



Center for Innovative Ventures

Creating the next generation of innovative
healthcare companies

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Entrepreneurs Challenge



- Convincing skeptical investors that they should invest **THEIR MONEY** in **YOUR** business.....
- Instead of the 50 other business opportunities that are currently sitting on their desk!!!!
- ***ALL WHILE RUNNING YOUR BUSINESS!!!!!!!!!!***

■ MANAGEMENT

- Is there an entrepreneur involved
- Does someone on the Team have experience in the market
- Who else do we have to add to the Team and how do we attract and retain them
- Do the people involved have realistic answers to questions regarding market, technology, financials, board, structure of the deal
- Realize they can't do it all by themselves.

■ MARKET

- Factors driving the demand in the market
- Size and CAGR of the market – target not total
- Initial traction – scientific or market
- Economic ROI/Value – Why does someone pay for this?
- How do you sell & cycle length
- Competition

■ TECHNOLOGY/PRODUCT – “THE MAGIC SAUCE”

- Intellectual Property
- Defensible position
- Competitive advantage
- Stage of technology development
- Future technology development



■ THE DEAL ITSELF

- Funds required – past, present, future
- Use of proceeds
- Valuation
- Exit Strategy

WHAT IS GETTING FUNDED



- Presence of management team
- Some traction in the market – science or customers
- Economic return to the product
- Path to profitability – more cash efficient
- Technology advantage
- Reasonable valuation

- **CONTROL = REVENUE & CASH**

Fundraising Myths



- You won't need any more funding
- If they don't understand it, they are stupid
- Building a company and raising money is easy
- The Founder's ownership percentage is the most important thing
- OPM – other peoples money is good for everyone
- Venture Capital is the only way to go
- Technology, especially IP, is the key to raising money
- Raising money is the goal

Final Thoughts



- Raising money is hard work, but it is getting better
- Plan on at least 6-9 months of efforts
- Focus on getting the “fuel” and don’t worry so much on “control” or “valuation”
- Do your homework on the investor
- Keep your eye on the business at hand

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