

**Entrepreneurs  
Boot Camp**

**BIO 2017**

# Navigating The Waters Of Raising Capital

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# Equity Based Funding Sources

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- 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

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- 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

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- 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

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- 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

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- 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

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- 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!

