



# **Winning Presentations For Raising Capital**

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# Valerie S. Gaydos

- *Serial Entrepreneur*
- *Angel Investor*
- *Business Development Obsessed*
- *Investor: Lancaster Angel Network*
- *Angel Capital Association Policy Committee*
- *Board Member: Center for New Technology Enterprise*
- *President: Fifty First Associates, LLC*
- *Past President: Pennsylvania Angel Network*
- *Past Director: Private Investors Forum (PIF)*
- *Past Director: Angel Venture Fair (AVF)*
- *Founder: Capital Growth, Inc.*
- *Director: Greater Baltimore Technology Council*
- *Research Analyst: Pennsylvania Senate/U.S. Senate*

# Angel Investors & Groups

- Angel Investors of Greater Washington - Washington, DC
- BlueTree Allied Angels - Pittsburgh, PA
- Capital Access Network - College Park, MD
- D'Arch Angels - Vienna, VA
- Delaware Crossing Investor Group - Doylestown, PA
- Jefferson Corner Group - Charlottesville, VA
- Jumpstart New Jersey Angel Network - Mt Laurel, NJ
- Lancaster Angel Network
- LORE Associates - Philadelphia, PA
- Mid-Atlantic Angel Group Fund I ("MAG") - Philadelphia, PA
- Minority Angel Investor Network - Philadelphia, PA
- New Dominion Angels - Warrenton, VA
- Pittsburgh Equity Partners - Pittsburgh, PA
- Private Investors Forum - Jenkintown, PA
- Robin Hood Ventures - Wayne, PA
- Virginia Active Angel Network - Charlottesville, VA
- West Virginia Angel Network - Fairmont, VA

# What You Need to Attract Investors

- A Great Business
- A Good Economic Model
- A Great Business Plan
- A Great Management Team
- Proprietary Technology
- A Growing Market

**Do you know what you  
are asking for?**

# Types of Financing

- **Internal Financing** - Accounts Receivable, Inventory & Fixed Assets, Vendor Payments; Evaluating Expenses
- **Joint Ventures, Strategic Alliances, Dealmaking**
- **Commercial Lenders** - Banks & S&Ls, Finance Companies (asset-based lenders), Life Insurance Companies
- **Equity Investors** - Private Individuals/ Angels, Employees (ESOPS), Corporations, Venture Capital, Institutional Investors
- **Government** - Small Business Admin., SBIC' s, MESBIC, SBIR
- **Private Placements** - Sale of equity through an agent
- **IPO**

# Types of Financing Used

- 38% Commercial Bank Loans
- 34% Credit Cards
- 30% No Financing at All
- 20% Vendor Credit
- 16% Personal Loans or Leasing
- 3% Selling Accounts Receivable
- 3% Asset-based Lending
- 2% Private Placement
- >2% Venture Capital & Angel Investors (private equity)
- >1% IPO

# FUNCTION

Knowing WHAT to present  
to WHOM and WHEN



# Must Have....

- 90 second - 3 Minute “elevator pitch”
- One Page Summary (see angelsoft)
- Multiple Page Detailed Executive Summary
- PPT presentation - (for Investors not customers)
- A Business Plan (for YOU not me)
- A Website - (for your customers not investors)
- Youtube/Video demonstrations
- Twitter, Facebook, etc... (as appropriate)

# The “Pitch”

- My company is \_\_\_\_\_ (**Name**)
- We (**Have/Do What?**) that (**Solves What?**).
- We are located (**Where?**)
- Our customers are (**Who?**)
- We currently have (**How many out of how many?**)
- If Mgmt is strength ... (**Who are you?**). Ie. Our CEO comes from Johnson & Johnson.
- We are seeking (**How much?**) (**For What?**)
- Repeat your name and your company name.

**Always be prepared.**

**Do your homework.**

# What factors are important for investors?

- Industry
- Geography
- Scalability
- Stage of Business (Concept v. Expansion)
- Types of Investment Structure
- Return on Investment
- Available Capital under Management

- **Business**
- **Financial**
- **Personnel**

# **Business: What do you do?**

## **How do you do it?**

- **Business Resume**
  - Venture Concept/Business Description
  - Products and/or Services
  - Technology/Proprietary Rights
  - Targeted Markets/Market Opportunities
  - Marketing Plan/Distribution Strategy
  - Company Strategy
  - Outlook

- 20% Product/Technology
  - 80% Business

# **Financial: Where do you make money?**

## **How can you make more?**

- **Financial Resume**
  - Current Financial Results/Forecast
  - Funding to Date
  - Current Investors (if any)
  - Financial Requirements
  - Use of Requested Funds



**Personnel:**      Who are you?...  
Why should I care?

- Personnel Resume
  - Management Team
  - Bank
  - Auditor
  - Legal Counsel
  - Business Consultants

to attract investors.....

Know what THEY care to know  
...not what you want to tell them.

Value Proposition

Market

Revenue Model

Business Model

Competitiveness/IP

Team

Appropriate

Funding/Valuation

Exit Strategy

Presentability

# FORM

Knowing HOW to present

# 11 Must-Have Slides

1. **Cover** - Business Positioning Statement
2. **Market** - the need and what customers have it
3. **Solution** - product, core benefit, protectable Technology
4. **Competitive Position** - Who they are and your defenses
5. **Marketing/Sales/Support** - Channels and skills
6. **Business Strategy** - How you plan to grow beyond launch
7. **Financial Projections** - Spreadsheet
8. **Funding Sought** - Amount, comparables, use of funds
9. **Management** - relevant experience
10. **Milestones** - e.g. product launch, next funding, breakeven
11. **Exit Strategy** - IPO/Acquisition (who?)

# 1. Business Position

- Company name
- One sentence “what we do”
- Presenters Name
- Visual Image of product

## 2. Market Need/Customers

- What creates the demand for your
- solution?
- Define characteristics of customers that
- need your solution - who?
- Quantify the opportunity - How many?

# 3. Solution - Your product

- Clearly explain what it is that the customer is buying.
- Explain where your product fits
- Identify your product's "value-add"
- Describe benefits of your solution



# 4. Competition

- Address the barriers to adoption
- Explain what the “gold standard” is now and what it will take to get customers to use your product.
- What are YOUR barriers to competition should you be successful

# 5. Marketing

- Explain your expected selling cycle
- How do you propose to reach your customers?
- Describe your process of Marketing Sales & Support
- Indirect and Direct

# 6. Business Strategy

- Describe 3-5 year business goals
- Identify steps to reach that goal
- Explain what you need to achieve positive cash flow and how long it will take to get there.
- Place key steps/milestones in Gantt Chart
- Identify major development risks

# 7. Financial Projections

- Keep the financials simple
- Explain any “dramatic” numbers

Units shipped

Revenues

Gross Profit

Gross Margin %

SG&A

Net Pre-tax

Cashflow

# 8. Funding Sought

- Provide a cap table if possible
- Identify major uses in each round
- Describe current “burn rate”

	Pre-Money Valuation	Raise	Post-Money Valuation	Total	Founders	Round 1 Investors	Round 2 Investors	Round 3 Investors	IPO
Round 1	\$ 1,191,892	\$ 700,000	\$ 1,891,892	100%	63%	37%			
					\$ 1,191,892	\$ 700,000			
Round 2	\$ 4,000,000	\$ 2,500,000	\$ 6,500,000	100%	39%	23%	38%		
					\$ 2,520,000	\$ 1,480,000	\$ 2,500,000		
Round 3	\$ 12,000,000	\$ 7,000,000	\$ 19,000,000	100%	24%	14%	24%	37%	
					\$ 4,652,308	\$ 2,732,308	\$ 4,615,385	\$ 7,000,000	
IPO	\$ 45,000,000	\$ 15,000,000	\$ 60,000,000	100%	18%	11%	18%	28%	25%
					\$ 11,018,623	\$ 6,471,255	\$ 10,931,174	\$ 16,578,947	\$ 15,000,000

# 9. Management

- Focus on Management Team
  - CEO - prior experience
  - CTO - proven know-how
  - CMO - proven knowledge/Key relationships
  - CFO - Prior acquisition experience
- Part-time vs full-time
- Board of Directors/ Board of Advisors

# 10. Milestones

- Company formed
- Prototypes developed
- New management
- Testing
- Angel Round
- Production ship
- Positive Cash-flow
- Annualized revenue

# 11. Exit Strategy

- If IPO:
  - Explain comparables
  - Describe “why you?”
- If Acquisition:
  - identify 2-3 likely buyers
  - Explain why they are interested
  - Explain how you will get to them



# Most Importantly

1. Never hide behind technology. Use it to advance & enhance what you have.
2. Investors want to meet **YOU, not your “cool” technology.**
3. “scalability” of your business
4. Raising money takes time. Start early. Go everywhere. Attend often. “See and be Seen”
5. Relationships: You **ARE judged by the company** you keep. Get good advisors....they will be your best advocates.
6. Be prepared. Always. Think on your feet.



**ANGEL**

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**Valerie S. Gaydos**  
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Valerie Gaydos is an angel investor and business development expert. She has been involved with many start-up companies in the areas of operational development and strategic planning for more than 20 years.

She is the founder and President of Capital Growth, Inc. (CGI) which was founded in 1994 as a venture capital data and information publishing company. CGI currently specializes in business building and actively invests in early stage companies. She is also President of [Fifty-First Associates, LLC](#), an association management and government relations firm in Pennsylvania. From 2004-2007 Valerie served as President of the [Pennsylvania Angel Network](#). From 2004-2010 she served as director of the Private Investors Forum (Philadelphia) and the annual [Angel Venture Fair \(AVF\)](#). Additionally, Valerie serves on the Policy Committee of the [Angel Capital Association \(ACA\)](#) and is a member of the PEG PAC Political Action Committee Board of the [Pennsylvania Business Council](#), and serves as Treasurer of [PiPAC](#), a Federal Political Action Committee for private investors and emerging business owners who start and build new companies.

Valerie previously served as an Analyst for the Pennsylvania State Senate and worked for Senate leadership. She also served as Staff Assistant for Pennsylvania U.S. Senator H. John Heinz, III. She is currently a member of the Lancaster Angel Network and conducts the [Angel Venture Forum \(Washington, DC\)](#) which will be held on October 18, 2011 at the National Press Club. Valerie may be reached at 717.238.1222 or [vgaydos@51st.com](mailto:vgaydos@51st.com)