



CASTILE
VENTURES

Business Plan Review: Market, Competition, IP, and Regulatory Considerations

Skip Besthoff
General Partner

Topics

- Introduction
- Market
- Competition
- IP
- Regulatory Considerations

About Castile Ventures

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- Early-stage VC investing in emerging technology companies
 - Seed through first expansion round (A's, B's & C's)
 - \$5 -10m per company (typical initial investment \$2 - 5M)
 - Leads or co-leads most investments
- Founded in 1998; three funds under management
- Distinguished by:
 - Partners only model
 - Right-sized to back early-stage companies
 - Deep sector and business-building experience
 - High degree of value-added support
 - Lasting relationships with entrepreneurs

Sample Investments

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**Sonus**
NETWORKS*(NASDAQ: SONS)***Ahura** Scientific*(Acq'd by Thermo Fisher)***Network Intelligence**
CORPORATION*(Acq'd. by EMC)***aurora**
NETWORKS**Brix**TM
Networks*(Acq'd. by EXFO)***TRAPEZE**
smart mobile[™]*(Acq'd. by Belden)***Agilance**[®]**GeoTrust**[™]*(Acq'd. by VeriSign)***FUNAMBOL****ENQUISITE****SilverStorm**
TECHNOLOGIES[™]*(Acq'd. by QLogic)***STARGUS***(Acq'd. by C-COR)***whaleback**
SYSTEMS[™]**RatePoint**sm

Reputation is Everything

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- **Investment focus**
 - Internet commerce, digital media and software
 - Keen interest in the convergence of consumer and enterprise technologies
- **Investments**
 - Current: Enquisite, Health Guru
 - Prior: Everdream (acquired by Dell), IntraLinks (acquired by TA/Rho),
- **Prior to joining Castile Ventures**
 - Rho Ventures, Principal
 - Alliance Consulting Group, Senior Consultant
 - Andersen Consulting (now Accenture), Manager
- **Education**
 - Cornell University, MBA
 - Hamilton College, BA

Market Considerations

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- What is your specific target market? Initial and over time?
- How big is it? How big will it be? (top down and bottom up)
- Timing and trends that drive it; what has to fall in to place?
- Key influencers and players in the ecosystem?
- How will you gain access?

Competition

- Who are they (large and small, direct and indirect)?
- What is the basis of competition (price, features, brand, etc.)?
- How will you win?
- What is unique and defensible?

IP

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- Do you have it (not all businesses do)?
- How important is it to your company's value creation?
- Do you have the resources to protect and defend?
- Important point: even the best IP can't create a business

Regulatory Considerations

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- Is it even an issue?
 - In some markets it is critical
 - In others it is irrelevant
- If it is a factor, what is your regulatory strategy?
 - Policy
 - People and lobbying
- Exposure to the risks of regulatory changes
 - Good and bad



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Thank you!

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