

BUILDING GREAT INVESTIBLE VENTURES

V1.1

(45min)

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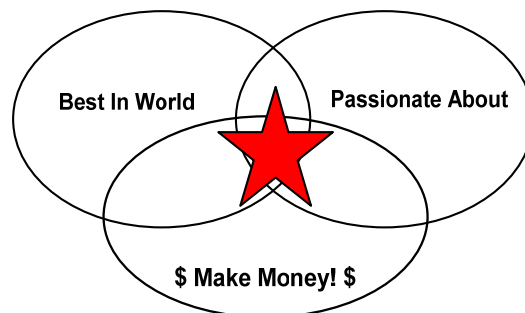
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BUSINESS OR HOBBY?



Are you 2 or 3 out of 3?



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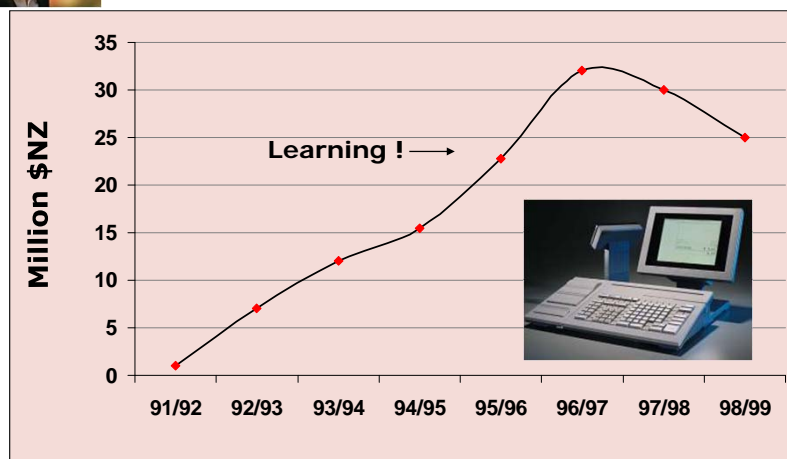
MARK ROBOTHAM

- Background
 - Electronics Design Engineer, International Marketing
 - NASDAQ - Silicon Valley, NZ bootstrap
 - GM Business Incubator - Wellington
 - Recent JAFA convert
 - Cyclist
- GM Escalator (EDANZ - Deloitte JV partnership)
- Founder Growth Management Consulting LTD (GMC)
 - Facilitator - Trainer - Public speaker
 - Strategy review & development
 - SuccinctStories.com author
 - Business Advisory Service
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MARK ROBOTHAM - "Survivor Of Growth"



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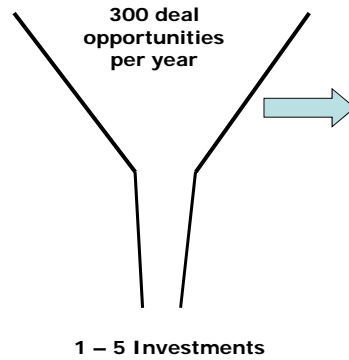
PEC Retail Solutions



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VIEW YOUR BUSINESS FROM INVESTORS VIEW POINT



NO

Should even you (founder) continue to invest?



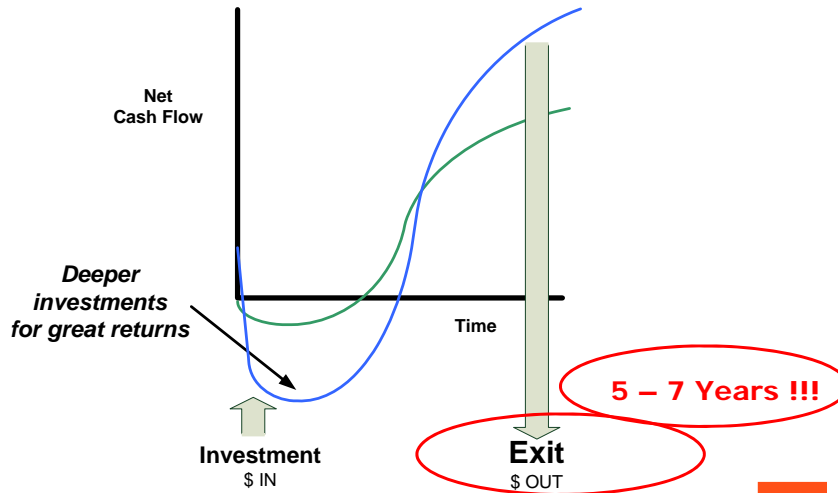
FAILURE TO GET INVESTMENT

- 1. Value Proposition**
 - Quantified Customer Gain
 - Succinct Pitch
- 2. Business Model**
- 3. No Exit or Shareholder Wealth Creation**
- 4. External Critique – Board**
 - Control vs Growth - Founder Issues
- 5. Unrealistic Valuation**



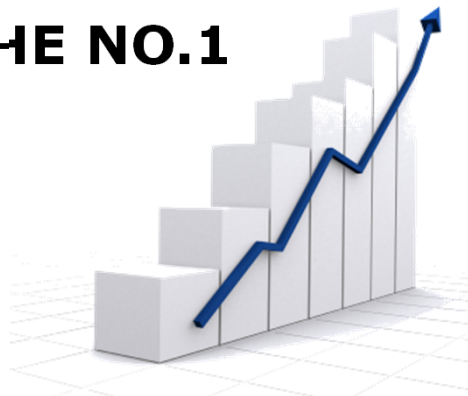
EXIT

Fundamental focal point of investment



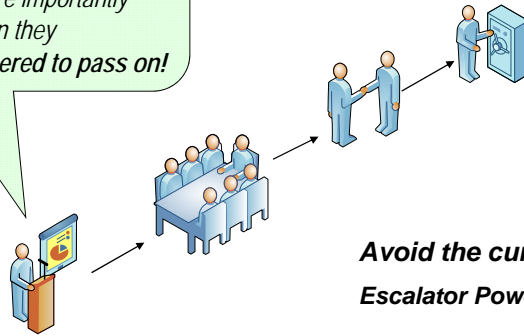
FIRST WORD

**\$ALES ARE THE NO.1
SOURCE OF
CAPITAL**



GETTING YOUR STORY RIGHT!

*Its not what you say,
Its what they remember.
And more importantly
what can they
be bothered to pass on!*



**Avoid the curse of knowledge
Escalator Power Pitching Workshop**

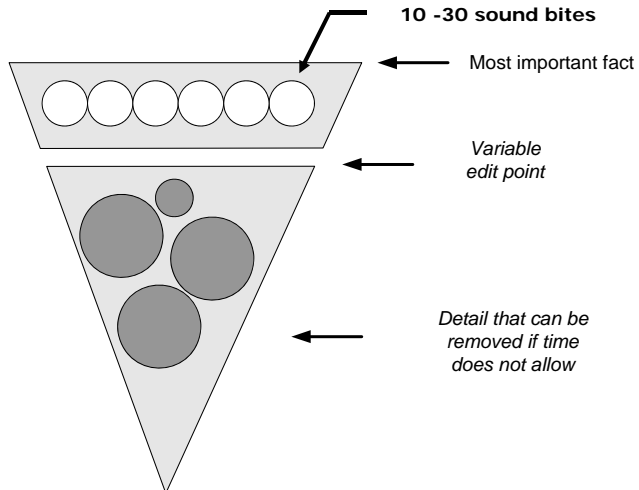


INVERTED PYRAMID OF INFORMATION

Information
Importance



Time



WHY WON'T THEY SIGN MY NDA?

Is there a market for the product?



Can we make money from this?



Will people deliver?



NDA



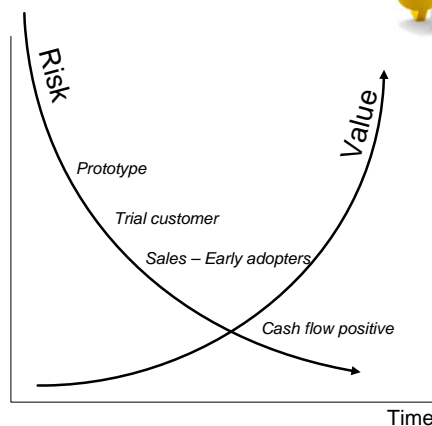
Lets Look at the Technology?



INVESTOR VIEW

VALUATION:
AN ESTIMATE
OF THE BUSINESSES ABILITY
TO MAKE MONEY IN THE FUTURE.

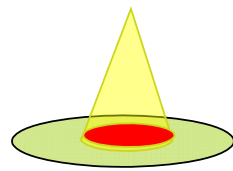
Idea !



Your choice – Opportunity cost vs attainable value now!

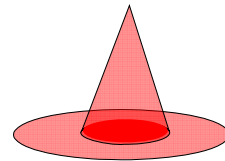


SEPERATING HAT'S

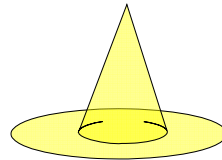


**Sole
Proprietor**

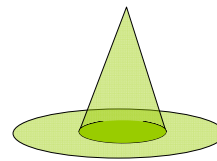
Share Holder



Director



**Employee /
Manager /
CEO**



CONTROL VS SHAREHOLDING



- Shareholders agreement = control

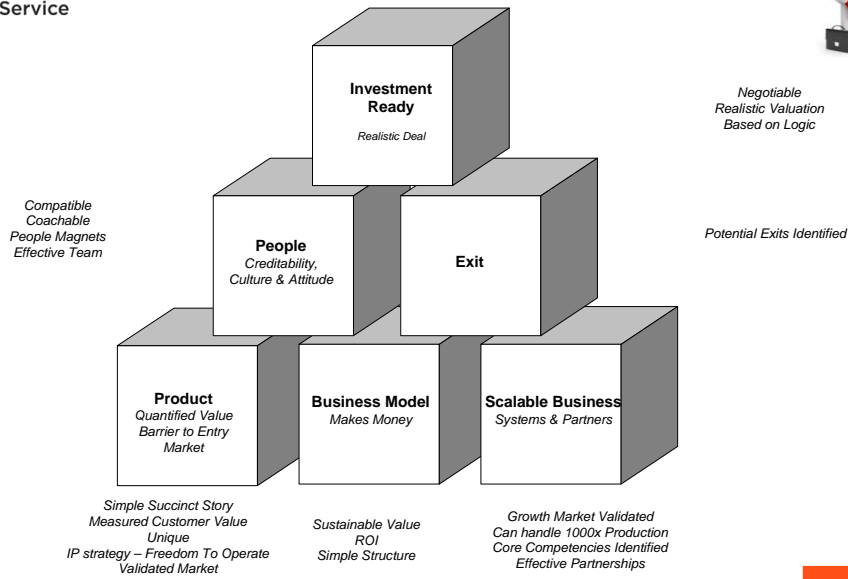
- Most investors use preferential shares
- 50% ≠ Control

- Equity position = exit value

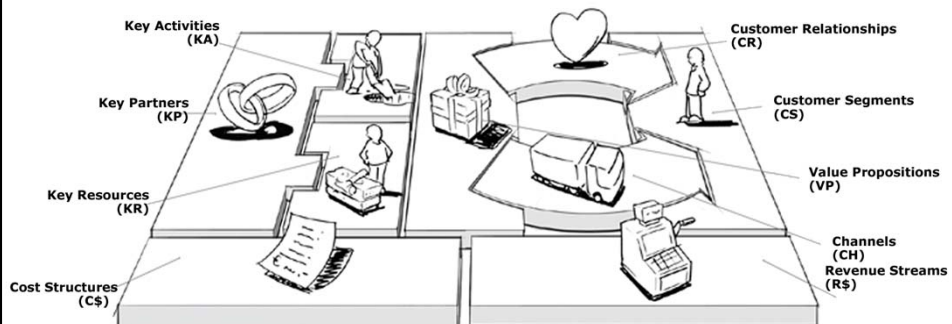
- Focus on shareholder wealth
not percentage



GREAT COMPANIES GET INVESTMENT



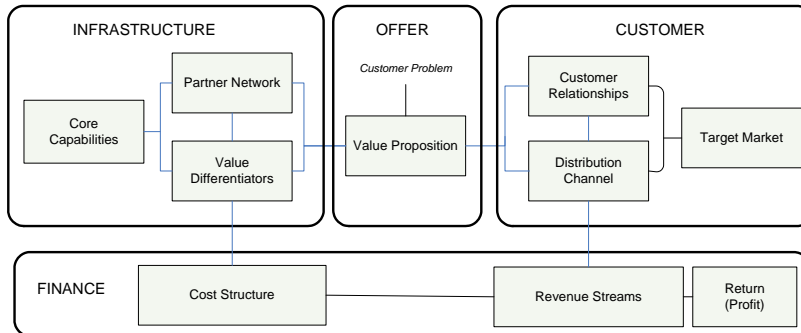
BUSINESS MODEL FRAMEWORK



Business Model Generation
Alexander Osterwalder & Yves Pigneur



BUSINESS MODEL



Components of a Business Model



SELECTING YOUR ADVISORS



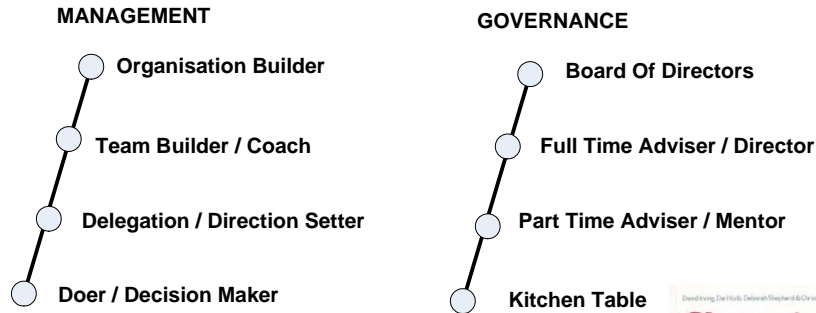
- Use 2+
- Compatible experience
- Forward looking challengers
- Use an Advisory Board
 - Best HR spend



- Kea
- NZTE - Escalator



EVOLUTION OF GOVERNANCE



David Irving – Changing Gears

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RETURNS VS STAGE



Company Stage	ROI	5-year Increase in Capital
SEED	60% +	10x +
STARTUP	50%	8x
EARLY STAGE	40%	5x
2 nd STAGE	30%	4x
NEAR EXIT	25%	3x

Eg 60% increase in value for 5 compounded years = 1,000% Increase = 10X



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VALUATION - REALITY



*He with the money, sets the rules...
Take it or leave it ... opportunity cost*

- *Do the maths 30 X post-money = exit price
...is there a market for 30x your exit*
- *Seeking more than \$1M pre revenue – go away*
- *"I typically"...*
 - *Have max. pre money valuation \$1M for early stage coy*
 - *Invest \$500K for 40% stake*

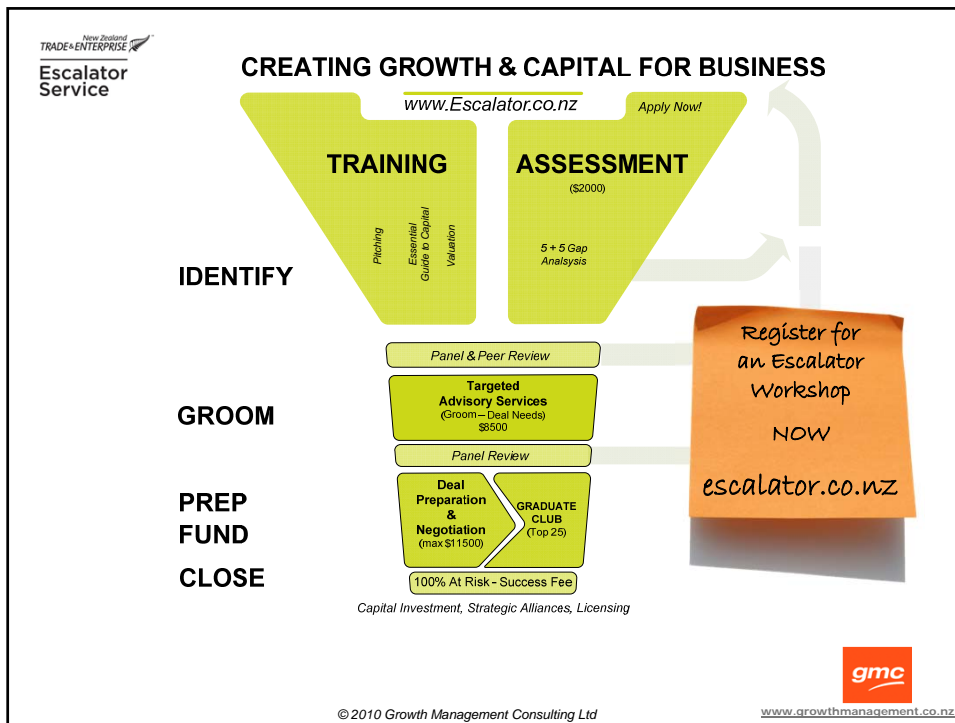


Need Capital :
1: Get
investment ready
2: Find investor



We'll help you lift your game...

Then we can help you find an investor



What there's more...

Patrick Renvoise
& Christophe Morin
www.Salesbrain.net
new title: Neuromarketing

Rob Adams
Kick in the Ass
BASIC TRAINING FOR ENTREPRENEURS

David Irving
Changing Gears
how to take your kiwi business from the kitchen table to the board room

Alexander Osterwalder
& Yves Pigneur
Business Model Generation

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