

SMARTMONEY
STARTUPS

A Fresh Approach
to
Startup Fundraising

Fundraising Sprint Program



Your SmartMoney Team



Jeff (J.D.) Davids



Luis Berga

Program Schedule

Live Webinar Sessions:

Tuesday, March 7, 9-10:30AM Pacific Module 1: Introduction & Market Mapping

Tuesday, March 14, 9-10:30AM Pacific Module 2: Targeting Deals & Investors

Tuesday, March 21, 9-10:30AM Pacific Module 3: Fundraising Campaign Roadmap

Tuesday, March 28, 9-10:30AM Pacific Module 4: Email Templates & Investor Readiness Scorecards

Live AMA Sessions

Ask Me Anything:

Thursday, March 9, 9-10:30AM Pacific Ask Me Anything Session

Thursday, March 16, 9-10:30AM Pacific Ask Me Anything Session

Thursday, March 23, 9-10:30AM Pacific Ask Me Anything Session

Thursday, March 30, 9-10:30AM Pacific Ask Me Anything Session

Fundraising Sprint Mar 2017



Steve McCloskey



Keita Funakawa



Edgardo Leija



Rich Goldman



Meena Sankaran



Tom Saftig



Kevin Harris



Surra Yanamadala



Chad Tytten



Jake Freeman



Corey Taylor

Mastermind Group Rules of Engagement

- Safe place to share
- No dumb questions
- Confidentiality
- Full transparency
- Rigorously honest
- Ask questions, suggest solutions/ideas
- Don't take it personally
- Don't mean it personally

Review – Research Process

- 1) List 4 industries
- 2) List at least 5 gorillas in each
- 3) Pull a list of acquisitions made by those gorillas (Crunchbase or VentureDeal)
- 4) List all competitors – direct and “adjacent”
- 5) This info is all recorded in the Market Map tab
- 6) THEN, select approximately 10 of those companies to scrub their investment dealpaths. Prioritize all companies on your market map as priority A, B, and C for deeper research. Criteria is “how relevant and comparable are each of these companies and/or deals relative to our deal.
- 7) List dealpaths
- 8) Review backgrounds – prioritize A, B, C

Fundraising Campaign Roadmap

Fundraising Roadmap

Build a Target List

Get Warm Introductions

Investor Outreach Campaign

Visibility Campaign

Create Momentum

Fundraising Campaign Best Practices

Consistent Cadence of Updates
Focus on Positive Sales Progress
Help them Visualize Success
Don't project fear
Build Trust & Confidence
Continue Building Your Team

Think like an Investor

Risk / Reward



Alignment

Pathway To Target Valuation

Fundraising Phases

1. Early Fundraising
2. SmartMoney Fundraising
3. Due Diligence - Prelim
4. Termsheets
5. Due Diligence – Deep Dive
6. Closing Documents
7. Signatures and Wire Transfers
8. Closing Dinner
9. The first 90 days

Phase 1

Early Fundraising

- Early Fundraising
 - Friends & Family
 - People who know you
 - Pitchfest Competitions
 - General Networking

Phase 2

SmartMoney Fundraising

- SmartMoney Fundraising
 - High Value Targets: Target List
 - Investor Outreach Campaign
 - Visibility Campaign
 - Building Deal Momentum
 - Tracking Progress

2a - Investor Outreach

- Long Term Relationship Building
- Email Campaign
 - Warm Introductions
 - Multiple Inroads
 - Persistence & Cadence
 - Phone Calls
- Social Media
- Industry Conferences
- Speaking Engagements

2b – Visibility Campaign

- Message consistency
 - Elevator Pitch
 - 3 Bullet Points
- Company website
- LinkedIn
 - Management & Board
 - Company
- AngelList Profile – company and mgmt
- Crunchbase Profile – company and mgmt
- Kickstarter Campaign – as applicable

Visibility Targets

- Investors, Customers, Channel Partners
- Key Industry Conferences
- Industry Associations
- Trade Press
- Influential Bloggers
- Social Media
 - LinkedIn & Groups
 - Slideshare
 - Twitter
 - Facebook
 - Medium
- Corporate Buyers – SVP Corp Dev
- Investment Bankers – Financial Conferences
- Key Analysts
 - Financial Analysts - Wall Street
 - Strategic Analysts – report publishers

Visibility Campaign

- Regular updates for:
 - Current Investors
 - Prospective Investors
 - Advisory Board
 - Webinars – Dynamo Micropower
- CEO blog or webinars
 - (customer education – invite VC Associates)
- Speak at industry conferences – CEO, Partners
- “Press” page on website
- Press Releases
- Interviews with trade press

2c – Building Momentum

- Meeting Mode
- Termsheet Mode
- How to create that “Shift”

Building Momentum

- Customer Traction
- Sales Velocity

Customer Traction Sales Pipeline

Customer	Initial Dialog	Presentations	Identify Decision Makers	Present Proposed Transaction	Verbal Agreement	Draft/Deliver Letter of Intent	Letter of Intent Signed	# of Units	Unit Price	Revenue for Initial Contract
1	Completed	Completed	Completed	Completed	Completed	Completed	Completed	6	\$ 1,000	\$ 6,000
2	Completed	Completed	Completed	Completed	Completed	In Process		12	\$ 1,000	\$ 12,000
3	Completed	Completed	Completed	Stuck here				7	\$ 1,000	\$ 7,000
4	Completed	Completed	Completed	Completed	In Process			9	\$ 1,000	\$ 9,000
5	Completed	Completed	Completed	Completed				12	\$ 1,000	\$ 12,000
6	Completed	Completed	Completed	In Process				3	\$ 1,000	\$ 3,000
7	Completed	Completed	Stuck here					8	\$ 1,000	\$ 8,000
8	Completed	Completed	In Process					5	\$ 1,000	\$ 5,000
9	Completed	Completed	In Process					4	\$ 1,000	\$ 4,000
10	Completed							4	\$ 1,000	\$ 4,000
									Pipeline Value:	\$ 70,000
<u>Legend:</u>										
<div style="display: flex; align-items: center;"> <div style="width: 20px; height: 10px; background-color: green; margin-right: 5px;"></div> Completed </div>										
<div style="display: flex; align-items: center;"> <div style="width: 20px; height: 10px; background-color: lightgreen; margin-right: 5px;"></div> In Process </div>										
<div style="display: flex; align-items: center;"> <div style="width: 20px; height: 10px; background-color: yellow; margin-right: 5px;"></div> Stuck here </div>										

Tracking Progress

- Email Tracking
- Meeting Tracking
- Phone Calls
- Notes & Insights
- CRM
- Salesforce, Hubspot, other tools
- Contacts made = Foundation for NEXT Round

Phases 3, 4, 5

Diligence, termsheets, Diligence

1. Due Diligence – Preliminary
2. Termsheets
3. Due Diligence – Deep Dive

Phase 6

Closing Documents

- Attorneys take over
- Who is your attorney?
- Big Stack
- Who will draft
- Reps & Warranties
- Book: Venture Deals – Brad Feld

Phase 7

Signatures & Wire Transfers

- Signature Day
- Wire Transfer
- What's Next?

Phase 8

Closing Dinner

- Scheduling
- Attendee List
- Where
- Who Pays
- Gifts
- Speeches
- Setting the tone
- Post-Dinner Activities

Phase 9

The 1st 90 Days

- Setting Expectations
- Milestones
- Calls & Emails with Investors
 - Frequency
 - Cadence
 - Building RELATIONSHIPS
- The First Board Meeting
- Outbound Information
- Extracting Value – ASK
- Inbound Value

Fundraising Campaign Checklist

	Founder Cash	Friends & Family	Angel Investors	Seed Financing	Series A	Series B	Series C	Sale	IPO
Networking (Local)	X	X	X	X	X	X	X	X	X
Pitchfest Competitions	X	X	X	X	X	X	X	X	X
Ask for introductions	X	X	X	X	X	X	X	X	X
Pitch Meetings		X	X	X	X	X	X	X	X
Industry Conferences - Speak			X	X	X	X	X	X	X
Industry Conferences - Booth					X	X	X	X	X
Industry Conferences - Sponsor							X	X	X
<u>Investor Materials</u>									
Elevator Pitch	X	X	X	X	X	X	X	X	X
Customer Interviews	X	X	X	X	X				
Customer Testimonials		X	X	X	X	X	X	X	X
Talking Points - UVP		X	X	X	X	X	X	X	X
Good News Updates		X	X	X	X	X	X	X	X
Customer Traction Report	X	X	X	X	X				
Sales Pipeline		X	X	X	X	X	X	X	X
Executive Summary		X	X	X	X	X	X	X	X
Investor Pitchdeck		X	X	X	X	X	X	X	X
Financial Model		X	X	X	X	X	X	X	X
Business Plan				X	X	X	X	X	X
PPM						X	X	X	X
Company Website		X	X	X	X	X	X	X	X
Team LinkedIn Profiles		X	X	X	X	X	X	X	X
Company LinkedIn Page			X	X	X	X	X	X	X
Angel List Profile - Company		X	X	X	X	X	X	X	
Angel List Intro Video		X	X	X	X	X	X	X	
Crunchbase Profile - Company		X	X	X	X	X	X	X	
<u>Advisory Board Profiles:</u>									
Company Website		X	X	X	X	X	X	X	X
Board Member LinkedIn		X	X	X	X	X	X	X	X
Board Member AngelList		X	X	X	X	X	X	X	X
Board Member Crunchbase		X	X	X	X	X	X	X	X
<u>Current Investor Profiles:</u>									
Company Website			X	X	X	X	X	X	X
Board Member LinkedIn			X	X	X	X	X	X	X
Board Member AngelList			X	X	X	X	X	X	X
Board Member Crunchbase			X	X	X	X	X	X	X

Q & A

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