

Funding Your Hi-tech Start Up

Jayne Chace

MTI Partners

www.mtifirms.com



mti

building technology businesses

WTech-event
June 2009

MTI Background

- **Long established venture capital fund manager**

- 20+ years experience with early stage technology companies
- MTI executives actively involved in the management of investee companies

- **Seven strong investment team with European base & US presence**

- Aggregate venture experience of over 90 years
- All with extensive industrial senior management experience
- Hands-on advisors

- **Investment Philosophy**

- MTI invests in young technology businesses which show outstanding potential for growth, success and value creation.
- We are particularly attracted to businesses with proven proprietary technology and which address an identifiable market need.

Getting started: key questions

- What is the essence of my business?
- Specifically, what am I offering and what “problem” or gap will it solve?
- What is the current market for this offering?

- Who are the key competitors?
- What are the main obstacles to my success?
- Who would want to buy what I am selling?

- Why would they buy what I am selling *and* why buy from me?
- What are benefits do I offer that are unique?
- How will I sell my product/service? Direct or Indirectly – or both?

- Do I have the right people and skill sets on my team or available to use?
- Can this business scale and go global?



Preparing the business plan to secure funds

- Create a succinct yet elegant value proposition
 - What is the company's mission?
 - What are the company values?
 - Is this idea powerful enough to be the basis of a big business or end up as part of another company's portfolio?
- What is the sales strategy?
- How long will it take the business to reach sales of \$XXXM
 - At this stage, what will be the market share?
 - How big will the organisation need to be to achieve this level of sales?
- What are the key milestones on the road to success?
- What is the marketing plan?

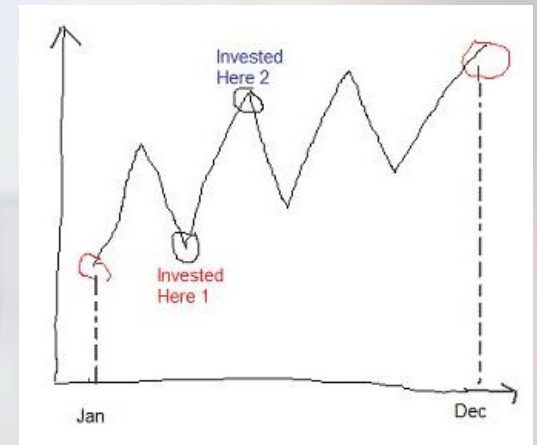
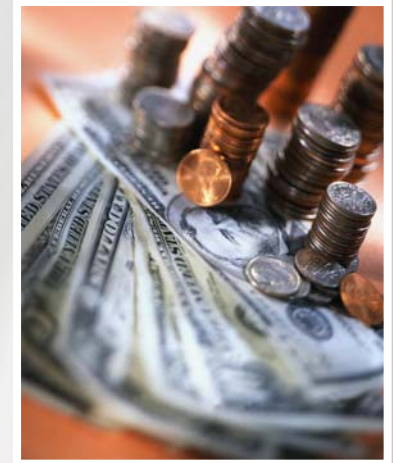


Financial considerations

- **How will the company be financed?**
 - Initially and in 3, 5 and 10 years?
 - How much money is needed in the first round?
 - How much funding is required until financial self-sufficiency?
 - At what stage will the business be profitable?

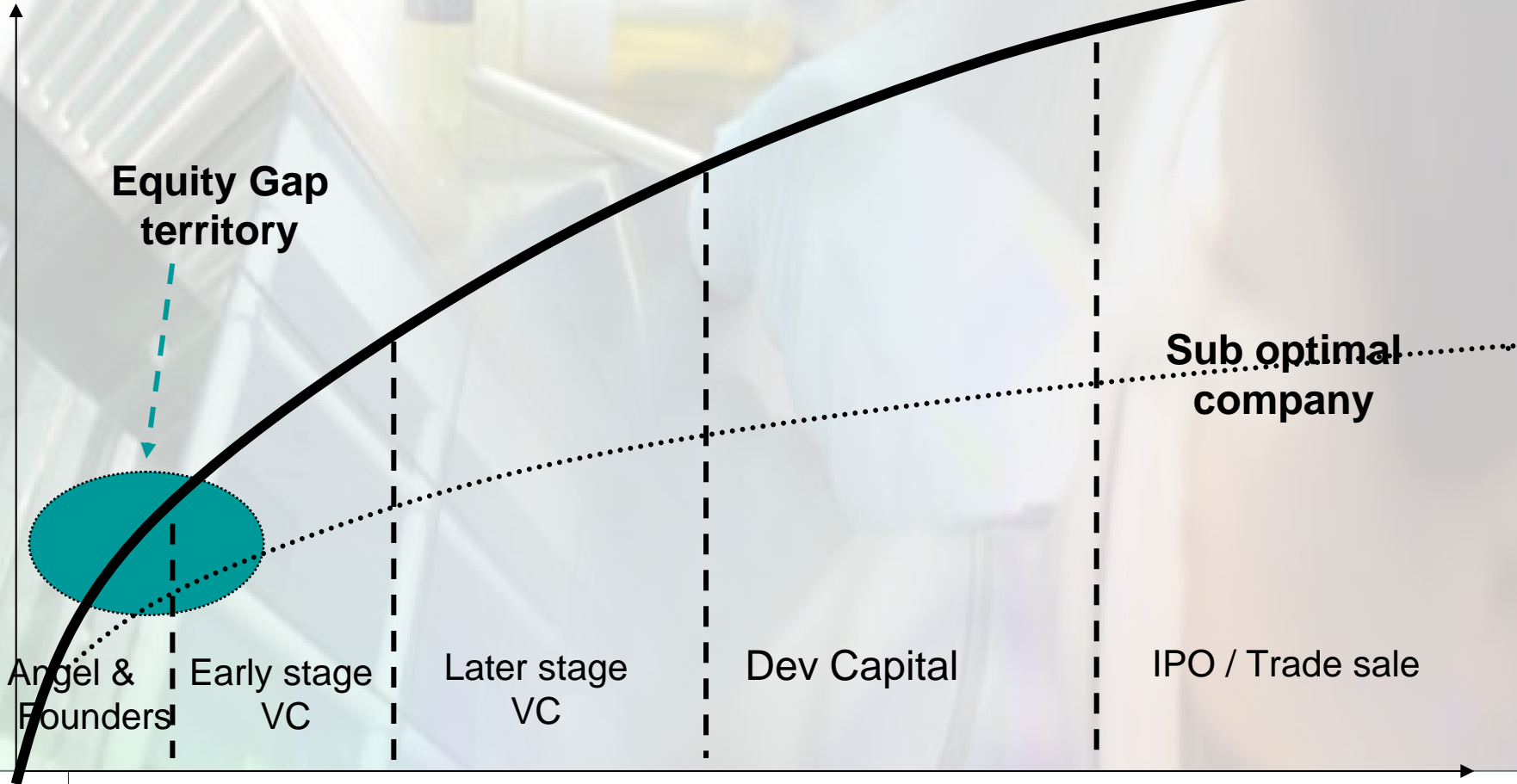
- **What is the likely exit strategy for investors?**

- **What does a “win-win” look like for founder and investors?**



Idealised funding pattern

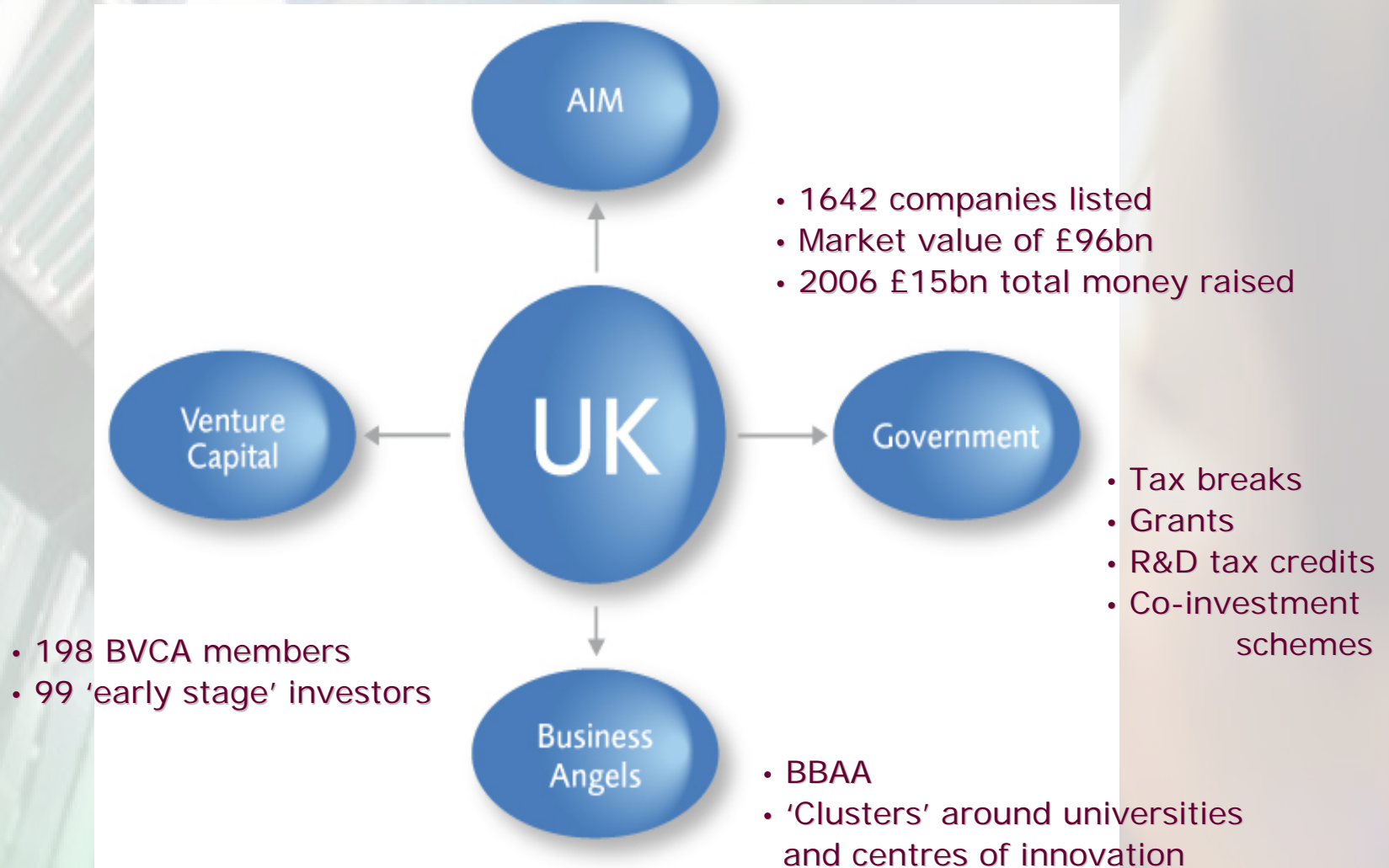
Development



Securing the right investment

- **Choose your investors carefully, because you will work together for a long time.**
 - BVCA is a good starting place for venture capital
 - “Angels” offer less money but are more involved in the business.
 - You can fund yourself, but investors offer expertise and a network
- **Prepare your presentation**
 - A great “elevator pitch” is critical as are good presentation skills.
 - Do deep diligence on your audience and tailor and target the pitch
 - Passion and excitement are important, because you are selling your idea
- **The selection cycle:**
 - 30 minutes to read the plan
 - 30 days to evaluate
 - 3 months of due diligence

Source of financing in the UK



GOOD LUCK!!



Jayne Chace

Venture Partner

Mobile: +44 (0)7986 456463
Email: jayne.chace@mtifirms.com

