



# Gearing Up For Venture Capital

Presented by:



VENTURE CAPITAL ADVISORY

# Optimising Your Company for VC

1. Golden rules
2. Common misconceptions
3. The Investment Process
4. Post-investment Focus
5. Case Studies

# What is Venture Capital (VC)?

- Financial capital for early-stage, high potential, high risk start-up companies
- Catalyst for new industries and ground-breaking global companies e.g. Google, Facebook



# 1. Golden Rules

- Build a Strong Team
- Innovative Product: find a solution to a problem!
- High Growth Market
- Protect IP
- Take your time for investment

## 2. Common Misconceptions

- Team: “Bigger is better”

- Product: “If I build it they will come”



- Income: “Will follow in its own time”



- Market: “I have no competitor”



# 3. The Investment Process

- Select Domain Focus: sector, size, region
- Evaluate Opportunity: financials, opportunity note, executive summary
- Meetings with Team (1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup>)
- Due Diligence
- Investment

# 4. Post-investment Focus

| Entrepreneur                 | VCs                 |
|------------------------------|---------------------|
| Cash, cash (and...cash)      | Founder's Stability |
| Investor Relations/Reporting | Valuation           |
| Innovation                   | Traction            |
| Exit: MBO, IPO, Trade Sale   |                     |

# Case Study 1: Angel + VC Funding

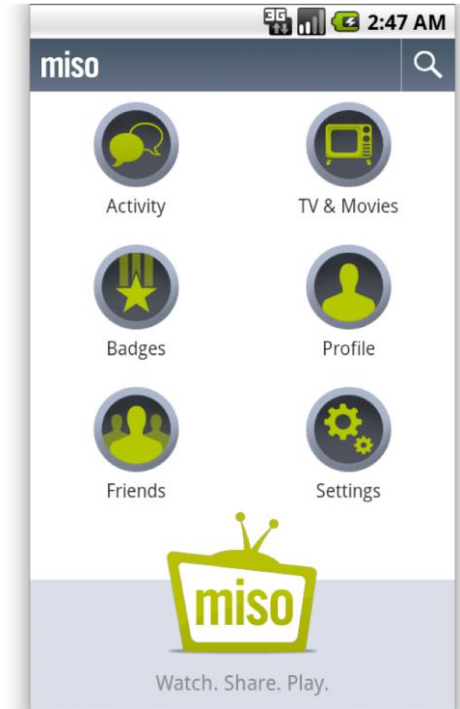


- Socialising TV Watching

- May 2010-Angel Funding:

- Kurt Abrahamson
- Keith Rabois
- Jawed Karim
- Georges Harik
- Rich Chen
- Thomas Korte
- Google Ventures

- Dec 2010-Series A Funding-\$1.5million (Google Ventures & Hearst Interactive Media)





# Case Study 2: VC Funding + IPO

- **LinkedIn** 

- Business Social Networking
- Funding (total \$103 M)

| Date      | Stage    | Investors  | Amount (millions) |
|-----------|----------|--|-------------------|
| Nov-2003  | Series A | Sequoia Capital, Josh Kopelman   | \$ 4.7            |
| Oct-2004  | Series B | Greylock Partners  | \$10              |
| Jan-2007  | Series C | Bessemer Venture Partners, European Founders Fund                                    | \$12.8            |
| June-2008 | Series D | Bain Capital Ventures, Sequoia Capital, Greylock Partners, Bessemer Venture Partners | \$53              |
| Oct-2008  | Series E | Bessemer Venture Partners, SAP Ventures, Goldman Sachs, McGraw-Hill Companies        | \$22.7            |

- Jan 2011-LinkedIn files for IPO
- Potential value- \$3bn

# Case Study 3: VC Funding + Acquired + IPO



- Internet Telephony
- Jan 03 - Series A: Bessemer Venture Partners  
Mar 04-Series B: \$18.8M-Draper Fisher Jurvetson, Index Ventures
- Oct 2005 - Acquired by eBay for \$2.1billion
- Nov 2009 - 70% sold by eBay (to consortium: Silver Lake Partners, CPPIB, Andreessen Horowitz & original founders) for \$2.75 billion
- Oct 2010 - Skype files to raise \$100 million in IPO

# Questions

- Thank you for your time
- Please feel free to ask any questions



**Managing Director: Nzube Ufodike**



[contact@amoo.co.uk](mailto:contact@amoo.co.uk)



<http://www.amoo.co.uk/>



[@amootweets](https://twitter.com/amootweets)



<http://www.linkedin.com/company/amoo-venture-capital-advisory>