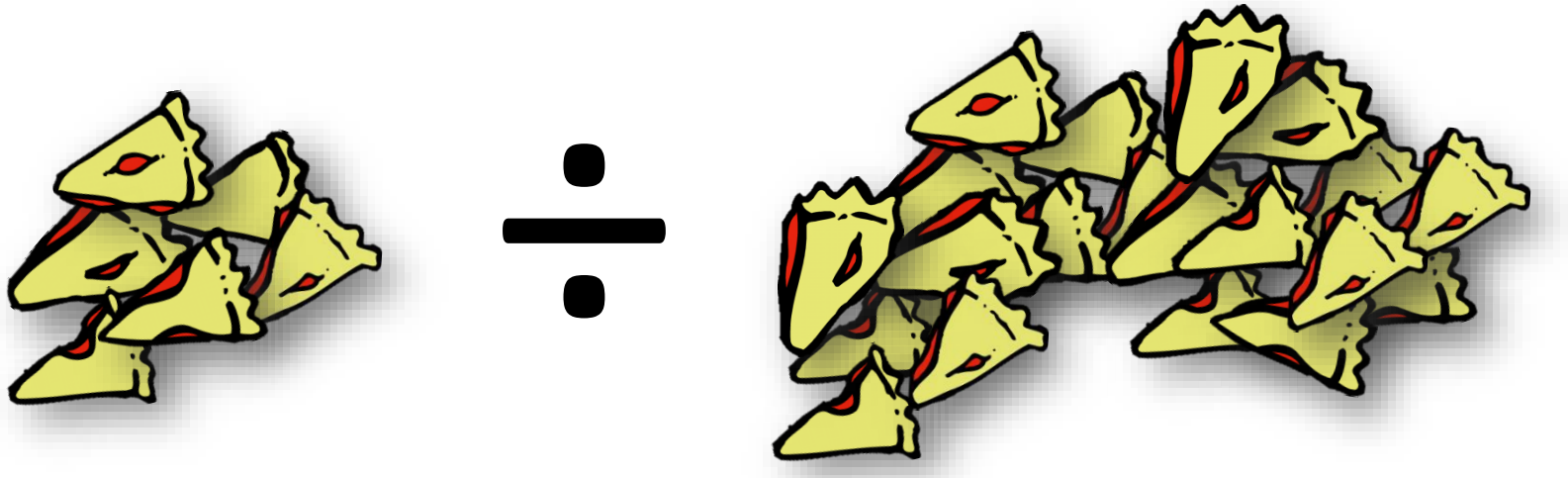


@SlicingPie

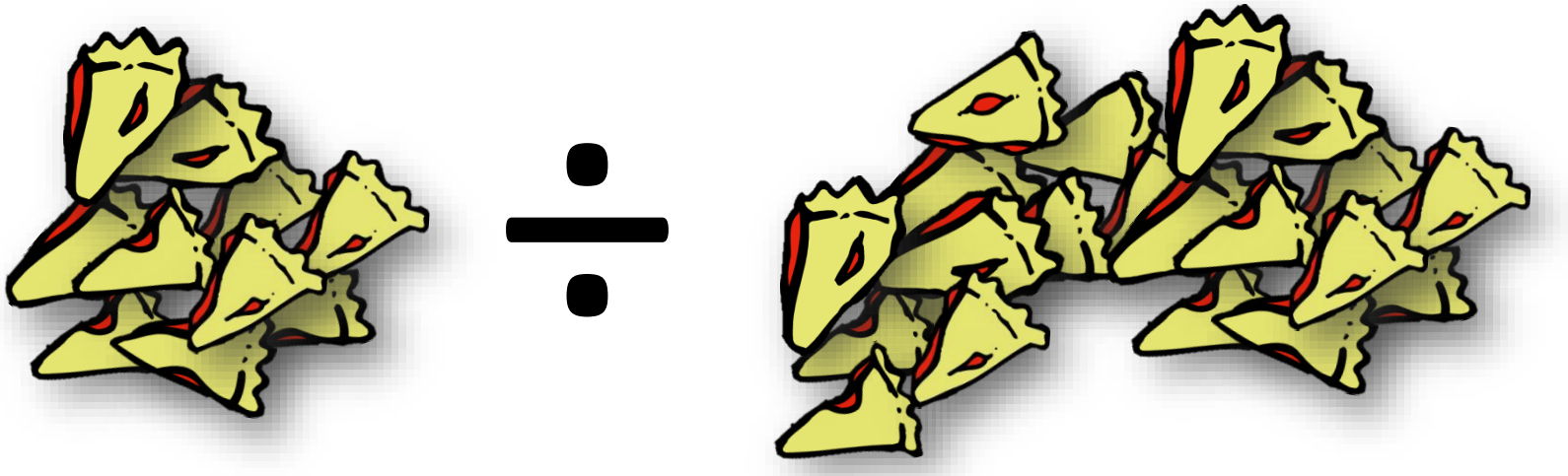


@SlicingPie

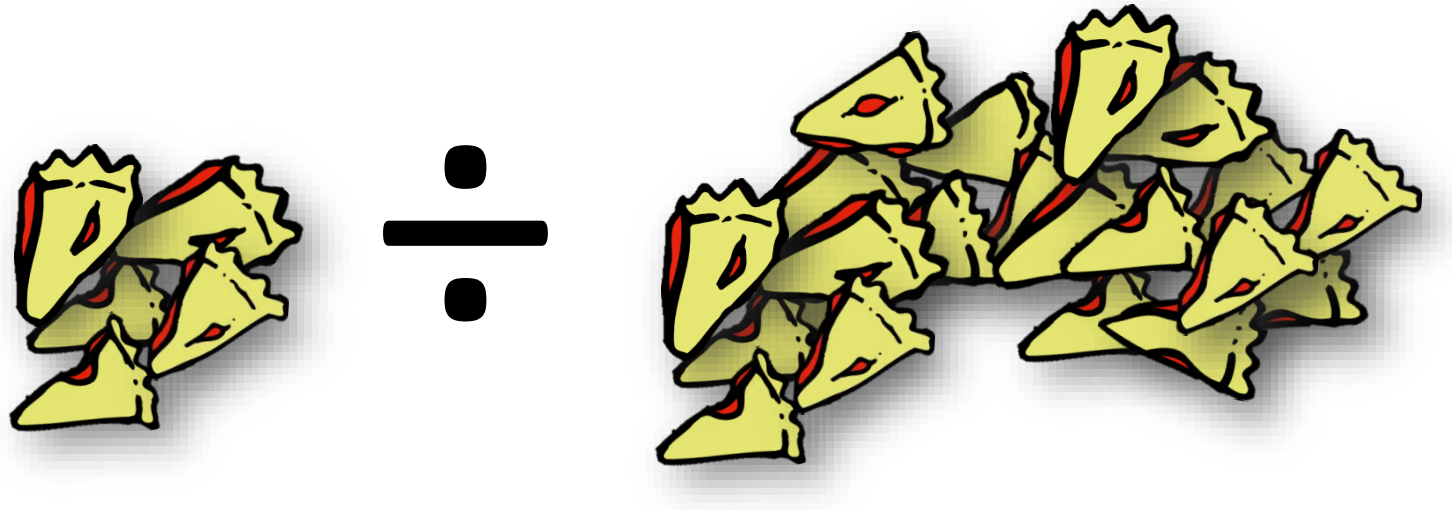
Grunt 2’s Share

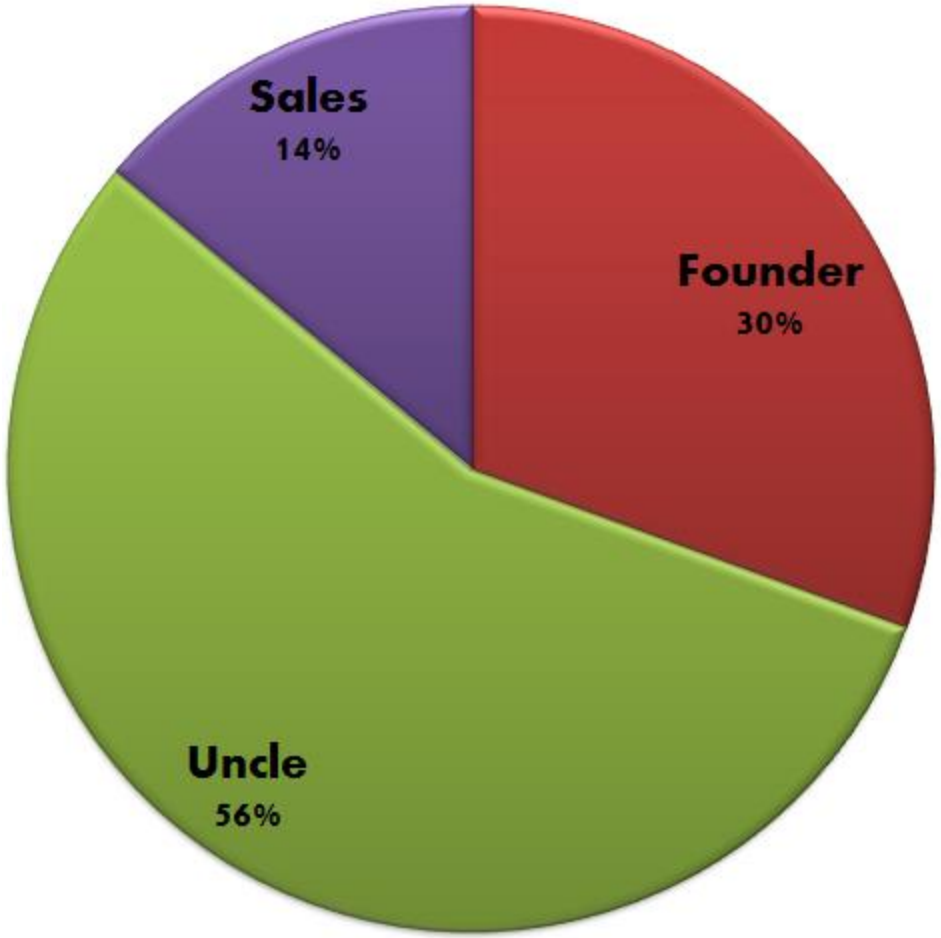


Grunt 3’s Share



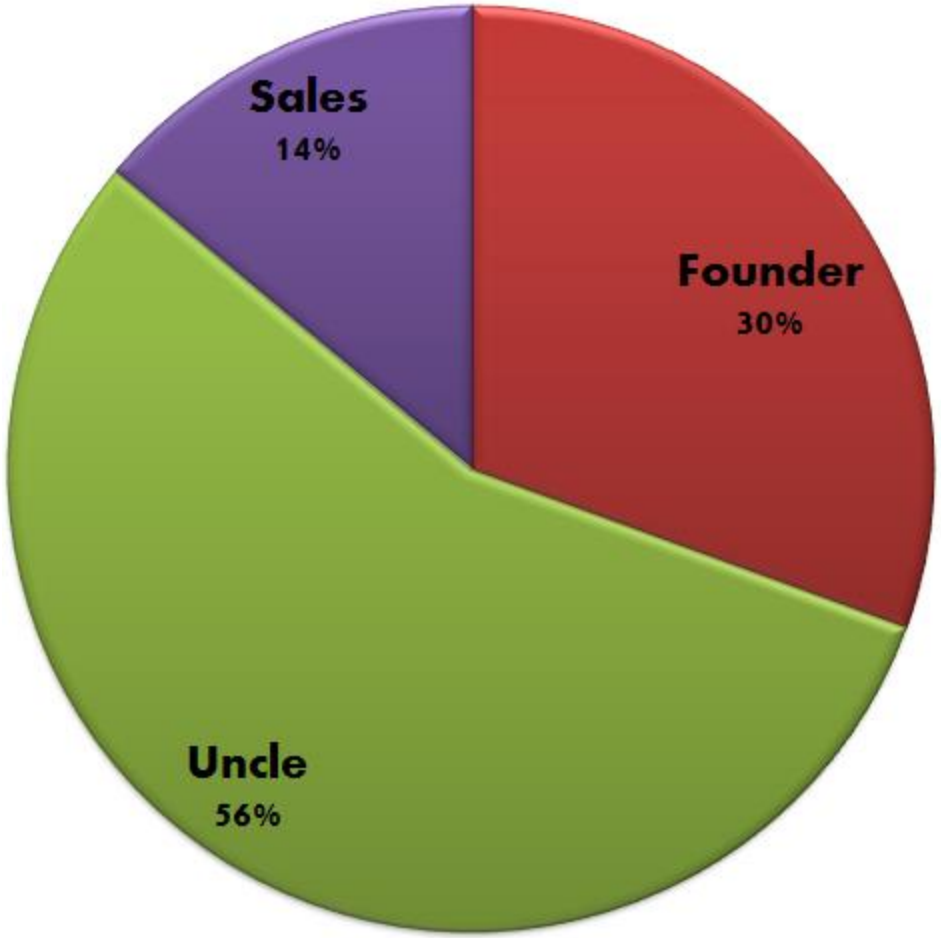
Grunt 4’s Share





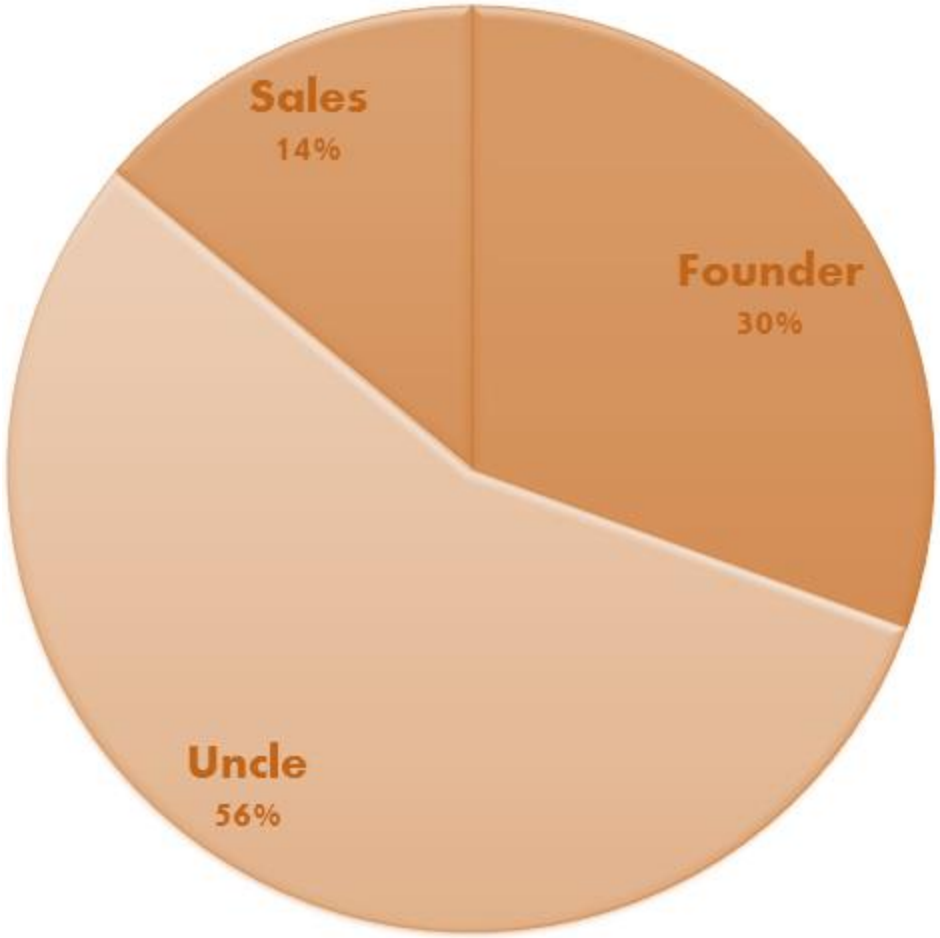
@SlicingPie

Baking the Pie



@SlicingPie

Baking the Pie



@SlicingPie

Baking the Pie

Breakeven

or,

Series A

@SlicingPie



Time

$50/hour* - $0/hour paid in cash

=

$50/hour at-risk

X

2

=

Grunt Hourly Resource Rate (GHRR!)

100 *slices*/hr

@SlicingPie

* $100,000 per year



Time

$50/hour* - $10/hour paid in cash

=

$40/hour at-risk

X

2

=

Grunt Hourly Resource Rate (GHRR!)

80 *slices*/hr

@SlicingPie

* $100,000 per year



Time

$50/hour* - $20/hour paid in cash

=

$30/hour at-risk

X

2

=

Grunt Hourly Resource Rate (GHRR!)

60 *slices*/hr

@SlicingPie

* $100,000 per year



Time

$50/hour* - $30/hour paid in cash

=

$20/hour at-risk

X

2

=

Grunt Hourly Resource Rate (GHRR!)

40 *slices*/hr

@SlicingPie

* $100,000 per year



Time

$50/hour* - $40/hour paid in cash

=

$10/hour at-risk

X

2

=

Grunt Hourly Resource Rate (GHRR!)

20 *slices*/hr

@SlicingPie

* $100,000 per year



Time

$50/hour* - $50/hour paid in cash

=

$0/hour at-risk

X

2

=

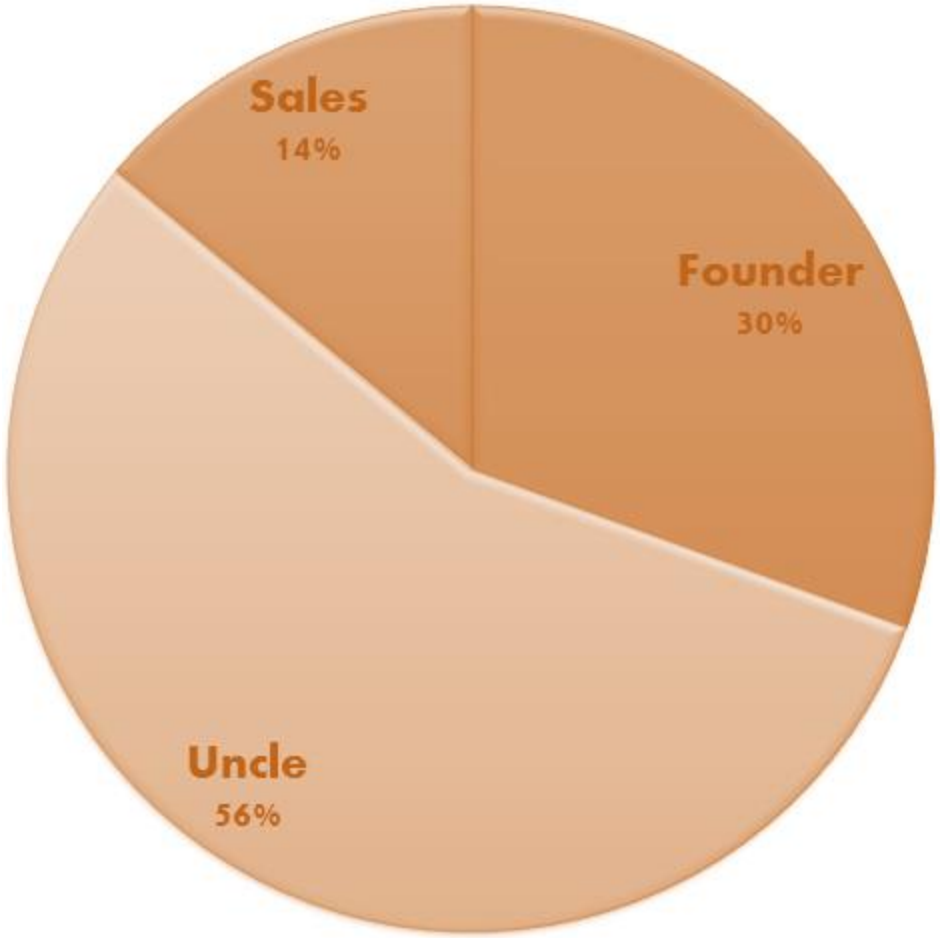
Grunt Hourly Resource Rate (GHRR!)

0 *slices*/hr

@SlicingPie

* $100,000 per year

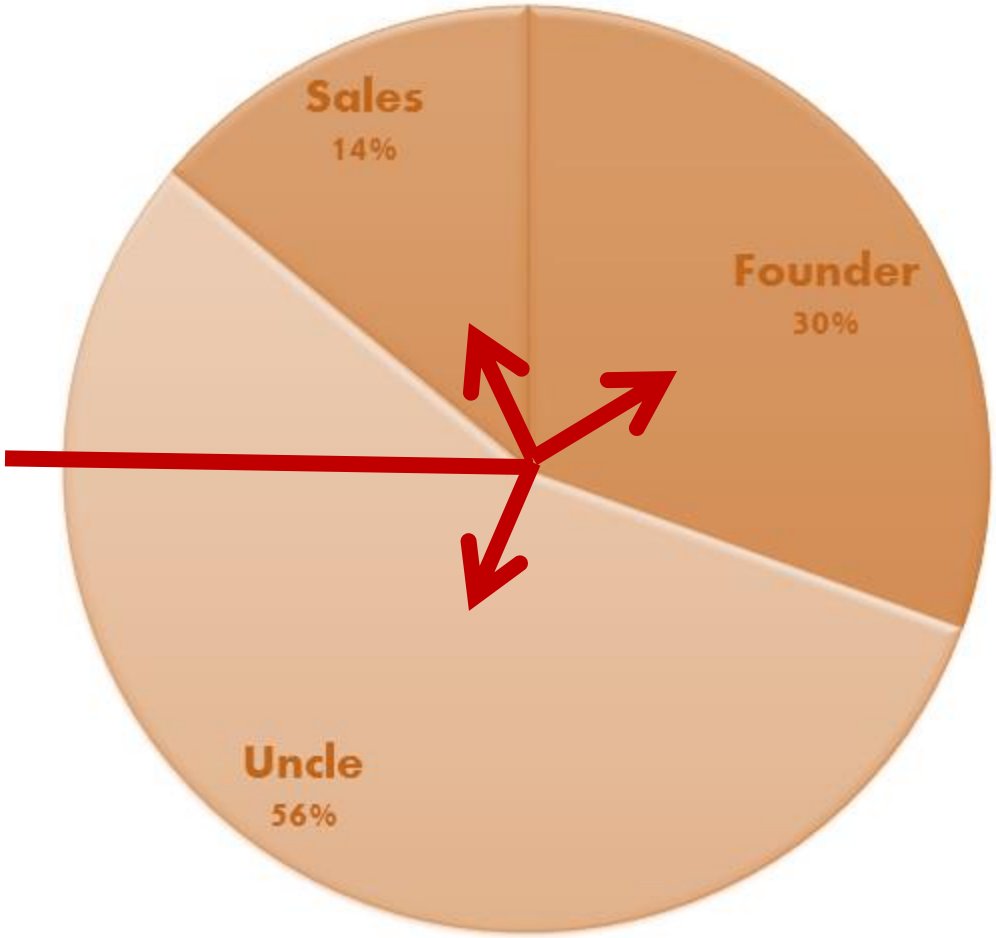
Baking the Pie



@SlicingPie

Baking the Pie

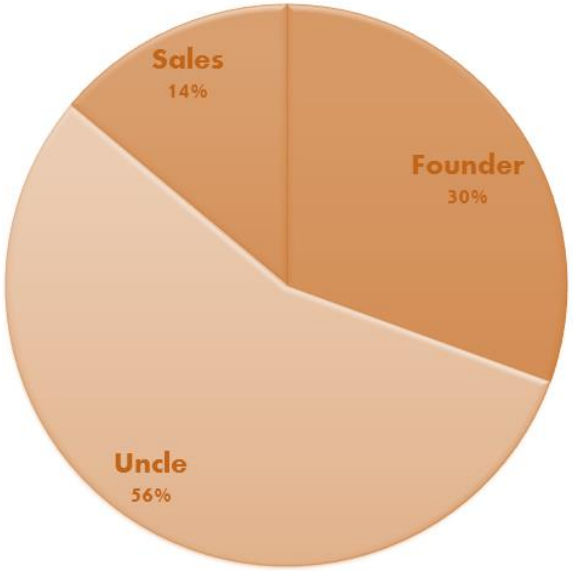
Profits or
Proceeds



@SlicingPie

Series A Investor

Negotiate $900,000 Pre Money



Raise $1,000,000

@SlicingPie

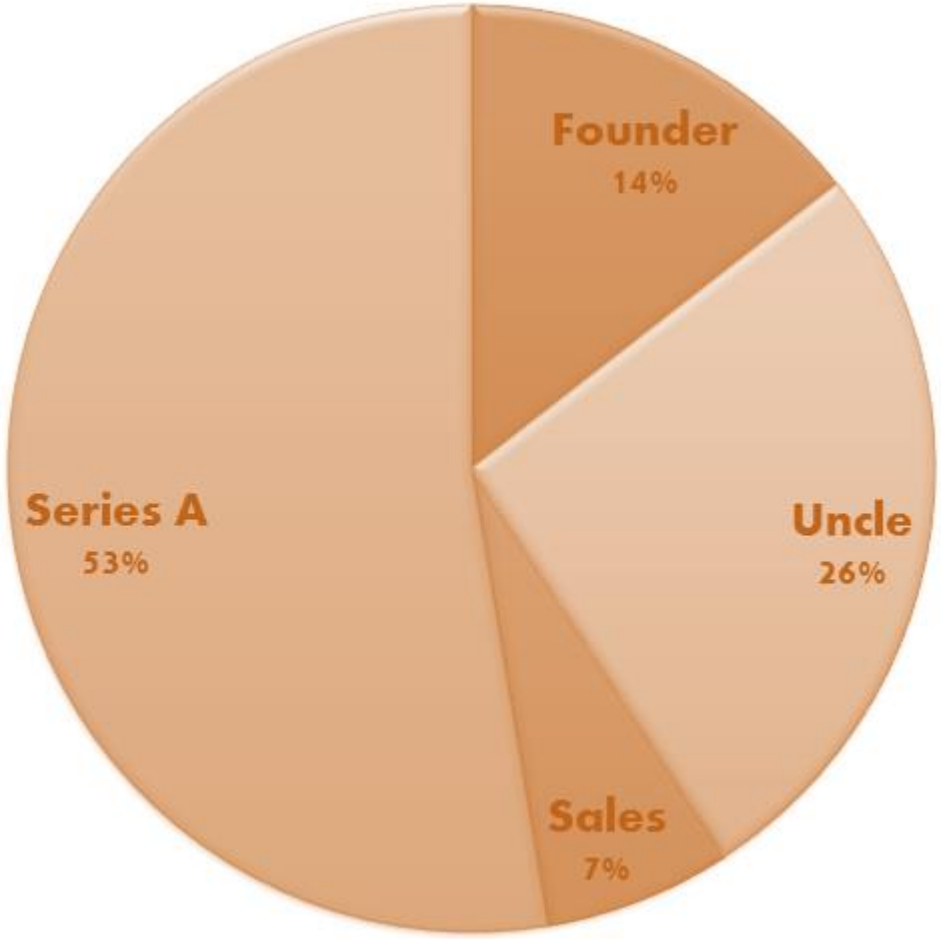
What is the relationship between the Slicing Pie model and the company's underlying valuation?

@SlicingPie

Series A Investor

$1,000,000 + $900,000 = $1,900,000

Series A Investor

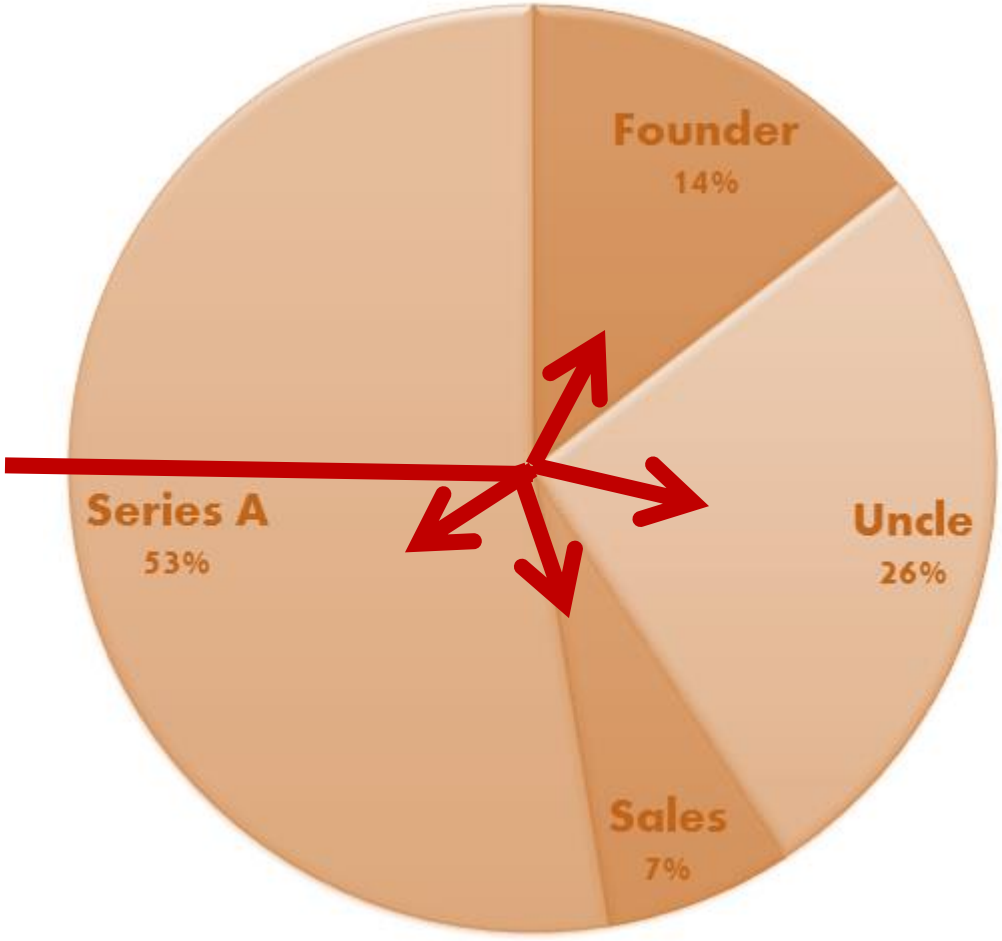


$1,900,000 Post-Money

@SlicingPie

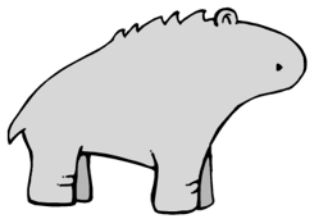
Baking the Pie- Series A

Profits or Proceeds



@SlicingPie

Is an LLC or a C-Corp preferable?



How difficult is the C-Corporation Conversion Process if I start with an LLC?



@SlicingPie

Can a Slicing Pie company be an S-Corp?

@SlicingPie

What We Got

- Perfectly fair
- Rewards contributions
- Provides motivation
- Accommodates team changes
- Flexible in the face of rapid change
- Gets rid of the gators!

Three Reasons Someone would *NOT* use Slicing Pie

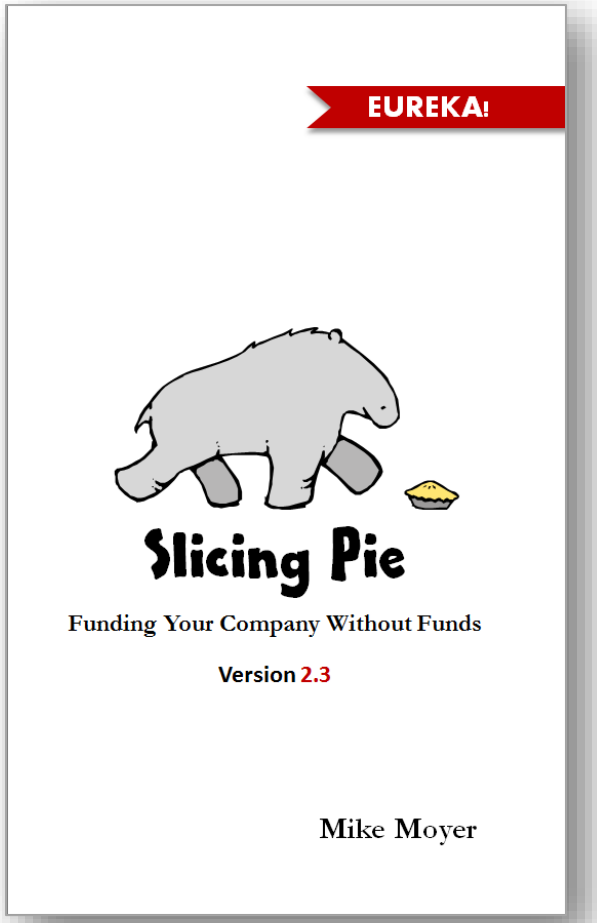
@SlicingPie

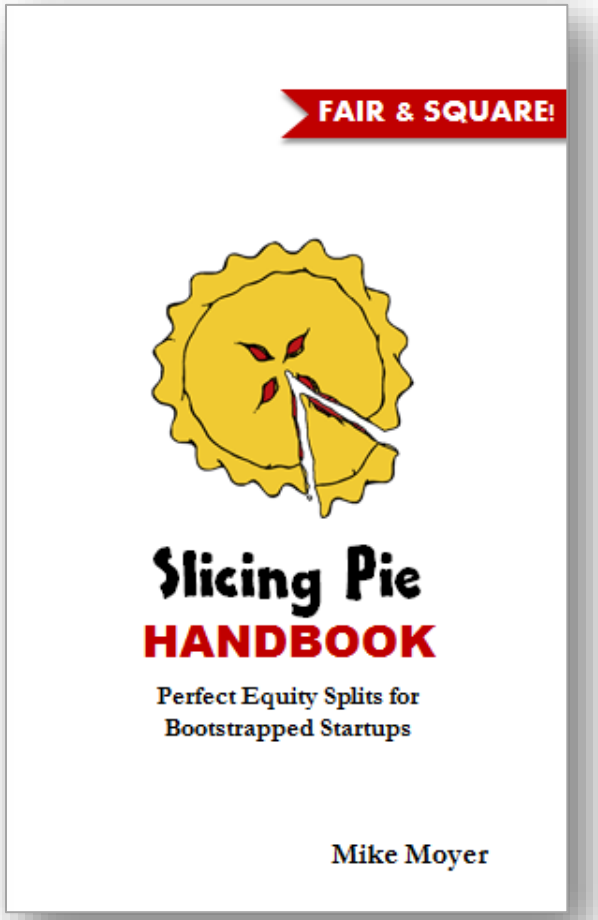
1. He or she doesn't get it....

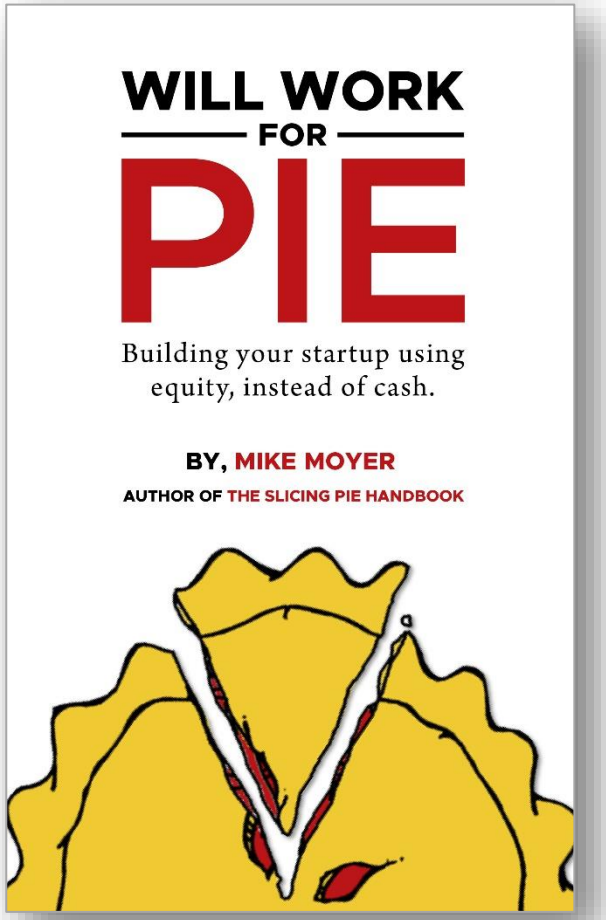


Slicing Pie Resources

@SlicingPie


EUREKA!
Slicing Pie
Funding Your Company Without Funds
Version 2.3
Mike Moyer


FAIR & SQUARE!
Slicing Pie
HANDBOOK
Perfect Equity Splits for
Bootstrapped Startups
Mike Moyer


WILL WORK
FOR
PIE
Building your startup using
equity, instead of cash.
BY, MIKE MOYER
AUTHOR OF THE SLICING PIE HANDBOOK

@SlicingPie


FAIR & SQUARE!
Slicing Pie
HANDBOOK
Perfect Equity Splits for Bootstrapped Startups
Mike Moyer
EUREKA!
Slicing Pie
Funding Your Company Without Funds
Version 2.3
EUREKA!
Slicing Pie
HANDBOOK
European Union Edition
Perfect Equity Splits for Bootstrapped Startups
Mike Moyer
Foreword by Noam Wasserman
une
Dzielenie tortu
Jak rozdysponować udziały w bezkosztowym start-upie
Startups Unlimited
Slicing Pie
Je Firma Financieren Zonder Geld
Versie 2.3
Mike Moyer
切蛋糕
创业公司如何确
动态股权分配机
Mike Moyer O著
王闻 李筱莹 常鸿昆 O译
李筱莹 O编辑
Нарізання пирога
відкрий свій бізнес
без грошей
Mike Moyer
Prólogo por Erwin Andia
Co-fundador ForexChile
CORTANDO
EL QUEQUE
Cómo dividir las acciones
sin dividir a los socios
Autores:
Matías Apparcel
Manuel José Ossa
Gastón Dussaillant
CORFO
DYNAMIC STARTUPS
Dividir o B
Passo a Pas
Divisão perfeita d
participações de uma
Mike Moyer
EUREKA!
Pastadaki Pay
Şirketinize Fon Olmadan Fon Sağlama
Mike Moyer
برش‌های پای
کتابچه راهنما
تقسیم سهامی بی نقص در
استارت آپ های نوپا
نویسنده: مایک موير
با مقدمه ی نوام واسرمن
مترجمین: حسین مهرابی افشار
مهداد حقیقی
EUREKA!
Slicing Pie
피이 니누기
펀드없이 당신의 회사를 펀딩하라
버전 2.3
저자: 마이크 모이어
(Mike Moyer)
역자: 김국태 · 임잔우
DOWN UNDER!
Slicing Pie
Funding Your Company Without Funds
Australia/New Zealand
Version 2.3
Mike Moyer
切蛋糕
创业公司动态股权分配全案
Slicing Pie

MosquitOasis, LLC

ADD TEAM MEMBER | EMAIL THE TEAM | PIE SETTINGS

The Team

Active | Inactive



Mike
CEO
Last active few seconds ago
SLICES 4,802 (23.37%)
WELL 49.49%
WELL BALANCE 508.49 USD



Anne
Executive
Last active 175 days ago
SLICES -7,068 (0%)
WELL 48.66%
WELL BALANCE 500 USD



Anson
Sales
Last active 383 days ago
SLICES 3,315 (16.14%)
WELL 0.81%
WELL BALANCE ⚠ 8.36 USD



Merrily
Customer Service
Last active 383 days ago
SLICES 4,315 (21%)
WELL 0.38%
WELL BALANCE ⚠ 3.91 USD



Nick
Operations
Last active 381 days ago
SLICES 4,940 (24.05%)
WELL 0%
WELL BALANCE 0 USD



Norvin
Marketing
Last active 383 days ago
SLICES 3,172 (15.44%)
WELL 0.65%
WELL BALANCE ⚠ 6.69 USD

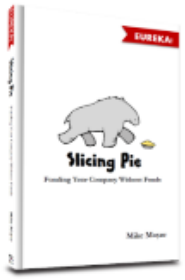
The Pie

Pie Slices | Well Value

PIE SLICES: **20,544**



Nick 4,940	Mike 4,802
Merrily 4,315	Anson 3,315
Norvin 3,172	



Get the Book

Visit Amazon.com to buy the highly-rated Slicing Pie book by Mike Moyer.



Legalize It

Connect with Slicing Pie-friendly lawyers and access contract templates.



Software

The online Pie-Slicer software helps you and your team keep track of your slices.



Calculator

Download an Excel Spreadsheet to help you keep track of your Grunt Fund.



Events

Attend a live or online event with Mike Moyer, author of Slicing Pie.



Video Lecture

See Mike Moyer present the Slicing Pie model recorded live.



Six Packs

Order a discounted six-pack of Slicing Pie with a **free prize** inside.



Get Help

Set up a phone call with Mike Moyer to jump-start your success with the Slicing Pie model.



A La Mode

Access bonus content mentioned in Slicing Pie like offer letters and case studies.



Retrofit Guide

Already started with a fixed split? Get a clean start with the retrofit/forecast guide.



Get the Game

Play the Slicing Pie Game to experience the model in action!



Directory

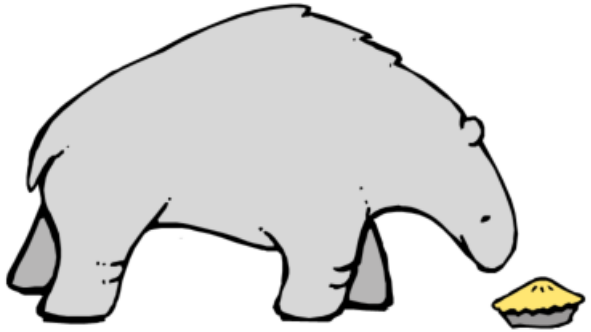
Connect with companies who use Slicing Pie

@SlicingP

2. He or she *is not willing to learn.*

3. He or she *does* get it... but does not want to play fair...

EUREKA!



Slicing Pie

mike@slicingpie.com

@SlicingPie

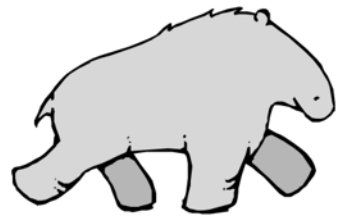
OTHER FAQs





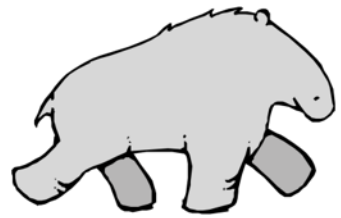
@SlicingPie

Is this a long-term solution for a company?



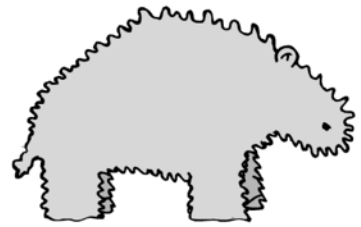
@SlicingPie

How do I determine my fair market value?



@SlicingPie

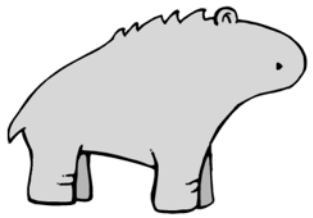
What do investors think of Slicing Pie?



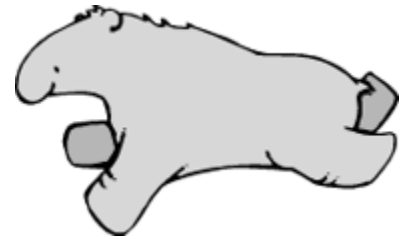
@SlicingPie

How do I get buy in from others?

@SlicingPie

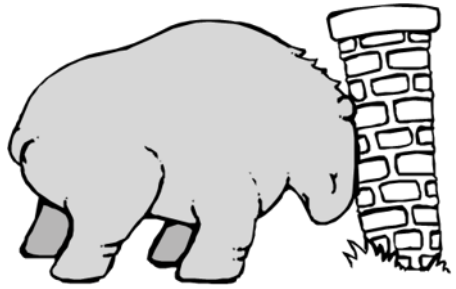


Doesn't this mean someone can pad their hours to get more slices?



@SlicingPie

What if I already have a fixed split agreement with my partners?



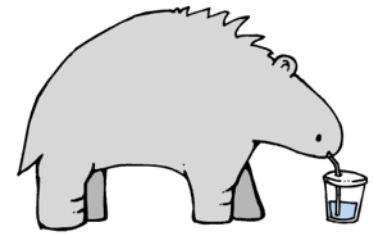
@SlicingPie

What if my advisor doesn't want to track his or her hours?



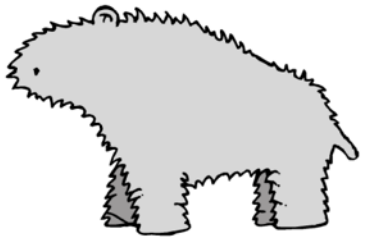
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How much is my idea worth?



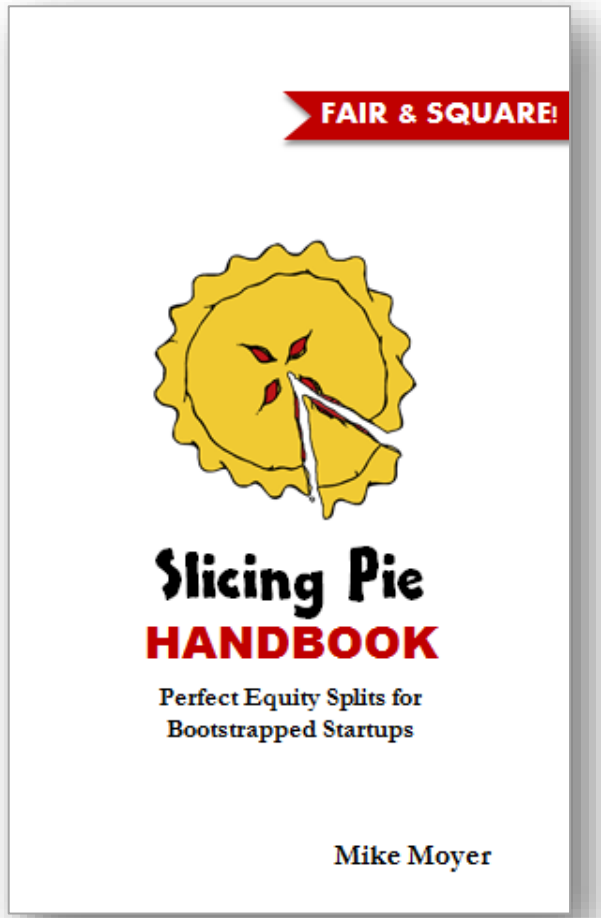
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How do I maintain control?



@SlicingPie

Which book should I buy?


FAIR & SQUARE!
Slicing Pie
HANDBOOK
Perfect Equity Splits for
Bootstrapped Startups
Mike Moyer

FAIR & SQUARE!



Slicing Pie HANDBOOK

Perfect Equity Splits for Bootstrapped Startups

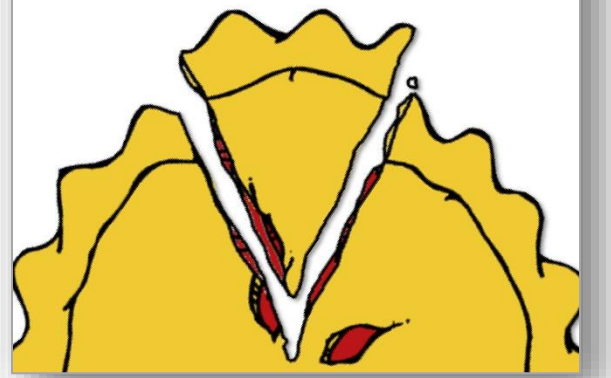
Mike Moyer

WILL WORK FOR PIE

Building your startup using equity, instead of cash.

BY, MIKE MOYER

AUTHOR OF THE SLICING PIE HANDBOOK



How can I get more help?

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