

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

Today's Topics

- Investor Outreach Campaign
- Investor Readiness Scorecard
- Q&A

Investor Outreach


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

Email Templates

Emails to Investors

- Draft “as-if” you are sending to them directly.
- Conversational tone
- Logical connecting point – you did your homework
- Info to send:
 - Less is more
 - Compelling, aligned email bullet points
 - “I’d like to learn more”
 - Clear Call To Action
 - Executive Summary attachments
 - Pitchdeck Attachments - NO
- Warm introductions
 - Make it EASY TO FORWARD
- **GOAL**
 - Get a phone call
 - Get a meeting

Info to Send

- Option 1:
 - Send email and pitchdeck
- Option 2:
 - Send email & Executive Summary
-  Option 3:
 - Send email and make them ask for Executive Summary
- Option 4:
 - Fill out the form on their website

1st Email Components

1 - Compliment & Connecting point.

2 - What problem are you solving?
Do they care?

3 - What benefits do you deliver?

4 – Market Forces Driving Need

5 - Why you will win

Example Email

Dear Investor,

Congratulations on your success with FlexGen Power. Based on your participation in that deal, you may be interested to learn more about the innovative **clean power generation solutions** that Dynamo Micropower has created.

Dynamo Micropower **makes engines** and gensets that provide pilot customers like Kinder Morgan with **savings** of approximately \$2 per barrel, GHG **reductions** of up to 500 kilotons/year and boost **reliability** from 90% to 99%. Our engines burn natural gas and other clean fuels rather than the diesel burning engines that dominate the market today.

Example Email – Part 2

Our market entry point is providing gensets to power oilfield pumpjacks with **trials underway** with Kinder Morgan and negotiations underway with many other customers. We are **preparing to expand** into additional sectors starting with portable heating, pipeline corrosion protection and gas compression power.

You may already know that IBIS World reports the industrial engine market to be **\$50 Billion at a 3.1% CAGR**, and most of these engines burn diesel. More attractive is the gigantic market shift into engines that burn natural gas and other alternative fuel where the **CAGR** is 26% on a base of \$5 Billion.

Please let me know if you have interest in reviewing our Executive Summary or **discussing this opportunity by phone**.

Best regards,

Example Email – Part 1

Dear Investor,

Congratulations on your success with _____XYZ Company____(a good exit). Based on your participation in that deal, you may be interested to learn more about the ____what we do____that we are creating.

We are solving the problem of _____ (broad description that is easy to nod and say yes, that is a problem worth solving_____.

We deliver _____benefit 1, 2, 3____ to our customers including A, B, and C.

Example Email – Part 2

Our market entry point is _____ and we plan to deploy _____ pilots during _____ Q1-17.

As we capture market share with _____ entry point _____, we are preparing to expand into _____ (additional markets) _____.

BRIEF bullet points about market size and why this is a big and growing wave such that "a rising tide lifts all boats".

If you'd like to learn more, I'd be happy to send you the Executive Summary and schedule a time to meet and share more information with you.

Best regards,

Warm Introductions

- **Cold Emails**
 - Signals a lack of sophistication
 - Approach to customers, partners, executives
 - Lack of creativity, going the extra mile to “do it right”
- **How many warm intros?**
 - Jeff Busgang example
- **Expectations about responses:**
 - Many will not respond
 - Example – persistence, but not obnoxious
- **When to follow up?**
 - Send monthly PROGRESS UPDATES
 - DON'T SEND the “did you get my email? Can we get a meeting?”

Visibility Campaign

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

Tracking Progress

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

Early Outreach

- We're too early but....
- Quote from Kleiner Perkins Podcast:
“If you want money, ask for advice. And if you want advice, ask for money.”

Q & A

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