

Entrepreneurs see change as the norm and as healthy. Usually they do not bring about change themselves. But- and this defines entrepreneur and entrepreneurship-the entrepreneur always searches for change, responds to it and exploits it as an opportunity.

Peter Drucker



10 Rules for Successful Early Stage Fundraising

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Jennifer Jordan, Managing Director, Picks & Shovels



Jennifer is an investor and builder. She believes in founders committed to a strong inclusive culture. Her investments leverage the power of data and automation to transform industries. Most recently she served as VP at MassVentures, an early stage VC focused on Massachusetts high technology companies. Jennifer led the firm's investments in: Ginkgo Bioworks, ClearGov, Spiro.ai, MachineMetrics, and Curoverse (acquired by Veritas Genetics).

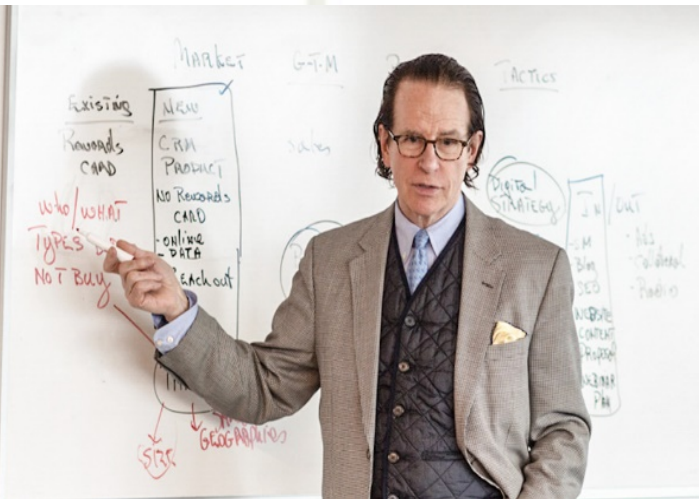
Jennifer served on the Board of Directors for ClearGov, Spiro.ai, MachineMetrics, and Board on Track. She currently serves on the Boards of the MIT Enterprise Forum , Cambridge, and Amazing. Community, which helps women re-enter the workforce.

She was a member of the Golden Seeds angel investor network, led Entrepreneurship for the MIT Accelerating Information Technology Innovation program sponsored by Google in Colombia, and is an active mentor at MIT, Harvard iLab, TechStars, FinTech Sandbox, & MassChallenge.

Jennifer was Corporate VP of Investor Relations at Cadence Design Systems and before that SVP and Sr. Equity Research Analyst growing Black & Company into a mid-tier investment bank acquired by Wells Fargo Securities. She holds the title Goeroe in the Indonesian Martial Art Poekoelan Tjimindie Tulen, an MBA from MIT Sloan, and a Bachelors from Reed College.

Jack Derby, Entrepreneur, Investor Director of Tufts' Entrepreneurship Center

Jack is responsible for the Tufts University Entrepreneurship Center where he teaches two courses and manages a highly engaged and active center of professors and students constituting the largest minor on campus. The Center hosts 20+ entrepreneurship events each year culminating in the \$100K New Ventures Competition ranked by Forbes as one of the leading university competitions in the U.S. Jack is passionate about Tufts and its students and has received the Henry & Madeline Fisher Award voted by the students as the most highly ranked teacher on campus.



Prior to forming a management consulting firm, Jack served as CEO of Mayer Electronics, President of CB Sports, President of Litton Industries Medical Systems, CEO of Datamedix and President of Becton Dickinson Medical Systems. For his work as an entrepreneur, co-founding nine companies, Jack was named to Mass High Tech's All-Star Team. He received the Pro Bono Publico award from the Smaller Business Association of New England, the Meritorious Service Award from the Association for Corporate Growth, and the Vincent Fulmer Distinguished Service Award from the MIT Enterprise Forum where he served as Chairman. He's an active board member in a number of companies and with a long investing history as an early stage investor as General Partner at Kestrel Ventures, Chairman of Common Angels and a General Partner at Converge Ventures.

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This is a discussion

We need you to engage

1-Build a Plan; Know Where You're Going

Planning the business and your role in that business is at the very core of the success of the business and your own personal success in that business

- There's nothing casual about this process
- You need to start writing business plans and more business plans and include in that your own personal plan of what you want to do and why.
- I just finished a business plan. It's a process. It took me three months of writing with 16-20 major rewrites.. Started with 43 pages, got it down to 16. Now out raising \$240K and then \$2.5-\$5m in May.



2-Understand-All Money is Green

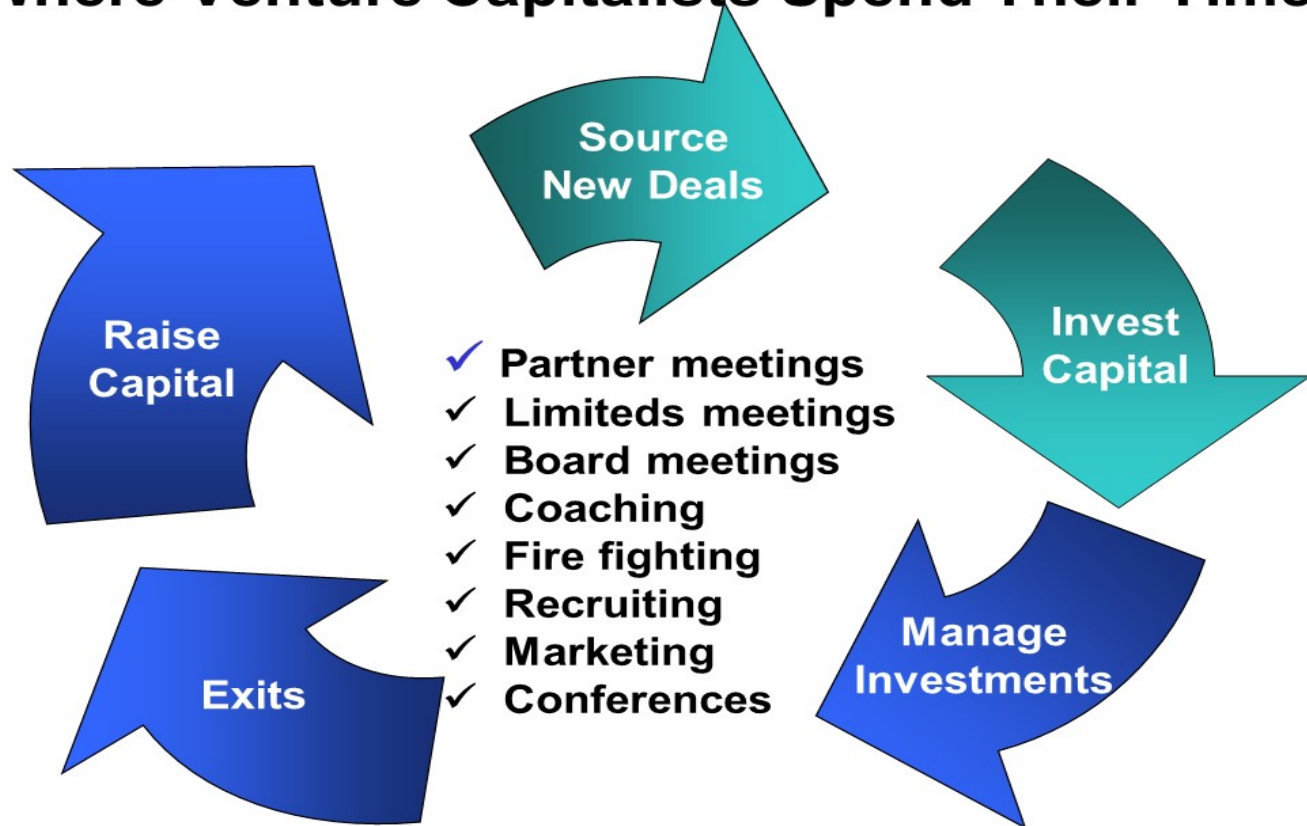


But there are different shades:

- Early Stage Debt \$\$
- Equity \$\$
- F&F \$\$
- Angel and Angel network \$\$
- Venture Capital-Early, Mid & Late \$\$
- Strategic \$\$
- Banking \$\$

#3-Understand the Priorities of Investors

Where Venture Capitalists Spend Their Time





#4-Understand Who is What?

- People and funds who have money
- People and funds who do not have money
- Don't waste your time with “brokers”
- Look for direct connections to investors
- The best are managers in prior investments
- You are constantly building a connection network

5 Understand What We Do

We, with you, build companies!

- We don't want to run your business! We don't know how
- We don't want to control anything other than success
- If you are concerned about “control”, go elsewhere!
- What we do have is...
 - Tons of experience in building successful companies
 - Both from successes and failures
 - An extraordinary network of connections
 - To management, investors, and services
 - Patience...*to a point.*



#6 Focus on the Business Model

Fully explain what the business model will be

- How will you make money?
- How will you sell and market your products?
- How will you create and produce your products?
- How will you hire your team?

The fundamental building blocks of the business



#7 Do Not Focus on Valuation

- 100% of nothing is nothing!
- We as investors in this are experts !
- You are not! You will always be wrong !
- But, most importantly, it's the wrong focus
- Excite us, Engage us, Get us interested
- Get us to a 2nd meeting...and many more
- At the end of a process, we can talk about valuation
 - If it works for you and for the investors, it works
 - If it does not, you will need to find other options than venture





#8 What Do You Want to Do?

- As the founder, will you be the best CEO?
- Maybe, maybe not
- Be open on this and work with your investors

Your real job is to hire the best people in their own respective skills that will scale the business quickly

#9 Understand & Live the Math

The math of...

- **Market** size, velocity and competitor dynamics
 - Where you fit & how to take unfair advantage
- **The investment model:**
 - What you own. What we own. What the team owns
 - In this marriage, we are going to exit at x time
- **Your detailed Marketing & Sales models**
 - CAC, LTV, MQL-SQL/Time/Cost, & 50 other KPIs
 - Most startups fail on sales & marketing, not product





#10 Understand....

- The excitement of being an entrepreneur!
- Working with highly experienced investors!
- The very high risk
- The 100 hour weeks
- ...and the fun of being successful at a point!