

**Entrepreneurs
Boot Camp**

BIO 2017

Navigating The Waters Of Raising Capital

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Equity Based Funding Sources

- Super Angels
- Angel Investment Groups
- Foundations
- Corporate Venture Funds
 - Often seek strategic benefits in addition to financial returns
- Venture Funds
 - Purely focused on financial returns

Frequently Asked Questions

- How do I contact VCs?
- Which ones and how many VCs should I contact?
- When is the right time to make contact?
- Why VCs do not return calls or reply to emails?
- Why does the investment decision cycle take so long?
- What is the probability of success?

Navigating The Waters Of Raising Capital From VCs

- Search for firms interested in your business sector
- Learn everything you can about them:
 - Investment professionals
 - Recent investments
 - Stage, focus of the current fund
 - Preference to lead or follow
 - History of syndication and preference
 - Investment process
- Identify partner with relevant experience
- Draw on your network to get an in person meeting
- Present your business idea with passion and enthusiasm
- Be thorough, complete, and responsive in answering follow up questions

Snapshot Of Process Post Pitch Meeting

- Debrief to capture collective opinion on backing the opportunity:
 - how differentiated is the idea?
 - what are the strengths and weaknesses of the entrepreneur?
 - how strong is the team? cohesive? with good chemistry?
 - what sort of financial return can be expected over a reasonable time horizon?
 - what are the likely exit opportunity: M&A or IPO?
- Follow up with entrepreneurs with additional questions and DD material
- If it is a match, partners will cast their votes
- Term sheet negotiated, investment syndicate brought in to fill out the round

Getting Help From An Intermediary

- Hiring a highly qualified VC consultant can save time and energy in raising capital
- Experienced, dedicated and with proven track record
 - Bankers, seasoned deal makers with broad life sciences expertise
 - Network of relationship with global VCs
 - Multiple touch points and access to decision makers
- Strong scientific and commercial knowledge to assist in positioning the opportunity and crafting a compelling value proposition

Key Lessons Learned

- Do your homework, take a targeted approach
- Know the investor you are courting and cultivate relationship
- Be prepared, start up pitch can happen anywhere – formally or informally
- Be the evangelist of your business, pitch with passion but do not oversell
- Do not underestimate time and resource need, the process is full of false positives
- Do not worry too much about valuation
- Do not hesitate to get experienced help early

Great things in biotech are never done by one person, they're done by a team of people that includes your VC investors!

