

Raising Money From Angels and VCs

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Welcome To Thunderdome



Raising Money Is Damn Hard

- For seasoned and successful, entrepreneurs its still hard
- Most entrepreneurs cannot raise

	Series A	Series B	Series C
Total VCs	21	31	23
Total term sheets	2	2	2

- Source: StartupWhisper, May 22 2008

TIPS FOR RAISING MONEY

Prepare Before You Start

1. Get a great lawyer – actually more of a consigliere
2. Prepare like a salesman
 - Keep it exclusive
 - Sales pipeline mentality
 - Have a business plan
 - Have a plan for the capital proceeds
3. Build a sexy deck
 - Show momentum
 - Define a big market
 - Establish confidence
 - Wow them

Have A Great Lawyer



**RAISING MONEY IS A SALES
PROCESS**

Keep It Exclusive



Build A CRM Process

- Create funnel management on each prospect – build prospects from “hot”, “warm,” “lukewarm,” “dead”
- Tackle 3-4 at a time
- Push interested parties to declare interest
- Find the right partner
- Be cognizant of the venture B.S. – “we like you but we’d like to see more market traction” – this is a no

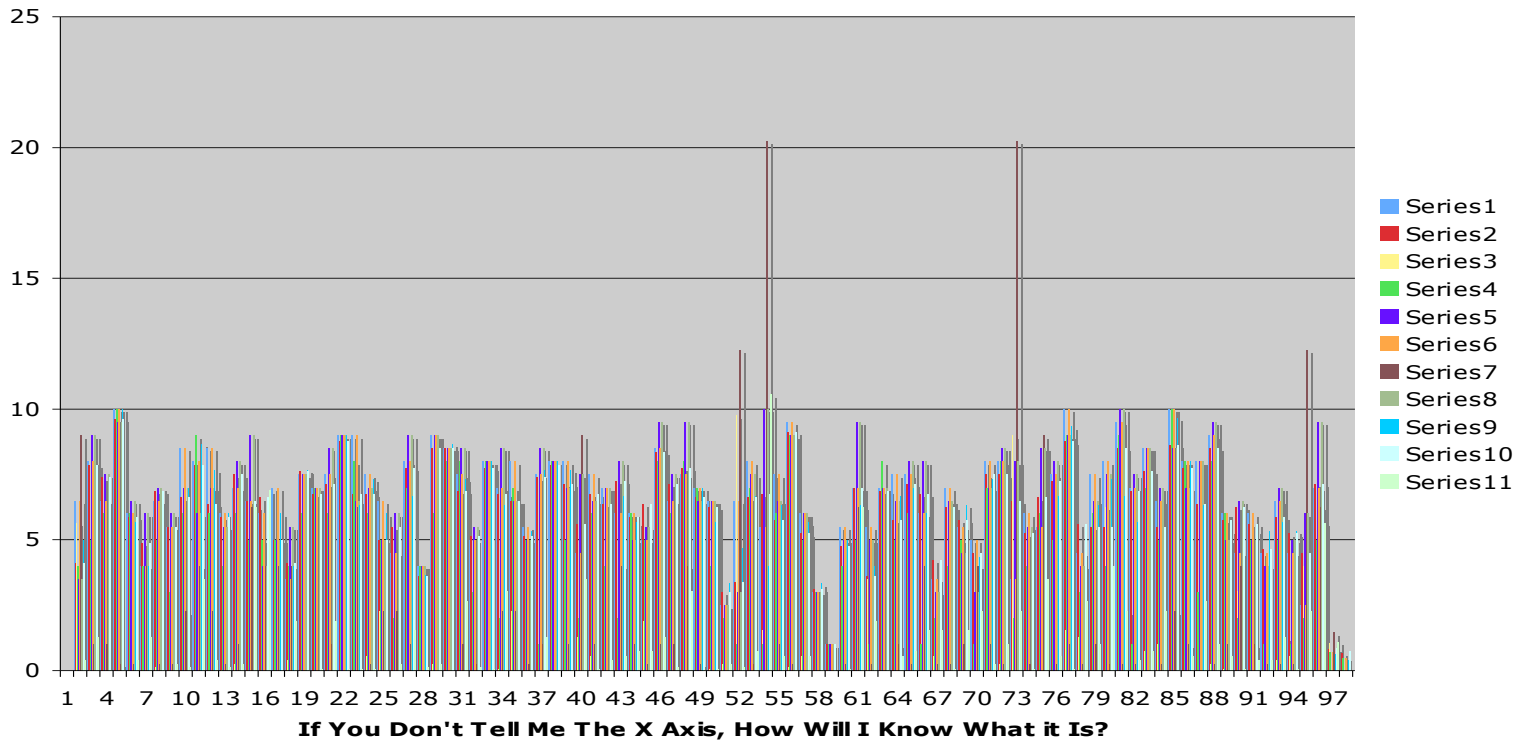
SEXY DECK EXAMPLES

Build A Sexy Deck

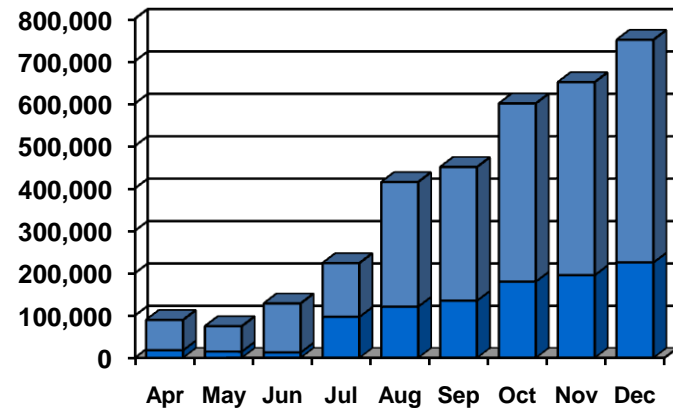
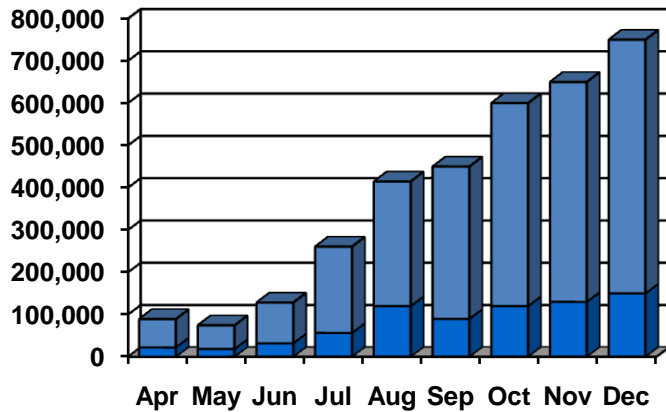
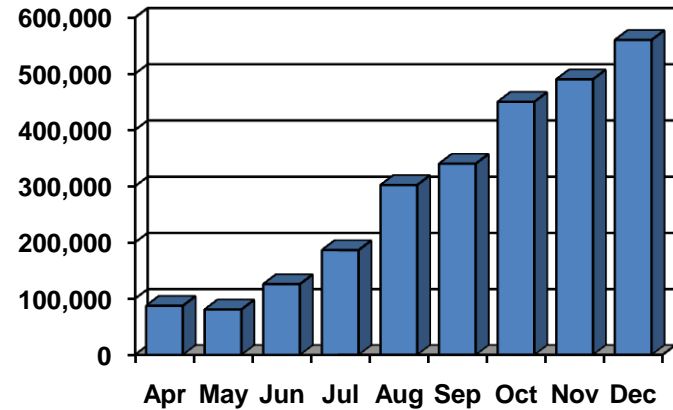
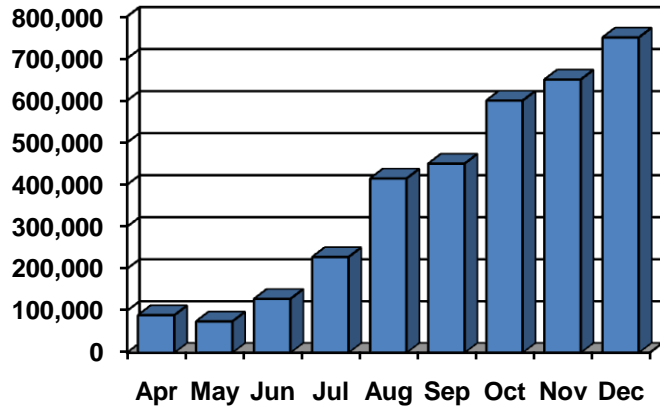
- Show momentum
- Define a huge market and how you plan to attack it
- Establish confidence in you, your team, and the company
- Wow them – pitch your company as if you were pitching a movie

Bad Example Of Momentum

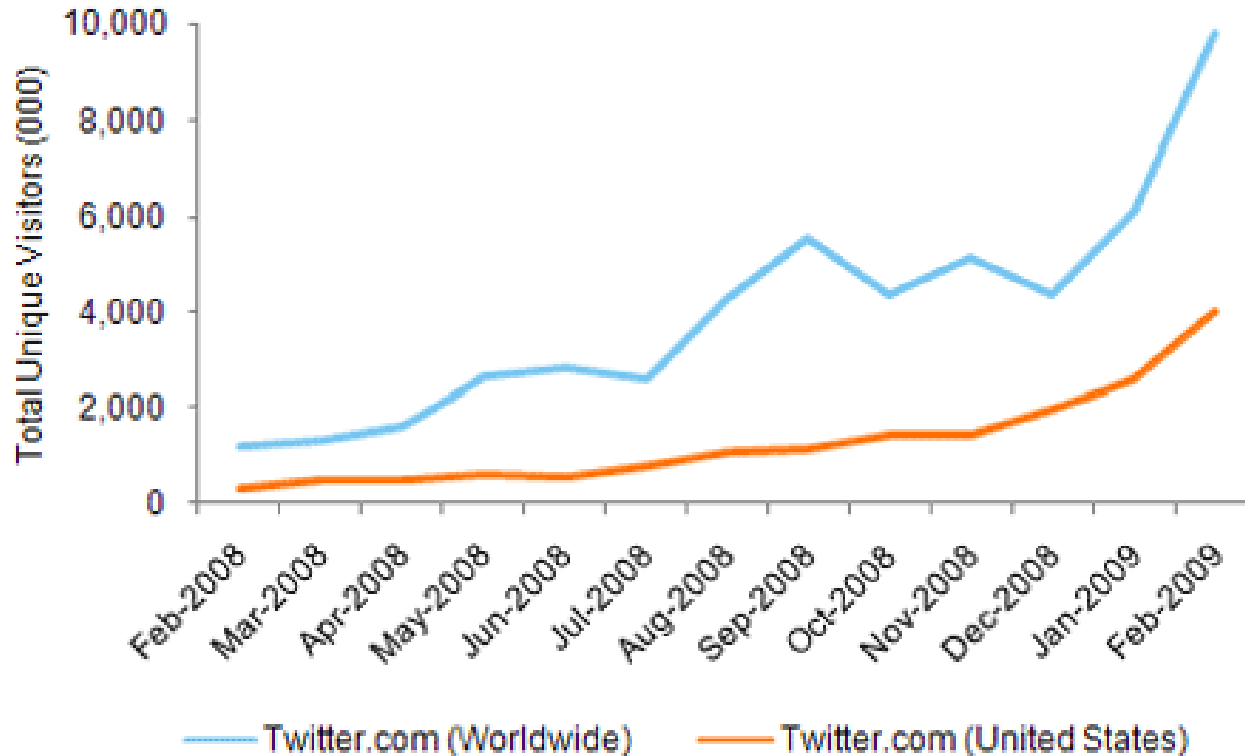
Chart Titles are Helpfu



Good Example Of Momentum



Better Example Of Momentum



Source: comScore Media Metrix

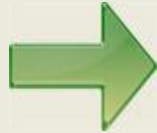
DEFINE A BIG MARKET



Show Them Where You Fit



Insert New Entrant Competitors



This is You

Insert Traditional Competitors



Revenue: 
 Innovation: 

Revenue: 
 Innovation: 

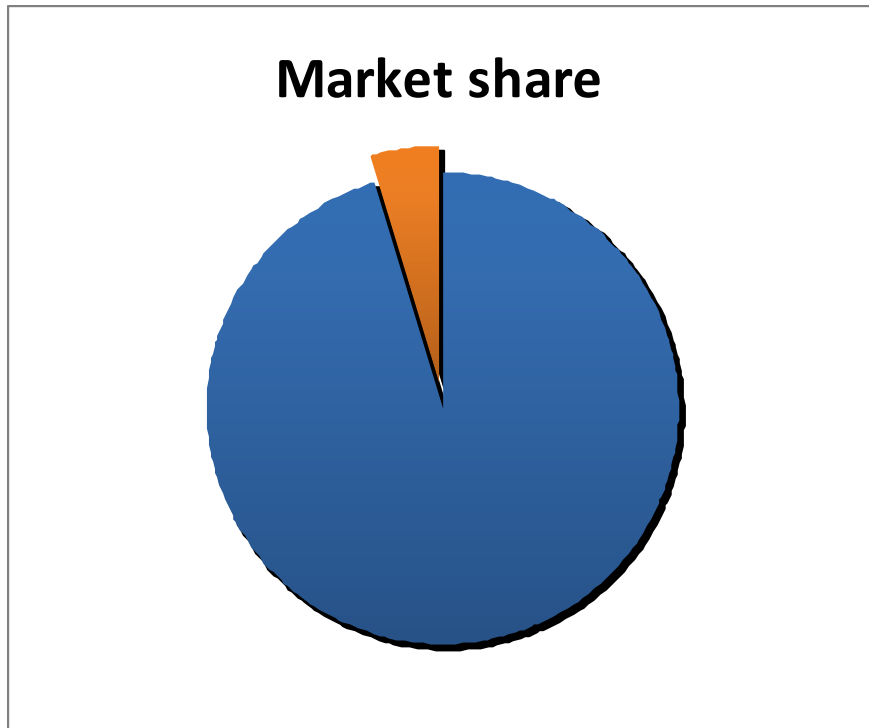
Revenue: 
 Innovation: 

Top Web Widget Viewing Audiences*
 November 2007
 Total U.S. - Home/Work/University Locations
 Source: comScore Widget Matrix

Widget	Unique Viewers (000)	Penetration of U.S. Internet Audience
Total U.S. Widget Viewers	147,904	81.1%
MySpace.com - Widget	57,747	31.7%
Slide.com - Widget	39,213	21.5%
Clearspring.com - Widget**	39,159	21.5%
RockYou.com - Widget	32,557	17.9%
Photobucket.com - Widget	26,434	14.5%
Google.com - Widget	19,436	10.7%

Example of some market share proof points in this section

Market Share and Total Addressable Market



- Investors like disruptive plays that tackle big markets
- Even a small % of execution on your part is a big business

Make Them Feel Confident In You, The Team, The Company

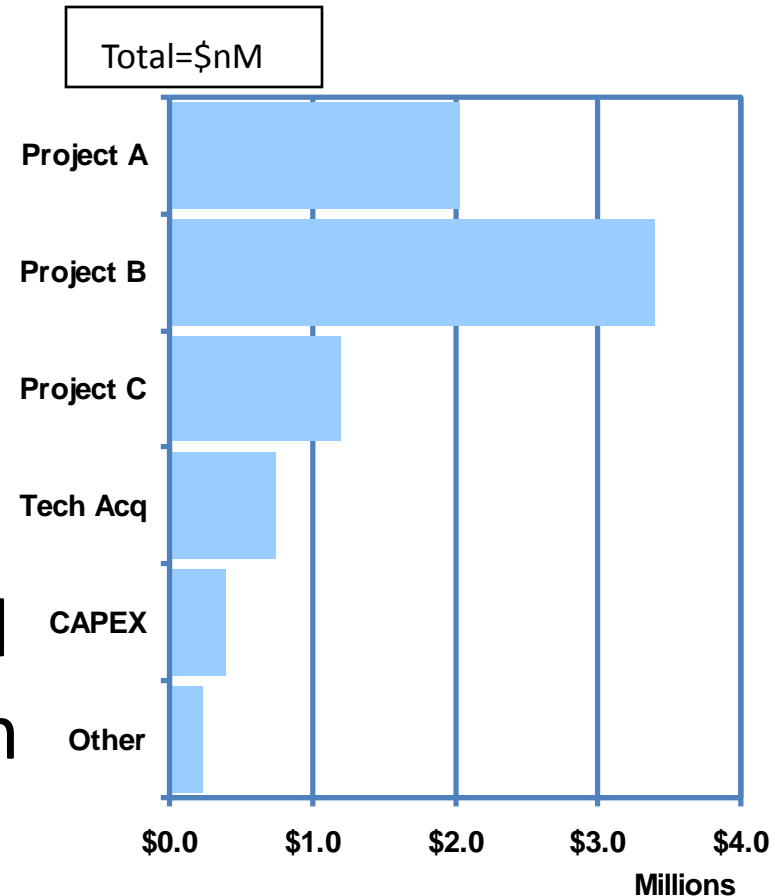
- If you are weak pretend you are strong
 - Build a world-class Board, advisory board, or management team
 - Coming from a big company without startup experience....prepare to fight skepticism
- If you are strong...well, you are doing ok
 - If you are a successful serial entrepreneur
 - Relationship with a VC

NEVER LEAVE THE ROOM WITHOUT THE “ASK”



“Ask” Slide – Raising \$nM To Accelerate Growth

- Financing History
 - Explain what you’ve done
- Current Raise
 - Get detailed on your use of proceeds
- Start with what you told them and then tell them again...



In Conclusion

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Thank You

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