Venture Financing: Step-by-step Guide

Free Micro-course

10 hyper-slides

Venture

Financing

Investment Selection Criteria

Ranking by Business Angels & Venture Capitalists



Venture Financing: Process and Selection Criteria

The five sets of things venture capital investors look for in a start-up, in order of importance, are ¹:

- 1. a large, rapidly expanding market
- 2. people / management that can get the job done
- 3. a brilliant idea of technology that can be commercialized
- 4. a strategy that has a strong sustainable competitive advantage
- 5. a reasonable price per share

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Key Documentation To Be Prepared by the Entrepreneur

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The One Investment Strategy That Keeps Your Financial Dreams Alive. www.WealthDaily.com/Investor_Rpt

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Summary of Investment Criteria²

Selected Investment Criteria	Ranking by	Ranking by
	Business Angels	Venture Capitalists
People or entre	preneur	<u> </u>
Enthusiasm of the entrepreneur(s)	1	3
Trustworthiness of the entrepreneur(s)	2	1
Expertise of the entrepreneur(s)	4	2
Investor liked entrepreneur(s) upon meeting	5	9
Track record of the entrepreneur(s)	10	8
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Market or pro Sales potential of the product/service Growth potential of the market Quality of the product/service Niche market Informal competitive protection of the product/service (know-how)	Click he	5 6 10 13

8

11

7

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Perceived financial rewards

Expected rate of return

Investment Selection Criteria Used by ...

High margins for business	15	15	
Financials to monitor the operating firm			
Low overheads	16	21	
Ability to break even without further funding	18	19	
Low initial capital expenditures needed (on assets)	19	24	
Size of the investment	20	23	
Low cost to test the market initially	22	22	



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Make your project attractive to investors! 69



Other business attributes (vital to hands-on role)				
Possibility of investor's involvement in business development	13	18		
Investor's strengths in filling gaps in the business	14	26		
Venture is local	23	27		
Other business attributes (miscellaneous)				
Potential exit routes (liquidity)	24	12		
Investor's understanding of the business or industry	25	17		
Presence of (potential) co-investors	26	25		



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Venture Financing

Business Angels

Venture Capital Firms

Step-by-Step Guide to Venture Financing

Guidelines for Getting (and Keeping) Funding in Today's Market

Key Documentation To Be Prepared By the Entrepreneur

Case Study: Venture Capital Investment Process

Venture Presentation Guidelines

How To Make an Effective Venture Presentation

Venture Presentation: 8 Issues in 8 Minutes

Startup Business Plan

Business Plan DOs and DON'Ts

Business Plan Evaluation by Venture Capital Investors

Evaluation of a Start-Up Company

What Are the Venture Capitalists' Investment Criteria?





Venturepreneur (100 slides)

Venture Financing (40 slides)



Venture Financing

Complete "A to Z" Smart & Fast guide

Make your project attractive to investors!

- ► Understand the Venture Financing Chain
- ▶ Understand the requirements of Venture Capital Investors
- ► Follow unique Step-by-step Guide to Venture Financing

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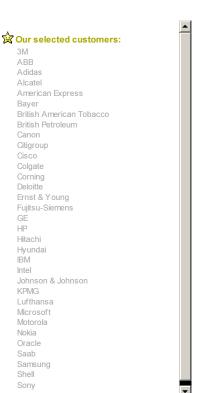
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Ernst & Young Fujitsu-Siemens



Don't sit on your dreams - make them a reality!



Bibliography:

1"High Tech Start Up", John L. Nesheim

2:Angel Investing" by Mark Van Osnabrugge and Robert J Robinson, Harvard Business School

