



Accessing Finance for Start Up and Scale Businesses

Guernsey Entrepreneurship Week



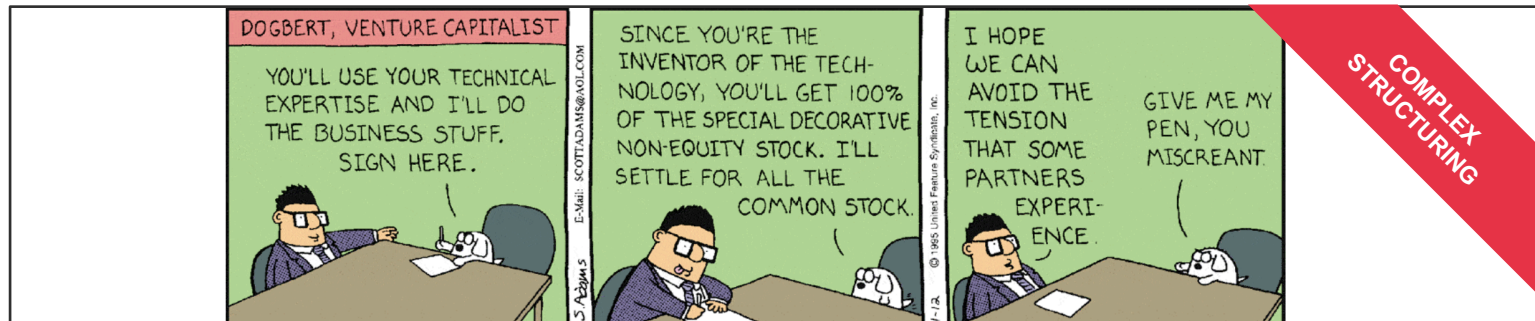


TOO VAGUE



NO MARKET PROOF

"I call my invention 'The Wheel' but so far
no-one is buying it"



DOGBERT, VENTURE CAPITALIST

YOU'LL USE YOUR TECHNICAL
EXPERTISE AND I'LL DO
THE BUSINESS STUFF.
SIGN HERE.

SINCE YOU'RE THE
INVENTOR OF THE TECH-
NOLOGY, YOU'LL GET 100%
OF THE SPECIAL DECORATIVE
NON-EQUITY STOCK. I'LL
SETTLE FOR ALL THE
COMMON STOCK.

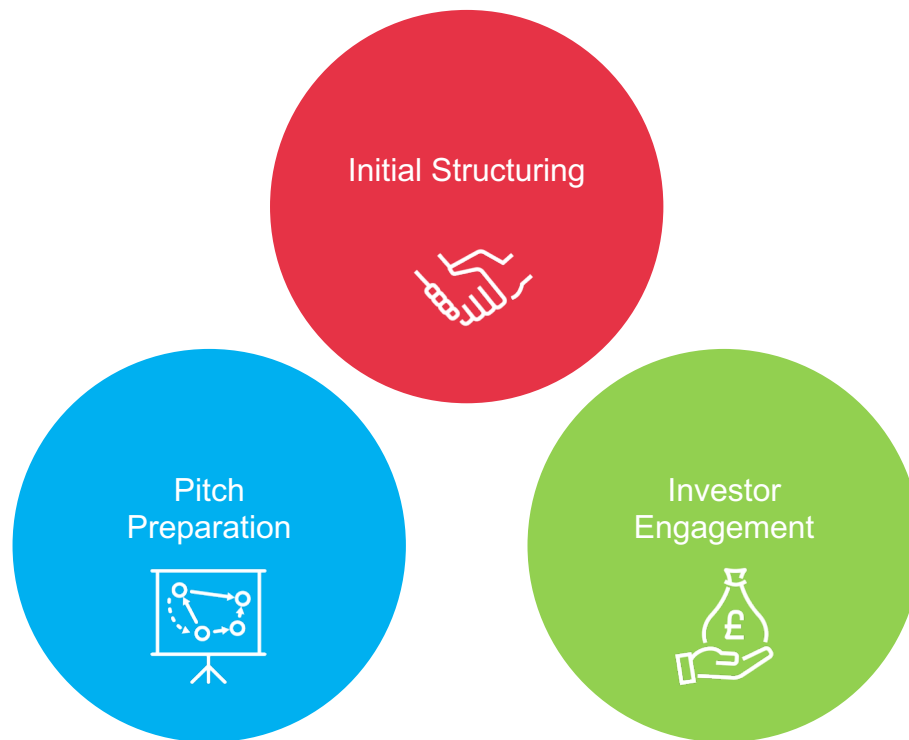
I HOPE
WE CAN
AVOID THE
TENSION
THAT SOME
PARTNERS
EXPERI-
ENCE.

GIVE ME MY
PEN, YOU
MISCREANT.

COMPLEX
STRUCTURING



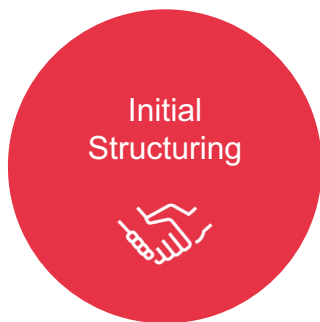
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Initial Structuring

Ensure from outset that you have put in place the basic foundations in advance of fund raising ...



Are you as a team all aligned on timeline and commitment for this?
Are you structuring the shareholding correctly?
Are structures in place for when founders leave ...?
How does vesting work ...?
Is the IP assigned to the company?
Are any advisors incentivised correctly?



Founders Agreement
Advisors Agreement
Consultancy Agreement



SeedLegals
SeedSummit.org



Pitch Preparation

How do you prepare the initial investment pitch deck?



What are the key messages investors want to hear?

What are typical investor Investment Criteria?

What is your personal journey to this point?

What are the Metrics to include ... if pre-traction?

Can you show momentum through investment process?

How do you manage confidentiality?

What length of initial deck to send?



BC Investment Criteria

Proposition Clear

Problem Addressed

Large Market

Competitive Advantage

BC Advantage

Customer Proof

Distribution

Unit Economics

Scalability / Tech

Management / Execution



Investor Engagement

How do you identify and access the right investors or other forms of funding?



What type of investor do you want to reach?

- Seed funds like Passion or Playfair capital? Or HNWs?
- Have you explored your personal network connections properly?
- Are you just targeting partners? Often analysts will be the champions

Can you build your profile?

- Entering competitions, Events, Medium articles?

Are there specialists you can tap?

- Investors in Female Founders, Deep Tech funds?

Do you know your targets? Have you built a database?

- Round size, prior investments, exit track record, follow on?
- Do they have a relevant corporate network?
- Can they introduce you to investors for your next round?

What structures do they use? Ords, Convertibles, SAFEs?

- Do you understand the true impact if things go slow?
- Are you taking into account any tax structures like SEIS, EIS?

Have you explored grants?



Summary



- Ensure correct business structure from outset
- Set up legal and Founders Agreement early on
- Be fully aligned on founder shareholdings and all potential future scenarios



- Address key elements in pitch deck
- Focus on the solution and why it's the best
- Prove you're solving a customer problem and that they'll pay you for it
- Apply for competitions and grants
- Tailor pitch to audience – and keep it simple
- Show progression and momentum
- Project founder backgrounds



- Do your homework on investors
- Tap into your contacts for introductions
- Leverage specialist niches of investors where possible
- Hone your pitch before approaching your favourite investors
- Ensure you understand term sheets/ SAFEs and their implications

And don't forget... luck can play a big part! But persistence and focus gives you the advantage ...

