

# Demystifying Valuations for Startups

Moderator:

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# Startup Valuation

*“Valuations often seem to be a “Black Art”, but they seem to be crucial in determining your strategy for outside investment! “*

**Are they? (really)**

**How is the early stage entrepreneur going to decide what is reasonable?**

# The three “big” questions?

- How does the process of *creating* value effect me, co-founders, my team & investors?
- How do I maximize value?
- How do I get the best valuation in case of an exit?



Homer Simpson starts Internet company!.....

# Speaker Introductions

## Panelists:

- Prat Moghe, President, TiE Boston, (former) SVP of Strategy, IBM Netezza
- Kevin Sweeney, Professor of Practice , WPI Business School
- Paul Pedevillano, President, VE Advisors (CFO services)
- Ralph Earle, Partner, Clean Energy Venture Group (Angel group)

# Fireside Chat

- How do investors look at value?
- What are the mechanics of the valuation process?
- Is valuation influenced by current economic climate?
- How does valuation impact ownership?
- How does one ensure reduced dilution over several rounds of financing?
- How does one negotiate the best possible valuation for both (entrepreneur/investor) during an exit?

# Moderator/Audience Questions

- What are some of the pitfalls to be aware while evaluating various capital sources?
- What are some Do's & Don'ts in crafting a smart *value creation* strategy?

# Closing

## Comments & Questions from audience

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### References:

1. 6 Myths about VCs: [www.hbr.org/2013/05/six-myths-about-venture-capitalists/ar/1](http://www.hbr.org/2013/05/six-myths-about-venture-capitalists/ar/1)
2. How to negotiate with VCs: [www.hbr.org/2013/05/how-to-negotiate-with-vcs/ar/1](http://www.hbr.org/2013/05/how-to-negotiate-with-vcs/ar/1)
3. An interesting “Dilution” discussion for founders: <http://ssrn.com/abstract=1873089>