



Building Market Leaders

Raising Money from VCs

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About Kodiak

- \$680 million under management across three funds
- Seed and early stage investing (38 investments since 2000)
- Focus on three industries
 - Communications/IT, Semiconductor, Software/Services
- Geographic focus
 - Eastern North America
- Work intensively with our companies
- Investing partners are operating executives

VC vs. Angels

VCs typically:

- Represent money from institutional investors
- Take a 20%+ stake
- Serve on the board of directors
- Have a high degree of involvement
- Invest in follow-on rounds
- Focus on A (and future) rounds

Presenting to a VC is like painting a picture....



Presentation answers five key questions

- Who are you?
- What do you do?
- What's different?
- What's the game plan?
- Can we ALL make money?



Getting Funded: What We Look For

- Exceptional people with business experience – people we can trust
- Passion, paranoia & sense of urgency
- Ability to bootstrap to build initial value with customer validation
- Unfair advantage – differentiated technology
- Product/technology with horizontal market reach
- Viability/Scalability of the business plan over long term
- Ability to execute

What VCs look for in the entrepreneur

The intangibles

- Acumen
- Eloquence
- Presence
- Conciseness
- Knowledge of the space
- Experience base
- Logical reasonable plans
- Realistic expectations
- Thoroughness – have they thought everything through?

How we work with our companies

- Help with customer and partner acquisition
- Audit business strategy
- Coach CEO and team
- Build team
- Secure future funding
- Strategize exit

WE ARE DEMANDING!

Changes in the Investing Climate

- Back to basics
 - VC is a long-term business
- Disciplined investing
 - Thorough due diligence
 - Quality
- Proof points
- In no hurry to invest

Avoid the pitfalls

Process

- Don't make assumptions
- Be prepared
- Research everything
- Determine best firm fit
- Call on few VCs
- Put on your game face

Person

- Don't be your own worst enemy
- Don't be late
- Shut off phone
- Don't get flustered
- Keep control of the meeting
- Look professional



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Thank You

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