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# LaunchCapital

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# Agenda

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- LaunchCapital Overview
- Business Plan Review
  - Marketing Summary
    - Go-to-Market Strategy
    - Customer Acquisition Costs
    - Lifetime Value of the Customer
  - Financial
    - High Level 5 Year Projections (Revenue, Cost, Profit)
    - Cash flow, Income Statements
  - Management Team
    - Brief Bio's
    - Explanation of Key Day-to-Day Functions
  - Intellectual Property
    - Filing Numbers, Dates, Independent Legal Review
  - Regulatory

# LaunchCapital: Overview

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- **Focus:** Seed stage funding
  - **Goal:** First money in
  - **Unique:** Few institutional investors in this market  
Large VCs focused on later stage companies and bigger deal  
Very early stage companies often boot-strap or tap friends/family
- **Approach:** Diversification across several parameters
  - **Industry:** Industry agnostic, focus on the business model, market opportunity, and entrepreneur
  - **Deal Type:** Varies from pre-seed/tech transfer to small Series A, lead or follow, level of activity
  - **Geographic:** Portfolio companies across the US
- **Investments:** Typical investment is \$50k to \$150k






















# LaunchCapital: Operations

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- Accelerated investment approach
  - Expedite due diligence to make timely investment decisions
  - Focus on getting capital to companies quickly
  - Standardize term sheets and other documents
- Syndicate deals
  - LaunchCapital works closely with local angels groups and VC funds
  - Frequent syndication partners
- 3 Offices across the US
  - Boston, MA
  - New Haven, CT
  - San Francisco, CA

# LaunchCapital: Portfolio Companies

Boston (New England)	New Haven (NY Metro)	San Francisco		
			<p>CardioPhotonics</p>	
				
				<p>NORTHXSOUTH</p>
				
				
				

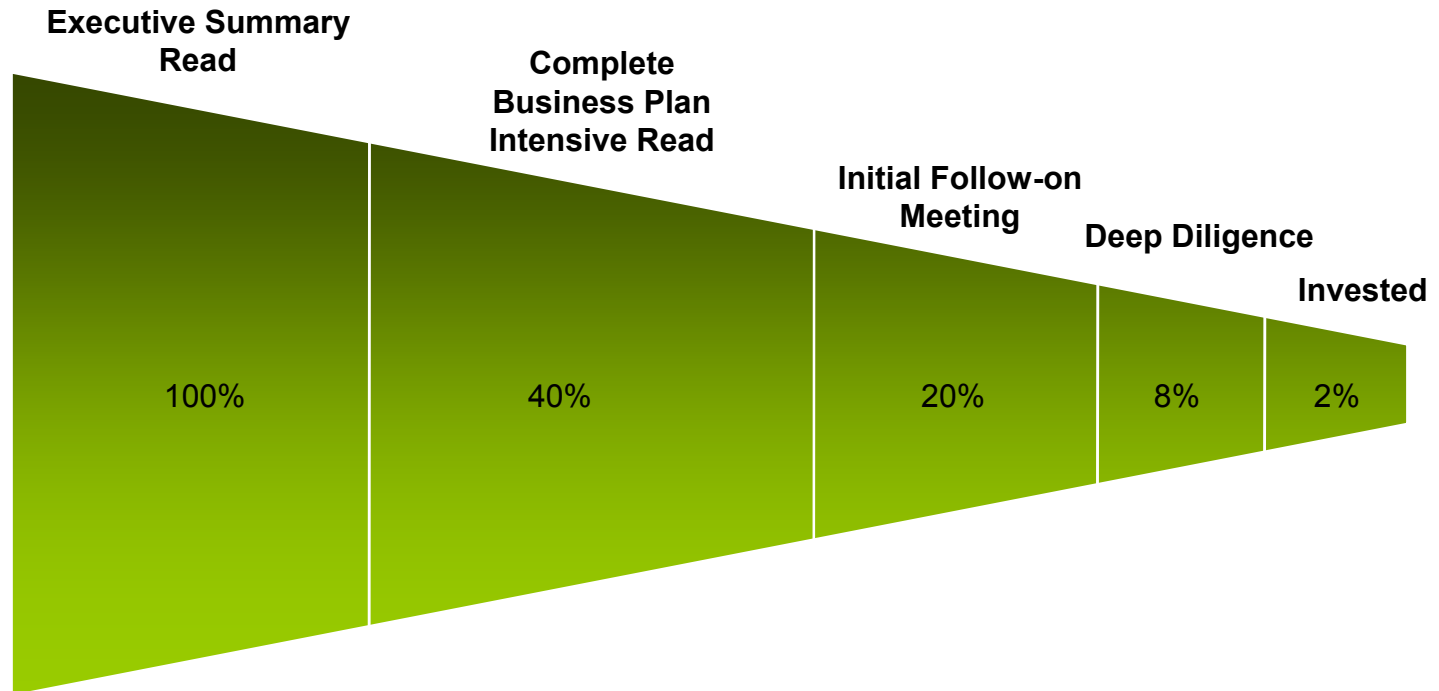
# LaunchCapital: Process

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## Sourcing Distribution

### Process Steps

**Deal Funnel**  
(% successful relative to **total** deal flow)



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# Business Plan: Marketing

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- Key questions:
  - Who is your target customer?
  - Where is your target customer located?
  - What channels will you leverage to reach your target customer?
  - How much is it going to cost to acquire your customer?
  - How much is it going to cost to retain your customer?
- Key analysis:
  - Market opportunity/Market sizing: How big is the opportunity?
  - Customer acquisition costs: How much does it cost to acquire each customer?
  - Lifetime value of a customer: What is the long-term value of having one customer?



# Business Plan: Financials

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- Key questions to be asked:
  - What is the profit margin of your company?
  - When do you expect to break even?
  - How much capital is needed to get to break-even?
  - What are the risks associated with hitting your targets?
- Key analysis to be completed:
  - Revenue projections, 5 – 10 years out
  - Statement of Cash Flows (5 year minimum)
  - Income Statement (5 year minimum)
  - Balance Sheet
  - CapTables

# Business Plan: Management Team

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- Extent of management and team information included varies depending on the type of business
  - E.g. Biotech companies should include very detailed information on the executive team, researchers, white papers
  - CVs should be included in a more formal business plan
- If the team has been successful in the past, include bio's on the first page of a pitch deck
- Who is hired and how the team is organized can be indicative of a CEO's ability to run the company

# Business Plan: Intellectual Property

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- Key questions to be asked:

(assuming product, concept or innovation could be patented)

- Can I legally patent my concept/product/innovation?
- Will the patent give me a competitive advantage or differentiation?
- How significant will the competitive advantage be?
- Will the patent be useful now? In the future?
- What does the actual patent cover? Design, process, product?
- If you have already filed for a patent, what is the filing number and date filed?

# Business Plan Overview – Regulatory

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- Key questions to be asked:
  - What regulatory filing process will you need to go through? (e.g. 501k v. full scale FDA approval)?
  - Where are you in the process?
  - What is required to pass from one step of the process to the next?
  - Have you engaged a regulatory consultant to help or appointed someone as the government point person?
  - Will you file in other countries?

# Closing Comments

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- **Marketing:**
  - Know your market inside and out: what works in that target market, what the competition is, and why your product or service will succeed
  - Know your target consumer and how you will reach them
- **Financial:**
  - Crunch the numbers to develop an accurate estimate of financing needs and cash flow projections
  - Be reasonable and realistic
- **Intellectual Property:**
  - Can be a market differentiator
  - Explore patent costs, opportunities and benefits
- **Regulatory:**
  - Relevant in all types of businesses
  - Manage it properly so you can focus on building your business

## For More Information

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