

ICRA 05

“Innovation and Entrepreneurship in Robotics and Automation”

Entrepreneurship Workshop:

How to Raise Money and how to Market

Barcelona, April the 20th.

Joan Giró

La Salle-URL



Summary

- The entrepreneur
- The money
- The business plan
- The investor
- The market
- Wrap-up



The Entrepreneur- I

- Entrepreneurship:

- Participation in the formation, development, and growth of a **new enterprise**

(Ed Roberts)

- The pursuit of **Opportunity** beyond the **Resources** currently controlled

(Howard Stevenson)



The Entrepreneur- II

■ Opportunity:

- Need
- Solution
- Advantage

■ Resources:

- Technology
- People
- Money

Key strategies:

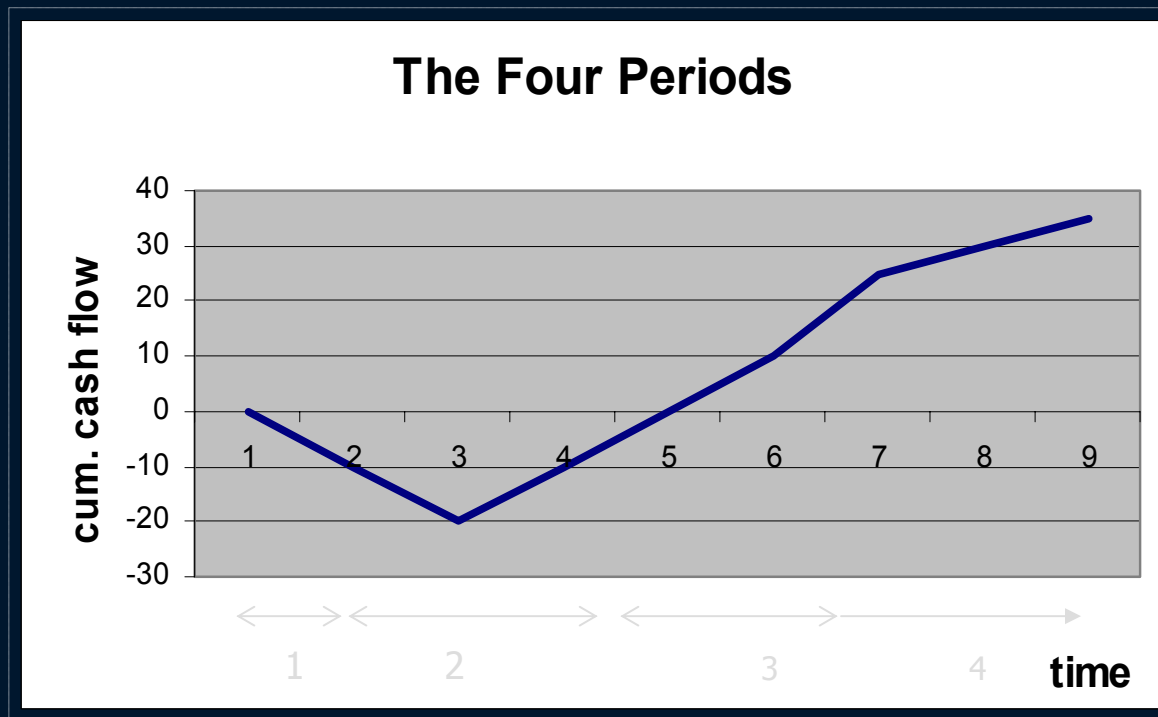
**Incremental enhancement
vs. Invention**

Using “Beach Heads”

Using Others’ Technology

The Entrepreneurial Venture

- Development Periods





The Money

■ Options for Entrepreneur Funding

- Personal Funds
- Friends, Family and Fools
- Personal Credits
- Business Angels
- Venture Capital
- Corporate Direct Investment
- Merger and Acquisitions
- Initial Public Offering



The Business Plan

- Executive Summary
 - Customers. Who? Why? What? How? ... will pay.
 - Milestones
- Suggestions:
 - Realistic
 - Advisors
 - Competitors
 - Team
 - Investors (advice, customers, relationship, ...)



The Investor- I

■ *What is he looking at.*

- Business Opportunity

Business Model, Customers, Size and Timing.

- People

Entrepreneur, Team, Stakeholders.

- Context

- The Deal

- Risk

The Investor- II

Business opportunity

Business Model's

examples:

- Electronic retail store for books
- 24 hours a day weather information in a dedicated channel

		product	
		new	old
market	new	?	***
	old	***	--

“How to get, keep and serve customers”



The Investor- III

Business opportunity (cont.)

- Focus on the **Customer** before day one!
- Is the Value Proposition solid enough?
LOI, Order, Competitor's activity,...

**“ Customer willingness to pay
.....at the required price”**



The Investor- IV

Business opportunity (cont.)

■ Time.

When?

Customer and Competition and Environment

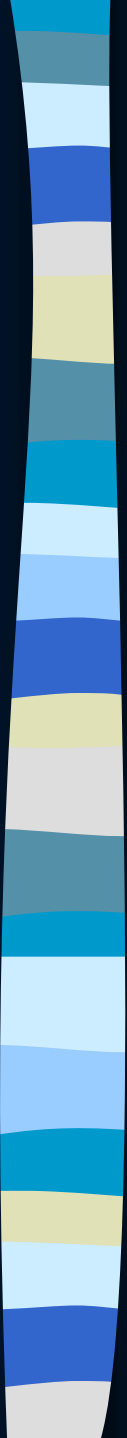
■ Size.

How big?

low Likelihoodhigh ROI

Examples:

- 50% prob., x2 return, 2 years,no deal!
it requires return x3, in 2 years, to guarantee a 20% annual return. (2 deals)
- 10% prob. , five years...return over x35!



The Investor- V People. The Entrepreneur

- Goals
Underlying goals, indirect communication.
- Knowledge
Direct/indirect assessment
- Implementation Capabilities
By himself, Getting the others do it

.....INTEGRITY!



The Investor- VI People. The management team

- Skill set
 - Background, curriculum vitae,..
- Commitment
 - Engagement is not enough
- Ability to win

»Time to market!



The Investor- VII People. The stakeholders

- Angel investors, advisors, advisory board members, directors, venture capitalists, customers, suppliers, local government...

» **Major Impact in Value
Creation and Perception**



The Investor- VIII

The Context

- The Economy
- Technology
- Regulation
- Competition

»What can hurt
or help from outside ?



The Investor- IX

The Deal

- Price

 - Negotiation vs. “take it or leave it”

- Structure

 - Terms of the investment
 - Shareholders agreement
 - Control of the board
 - Harvest possibilities



The Investor- X

The Risk

- Technological
- Product/service
- Market
- Sales
- Financing
- Operating
- People
- Competitive

Reducing risk
Moving risk to others



The Market

- Get Close to the Customer
- Market driven vs. Technology driven
- Early adopters
- Success stories
- Sales and market focus
- Speed to market



Wrap-up

- To Raise Money is **part of the process** of the Entrepreneurial Venture
- **Business Angels** and **Capital Risk** complement each other in the early phases
- An **Investor** can do much more...on top of providing money.

» *thankyou !*



References

- **Winning Angels**
 - David Amis & Howard Stevenson
- **New Management of the Innovation**
 - Kenneth Morse. (MIT- Cambridge,MA)
- **The Entrepreneurship in the 21st. Century**
 - Jerome S. Engel. (UC -Berkeley,CA)
- **El dia de l'Emprenedor**
 - 10 de març 2005. Barcelona