



FUNDCELERATOR

HORIZON 2020 PROJECT



A new methodology for Innovation Agencies
in fundraising support of high-growth potential
startups operating in markets characterised
by long time-to-market paths

DESIGN OPTION PAPER

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SECTION 1: INTRODUCTION AND ACTORS

This document serves as a guide for Innovation Agencies that work with innovative new ventures, specifically long-time-to-market technologies. This objective of the paper is to provide a stepped methodology and best practices to facilitate faster time-to-market and investment for this category of company.

This “Peer Learning of innovation agencies” European program, was managed by making use of the 'Twinning advanced' methodology involving the following 4 regional innovation support organisations collaboratively addressing the “fund raising acceleration of innovative and high-growth potential SMEs operating in markets characterised by long time-to-market paths” as a common innovation support challenge :

- ADI NA, France
- BWCON, Germany
- CEEIM, Spain
- DublinBIC, Ireland

Agence de Développement et d'Innovation Nouvelle Aquitaine (ADI NA, France) is the Aquitaine Region Innovation and Economic Development Agency. Created in March 2012, with a staff of 80 employees, ADI is mainly financed by the Aquitaine regional Council and the European Community. Its two 2 main assignments are : Creation and structuring of new regional clusters in key sectors (optics and photonics, aeronautics, robotics, wood, ICT-health...) and direct support to the firms' development mostly through their innovation projects, supporting them in their creativity approach with a design incubator, providing them with technological expertise and with advice for innovation projects management, making connections with other companies and scientific laboratories, and helping them at accessing public and private fundings.

Baden-Württemberg Connected (BWCON, Germany) is a regional innovation and business support organization from the Baden-Württemberg federal state. The main focus of BWCON is to connect technology oriented startups and SMEs with Baden-Württemberg's main industrial application areas (i.e. mobility, health, manufacturing and energy) and companies in order to stimulate innovation and strengthen the competitiveness of the members.

Dublin Business Innovation Centre (DUBLINBIC, Ireland) is a public-private business support organisation, working with state agencies and private investors to support entrepreneurs at building the next generation of successful Irish businesses. As well as helping to develop investor ready companies and providing access to funding, Dublin BIC advises companies on business planning and development; provides hi-tech incubation space; and creates platforms for entrepreneurs to develop their skills and networks.

Centro Europeo de Empresas e Innovacion de Murcia (CEEIM, Spain) is the Murcia Business Innovation Centre, a nonprofit private foundation, which main mission is to promote and develop the necessary economic, social and innovative activities, in order to stimulate business and to detect and encourage new business initiatives and entrepreneurs, as well as to consolidate and modernize the existing ones, paying special attention to the innovative ones and those resulting from research and scientific activities.

SECTION 2: BACKGROUND AND MOTIVATIONS FOR THE METHODOLOGY

The requirement for the Design Option Paper and methodology production can be found in four distinct motivations:

1. Fundraising: strategic issues

Biotech, medical devices, materials, cleantech and aeronautics markets are characterized by long time-to-market paths (typically more than 3 years). Accelerating the growth and competitiveness of European innovative and high-growth potential SMEs operating in these markets is a critical issue.

In such markets, the validation and implementation of proof of concept take a minimum of two/three years which makes the process longer and more resource intensive at the public support side by comparison to supporting companies from the digital economy. However, once the SMEs have demonstrated the benefits and the robustness of their solutions, they can typically benefit from high-growth potential markets, generate large revenues, market capture ratios and significant job creation.

Industry experience shows that the significant effort dedicated to the preparation and development of their products or services often distract them from preparing commercialisation and fundraising activities in parallel, inhibiting their ability to get fast market traction. As a result, competitors are afforded time to prepare offensive offers.

Lessons learnt therefore demonstrate that fund raising processes are very critical and should be anticipated much more in the incubation and maturation processes for such SMEs with medium-term but high-growth market perspectives.

2. Specifics needs of Young Innovative SME's

It is the experience of the four participating innovation agencies that Long time-to-market ventures require high quality, tailored services to enhance their success rate at securing private finance.

Due to the complex nature of their multidimensional projects, these SME's require multiple layers of expertise, which must be drawn both internally from their team as well as externally from support agencies. Advices are required in sector specific areas such as sectoral regulations, IP, industry analysis as well as generic (but specialized) guidance on fundraising, team selection, innovation management, route-to-market and many sector-specific topics. As a consequence, the entrepreneurs require specific, tailored support in order to increase their potential for success and reduce the time to become investable by private financiers.

3. New approaches to fundraising from ecosystem actors

The early stage venture funding landscape is under continuous evolvement with a multitude of new methods and approaches to support services and indeed, capital. New actors such as accelerators, crowdfunding platforms, investment platforms and data rooms, business angel formalisation and software tools provide innovative ways to achieve fundraising and acceleration goals. Startup accelerators have disrupted the methods for incubating and preparing entrepreneurs through enhanced mentoring approaches. These techniques have influenced many structures and encouraged the emergence of new approaches to entrepreneurial support, specifically in the area of access to finance.

Many supports are geared towards digital businesses, which have typical characteristics of fast prototyping, short-time-to-market and access to finance in relatively short timeframes. However, there is a requirement for acceleration approaches to support for more complex technologies with longer timeframes. The Fundcelerator methodology generates several types of support that can be used for both complex technologies as well as projects with faster timeframes.

4. Legitimacy of innovation agencies in fundraising support

Positioning in the fundraising value chain

In Europe, most of the hi-tech startup support over the past 15 years has been focused on the technology transfer, R&D, team development, marketing positioning and industrialization of concepts. Incubators are the primary actors involved in working on these subjects at an EU level.

Innovation agencies are typically the next step in the support network as they engage with incubated entrepreneurs, typically at the end of the incubation process with the objective to help the startups with market entry and sustainable growth. Innovation Agencies work together with clusters, public funders and research centres over long time periods to support the startups. Due to this critical role in the transition from incubation to market, Innovation Agencies are often involved in a startups seed or first funding round.

Diversity & richness of experience and techniques

Innovation Agencies, due to their wide-spread geographical remit and strategic missions, create a diverse set of interlinked support agencies throughout Europe. This produces a wide variety of experienced practitioners with validated business support approaches and best practices. The Fundcelerator project has brought together four high-performing agencies from across Europe to share their approaches, visions and knowledge of existing needs and solutions in order to generate best practices for wider dissemination.

SECTION 3: THE FUNDCELERATOR METHODOLOGY

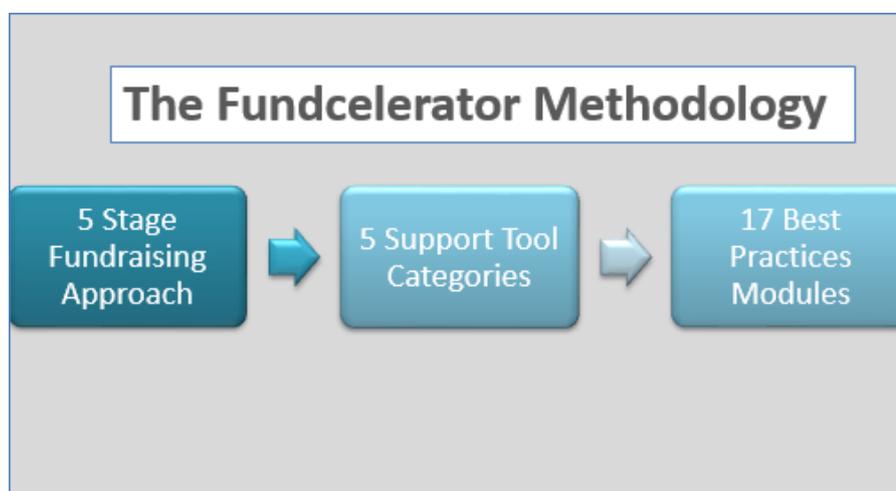
Core Objective:

Designing a Best Practice methodology to assist innovation agencies to choose, design and implement new fundraising support services for young innovative SME's, specifically with long-time-to market solutions

Approach

The Fundcelerator methodology is built on the foundations of:

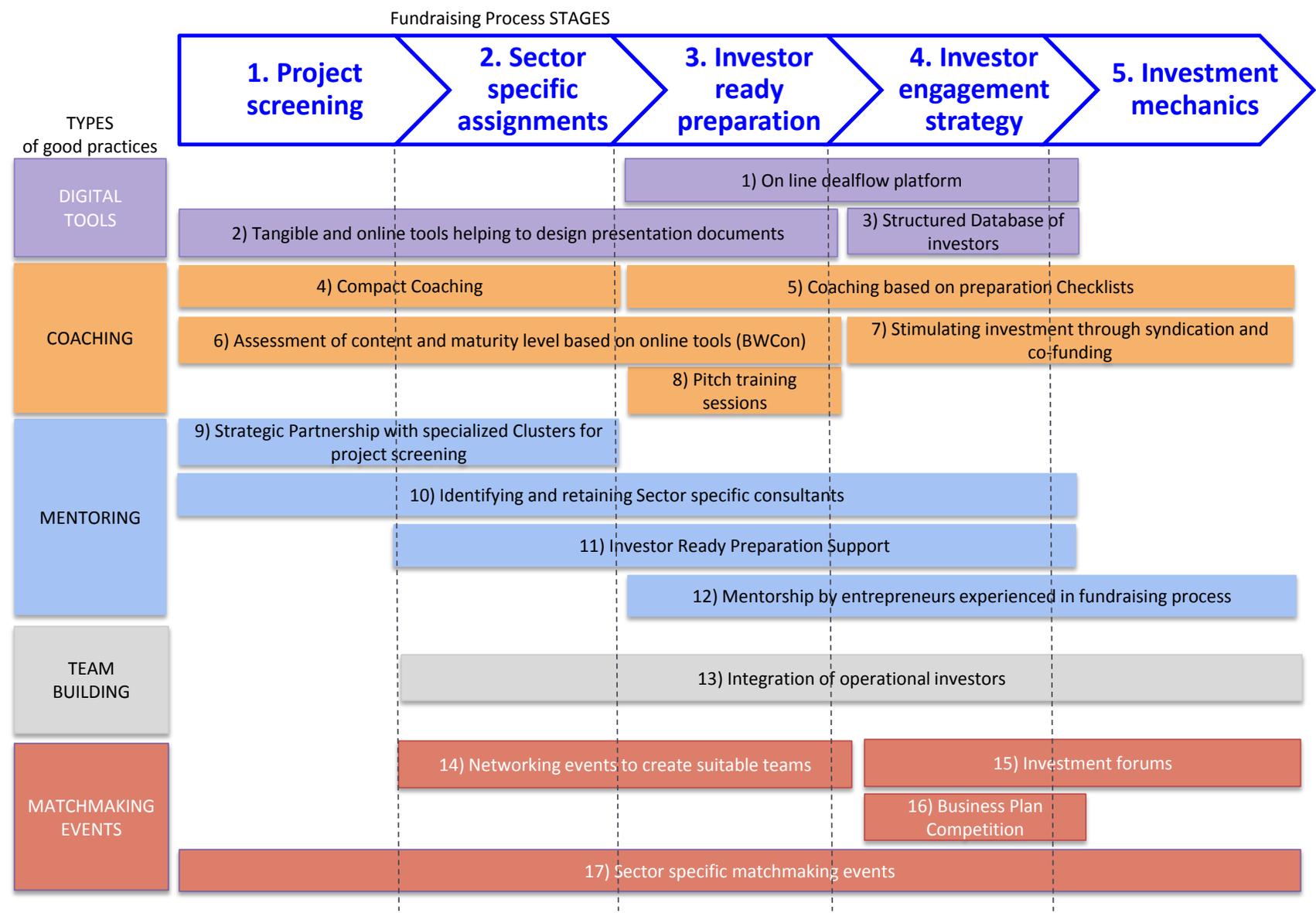
- **5 Stage Fundraising Approach**
- **5 Support tool categories aligned with the stages**
- **17 best practice modules aligned with the support tools.**



Key challenges of Designing the Methodology:

- Define the fundraising stages into 5 stages
- Segment and align the best practices into 5 stages
- Ensure that a practice can be transferred, implemented and operated from one agency to another;
- Examine best practices from external agencies (outside of the 4 selected) to understand if they can be implemented by other innovation agencies;
- Translate the practices into ready-to-use modules with instructions for operation by other innovation agencies;
- Establish context, resource commitments and barriers to the practices to guide new users.

FUNDCELERATOR METHODOLOGY (flow chart)



EXPECTED IMPACT AND IMPLEMENTATION REQUIREMENTS OF FUNDCELERATOR GOOD PRACTICES

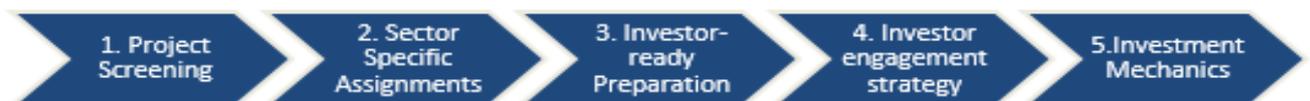
Type of practice	N°	Accelerating practices (name)	Grade	Acceleration impact			Level of implementation complexity			Human resources	Money	Time / duration	External competencies	Specific Network
				*	*	*	*	*	*					
Digital Tools	1	On line dealflow platform	15,7	*	*	*	*	*		o	o	o	o	
	2	Tangible and online tools helping to design presentation documents	13,3	*	*		*				o		o	
	3	Structured Database of investors as a targeting tool	15,3	*	*	*	*	*		o		o	o	o
Coaching	4	Compact Coaching	15,3	*	*	*	*	*		o		o		
	5	Coaching based on preparation Checklists	15,0	*	*	*	*			o				
	6	Assessment of content and maturity level based on online tools	15,0	*	*	*	*	*		o	o	o		
	7	Stimulating investment through syndication and co-funding	13,7	*	*		*	*	*	o	o	o	o	o
	8	Pitch training sessions	14,3	*	*	*	*			o		o	o	
Mentoring	9	Strategic Partnership with specialized Clusters for project screening	13,0	*	*		*	*	*	o	o	o	o	o
	10	Identifying and retaining Sector specific consultants	14,7	*	*	*	*	*		o			o	o
	11	Investor Ready Preparation Support	15,0	*	*	*	*	*		o		o		
	12	Mentorship by entrepreneurs experienced in fundraising process	12,3	*			*			o				o
Team Building	13	Integration of operational investors	14,7	*	*	*	*	*		o				o
Match-making events	14	Networking events to create suitable teams	15,0	*	*	*	*	*		o	o	o	o	o
	15	Investment forums	14,3	*	*	*	*	*		o	o	o		o
	16	Business Plan Competition	16,0	*	*	*	*	*		o	o	o	o	
	17	Sector specific matchmaking events	14,0	*	*	*	*	*		o	o	o		o

Key explanations and how to use the methodology:

The 5 Stage Fundraising Approach

The Fundcelerator Methodology incorporates 5 distinct phases of engagement throughout the fundraising and acceleration process. These include:

1. Project Screening
2. Sector Specific Assessment
3. Investor-ready preparation
4. Investor engagement strategy
5. Investment mechanics



The stages take into account the key activities of the investor engagement as well as the holistic picture of acceleration support through the fundraising process and the overall management of the startup. These two components are interlinked as the speed of acceleration will typically influence the timeframe of investment. Critical milestones such as first customers, beta testing and revenue generation will generate interest from investors while corresponding the outcome of fundraising will often generate interest for tech-heavy projects from initial clients, especially at B2B level.

The 5 stage approach highlights the interlinked nature of fundraising and acceleration and the requirement to reflect on future stages. For example, the early focus on an investment strategy will enable the startup to examine the most applicable type and source of funding and tailor their proposition accordingly. This approach decreases the acceleration time through strategic focus.

Definition of the 5 Stages:

1. Project Screening

This stage consists of the initial selection of the projects to enter the acceleration and fundraising process. The innovation agency must assess the assets, team credibility, and opportunity size of the new venture potential in order to decide if the company should participate in an acceleration programme and its likelihood of successfully raising funds. This information should be shared openly with the entrepreneur to assist them with their own decisions regarding the venture. This step in the process allows for the best projects with the highest potential to be selected from the initial stages.

This diagnosis allows two critical decisions:

- **For the entrepreneur:** to receive experts feedback on their venture which will inform their decision to engage in the fundraising process; while acknowledging the demands, difficulties and likelihood of securing investment.
- **For the Innovation Agency:** The expert must assess the project for fundraising viability and either accept onto the acceleration programme or signpost towards other support types that are more suitable for the entrepreneurs stage of development and innovation potential. This is achieved by having experts with a good comprehension of the project's sector-specific challenges, maturity level and of investor's expectations.

2. Sector specific assignments

When a new venture has been selected for the fundraising process, the innovation agency should then assign a consultant or coach with specific competencies that can increase the acceleration through their in-depth knowledge of the sector. This is particularly critical for high-tech projects which have complex prototyping, industrialization and regulatory issues to work around in order to reach their market. “Techy” and research-based entrepreneurs are generally very adept at the technological elements of their project however, they often lack the commercial skillset to achieve business success.

This stage is intended to complete the vision of the entrepreneur by providing external guidance with sectoral, marketing and strategic expertise. Typical areas that are covered in this phase are:

- Precise understanding of market mechanisms and value chains
- Intellectual property and regulatory threats
- Competitor analysis
- Team development and key hires
- Product/company roadmap
- Partnership agreements with other industrial and commercial actors

3. Investor-ready preparation

The third stage of the process relates to developing the core business components of the new venture into a thorough business plan that will stand up to the scrutiny of the investment community. This level of granularity is highly beneficial for the startup as it allows them to reflect on the venture in a holistic manner and map out its strengths, weakness, opportunities and threats to enable a strong commercial strategy and route to market plan.

This stage of the process is common for all types of ventures that are fundraising. Nevertheless high-tech projects that take a long time to reach the market, must focus particularly on this stage as it is typically the longest of the 5 stage approach. Unlike ICT/digital ventures that often pivot frequently before finding their position and business model, the long-time-to-market companies must be able to communicate the value of their propositions in a convincing and well thought out manner as these projects won't have the opportunity to meet investors repeatedly to convince them with product evolutions. These enterprises generally will have only one unique development strategy to present to the investors in order to make them invest.

Moreover the nature of the high-tech projects involves a long preparation so that the entrepreneur is capable of:

- Explain in a simple way the complex and multiple angles of its project (technology, industrial property, regulatory, market, competition etc.)
- Provide detailed explanations of the proposed features of the project;
- Have an objective and realistic perspective of their own venture in order to understand expectations of capital investors
- Understand constraints and opportunities of fundraising in the context of the timeframe, burn rate and runway;
- Understand the profile of the investor that they are seeking;
- Value the company appropriately to generate interest but also a fair deal

Key activities of the “Investment Preparation” stage:

- Setting of objectives and ambitions
- Description of milestones and deliverables for every stage
- Strategic choices and evaluation of the financial needs to present to investors
- Writing presentation documents (Business plan, financial previsions, pitch deck, executive summary)
- The oral pitch preparation and the role of each member of the leading team
- Hypothesis of the financial valuation approach
- The description of the ideal investor type for the project

4. Investor engagement strategy

This stage covers all relational activities with the investors from the identification of the appropriate sources of finance and investor profile, to understanding the due diligence process, company valuation and understanding of term sheets.

Critical activities of this stage of the process:

- Identification of potential investors with regard to criteria such as: investment strategy, funds available, other companies already in their portfolio, proximity, potential additional value of their support etc.
- Approach to awareness raising of fundraising, publicly or privately, campaign via social networks, press releases, etc.
- Strategy for investor engagement: E.g. direct by the entrepreneur or indirect via a third person, investor forums, business angel syndicates, VC engagement, networking events.
- Relationship management with investors: record keeping of all contacts with investors, follow-up communications and responses; Follow-up of answers to investors’ questions and to their auditors on the occasion of the due diligence stage.
- Organization and management of the documents sent to investors: non-disclosure agreements, versions and updates, diffusion. Construction of a data room adapted to the project.
- Choice of gathering some of the interested investors: identification of the “lead-investors” and of the “followers”.
- On-boarding advices regarding the valuation process, negotiation of the investment conditions

5 Investment Mechanics

This last stage of the fundraising process concerns the completion of the fundraising round, hence, it deals with points of detailed negotiation like the shareholder agreement and the management packages.

Good preparation in stage 3 of the methodology together with the selection of competent lawyers will reduce the timeframe of this stage of the process. Typically, the timeframe is not more than four months for completion however, this depends on the investor and the preparation level of the entrepreneur.

Analysis of aligning practices

FUNDCELERATOR GOOD PRACTICES AND FUNDRAISING STAGES

Type of practice	N°	Accelerating practices (name)	Project screening	Sector specific assignments	Investor ready preparation	Investor engagement strategy	Investment mechanics
			1	2	3	4	5
Digital Tools	1	On line dealflow platform					
	2	Tangible and online tools helping to design presentation documents					
	3	Structured Database of investors as a targeting tool					
Coaching	4	Compact Coaching					
	5	Coaching based on preparation Checklists					
	6	Assessment of content and maturity level based on online tools					
	7	Stimulating investment through syndication and co-funding					
	8	Pitch training sessions					
Mentoring	9	Strategic Partnership with specialized Clusters for project screening					
	10	Identifying and retaining Sector specific consultants					
	11	Investor Ready Preparation Support					
	12	Mentorship by entrepreneurs experienced in fundraising process					
Team Building	13	Integration of operational investors					
Match-making events	14	Networking events to create suitable teams					
	15	Investment forums					
	16	Business Plan Competition					
	17	Sector specific matchmaking events					

The innovation agency should aim to carry out all 5 major stages of the fundraising and acceleration process in order to generate the most positive results. However, this does not mean that the innovation agency must possess all skillsets to achieve this within the organisation. On-boarding third parties such as business angel networks, or external skillsets can assist with completion of the process. If an accompanying stage is not assured, the agency should engage actors to assist with this stage. The following diagram examines in detail the Flow Chart of the Fundcelerator Methodology and allows to quickly identify all the practices that can speed up the process on each of the 5 steps.

Support Tool Categories

Five distinct support tool categories have been selected which are used to segment the best practices - these include:

1. **Digital tools**
2. **Coaching**
3. **Mentoring**
4. **Team Building**
5. **Matchmaking events**

Definition & Explanation of the Support Tools

1. Digital Tools

Digital tools such as web platforms and software allow the team of the innovation agency to manage and structure the process of acceleration, decreasing time to market through efficiencies of resources.

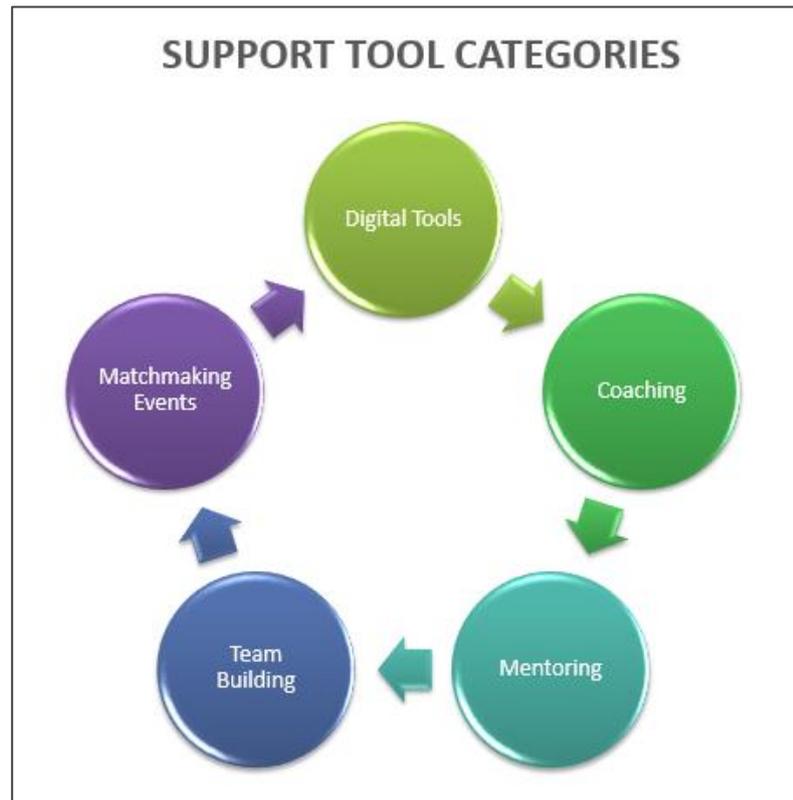
Such instruments are becoming more commonplace and increase the autonomy of the entrepreneurs to complete documentation with the assistance of online guidance. There are many examples of online platforms and tools that provide guidance on pitch documentation, business plans and financials such as EuroQuity, Invest Horizon and Strategizer. Additionally, Investor platforms such as F6S, GUST, EBAN and BAE allow investors and entrepreneurs to engage in real-time regarding the projects.

The innovation agencies can accelerate and secure the fundraising courses of the firms by becoming acquainted with these instruments but even more so by adapting them to meet internal requirements.

2. Coaching

The coaching support category requires the innovation agencies to provide consultants to work with individual entrepreneur. The coaching can take place face to face in group or individual sessions or via a digital platform such as Skype or GoToMeeting.

The success of the coaching support is characterized by the capacity of the coach to question the entrepreneur and challenge him on his assumptions. The coach must be capable to provide constructive feedback on the project, to evaluate its merits and guide the entrepreneur towards additional services or supports that can assist with furthering the venture, for example sector-specific consultants, experts/mentors or specific competences.



3. **Mentoring**

This support category is specifically related to expert guidance. Typically this will come in the form of third party consultants or industry experts that are external to the innovation agency. These mentors should have with a high degree of technical or entrepreneurial legitimacy that can assist the entrepreneur with sector specific issues and opportunities – for examples access to networks or contacts within the industry.

There are 2 distinct types of mentor:

- The technical and sector specialist who generally acts as a consultant
- The experienced entrepreneur who shares experience and opens their network

However the border between these mentoring profiles is increasingly becoming blurred where specialized consultants are frequently proposing approaches closer to mentoring, while many solicited mentors seek to charge their support to startups. We have outlined some key elements for each type of mentor below:

Mentoring by specialists:

Specialists are very familiar with critical aspects of an industrial sector or a markets: regulatory issues, emergent technologies, alternative solutions, recent developments, key opinion leaders, decision makers, industrial actors, distribution networks etc. These competences are generally consolidated in clusters networks and can be formed by consultants or volunteers which are mobilized by clusters themselves and innovation agencies.

Utilising these specialists' networks can have a high impact on the acceleration process through the following benefits:

- Evaluation and enrichment of a development strategy of a venture;
- Sector-specific contacts with high added-value: technical, regulatory, industrial and commercial to make the enterprise credible related to investors
- Identification of sector specific investors
- Well placed to challenge the entrepreneur, preparing them for due diligence and the expectations of the investment community.

Mentoring by seasoned entrepreneurs:

The current trend of mentoring by seasoned entrepreneurs has a number of significant benefits. The mentors are typically very experienced and have achieved a high degree of success in their respective sectors. They can share this “journey experience” with the younger entrepreneur advising them the actual process of funding and scaling a new venture and the experiential pitfalls that accompany the process.

Mentors can provide guidance throughout the entrepreneurial journey, however, sector-specific specialists are often more useful towards the end of the stage 3 of the methodology as they can provide input on the final stages of preparation and investor relations. Nevertheless, potential domains covered by mentoring are numerous: personal organization, assistance with strategic or operational decision making, proposition of ideas and solutions for very specific problems, re-assurance and motivation of the entrepreneur, as well as access to contacts.

Investors, specifically in the form of business angel, are increasingly becoming mentors and can bring significant advantages to early stage ventures through “smart money” i.e. bringing more than just funding.

4. **Team building**

The development of strong, credible teams is a critical element of securing investment. New ventures, at their initiation will often lack the core skillsets to bring a venture to fruition. Commercial team members and well-rounded skillsets are of critical importance to investment and can create major barriers to securing funding. Three areas of competency are indispensable to deploy an innovative high-tech enterprise: management, commercial and technological.

The innovation agency should support the new venture in the identification of skill deficits and assist with on-boarding new team members to accelerate the route to market strategy and fundraising process. This support process is usually very different from the classic recruitment one. Indeed it has to be operated before and during the fundraising approach when the young venture is still lacking sufficient financial resources to hire talented people.

This mode of support is very complex and it is still underperformed by innovation agencies due to its complexity. To achieve success in this area, an innovation agency has to develop human resources expertise, exercise their network and organizing specific matchmaking events or external consultants to find talent.

5. **Matchmaking events**

Most Innovation agencies will be familiar with running some form of networking and matchmaking events for their network, for example new ventures, industrial partners, potential clients, investors, financiers, etc. The Fundcelerator Methodology has sampled some tested and validated approaches which have high-impact results on the fundraising process.

Best Practices: Overview

17 Best Practices have been selected and assessed. Each practice contains the following components:

<ul style="list-style-type: none"> ▶ Support tool category ▶ Summary of the practice ▶ Origin/Source ▶ Context in which the practice should be applied ▶ Link to the overall Fundcelerator Methodology ▶ Alternatives & Variants to the practices 	<ul style="list-style-type: none"> ▶ Impact on acceleration (estimated impact by the innovation agency together with feedback from testing agencies and end-users) ▶ Resource assessment for implementing the practice ▶ Detailed step-by-step explanation and workflow diagram for implementing the practice
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The 17 Best Practices of the Fundcelerator Methodology

1. On-line Deal Flow platform
2. Tangible and Online Tools helping to design presentation documents
3. Structured database of investors as a targeting tool
4. Compact Coaching /1st Evaluation of Project
5. Coaching based on Preparation checklists
6. Assessment of content and maturity level based on a Venture Development Index
7. Stimulating investment through syndication and co-funding
8. Pitch Training Session
9. Strategic partnership with specialized clusters for project screening
10. Identifying & retaining Sector specific consultants
11. Investor Ready Preparation Support
12. Mentorship by entrepreneurs experienced in fundraising process
13. Integration of operational investors
14. Networking events to create suitable teams
15. Investment forums
16. Business Plan Competition
17. Sector specific matchmaking events

The best practices are ideally used in conjunction with each other as they are complementary and this approach increases their effectiveness. That being said, the methodology is designed to facilitate the selection of individual practices and tools to suit the requirements of both the early stage venture and the innovation agency. There are several agency-specific factors that impact the selection process. After targeting the stages of the process to be covered first, the choice of the practices to be implemented is generally made by taking into account:

- The expected effectiveness of the practice (= service to companies)
- The culture of the organization
- The means at its disposal

The deployment of the best practices in the Fundcelerator methodology requires, in most cases:

- Human resources (skills and experience)
- Financial resources
- Complementary tools
- Time to devote to the adaptation and transfer of the practices
- Additional partners
- Various other factors listed in the specific practices.

In order to help in the selection of the best suitable practices for a transfer and the objectives of the organization, the following table presents a summary of each good practice evaluated on three criteria:

Criterion:

1: Acceleration impact (Expected impact of each practice on a fundraising process)

2: Level of implementation complexity (estimation of the difficulty to start and adapt the practice to its own context)

3: Significant Required resources for preparation and implementation (What kind of resources implies the implementation of a practice)

Best Practices: Testing Process

Selection, testing and validation of the Best Practices was carried out in four steps:

Stage 1: Identification of best practices

- Implemented and already tested by at least one of the 4 project partners
- Implemented by other actors than the 4 project partners (incubators, accelerators, other innovation agencies etc.)

Stage 2: Selection of practices to be validated

- Partners prioritized the practices which were the most effective and also the most adaptable for use by other innovation agencies
- These practices also addressed the specific needs of each step in the fundraising process. Partners have collected and shared examples of companies that have benefited from these practices to demonstrate the effectiveness of each practice.

Stage 3: Preparation of transferability of good practices

- Each partner drafted a guidance document outlining the practice and how to use it. These documents were then proof-read by another partner, which corrections, queries and comments inserted to ensure that the document was sufficiently explanatory for a third party.
- The objective was to obtain a first handbook of good practice describing:
 - The optimal context for the use of the good practice
 - The pre-requisites (knowing how to make a good team, indispensable resources and tools)
 - The process of implementation
 - Possible alternatives (other approaches)
 - The expected results

Stage 4: Testing of best practices and feedback

- The global 12 month project timeframe limited the number of testing that could be conducted of all of the practices by third parties. 6 of the practices were tested by new users throughout a three month period with 18 companies.
- The feed Thus, partners administered a survey to these 18 companies and collected their feedback about the use of these accompanying practices and their perception of efficiency.
- Additionally, the partner gathered feedback for the remaining 17 practices to validate the quality of these initiatives.

End user testing

The best practices used in the methodology were tested and validated with multiple end users in real-life situations. The evaluation of each practice is the result of a survey which has been completed by both the new ventures utilising the practice and the innovation agency delivering the practice. The objective of this approach was to remove the bias of the evaluators and generate a cross-checked process which mapped the advisors and the companies on the same criteria.

Each practice was evaluated by at least three actors:

- 1 innovation agency
- 2 supported companies

Practices n ° 5 and 6 were evaluated by 6 actors

- 2 innovation agencies
- 4 supported companies

32 of the companies that benefited from FUNDCELERATOR support practices implemented by the four partner agencies of the project answered to the evaluation survey

Practice Impact Assessment Questionnaire

The actors evaluated the impact of each practice by giving a note from 1 to 5 onto each of the following four dimensions:

Dimension 1: Better involvement of the team in the fundraising approach: You perceive a positive impact of that practice on your/their awareness and understanding of what was at stake at this stage and if it helped your team/them to get better involved in the process

Dimension 2: Better perception from investors about the project: You think the practice had a positive impact and changed the way investors appreciate your/their project.

Dimension 3: Optimization of time and efforts: You think the practice had a positive impact and finally helped you/the team to save your/their time and your/their efforts during the fundraising process

Dimension 4: Speed-up the whole process (acceleration): You perceive a positive impact of the practice that can accelerate the overall process and reduce the period of time to access investors' financing

The final results of these questionnaires allowed the calculation of an overall acceleration impact score for each practice. As an example, here is the evaluation of practice n°5 and the creation of the overall acceleration score on a total of 20 points

Practice 5 : Coaching based on preparation Checklists	Agency 1	Agency 2	Company 1	Company 2	Company 3	Company 4	AVERAGE GRADES
NAMES OF AGENCIES AND COMPANIES	ADI	BWCON	<i>Polyrise</i>	<i>Spark Laser</i>	<i>RTA</i>	<i>AG Roth – Microarray Copying</i>	
Involvement	3	5	4	5	5	4	4,3
Image	3	2	4	3	3	4	3,2
Time optimization	4	4	4	4	4	3	3,8
Acceleration	5	4	5	3	3	2	3,7
TOTAL (grade /20)	15	15	17	15	15	13	15,0

The overall score of 15.0 / 20 is thus the average of the scores given by the companies and the agencies on the 4 dimensions of the measure of acceleration efficiency. For a more visual presentation the overall acceleration impact note was translated into blue crosses according to the following scale:

Grade < or = 13	*		
13 < Grade < or = 14	*	*	
Grade > 14	*	*	*

IMPORTANT NOTE: Given the limited timeframe of the project the outcomes of the evaluation have been tested with a small group. A more in depth inquiry is required to full examine the correlation between the Best Practices and the results, in this regard we guide agencies to take this into consideration when implementing the methodology.

SECTION 4: FUNDCELERATOR BEST PRACTICES

<u>Practice 1 – Online Deal Flow Platform</u>	
Referent	Support Category
CEEIM	Digital Tools
Summary	
<p>Development of an online platform that allows users to manage the flow of investors' data and projects in an easy, efficient and secure way, simultaneously keeping confidentiality which allows the definition of a customized investment profile and specific projects portfolio fitted to it. This platform is similar to an on-line documentation bank that allows established milestones to be monitored and real-time information to be communicated to investors through external auto generated messages (email), including the new milestones of the followed projects.</p> <p>In addition, this platform will work together with an already in operation public website that will host suitable news and training contents packages for investors and entrepreneurs without experience</p>	
Origin/Source (Testing ground, results, why is it innovative)	
<p>The MeetBAN platform was created in 2008 as a pilot project to give support to the launch of Murcia-Ban, the business angel network of the region of Murcia, after six months of technical testing it was published in April, 2009 and has performed effectively until now.</p> <p>Nowadays, this platform allows the technical staff of the business angels network to manage the dealflow among more than 60 investors and 100 projects of different regions and sectors. At the same time it makes it easy to facilitate relationships with potential collaborators, business angels networks of other regions, as well as the organization of investing events such as investment forums.</p> <p>This platform was updated in December 2015 in order to implement new features: the possibility of automatically following a project through email alerts, direct information to prepare pre-evaluation meetings etc.</p> <p>Among other advantages, the MeetBAN provides a secure atmosphere to manage entrepreneurs and investors relationships, it is full open programming code (fast updating), it facilitates easy contact through email with BAN's promoters and investors and is user friendly.</p>	
Context : In which context for entrepreneurs supported it can be a relevant answer	
<p>A dealflow platform provides fast and focused visibility, security and standardization procedures to entrepreneurs that are dealing with multiple fundraising tasks, as long as this tool can help them to make it easier to understand the investors approach.</p>	
Link to methodology: which part(s) of the process is the tool/support applied to	
<p>This tool can perform in the stage 3 (Investor-ready Preparation) as an online user guide of investors relationship for entrepreneurs and during stage 4 it helps investors to manage more efficiently and faster their decision making process and syndications.</p>	
Alternatives & Variants: comparative or alternative practices which achieve a similar result	

<p>GUST: https://gust.com/</p> <p>BIG-BAN: http://www.bigbanangels.org/</p> <p>GOBAN: http://gobanclm.com/</p> <p>COMBINATED FREE APPS PACKAGE: Dropbox, Slack, Acumbamail ...</p>
<p>Impact on Acceleration: Key objectives, how does it accelerate a part or the entire process</p>
<p>The platform allows entrepreneurs to engage with the investment community via a secure, professional atmosphere with established rules of engagement. Earlier and greater investment opportunities are facilitated due to the regular contact as well as monitoring and tracking of the investment opportunity.</p> <p>Estimated impact : *** (HIGH)</p> <p>Global feedback from companies and agencies as testers and users : 15.7/20</p> <p><i>Better involvement of the team :</i> 3.7/5 <i>Better perception from investors :</i> 4/5 <i>Savings of time and efforts :</i> 4/5 <i>Acceleration of the overall process :</i> 4/5</p>
<p>Resources Required to implement the practice</p>
<p>Software implementation</p> <p>Training sessions for technical staff</p> <p>Key tips for efficient management</p> <p>Located business angels and investing funds community</p> <p>At least one person in the staff devoted to manage and empower the network</p> <p><i>Estimated budget to develop and launch the app :</i></p> <p>4.500 € Dealflow platform 1.500 € Public website 1.000 € Training sessions for promotion staff</p>
<p>Level of implementation complexity</p>
<p>** (MEDIUM)</p>
<p>Detailed description of the practice</p>
<p><u>PROCESS OF PROJECTS REGISTRATION:</u></p> <p>STEP 1 : Registration of the entrepreneur personal data</p>

intranet.murcia-ban.es/usuarios/emprendedor/mis-datos

MURCIABAN 1 Mis Datos 2 Mi Proyecto 3 Archivos Mis Operaciones Hitos Recursos Contacto

Mis Datos

Usuario: PGG
 Contraseña: Si desea cambiar su contraseña, modifique aquí y pulse guardar
 Nombre: PEDRO (PRUEBA)
 Apellidos: GARCIA (PRUEBA)
 NIF: 465465464-X
 Teléfono: 456466564
 Móvil: 464654645
 Email: ceeim@murcia-ban.es
 Dirección: ED. CEEIM

STEP 2: Registration of the project (matching criteria included)

intranet.murcia-ban.es/usuarios/emprendedor/mi-proyecto

MURCIABAN 1 Mis Datos 2 Mi Proyecto 3 Archivos Mis Operaciones Hitos Recursos Contacto

Proyecto Emprendedor

Fecha inicio actividad: 19 / 01 / 2016
 Perfil ciego: Esta información es la que puede visualizar el emprendedor antes de firmar el contrato de confidencialidad

Los siguientes datos se utilizan como criterio de búsqueda de proyectos:

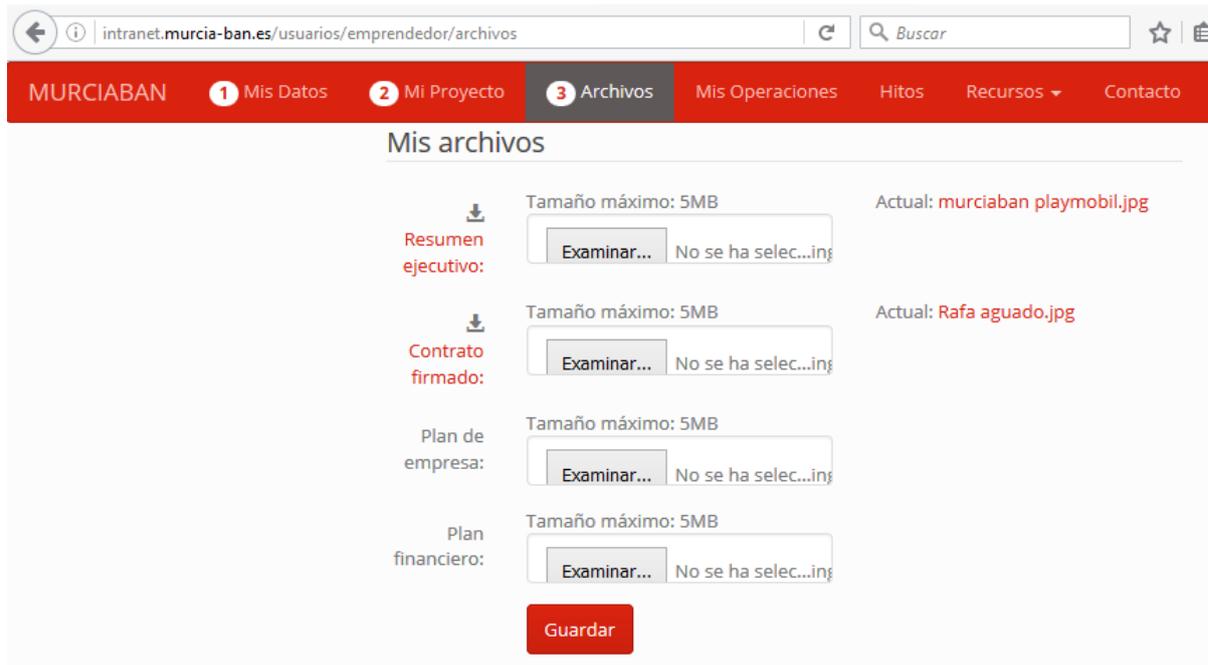
Fase desarrollo: Expansión
 Sectores: TIC
 Zona geográfica de la sede central:

- Mazarrón
- Molina de Segura
- Moratalla
- Murcia**

 Mantenga pulsada la tecla Control para seleccionar distintas zonas

Necesidad de capital: 15000000

STEP 3: Attachment of Business Plan, teaser and mediation agreement



intranet.murcia-ban.es/usuarios/emprendedor/archivos

MURCIABAN 1 Mis Datos 2 Mi Proyecto 3 Archivos Mis Operaciones Hitos Recursos Contacto

Mis archivos

Resumen ejecutivo: Tamaño máximo: 5MB Actual: [murciaban playmobil.jpg](#)

Contrato firmado: Tamaño máximo: 5MB Actual: [Rafa aguado.jpg](#)

Plan de empresa: Tamaño máximo: 5MB

Plan financiero: Tamaño máximo: 5MB

Guardar

STEP 4: Personal interview with one of the BAN promotor

STEP 5: An evaluation committee decide if the project will be introduced to a pool of investors

STEP 6: Account activation (visibility among the investors and access to the rest of services of the BAN)

PROCESS OF INVESTORS REGISTRATION:

STEP 1: Registration of the investor personal data

Mis Datos

Usuario:	<input type="text" value="JMS"/>	
Contraseña:	<input type="text" value="Contraseña"/>	Si desea cambiar su contraseña, modifique aquí y pulse guardar
Nombre:	<input type="text" value="JUAN (SIMUL)"/>	
Apellidos:	<input type="text" value="MARTINEZ SANCHEZ (SIMUL)"/>	
NIF:	<input type="text" value="5464646g"/>	
Teléfono:	<input type="text" value="978 655 123"/>	
Móvil:	<input type="text" value="978 655 123"/>	
Email:	<input type="text" value="pedro.garcia@ceeim.es"/>	
Dirección:	<input type="text" value="C/ PIEDAD, S/N"/>	
Población:	<input type="text" value="CARTAGENA"/>	
C.P.:	<input type="text" value="31232"/>	

STEP 2: Description of investment preferences (matching criteria: sector, amount...)

intranet.murcia-ban.es/usuarios/inversor/seleccion-de-proyectos

MURCIABAN 1 Mis Datos 2 Mi Perfil 3 Contrato Proyectos Mis Proyectos Mis Operaciones

Criterios de selección de proyectos

Importe mínimo inversión: 5 Determine el rango de inversión de los proyectos que quiere visualizar

Importe máximo inversión: 1000000000

Fase desarrollo: Ambos

Sectores:

- Actividades On-line
- Biomedicina
- Biotecnología
- Ciencias de la vida

 Mantenga pulsada la tecla Control para seleccionar distintos sectores

Zona Geográfica:

- Abanilla
- Abarán
- Águilas
- Albacete

 Mantenga pulsada la tecla Control para seleccionar distintas zonas de la sede central de los proyectos que quiere visualizar

Visibilidad: Wannaseed

Guardar

STEP 3: Attachment of the registration and disclaimer agreement

intranet.murcia-ban.es/usuarios/inversor/contrato

MURCIABAN 1 Mis Datos 2 Mi Perfil 3 Contrato Proyectos Mis Proyectos Mis Operaciones Recursos Contacto

JMS

Contrato de adhesión

Tamaño máximo: 5MB Actual: CONTRATO DE ADHESIÓN ARCHIVADO.docx

Contrato firmado: Examinar... No se ha selec...ing

Guardar

Archivos permitidos: txt, doc, docx, pdf, xls,xlsx, ppt, pptx, png, jpe, jpeg, jpg, gif, bmp, zip, rar.

STEP 4: Personal interview with one of the BAN promotor

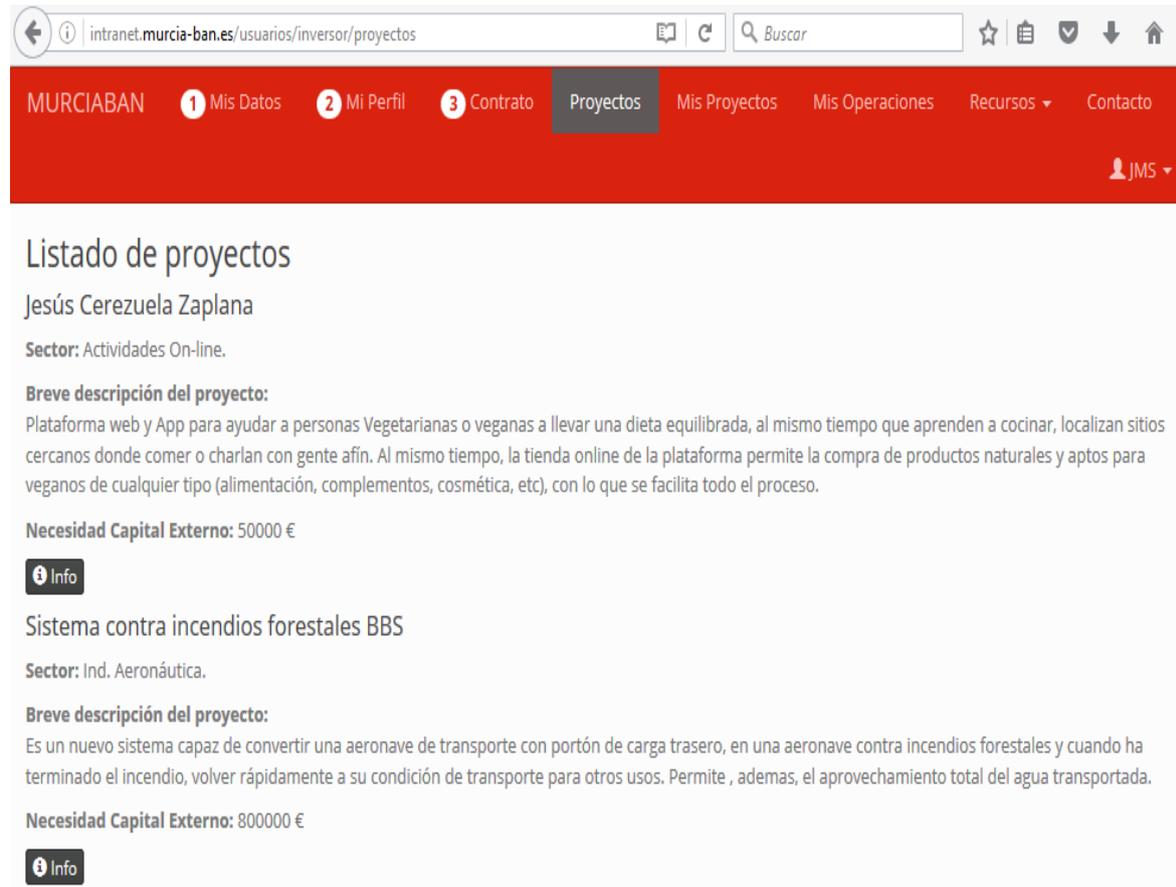
STEP 5: An evaluation committee decide if the investor will take part into the BAN

STEP 6: Account activation

PROCESS OF DEALFLOW MANAGEMENT:

STEP 1: Every investor has a customized dealflow portfolio created according to their investment preferences.

STEP 2: Initially, investors can see a blind teaser of all the projects that match with their preferences.



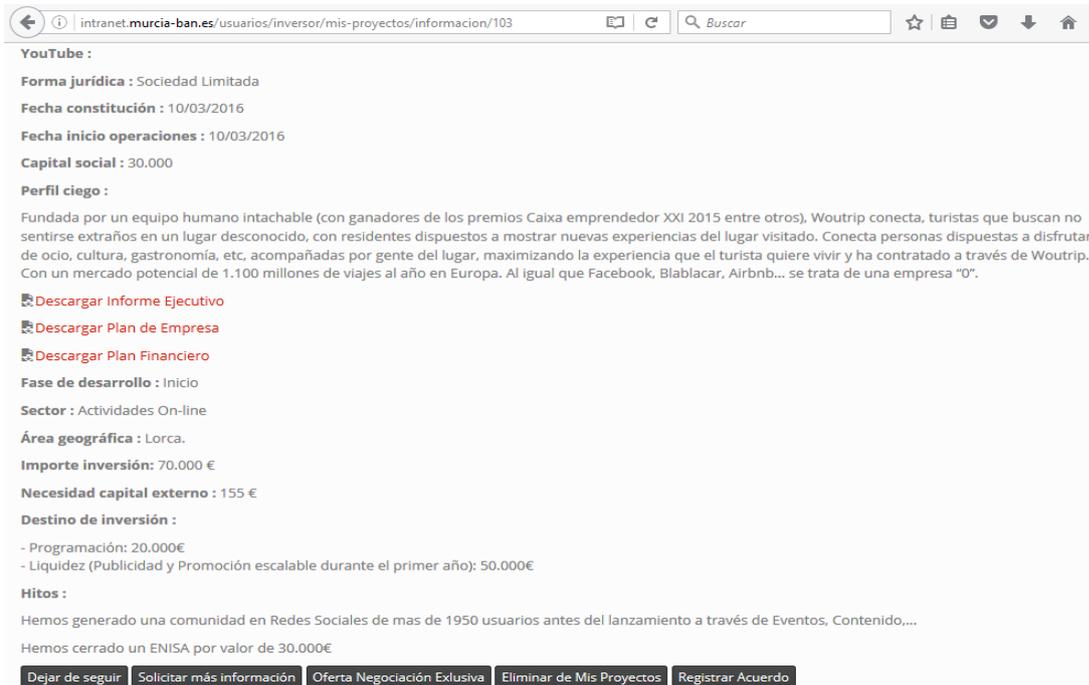
The screenshot shows a web browser at the URL `intranet.murcia-ban.es/usuarios/inversor/proyectos`. The navigation menu includes: MURCIABAN, 1 Mis Datos, 2 Mi Perfil, 3 Contrato, **Proyectos**, Mis Proyectos, Mis Operaciones, Recursos, and Contacto. The user profile is JMS.

Listado de proyectos

Jesús Cerezuela Zaplana
Sector: Actividades On-line.
Breve descripción del proyecto:
 Plataforma web y App para ayudar a personas Vegetarianas o veganas a llevar una dieta equilibrada, al mismo tiempo que aprenden a cocinar, localizan sitios cercanos donde comer o charlan con gente afin. Al mismo tiempo, la tienda online de la plataforma permite la compra de productos naturales y aptos para veganos de cualquier tipo (alimentación, complementos, cosmética, etc), con lo que se facilita todo el proceso.
Necesidad Capital Externo: 50000 €
 Info

Sistema contra incendios forestales BBS
Sector: Ind. Aeronáutica.
Breve descripción del proyecto:
 Es un nuevo sistema capaz de convertir una aeronave de transporte con portón de carga trasero, en una aeronave contra incendios forestales y cuando ha terminado el incendio, volver rápidamente a su condición de transporte para otros usos. Permite , ademas, el aprovechamiento total del agua transportada.
Necesidad Capital Externo: 800000 €
 Info

STEP 3: Secondly, they can ask for more information signing automatically an NDA, after this step they can Access to the whole information about the entrepreneur and the project (Business plan included)



intranet.murcia-ban.es/usuarios/inversor/mis-proyectos/informacion/103

YouTube :

Forma jurídica : Sociedad Limitada

Fecha constitución : 10/03/2016

Fecha inicio operaciones : 10/03/2016

Capital social : 30.000

Perfil ciego :

Fundada por un equipo humano intachable (con ganadores de los premios Caixa emprendedor XXI 2015 entre otros), Woutrip conecta, turistas que buscan no sentirse extraños en un lugar desconocido, con residentes dispuestos a mostrar nuevas experiencias del lugar visitado. Conecta personas dispuestas a disfrutar de ocio, cultura, gastronomía, etc, acompañadas por gente del lugar, maximizando la experiencia que el turista quiere vivir y ha contratado a través de Woutrip. Con un mercado potencial de 1.100 millones de viajes al año en Europa. Al igual que Facebook, Blablacar, Airbnb... se trata de una empresa "0".

[Descargar Informe Ejecutivo](#)

[Descargar Plan de Empresa](#)

[Descargar Plan Financiero](#)

Fase de desarrollo : Inicio

Sector : Actividades On-line

Área geográfica : Lorca.

Importe inversión: 70.000 €

Necesidad capital externo : 155 €

Destino de inversión :

- Programación: 20.000€

- Liquidez (Publicidad y Promoción escalable durante el primer año): 50.000€

Hitos :

Hemos generado una comunidad en Redes Sociales de mas de 1950 usuarios antes del lanzamiento a través de Eventos, Contenido,...

Hemos cerrado un ENISA por valor de 30.000€

[Dejar de seguir](#) [Solicitar más información](#) [Oferta Negociación Exclusiva](#) [Eliminar de Mis Proyectos](#) [Registrar Acuerdo](#)

STEP 4: After analyzing the project, investors can decide to follow an entrepreneur and be informed about his or her new milestones, erase it from their portfolio, make an offer, or make and register an investment agreement

[Dejar de seguir](#) [Solicitar más información](#) [Oferta Negociación Exclusiva](#) [Eliminar de Mis Proyectos](#) [Registrar Acuerdo](#)

STEP 5: Investors can choose to be informed through email whenever a new project match with their investment preferences

DESCRIPTION:

1. PROGRAMING: This period involves the creation of the Deal Management Platform and the public website based on previously defined requirements and corporate image.
2. TEST: Validation period to avoid potential mistakes.
3. TRAINING SESSION: Oriented to the promotion staff allowing them to receive specific training and tips from experienced in fundraising and MeetBAN users
4. DATA BASE UPDATING: This Phase involves the creation of beginners' accounts and suitable registration procedures.
5. LAUNCHING EVENT: Needed to empower the brand and venture capital culture at the same time that help to show the platform features and user manual.
6. TRADING PLAN: Defined and implemented in order to increase the number of users and projects and reach breakeven point.

7. PLATFORM MANAGEMENT: Creation of a daily routine to make it easier the management of the platform.

RESULTS OF EVERY STEP

- PROGRAMING: software apps
- TEST: implementation memo
- TRAINING SESSION: training guide for promoters
- DATA BASE UPDATING: operating platform with real accounts of different profiles (investor, promotor, entrepreneur...)
- LAUNCHING EVENT (Guide line of the event, signing up procedures, kick-off corporate poster, user manual)
- TRADING PLAN (marketing planning)
- PLATFORM MANAGEMENT (Procedures and workflow)

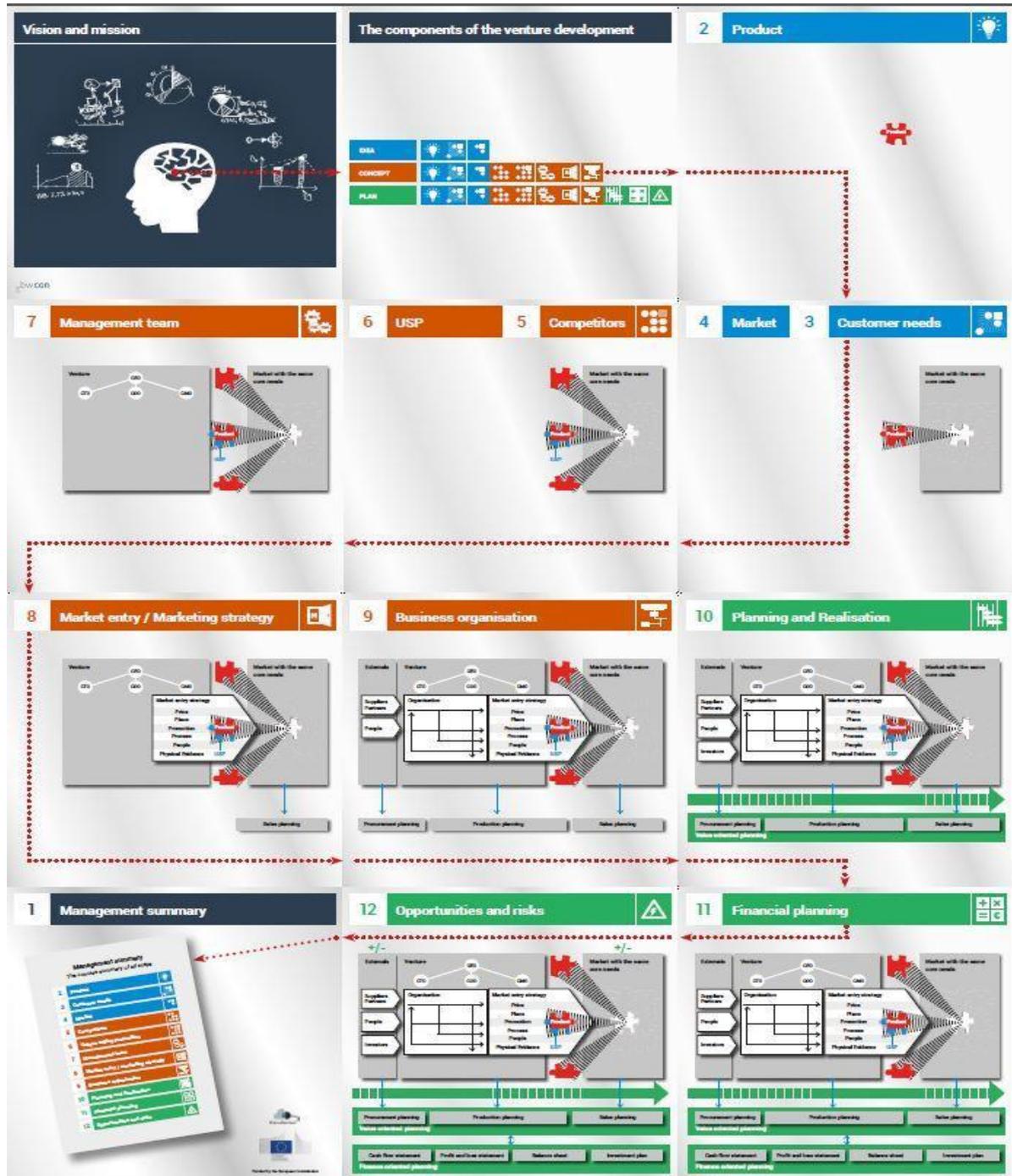
WORKFLOW

TASK DESCRIPTION	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
1 PROGRAMMING												
2 TEST												
3 TRAINING SESSION												
4 DATA BASE UPDATING												
5 LAUNCHING EVENT												
6 TRADING PLAN												
7 PLATFORM MANAGEMENT												

Practice 2 - Tangible and Online Tools helping to design presentation documents	
(example of the Venture Development Toolkit)	
Referent	Support Category
Bwcon	Digital Tools
Summary	
<p>The Venture Development Toolkit offers all relevant information, facts, and techniques to develop a venture from the idea to the concept and to a final business plan. The toolkit consists of different components: The Planning Guide provides an overview of the most important initial considerations for new venture development initiatives. A poster, illustrating the Venture Development Model, provides an overview of the necessary considerations and is designed as a means of monitoring the dynamic development process of the new venture. On this basis, individual business plan theme cards with explanations, suggestions and notes convey the knowledge required for the respective components of the new venture development activities.</p> <p>Moreover, tools such as a financial planning excel sheet, online webinars and specific information on relevant topics regarding the development of a new venture are available.</p>	
Origin/Source (Testing ground, results, why is it innovative)	
<p>The methodology implemented in the Venture Development Toolkit was developed by bwcon and is applied to the support services of the organization. In the last year more than 250 team members worked with this toolkit which is available for free for the teams in the bwcon support process.</p>	
Context: In which context for entrepreneurs supported it can be a relevant answer	
<p>Due to the fact that almost all technology startups need external investment to accelerate their venture while the investors require a solid planning for a potential investment, a business plan is an important tool to structure the business. The Venture Development Toolkit provides support to all teams who are developing a business concept, model and a business plan.</p>	
Link to methodology: which part(s) of the process is the tool/support applied to	
<p>Investor ready preparation: The Venture Development Toolkit is useful for the stages 1 to 3 of the methodology process. In the early stages it can be used to give the entrepreneurs an idea of how it could be possible to structure their business.</p>	
Alternatives & Variants: comparative or alternative practices which achieve a similar result	
<p>Several tools on the internet or in literature provide guidelines on how to develop a business plan or a financial planning. All these tools might be useful to develop a business plan. However, the Venture Development Toolkit is designed especially for high-tech ventures in order to raise awareness for the investor's requirements concerning a business plan and a business model.</p> <p>Examples:</p> <p>Business Plans: A Step-by-Step Guide https://www.entrepreneur.com/article/247574</p> <p>Business plan tool http://www.gruendungszuspruch.de/businessplan/businessplan-template.html</p> <p>This tool supports entrepreneurs in doing their financial planning.</p>	

Impact on Acceleration: Key objectives, how does it accelerate a part or the entire process
<p>The Venture Development Toolkit supports the venture team in developing its business activities. This tool does not only provide all relevant information on business planning, but also offers a structure of venture development. Checklists on theme cards list all the important issues of venture development. By Using these checklists and following the considerations the team is likely to develop a complete and reliable business plan.</p> <p>Estimated impact : ** (MEDIUM)</p> <p>Global feedback from companies and agencies as testers and users : 13.3/20</p> <p><i>Better involvement of the team : 2.5/5</i></p> <p><i>Better perception from investors : 1.8/5</i></p> <p><i>Savings of time and efforts : 3.3/5</i></p> <p><i>Acceleration of the overall process : 2.5/5</i></p>
Resources Required to implement the practice
<p>The Venture Development Toolkit is transferable to every innovation agency and can be also adapted to the corporate design of the agency.</p>
Level of implementation complexity
<p>** (MEDIUM)</p>
Detailed description of the practice
<p><u>COMPONENTS OF THE TOOLKIT:</u></p> <div style="display: flex; justify-content: space-around; align-items: flex-start;"> <div style="text-align: center;">  </div> <div style="border: 1px solid #ccc; padding: 10px; background-color: #f9f9f9;"> <p style="background-color: #0070c0; color: white; padding: 5px; margin-bottom: 10px;">Guide</p> <ol style="list-style-type: none"> 1. The Venture Development System 2. Vision and mission statement: Defining starting points, motivating stakeholders and focusing the team on adressable opportunity 3. Uncertainty – The basis of planning in the innovation business 4. Relevance of the basic concept of a business plan 5. The Venture Development Model: Three steps to a business plan 6. The ideal concept 7. Joint business development in the entrepreneurial team </div> </div> <p style="text-align: right; margin-top: 10px;">The</p> <p>Business Plan Guide provides an overview of the most important initial considerations for new venture development initiatives as well as the content and logical structure of the Venture Development System.</p>

The enclosed poster, illustrating the Venture Development Model, provides an overview of the necessary considerations and is designed as a means of monitoring the dynamic development process of the new venture.



On this basis, individual business plan theme cards with explanations, suggestions and notes convey the knowledge required for the respective components of the new venture development activities.

The following two cards are part of this component:

3

Customer needs



“The customer rarely buys what the business thinks it is selling him. One reason for this is, of course, that nobody pays for a ‘product’. What is paid for is satisfactions. But nobody can make or supply satisfactions as such – at best, only the means of attaining them can be sold and delivered.”

Peter F. Drucker

A thorough customer and market analysis allows for an estimate of turnover and the required sales volume. Therefore, this part of the business plan crucially influences the success of a venture. Furthermore, the results of the analysis allow readers to better understand the size and scope of the market as well as the parameters influencing it.

BASIC SOURCES OF INFORMATION

	Primary	Secondary
Internal	<ul style="list-style-type: none"> - Internal expert survey - Employee survey - Sales team survey or observations 	<ul style="list-style-type: none"> - Order book - Cost calculation - Sales team reporting - Complaint management - Call centre statistics - Online sources - Analytics etc.
External	<ul style="list-style-type: none"> - Customer surveys - Trade surveys - Supplier surveys - Non-customer surveys - Market test or relevant observations 	<ul style="list-style-type: none"> - Authorities/statistics offices - Associations/organisations - Publishing companies/database providers - Stand. information services - Panel data/back data - Media analyses etc.

Customer needs

With their products, companies address the specific needs of their customers. In the context of innovative ventures, needs are often described as customer problems or “customer jobs”. For a service, or product, to be offered there must always be a need in the market. If no such need exists, not even a latent one, then no product can be offered. This is described by the expression “solution in search of a problem”. Entrepreneurial teams should always be able to identify a core problem for their business concept. An example of this is mobility: There are numerous alternative solutions to the core problem of how to get from A to B (train, bus, plane, etc.), which can be combined in an overall problem solution. When “consuming” the solution to a problem, the customer will experience additional problems, e.g. low budget, speed, availability of the respective means of transportation, etc. The customer will make a subjective decision in favour of the combination of solutions he or she finds best. This type of market study is known as a bottom-up analysis. Based on the supplementary needs of all potential customers who have a relevant problem, a market may be segmented. Segmentation of target customers permits marketing strategies to be more efficient and thus for individual needs to be met more effectively. In addition, segmentation is vital in order to find a focus for the business at the earliest possible stage, since the company will not be able to deal with the entire market from the beginning.

The credibility of the statements included in the needs and market analysis is critically dependent on the quality and plausibility of the data. Start-ups usually have no turnover history and therefore no internal sources of data, meaning that there is often a degree of uncertainty, as already described in the guidelines. Therefore, it is crucial in the early phases to develop data that bears up to scrutiny. At the beginning, this usually includes qualitative interviews with potential customers and market experts, LOIs and preliminary contracts with potential customers and, in an ideal situation, initial turnover from the suggested product. To describe the total market, entrepreneurial teams often resort to desk studies. The following figure provides an overview of the sources of information that can be used for a market analysis.

Source: Unknown Author



4

Market

"Anyone not constantly talking to the customer will soon have no more say on the market."

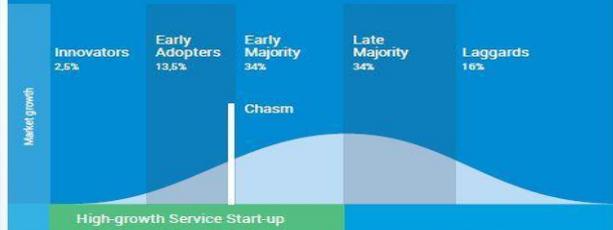
Horst Skoludek

Market

A market study using the total market in the shape of market volume, market potential and predicted market growth to identify a specific customer is called a top-down analysis. As has been indicated above, all customers with a similar core problem represent the total market of the company. At this point, it is also advisable to look into current industry trends.

The bell-shaped curve by Rogers shows the willingness of the market participants to adopt an innovation. Accordingly, only few people are particularly open to new products and assist in establishing the product in the market, followed by an increasing number of "early adopters" who drive the process of diffusion. Once the product has reached peak market penetration, the relevant market participants are referred to as early or late majority. In contrast, people who close their minds to innovation are known as laggards.

DISTRIBUTION OF INNOVATIONS IN THE MARKET



Source: own diagram; adapted from Rogers, E. M. (2003), p. 281. & Moore, G. A. (2002), p. 12.

Checklist

- What customer problem/need is addressed by the proposed product?
- What makes up the individual customer segments?
- Have reference customers already been identified?
- How is the total market defined?
- How big are the turnover and the market share?
- Have industry trends been considered?

Practice 3 - Structured database of investors as a targeting tool

Referent	Support Category
ADI ALPC	Digital Tools
Summary	
<p>Innovation agencies do a lot of media monitoring on fundraising press releases and have many contacts with different kinds of investors able to invest in companies based in their regions.</p> <p>The practice aims at structuring all contact details and useful information linked to these investors. A structured and updated database of investors enables an Innovation Agency to build lists of relevant investors for companies looking for first contacts. The database is also necessary in order to invite investors to be part of investment forums or other events.</p>	
Origin/Source (Testing ground, results, why is it innovative)	
<p>Many investor databases already pre-exist in the information systems of many Innovation Agencies. However most of them use process data and contact details in the same way as other professional contacts such as those of entrepreneurs, consultants, laboratories, clusters etc.</p> <p>The Innovation Agency of Aquitaine region (France), ADI ALPC, is used to carry out media monitoring and interviews of French Venture Capital investors since 2010. All key information about investors is recorded by the team in a structured database. It allows the small team of 2 people of the innovation agency to follow the activity, needs and contacts of around 1000 French seed investors: business angels, funds, corporate investors etc. ADI ALPC helped 43 young innovative companies to achieve their first round of seed capital fund raising.</p> <p>The Agency is renowned for its knowledge of seed investors and its know-how in favouring good relationships between entrepreneurs and investors.</p> <p>A key part of the ADI's process of support consists in targeting and providing each entrepreneur with a short list of 15 to 30 adapted investors. It takes only 2 hours to select and to verify the accuracy of the contacts whereas an entrepreneur on his own will take one week of fulltime work to reach the same result.</p> <p>The results are :</p> <p>Entrepreneurs accept to share their own list of investors with the agency. It allows to enrich the database with additional contact details of investors.</p> <p>A short list of investors allows entrepreneurs and the project manager in the agency to carefully prepare and focus on much customized emails or phone calls towards investors.</p> <p>Very good response rate from investors: 70% of them write a clear answer about their interest (or not) in the presented project.</p> <p>Good positive response rate from investors: on an average 20 % accept a first meeting with entrepreneurs.</p>	
Context: In which context it can be a relevant answer for supported entrepreneurs	
<p>When entrepreneurs plan to meet investors, they usually proceed as it follows in order to identify investors and to get in contact with them:</p> <ol style="list-style-type: none"> 1. They search in their own address book: friends, family, former colleagues or bosses, business cards of people they met during the last years. 2. They check websites with public databases of investors and look for some relevant contact details according to criteria displayed by websites. However most of them are out of date or of 3. for the same types of contacts: most popular VC funds and business angels. These investors 	

are very much in demand.

4. They ask their partners and board members about possible investors of their address books
5. They ask advisors, coaches and other entrepreneurs they know.
6. They look for new contacts with investors on social networks

Disadvantage of a sequential approach :

At last, most of the first rounds need to syndicate several and various investors to gather the total of the targeted amount.

A high risk is that entrepreneurs get contact details of investors little by little and over a long period of time. If all first meetings with investors don't start at the same period, the entrepreneurs won't get contemporaneously any final answers from investors neither.

First VCs that are ready to invest have to wait months until other investors decide to join them and start negotiations. As a result, time loss can be about 2 to 6 months.

In the worst case, after a few months, the first potential investors likely prefer not to wait anymore and sometimes give up.

Targeting investors with the help of a structured database is a relevant answer when :

Entrepreneurs don't have any financial network.

Entrepreneurs don't have a clear idea of the different categories of capital investors

Entrepreneurs have an overdesigned list of investors and have to select those who suit best

A project evolves and needs a repositioning during the fundraising. A complementary targeting of new investors proves to be necessary.

Link to methodology: which part(s) of the process is the applied tool/support

The structured database of investors is very useful and is an accelerating factor starting at the end of the stage 3 (Investor Ready Preparation) when presentation documents are set up: Business plan, financial forecasts, pitch deck and executive summary or one pager.

Alternatives & Variants: comparative or alternative practices which achieve a similar result

Very few consulting firms specialized in fundraising have updated Venture Capital Funds databases but rarely extensive regarding seed investors.

Today, the largest databases of seed capital investors are managed by crowdfunding platforms with a limited access to selected entrepreneurs. Most of the members who invest via these platforms are private bodies, nevertheless total raised amounts can be high.

These kinds of fundraising suit particularly popular projects :

BtoC innovations easy to understand

BtoB health (even very high tech) innovations

Impact on Acceleration: Key objectives, how does it accelerate a part or the entire process

Targeting investors is a very heavy workload for a sole entrepreneur. It takes around 1 week long and often his first list of investors proves to be unsuitable after a series of first meetings. Then he has to start a new period of targeting and so on.

Estimated impact : *** (HIGH)

<p>Global feedback from companies and agencies as testers and users : 15.3/20</p> <p><i>Better involvement of the team : 3.3/5</i> <i>Better perception from investors : 2/5</i> <i>Savings of time and efforts : 5/5</i> <i>Acceleration of the overall process : 5/5</i></p>
<p>Required resources to implement the practice</p> <p>Tool: a contact database/CRM with customizable research criteria.</p> <p>Expertise: a minimum of understanding concerning the different criteria of an investor investment strategy: stage, sector, technological intensity, amounts, re-investment strategy, exit horizon, IRR objectives...</p> <p>Skills :</p> <p>Ability to interview investors and collect relevant information about their needs and strategy.</p> <p>Organization / employees :</p> <p>20% of a FTE (Full Time Equivalent) dedicated to media monitoring about investors, fundraisings, statistics and websites and platforms. 20% of a FTE dedicated to get in touch with investors on social networks, on phone calls and meetings. Targeting investors for entrepreneurs looking for money must be processed by the person who is used to interview investors.</p> <p>Money / time :</p> <p>Cost of database/CRM customization (software development) Building a first database with a minimum of 200 investors: 1 FTE during 6 months specializing in investors monitoring and targeting.</p>
<p>Level of implementation complexity</p> <p>* (EASY)</p>
<p>Detailed description of the practice</p> <p>Customization of a database/CRM as a structured database of investors.</p> <p>Possibility to qualify an organization account and/or an individual account as an “investor” i.e. Creation of a new “investor account”</p>

Accueil Activités Comptes Contacts Investisseurs Projet/Accompagnement Relation investisseur Support +

Appareil lié à : SBOUTIN

Raison Sociale* POSITIVE CAPITAL
 Adresse 1 LIEU DIT CLOS DE MANDOS
 Adresse 2 1469 ROUTE 36 SERRY
 BP
 CP* 4000C Ville* DEULLE
 E-mail générique contact@positive-capital.com

Pays* France
 Site Web http://www.positive-capital.com/fr/ecs-interventions/9/x
 TSI
 Enseigne/Sigle
 Filiale de/Etablissement

* Champs obligatoires

Détails TOUS Investisseurs Contacts Notes Phase closing Historique Activités Activités Projet/Accompagnement Aide et financements Informateurs du compte +

Type de compte* Fournisseur
 sous-type* Consultant

Informations générales

Forme juridique SAS - SOCIÉTÉ PAR ACTIONS SIMPLIFIÉE
 SIRET* 520569254 00015
 Capital social (€) 15 000,00
 Date de création de l'ent... 02/03/2010
 Code APE 7022Z - CONSEIL POUR LES AFFAIRES ET AUTRES CONSEILS DE GESTION
 Fabricant

Informations complémentaires ADI

Adhèrent Pôles&Clusters...
 Adhérent
 Nouveau adhérent
 Prospect attractivité

Référence ALI ALEMALLET
 Chiffre d'affaires (€)
 Résultat net (€)

Financier Investisseur
 Co-investisseur étranger

Possibility to fill structured information into specific fields in order to describe the typology of an investor and his investment strategy.
 Name/Company Name of the investor:
 Contact details:
 Website :
 Type of investor :
 Still investing : yes/no
 Possible rounds of investment :
 Sectors of interest :
 Technology :
 Minimum amount of investment :
 Maximum amount of investment :
 Possible Lead investor : yes / no
 Possible follower investor : yes / no
 Minority investor : yes / no
 Geographical area of investment :
 Known board members (funds) :
 Known investees :
 Notes about investor :

Appareil lié à : ADENALET

* Champs obligatoires

Comptes ACF MANAGEMENT
 Site Web www.acmanagement.fr
 Adresse LinkedIn https://www.linkedin.com/company/acf-management

Investisseur ACF MANAGEMENT
 Société de gestion ACF MANAGEMENT

Type d'investisseur Fonds d'investissement institutionnel
 Archiver

Stade d'intervention Amersgo, Cession/transmission, Ordonnance ordone/build up, Développement, Vente
 Secteurs d'intérêt AERONAUTIQUE/SPATIAL, AGROALIMENTAIRE, DEFENSE/SECURITE, ECONOMIE MARINE, ELECTRONIQUE, INDUSTRIES MECANQUES, NAUTISME/NAVAL, MA...
 Oriente Technologies Projets très technologiques

Ticket minimum (€) 500 000,00
 Ticket maximum (€) 5 000 000,00
 Ticket moyen (€)

Investisseur inactif
 N'intervient pas en Aquitaine
 N'intervient qu'en Majoritaire
 Vaut être leader

Prédictions (Investisseur l...
 Origine investisseur France (hors Aquitaine)
 Origine des fonds Fonds publics (Etat, Collectivité), Industriels
 Origine fonds prédictions

Détails TOUS Annexes (0) Notes +

Ville Faite
 Date veille 25/06/2015
 Veille par qui FOURNIER

Arion veille
 Prédictions Action veille

Recommandé par FFRROT Renil
 Prédictions recommandat...

Practice 4 - Compact Coaching /1st Evaluation of Project	
Referent	Support Category
Bwcon	Coaching
Summary	
<p>The compact coaching helps entrepreneurial teams to assess the viability of their project from the outset. The focus is on a first evaluation of the project as well as on providing information about how to write a business plan according to investor expectations (Venture Development Toolkit) and on financing and funding opportunities. The compact coaching includes an approximately four-hour group course “Introduction to Venture Development” and an individual evaluation conversation.</p>	
Origin/Source (Testing ground, results, why is it innovative)	
<p>It has been tested in the daily bwcon support activities since more than 4 years and is applied to every startup team which enters the support process. At bwcon this practice is standardized. Due to a funding program of the state of Baden-Württemberg it is free of charge for the teams.</p>	
Context: In which context for entrepreneurs supported it can be a relevant answer?	
<p>Entrepreneurial teams in the technology sector are often lacking knowledge in venture development, in particular when they have a technical background. Business development is often learned with a hands-on approach, but basic information on business planning and development is necessary for all of the team members. Furthermore, young companies are tending to provoke mistakes (e.g. development of product without considering the customer needs). A 1st valuation feedback to avoid these mistakes and additional advice on structuring the business has been proven helpful especially for teams in an early stage. Both, the Venture Development Index, an evaluation tool, and an individual conversation with the team is used for giving feedback.</p>	
<p>For the compact coaching we also use the Venture Development Toolkit which provides the basics about structuring a business concept and a business plan. In the group course (4 h) we give general advice on how to prepare a business plan and point out the perspective of investors. In the individual discussion we talk to the entrepreneurs about their project und give individual feedback. This is an oral assessment regarding their venture. The Venture Development Index is an assessment instrument to evaluate the business plan online.</p>	
Link to methodology: which part(s) of the process is the tool/support applied to	
<p>This support method is linked to the stage of project screening and sector specific assignment.</p>	
Alternatives & Variants: comparative or alternative practices which achieve a similar result	

Instead of a combination of the group course and the individual evaluation discussion innovation agencies could focus either on the individual discussion with the team or the standardized group course. These two options would lead to similar results. However, the focus on an individual discussion would require more resources in terms of time and money and the focus on the group course would ignore the individual coaching needs of the team. Therefore, it is recommended to combine both parts of the compact coaching.

Impact on Acceleration: Key objectives, how does it accelerate a part or the entire process

Receiving feedback and an evaluation of the project at an early stage of the venture development helps the teams to assess the viability of their project and avoid mistakes which in turn helps to save time and money. Moreover, entrepreneurial teams learn how to apply a structured framework to their business activities by developing a reliable business plan. Since a well-done business plan is an important instrument for venture development and fundraising, this support practice has been proven helpful for startups in the fundraising process.

Estimated impact : *** (HIGH)

Global feedback from companies and agencies as testers and users : 15.3/20

Better involvement of the team : 4/5

Better perception from investors : 2.7/5

Savings of time and efforts : 4.7/5

Acceleration of the overall process : 4/5

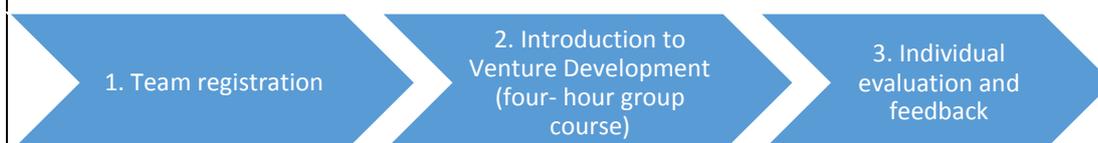
Resources Required to implement the practice

There is a need for people with expertise in venture development, financing and funding opportunities as well as business planning. At bwcon two FTE's are supporting 250 team members per year in the compact coaching.

Level of implementation complexity

**** (MEDIUM)** - The compact coaching is cost intensive. It requires preparation and implementation time as well as educated personnel with skills in business development to prepare and execute the group course and the individual feedback discussion.

Detailed description of the practice



STEP 1 : TEAM REGISTRATION

Registration of venture teams: The team contacts the innovation agency and applies for support services; the team is registered in the database of the innovation agency and steps into the support process.

STEP 2 : INTRODUCTION TO VENTURE DEVELOPMENT

Team members participate in the four-hour group course “Introduction to Venture Development”. The concept of the group course is derived from the structure of a business plan (Product, Customer Needs, Market, Competition, Team, etc.) and gives the team members an overview of the demands and expectations of an investor of a business plan and shows the importance of valid assumptions and a thread throughout the plan. Each participant receives a Venture Development Toolkit (cf. practice “Venture Development Toolkit”) which serves as a means to guide the participants through their venture development, not only in the group course but also for the collaboration in the teams or further coaching. Examples from best practice cases illustrate how to develop the business model and some negative examples exemplify common mistakes and how to avoid them. Furthermore, the course contains information on financing and funding opportunities.

STEP 3 : INDIVIDUAL EVALUATION AND FEEDBACK

Following the participation in the group course, the coach from the innovation agency arranges an individual meeting with the team for the individual feedback. Therein the team members and the coach discuss the business model, the coach gives a first feedback regarding the viability of the project and opportunities and risks are assessed. This meeting is always tailored to the specific needs of the team. In addition to and following this meeting, the Venture Development Index (cf. practice “VDS Index”) is used to offer a continuous assessment of the content and provide the teams with the opportunity to gain from iterated feedback.

<u>Practice 5 - Coaching based on preparation checklists</u>	
Owner	Support Category (Type)
ADI ALPC	Coaching
Summary	
<p>The fundraising checklist is a succession of paper forms which look over the most important things in some steps of the fundraising process. It can be used by the fundraising advisor to establish a diagnosis, educate the entrepreneur and build a to-do list for the next step. With this checklist the entrepreneur is able to know what is missing to succeed his fundraising in good conditions. The aim of the fundraising checklist is definitively to ask good questions and to answer well to avoid doing mistakes.</p>	
Origin/Source (Testing ground, results, why is it innovative)	
<p>The fundraising checklist takes inspiration from the French accelerator The Family. It is innovative because the fundraising checklist is a tool advisor oriented.</p>	
Context: In which context for entrepreneurs supported it can be a relevant answer	
<p>This tool can be relevant to support entrepreneurs for their first structuring seed round. It is an opportunity to improve their skills and knowledge about fundraising.</p>	
Link to methodology: which part(s) of the process is the tool/support applied to	
<p>Preparation checklists are very useful from part 3 of the methodology (Investor ready preparation) until part 5 (Investment mechanics).</p>	
Alternatives & Variants: comparative or alternative practices which achieve a similar result	
<p>Special training sessions about the fundraising process: 2 days of collective sessions including workshops.</p>	
Impact on Acceleration: Key objectives, how does it accelerate a part or the entire process	
<p>The key objective is to increase the quality and the speed of the fundraising process executed by the entrepreneurs supported and gives to him more autonomy. This tool enables to identify as fast as possible what is missing by the entrepreneur and the advisor by reviewing all points of the list.</p> <p>Estimated impact : *** (HIGH)</p> <p>Global feedback from companies and agencies as testers and users : 15/20</p> <p><i>Better involvement of the team</i> : 4.3/5 <i>Better perception from investors</i> : 3.2/5 <i>Savings of time and efforts</i> : 3.8/5 <i>Acceleration of the overall process</i> : 3.7/5</p>	

Resources Required to implement the practice			
An innovation agency needs available employees with an expertise in fundraising. The checklist is a support for the advisor but contains a significant part of subjectivity. It's important that the users of the checklist are trained about the standard needs.			
Level of implementation complexity			
*(EASY)			
Detailed description of the practice			
<p>The use of fundraising checklists does not need preparation. You start at form n°1 and finish at form n°5. At each step the advisor needs to look over each item on topic and rate them. If it is not ok, the role of the advisor is to educate the entrepreneur about subject and how it can be improved. At the end of a meeting, the advisor is able to give a feedback about the weaknesses and the way to solve them. On each form the advisor can take notes in the empty spaces. The fundraising checklist focuses on 4 main topics of the fundraising process:</p> <p>FORM N°1 : PREPARATION</p> <p>The aim of this form is to establish a picture of the firm's situation concerning its fundraising project. It reviews the main subjects that will be dealt with during the first meeting with the entrepreneur.</p>			
		☺ • ☹	
The objectives and the amount associated to the fundraising project are clearly defined.			
Other ways of financing the project have been considered.			
The liquid assets are sufficient to give 6 to 9 months to absorb the fundraising process.			
A fallback strategy is considered.			
The entrepreneur is aware of the other fundraisings that took place in its sector.			
The current associates and shareholders are involved in the fundraising process.			
The entrepreneur has a vision of an exit strategy that he will be able to present to his future investor.			
The leading team is surrounded by advisors specialized in fundraisings.			
The associates have defined who among the team would lead the fundraising process.			
The entrepreneur has a clear view of its firm value			
The entrepreneur knows how to situate its project according to its level of maturity.			
The team already identified and met potential investors.			
The entrepreneur has a good knowledge of the process and steps of fund raising.			
<p>FORM N°2: PITCH</p> <p>The aim of this form is to look over the pitch's elements, in order to validate the strategy formalization into a business plan, for instance.</p>			

Global presentation	☺	•	☹
The general presentation of the project is good			
The project's abstract gives a good vision of the main elements			
The "identity card" of the company is complete			
The presentation is neat, clear and consistent; it brings out the document's content.			
Team	☺	•	☹
The leading team's composition is clear and well presented.			
Everyone's role is clearly explained.			
The experience and the suitability of the team are highlighted.			
The advisors and the members of the board are rightly displayed.			
The distribution of share capital between the associates is clear and well presented.			
Product	☺	•	☹
The product is concretely and comprehensively displayed.			
The main functions are listed and ranked.			
The using context of the product is explicit.			
The major technological axis are correctly displayed.			
Market	☺	•	☹
The current market necessities are rightly presented.			
The firm market is identified and analyzed.			
Actors and ecosystem composing the market are well presented.			
The market characteristics (size, tendencies, geography) are explicit.			
The clients are identified.			
The strategy to access the market is clearly presented.			
The direct and indirect competitors are identified.			
The positioning of the firm regarding its competitors is presented.			
Business model	☺	•	☹

The revenue model is rightly displayed.			
The cost model is rightly displayed.			
The distribution channels are clearly presented.			
Development	☺	•	☹
The product strategy is presented.			
The commercial strategy is expounded.			
Provisional plan	☺	•	☹
Objectives and next milestones are clearly explained.			
The estimated income statement is consistent.			
The financial plan is well presented for 5 years			
The monthly cash flow planning is presented on 24 months.			
FORM N°3: DOCUMENTS			
The aim of this form is to check if the most important documents are at the right level.			
Executive Summary	☺	•	☹
Team and structure			
Product and market			
Progress and next step			
Main figures			
Financial needs and investment project			
Slide Deck	☺	•	☹
Team			
Firm			
Market's needs situation			
Opportunity			
Product			
Market			
Competition			
Sale approach			

Revenues model			
Current situation			
Actions plan			
Financial forecast			
Investment project			
Business Plan			
The presentation is in order, consistent, and highlights the document content.	☺	•	☹
Data room			
A data room has been created to host and share useful documents.	☺	•	☹
Appendices			
Curriculum vitae			
Detailed shareholders repartition			
Commercial pipe in progress			
Past balance sheet and income statement			
Patents and license agreements			
Anteriority and Freedom to Operate (FTO) studies			
Shareholders' agreement			
Trademark registrations			
Research and Development collaborative contracts			
Technic road map			
Market study			
Customers' letters of interest			
Status			
Research tax credit file : calculation methods, covered expenditures			
Customers/suppliers/partners/subcontractors/distributors contracts			
Employment contracts			
FORM N°4: INVESTORS			
The aim of this form is to give the settings of the targeting and of the choice of the investors.			
Investors targeting			
A list of investors that the firm wants to contact has been established	☺	•	☹
The firm's professional network has been used to search potential investors			

Different typologies of investors have been considered			
The line of business matches the investors' expectations			
The entrepreneur masters the different selection process of the targeted investors			
The amount of their investments tickets is adapted to the firm's needs.			
The targeted investors are active (= still investing)			
The entrepreneur knows which will be the leading funds.			
The firm geography is compatible with the investors' investment criteria			
The firm's stage of development is adapted to the stage of intervention of the targeted investors			
The entrepreneur defined an approach strategy for each of the targeted investors			
Investors choice	☺	•	☹
The leading team keeps a good relationship with the investor			
The team trusts the investor, regarding his strategic decisions and his working process			
The integration of this new investor does not compromise the cohesion of the board			
The arrival of the investor in the capital gives more credibility to the development project of the firm			
The investor has a good knowledge of the firm's line of business.			
The investor is a professional investor.			
The investor ensures a follow-up with the leading team			
The investor already made good investments in the past			
The investor can support the firm for another round			
Syndication	☺	•	☹
There are possible synergies between the investors who want to enter the capital			
The investors maintain good relations, which allow them to work together			
The investors will get on with each other about the shared terms and conditions concerning the settings of the investment			

Practice 6 - Assessment of content and maturity level (based on Venture Development Index)	
Owner	Support Category
Bwcon	Coaching
Summary	
<p>The Venture Development Index is a standardized evaluation system that constantly monitors the progress of projects through content analysis. The evaluation system is based on more than 60 items/criteria which assess the content regarding the business plan, the pitch deck and the investor readiness. Using the Venture Development Platform, entrepreneurial teams may, at any given stage, ask Bwcon coaches, independent experts such as investors, members of expert groups and industry representatives to perform an evaluation. All experts are bound by confidentiality. The Venture Development Index is also used as a basis for identifying business coaching needs and assessing these coaching interventions.</p>	
Origin/Source (Testing ground, results, why is it innovative)	
<p>It has been tested in the Bwcon support activities and is applied to every venture team which is part of the Bwcon support process. The Venture Development Index was developed by Bwcon and the Institute for Strategic Innovation and Technology Management of Konstanz University of Applied Science in cooperation with several venture capitalists.</p>	
Context: In which context for entrepreneurs supported it can be a relevant answer	
<p>The Venture Development Index and the evaluation results are helpful for teams in every stage of the development of a business idea, concept and plan. In particular, it has been proven helpful for the teams who are looking for feedback with the aim to improve or modify their venture activities. Based on the evaluation results, the teams can work on the specific issues and request again an evaluation. By obtaining feedback from this support method venture activities can be driven forward systematically.</p> <p>Innovation agencies can make use of the Venture Development Index as an assistant in their activities of venture assessment. Often the evaluation of business documents and models is a matter of subjectivity. Since the evaluation of the Index is based on carefully elaborated evaluation criteria, an assessment by using the index might be more objective and comparable to other evaluations.</p>	
Link to methodology: which part(s) of the process is the tool/support applied to	
<p>The continuous assessment of content and maturity level is applied to entrepreneurial teams in the stages 2-3.</p>	
Alternatives & Variants : comparative or alternative practices which achieve a similar result	
<p>An alternative solution could be the assessment of projects/documents only based on the expertise of the evaluator. However, this is more cost intensive and normally implies subjective evaluation. The given evaluation criteria provide objectivity and also a guidance for a comprehensive evaluation approach.</p>	

Impact on Acceleration : Key objectives, how does it accelerate a part or the entire process
<p>The iterated evaluation provides a continuous feedback regarding the business plan and the venture development. Based on this feedback the teams can work on weak parts of their business concept or modify their business model. These iterated assessments and the following adjustments support the teams in developing a reliable business model and plan.</p> <p>Estimated impact : *** (HIGH)</p> <p>Global feedback from companies and agencies as testers and users : 15/20</p> <p><i>Better involvement of the team</i> : 3.7/5 <i>Better perception from investors</i> : 3.3/5 <i>Savings of time and efforts</i> : 4.3/5 <i>Acceleration of the overall process</i> : 3.7/5</p>
Resources Required to implement the practice
<p>Bwcon uses the Venture Development Platform which is designed for the support of the teams. Teams which get involved into the support process of Bwcon create a venture group in which the team members together with coaches and experts can work on their business concept based on the evaluation. The Venture Development Index is integrated in the platform. The Venture Development Platform is available and transferable to every innovation agency for a user fee.</p> <p>Besides the Venture Development Platform the innovation agency needs employees with expertise on business coaching. The requirement of employees is depending on the number of evaluations.</p>
Level of implementation complexity
<p>** (MEDIUM)</p>
Detailed description of the practice
 <p>STEP 1 : TEAM REGISTRATION AND SUBMISSION OF DOCUMENTS The team creates a venture group on Venture Development Platform and submits its documents (business plan and pitch deck).</p> <p>STEP 2 : TEAMS REQUESTS FIRST EVALUATION The team requests a first evaluation of documents.</p> <p>STEP 3 : ASSESSMENT OF DOCUMENTS Assessment of submitted content by coach or expert: The index uses a 5 point Likert scale. According to the items in the Venture Development Index, the content of the project is evaluated. 1 point in general means that the item is addressed relatively weak and 5 that there is a strong fulfilment of the item. The following gives an overview of the main items of the Venture Development Index:</p>

Management summary

Does the management summary give a concise overview of the business concept's key aspects?

Product idea

What is the maturity level of the product?

Is the technology presented in a comprehensible way?

Is the technology protected?

Robustness of customer need

Is the customer need explained in a comprehensible way?

How mature is the transaction relation to customers?

Market attractiveness

Is the whole market described in a comprehensible way

Are market trends been appropriately taken into consideration?

Is the company's market is growing?

Is the market size relevant?

Quality of competitor analysis

Have all relevant competitors been analysed?

How strong is the analysis of competitive relevant aspects regarding the customer needs?

How strong is the analysis of competitive relevant aspects regarding the technology?

Innovation / unique selling proposition

Is a competitive advantage clearly described?

Is the competitive advantage meaningful significant?

Is the unique selling proposition protected?

Quality of management team

Does the management team cover all relevant competences needed?

How strong is the commitment of the management team?

Does the founder team receive external management consulting, if they do not have the competences?

Quality of market entry strategy

Does the company has a clear positioning?

Does the market entry strategy show any focus?

Do the marketing instruments match the focus and positioning (4/7Ps)?

Is the sales plan described in a comprehensible way?

Has the venture developed an international focus?

Quality of the organization planning

Is the business system clearly integrated?

Is there an appropriate description of the HR management?

How strong is the commitment of the suppliers?

Are the economic aspects sufficiently clarified (location, legal form, etc.)?

Feasibility / time to market

Are the important milestones defined?
Is the sequence of the milestones appropriate?
Is the business plan feasible?

Quality of financial plan

Are the financial plan and the plan for the value oriented business strategy (sales, production, purchasing) adequately integrated?
Are the assumptions of the financial plan solid?
What is the quality of the financing need in general?

Chances and risk evaluation

Is the assessment of opportunities and risks regarding human resources and team/ suppliers and partners/ financial planning/market and customer needs correct?

Pitch-presentation

Evaluation of pitch content
Evaluation of presentation style

Suitability for VC financing

Is the project suitable for VC financing?

STEP 4 : TEAM ADJUSTS DOCUMENTS (AND REQUESTS FURTHER EVALUATION)

Based on the results of the evaluation the team adjusts the business plan and model and requests further evaluation.

STEP 5 : RE-ASSESSMENT OF SUBMITTED CONTENT BY COACH OR EXPERT

STEP 6 : FINAL ADJUSTMENTS

Team adjusts business plan and model and requests further evaluation until their business model and plan is investor ready.

This practice is designed to evaluate a business plan. You could also use it as guidelines to prepare start-up for investor readiness.

Practice 7 - Stimulating investment through syndication and co-funding	
(Example of HBAN Syndicates-Dublin)	
Referent	Support Category
DublinBIC	Coaching
Summary	
<p>Long time-to-market technologies, due to their complexity and drawn out timeframe, require significant levels of funding and benefit from investors with sector-specific experience (Smart money). Syndication provides a structured framework for investors interested in specific technology areas to co-invest. This de-risks the process through sharing the funding round, while also providing knowledge and contacts to the entrepreneur/SME.</p>	
Origin/Source (Testing ground, results, why is it innovative)	
<p>Dublin BIC has pioneered sector-specific syndication through its HBAN network, an all-island investment community. http://www.hban.org/Syndicates/Syndicates.162.html</p> <p>Results: Since the development of the syndication model in 2011, HBAN now operates 6 national and 4 international syndicates and has supported the investment of €61 million in co-funding through its network with an additional €98 million in leveraged funding.</p> <p>Innovation: The approach is cutting edge because it taps into the under-utilized experience of the business community to become business angels (BAs) and also spreads the risk of seed stage investments through co-funding. It is used as a best practice by other BANs (Business angel networks) across Europe.</p>	
Context: In which context the support can be a relevant solution	
<p>The support is highly applicable to long time-to-market technologies as they are typically riskier than most seed stage investments due to their incubation period and often complex and expensive technology solutions. State/Government funding as well as seed funds are good sources of matched funding, however the additional funding entities are dependent on the regional and national ecosystems as well as the levels of funding that are typically invested.</p>	
Link to methodology: which part(s) of the process is the tool/support applied to	
<p>The support is useful for stage 4 and 5 of the methodology process</p>	
Alternatives & Variants: comparative or alternative practices which achieve a similar result	
<p>This is a qualitative support type and generally requires a long time period to establish. However, in the long term vision the return on investment is very high as high calibre companies are attracted by the potential for investment and equally, high calibre investors are attracted by the potential to access quality investment opportunities at an early stage.</p> <p>A more generic approach to co-funding is crowdfunding which also spreads the risk of the early stage investment across a multitude of investors. Crowdfunding can be a good approach of innovation agencies that (i) Do not have access to a business angel network (BAN) (ii) require fast results (iii) Would like to test the appetite/validate the concept for a new product or service. Both regard based and equity crowdfunding can be used as methods for validation or alternatives. However Crowdfunding is unlikely to be as effective for funding long-time-to-market companies as</p>	

rewards will not come to fruition for long time periods which is a disincentive for funders.

Examples of Business Angel syndicates and crowdfunding platforms:

<https://angel.co/syndicates>

<https://www.syndicateroom.com/>

<https://www.kickstarter.com/>

<https://www.indiegogo.com/>

<https://www.crowdfunder.com/>

<http://www.crowding.io/>

Impact on Acceleration: Key objectives, how does it accelerate a part or the entire process

The key objective of the practice is to get an early injection of finance to support the development and commercialization of the product/service.

Acceleration takes place as a result of this early stage finance, which is more likely to occur due to the sector-specific knowledge of the investors as well as the de-risked nature of the investment through co-funding.

Estimated impact : ** (MEDIUM)

Global feedback from companies and agencies as testers and users : 13.7/20

Better involvement of the team : 3.3/5

Better perception from investors : 3.3/5

Savings of time and efforts : 3.7/5

Acceleration of the overall process : 3.3/5

Resources required to implement the practice

The fundamental requirement is in the innovation agency's access to a business angel network AND/OR it's appetite for establishing a network. If the latter, this is a process which can take a significant level of time and typically requires financial support. In Ireland there is state support for such initiatives. The level of funding support is dependent on the size and scale of the proposed BAN, the intended timeframe for execution and the average costs of personnel in the region.

The secondary requirement is access to networks of sector-specific investors or business community contacts that are interested in seed funding. This is dependent on the business community and appetite for investment in the region.

A third resource of significance is sufficient money to operate the syndicate as there is a requirement for administration, identification and coaching of investment opportunities, assistance with syndicate formation. Again, the support should be thought of from a **return on investment** perspective as syndication and co-funding brings the financial support to take innovative ideas past concept stage into commercially viable, scaled businesses. The managers of the BAN would typically incur the running costs of the syndication as part of the services of the entity. These fees can be covered through membership costs and can vary depending on how "hands-on" the approach is. Some syndicates will be strongly self-operating and independent while others may require more assistance.

Level of implementation complexity
*** (DIFFICULT)– due to the timeframe and delicate nature of the support
Detailed description of the practice
<p><u>STEP 1 : DECIDE SYNDICATE FOCUS</u></p> <p>Key considerations are the type of companies that the innovation agency typically works with, for example, if most client companies seeking investment are in the medtech space, the syndicate could make this the focus of their syndication however if there are a wide variety of sectors represented but in small amounts, the syndicate may decide to have the geographic region as the focus.</p> <p><u>Typical syndicate types are:</u></p> <p>Geographic (Regional, national, cross-border) Sectorally focused (food, health, ICT)</p> <p><i>Output: Syndicate type established</i></p> <p><u>STEP 2 : IDENTIFY AND ENGAGE POTENTIAL INVESTORS</u></p> <p>The innovation agency or BAN must approach the business community that are most likely and able to participate in syndication. For syndication to operate effectively, at least one experienced investor should participate in each deal. Additionally, the investor type for the individual syndicates is dictated by step 1 - the type of syndicate that is being established. For example a long time to market company in photonics will probably require investors from this specific space. The process of on-boarding new investors should be continuous as they can contribute to the development of new sector-specific syndicates and also taking on lead positions in deals.</p> <p>An online platform such as GUST can be used to register new members, however this can also be done via a dedicated website with an application form.</p> <p><i>Examples of sources of investors:</i></p> <p>Experienced investors to lead deals Recommendations through other investors Business Networking events Technology/industry related events Direct contact with industry e.g. Lending institutions for Fintech Investors</p> <p><i>Output: Identification and initial engagement with potential investors</i></p> <p><u>STEP 3: VET INVESTORS</u></p> <p>Potential investors should be vetted to ensure they are credible (i.e. that they will invest AND that they do not have a negative history of engagement with startups) and that they have the finances to participate in the investment rounds.</p> <p><i>Output: Active, credible investors</i></p> <p><u>STEP 4 : SET UP SYNDICATE</u></p> <p>Corporate governance, administrative and operational considerations established. These will be adapted to suit each type of syndicate and the preferences of the investors for each syndicate. Some groups may operate at a relatively independent level while others may require more structured assistance.</p>

Sample considerations:

membership accession
format and regularity of engagement
Ownership of administrative functions
Portfolio focus
Sources of investment opportunities
due diligence process and experience

Output: Corporate governance and group structure established

STEP 5 : HOST SYNDICATE MEETINGS AND INVESTMENT EVENTS

Regular meetings and events should be scheduled between syndicate members. These include:

Meeting/event types:

Co-funding meetings with the state/other funding players e.g. VCs
Investment forums
Networking events to on-board new investors
Regular meeting regarding new investment opportunities, corporate governance, review of investment portfolio, meeting with portfolio companies.

Output: Event/meeting schedule, portfolio growth and investment opportunity identification

STEP 6 : GROW THE NETWORK/OPEN NEW SYNDICATES

Once a syndicate has been successfully established the group can expand its core base of investors and/or expand into new areas for investment. Both of these scaling activities will lead to an increase in investment for the innovation agencies client companies. Again, it is important to align these activities with the type of companies/sectors of expertise for the innovation agency.

Methods for growing the network are focused on step 2 - on-boarding investors. The more investors, the bigger the syndication opportunities. Methods for growth include:

PR / communications activities - newspapers, specifically highlighting investments that have been completed / successful exits
Roadshows or events
Inviting investors to pitching events
Targeting specific sectors to create a sector specific syndicate

Output: Larger syndicate AND/OR additional syndicates with segmented focus.

TIPS:

Detailed guide on syndicate formation :

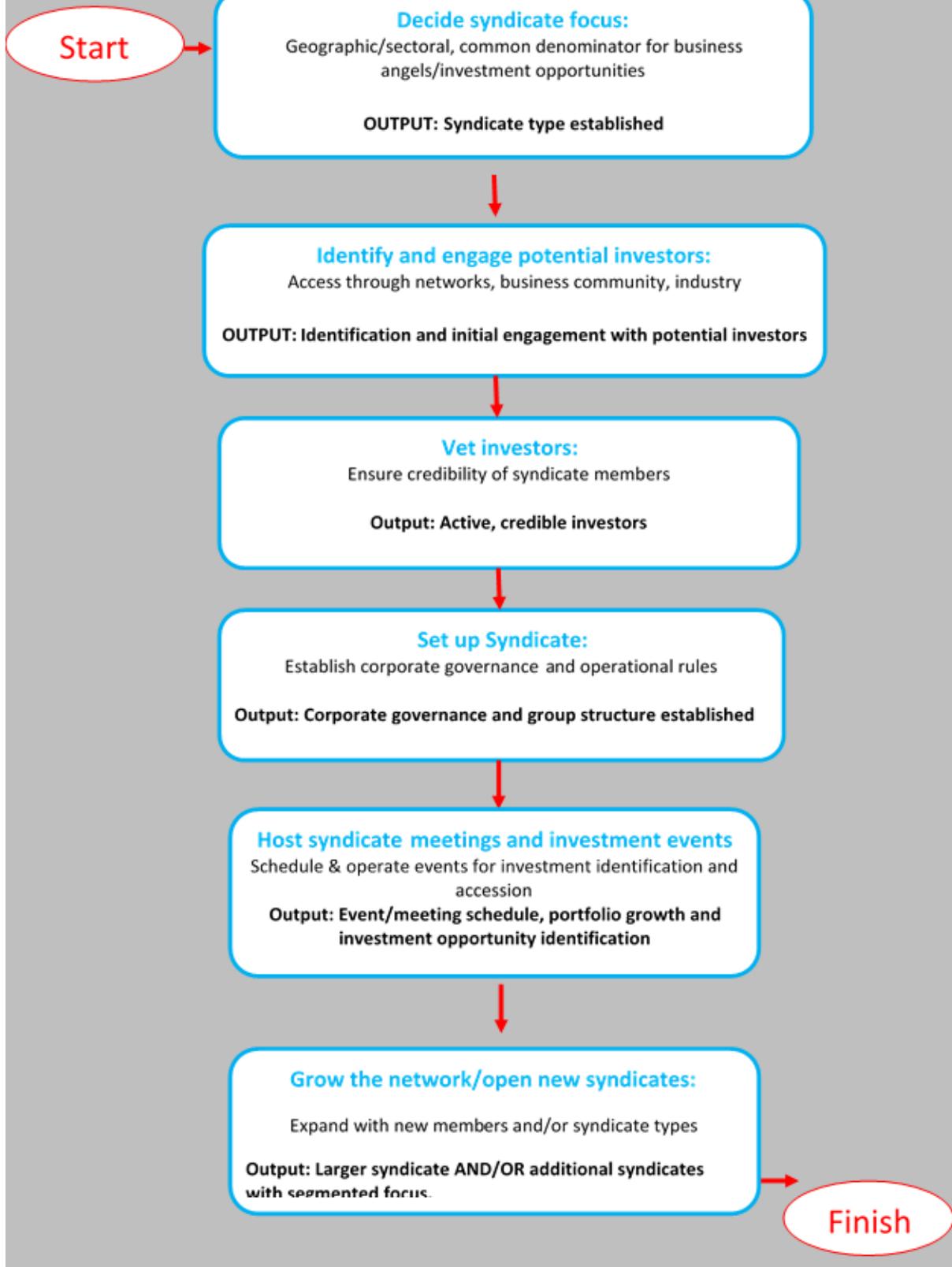
<http://www.intertradeireland.com/media/g17/pdfs/HBAN-Syndicate-Guide.pdf>

Investor experience can be developed by engaging first time/early stage investors in small deals.

It is good practice to establishing an experienced “deal lead” who can lead the group through the investment process, assist with the identification of the investment opportunities and provide knowledge transfer to other group members who can take on the role of deal lead in the future.

Involving other funding partners such as state agencies or VCs can improve the opportunity for co-funding. This spreads the risk for business angels and can have a secondary benefit in that VCs are very experienced and possess in-house resources to manage the due diligence process, which is time consuming.

Process Flow: Stimulating investment through syndication and co-funding



<u>Practice 8 - Pitch Training Session</u>	
Referent	Support Category
CEEIM	Coaching
Summary	
<p>Design of a training session focused on how to define and introduce properly a long-time-to-market project to investors, including contents regarding suitable models, specific tips, investors feedbacks, video-recording and training about the use of different apps and tools that can help the entrepreneur to create an impressive presentation of their project.</p>	
Origin/Source (Testing ground, results, why is it innovative)	
<p>The origin of this methodology is the Murcia-Ban (Business Angel Network) training program and Top-Capital investment forum calls.</p> <p>Along more than 10 editions of the Top-Capital investment forum, this topic has been the most demanded one by entrepreneurs that were thinking about the possibility of introducing their companies to a Business angel or a group of them. This fact made us launch these training workshops. Nowadays, They are already on going due to the results of the implementation and positive investors feedbacks.</p> <p>This training course has been performing in more than 15 editions in a one to one approach and in global sessions with around 15 entrepreneurs.</p> <p>The strong point of this training course is the combination of communication and funding expertise, contact with real investor feedback and real validated models. It covers all the potential communication scenes (elevator pitch, investment forums speed networking, questions after presentation, networking events...).</p>	
Context: In which context for entrepreneurs supported it can be a relevant answer	
<p>When entrepreneurs start the fundraising period, it is crucial to train them on the presentation of their projects to avoid typical mistakes and discouragement among the entrepreneurial team. At the same time, this training session helps the entrepreneur to understand the investors' approaches and their consequences for the start-up roadmap.</p>	
Link to methodology: which part(s) of the process is the tool/support applied to	
<p>This training activity can make sense in the Investor-ready Preparation step</p>	
Alternatives & Variants: comparative or alternative practices which achieve a similar result	
<p>Efficient communication training workshops – they are not really fundraising oriented.</p> <p>Investment forums – Without previous training, it is a risky and expensive way of learning: in many cases, entrepreneurs can damage their project image seriously, and normally it is difficult to recover it.</p> <p>Acceleration programs – They usually cover properly this aim but it is a whole process and these training sessions usually appear at the end of the program.</p>	

<p>Speed networking sessions – Useful but without a previous training, entrepreneurs might miss real opportunities during these events.</p>
<p>Impact on Acceleration: Key objectives, how does it accelerate a part or the entire process</p>
<p>This kind of workshops helps the entrepreneur to understand the investor's approach. As a result they normally perform in a more efficient way with a higher success rate.</p> <p>Estimated impact : *** (HIGH)</p> <p>Global feedback from companies and agencies as testers and users : 14.3/20</p> <p><i>Better involvement of the team :</i> 3.3/5 <i>Better perception from investors :</i> 3/5 <i>Savings of time and efforts :</i> 4/5 <i>Acceleration of the overall process :</i> 4/5</p>
<p>Resources Required to implement the practice</p>
<p>2 speakers with fundraising and communication background Experience dealing with investors and entrepreneurs A classroom with media gadgets (video, microphone, pc, projector...)</p>
<p>Level of implementation complexity</p>
<p>* (EASY)</p>
<p>Detailed description of the practice</p>
<p><u>DESCRIPTION:</u></p> <ol style="list-style-type: none"> 1. <i>Design workshop guide:</i> Firstly a guide of contents, activities and timetable should be done 2. <i>Locate suitable speakers:</i> Identify the best profiles to teach this issue. It is recommendable counting with 2 speakers with complementary profiles and a wide fundraising experience 3. <i>Design the corporate image:</i> It lets our target group know the content and scheme of the workshop and can be used in the spreading campaign 4. <i>Training Course (execution):</i> <ol style="list-style-type: none"> 4.1 Initial practice and global feedback 4.2 Tips, examples, tools from the speakers 4.3 Final Presentation 4.4 General feedback (Teaser and presentation) 5. <i>Evaluate entrepreneurs evolution</i> 6. <i>Satisfaction survey</i> <p><u>RESULTS OF EVERY STEP:</u></p> <ol style="list-style-type: none"> 1. <i>Design workshop guide:</i> Monitor guide 2. <i>Locate suitable speakers:</i> CV and background of the speakers 3. <i>Design the corporate image:</i> Poster of the workshop 4. <i>Training Course (execution):</i> <ol style="list-style-type: none"> 4.1 Pre-warming: According to the index of contents, ask for potential doubts before the course 4.2 Initial practice and global feedback: Video records of every entrepreneurs and global feedback for everyone 4.3 Tips, examples, tools from the speakers: documentation, bibliography and technical contents.

- 4.4 Final Presentation: Video records of every entrepreneurs and global feedback for everyone
- 4.5 General feedback: Teaser and presentation of every project
- 5. **Evaluate entrepreneurs' evolution:** Evolution memo and improvement tips
- 6. **Satisfaction survey:** satisfaction evaluation metrics

WORKFLOW:

TASK NAME	M1	M2
1 Design workshop guide		
2 Locate the suitable speakers		
3 Design the corporate image		
4 Training course		
5 Evaluate entrepreneurs evolution		
6 Satisfaction Survey		

TIPS:

Two speakers with complementary profiles

Create a period of time between the content session and the final presentation following the work of every entrepreneur

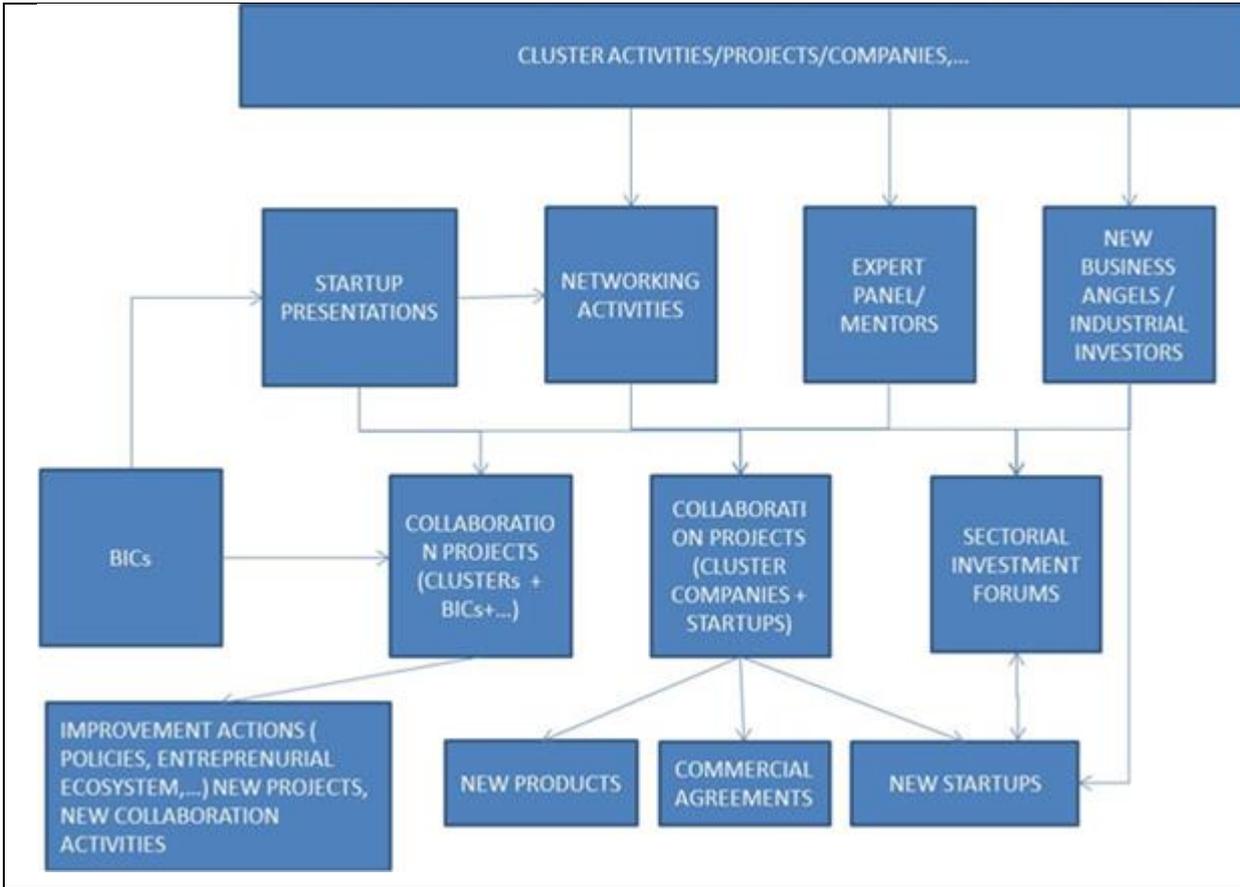
Evaluation memo, contents and improvement tips at the end and only for entrepreneurs that follow the whole workshop

Roleplay with different types of presentations

Before and after recording to show the evolution

<u>Practice 9 - Strategic partnership with specialized clusters for project screening</u>	
Referent	Support Category
CEEIM	Specialists
Summary	
<p>The main objective of this action is to identify truly investable projects through clusters. Today, clusters are a source of new knowledge that in many cases can help to push the creation of new technology-based companies or the development of new business models in existing companies, a fact that intensifies even more in inter-clusters collaborative projects.</p>	
Origin/Source (Testing ground, results, why is it innovative)	
<p>This action allows identifying projects with a high degree of innovation, cutting-edge technology in cross-cutting knowledge areas, in many cases ground-breaking projects.</p> <p>We are collaborating with the Murcia Hotel Association. They are really interested in identifying “smart tourism” technologies from startups in order to implement those technologies in their business process.</p> <p>After one and half year collaborating there are success implementations and every six months we organize events where the startups show their technologies and applications. Other outputs: some Hotels CEO are collaborating with startups and some of them are registered as business angels at Murciaban platform.</p>	
Context : In which context for entrepreneurs supported it can be a relevant answer	
<p>It may be relevant to the extent that:</p> <p>It allows entrepreneurs the access to potential technological partners for their projects development</p> <p>It allows to identify other startups with which working together on the development of new products and/or business models</p> <p>They are integrated in a collaborative environment where there is an active networking with CEOs, companies, investors (business angels, venture capital,...) and for example, with the Regional Development Agency that manages some grants aimed to startups or even to business angels (% of investment). Integration can facilitate access to funding.</p> <p>They are placed in a position that allows them to access large “traction”. Introducing in some international markets is very difficult for some startups, in general. Through this initiative is possible to match collaborations amongst large companies and startups.</p> <p>The whole proposal is innovative in the way that we are combining different approaches, in different levels that traditionally are not use at the same time. (short-mid-long term / strategic-operational/).</p>	
Link to methodology : which part(s) of the process is the tool/support applied to	
Project screening (stage 1) and Sector Specific Assignments (Stage 2)	

<p>Alternatives & Variants : comparative or alternative practices which achieve a similar result</p>
<p>The main alternative is based on monitoring of spin-off companies coming from universities and research centers. In other words to the sources of potential scalable and investable startups. An option would be monitoring spin-off companies from universities.</p>
<p>Impact on Acceleration : Key objectives, how does it accelerate a part or the entire process</p>
<p>Access to potential collaborators and technological partners as well as customers, is an important milestone in the process of acceleration. To the extent that can help validate technologies, improve their marketing capacity and its costs structure, and access to specialized investors.</p> <p>Estimated impact : ** (MEDIUM)</p> <p>Global feedback from companies and agencies as testers and users : 13/20</p> <p><i>Better involvement of the team</i> : 3.7/5 <i>Better perception from investors</i> :3/5 <i>Savings of time and efforts</i> : 3/5 <i>Acceleration of the overall process</i> : 3.3/5</p>
<p>Resources Required to implement the practice</p>
<p>The implementation of this practice requires experienced staff with startups and clusters (mainly, innovation management, commercialization technology,...) , as well as knowledge of the different funding options at regional and national level, so it would be easier to identify opportunities for collaboration among companies and, especially, investable projects.</p>
<p>Level of implementation complexity</p>
<p>** (MEDIUM)</p>
<p>Detailed description of the practice</p>
<p>ADVICE AND TIPS:</p> <p>Developing an online startup portfolio. Incorporating staff members from cluster companies as mentors. Identifying into the clusters potential business angels and industrial investors. Selecting potential “calls” for collaboration projects. Scheduling periodically networking events and showrooms (startup technologies...) Promoting collaborations among large companies and startups (Open Innovation Scheme).</p>



Practice 10 - Identifying & retaining Sector specific consultants

Referent	Support Category
DublinBIC	Specialists
Summary	
<p>Long time-to-market technologies, due to their sophistication and complexity, benefit from sector-specific guidance provided through a consultant with in-depth knowledge in this area. This practice is used to identify, select and retain consultants that have sector-specific experience /backgrounds in areas that are directly applicable to the technology type that is being developed. This knowledge can be viewed as part of the value-chain for supporting these company types and goes beyond the “general coaching & mentoring” which is provided in many support organizations on the typical areas of business development.</p>	
Origin/Source (Testing ground, results, why is it innovative)	
<p>Dublin BIC has pioneered the focus on sector-specific consultancy in Dublin. The selection process form part of the organizations critical success factors for developing start-up companies.</p> <p>Results: DublinBIC has an 88% survival rate for mentored companies and an 82% investment rate. The calibre of the consultants has a significant impact on these metrics.</p> <p>Innovation: The approach is innovative because it focuses on the level of understanding of technology and the specific sector as opposed to just general areas of supporting business. This increases the likelihood of success of the project.</p>	
Context: In which context the support can be a relevant solution	
<p>The support is very useful for the development of all types of entrepreneurs/SMEs, however, it has particular benefits for innovation agencies that work with entrepreneurs/SMEs with long-time to market technologies and/or, deep technology plays. In order to develop complex solutions the entrepreneurs require mentoring from consultants with deep industry knowledge.</p>	
Link to methodology: which part(s) of the process is the tool/support applied to	
<p>The tool is useful for all stages of the methodology process. It has particular relevance to steps 1 – 4. It can be used to identify the best projects from the onset of engagement and accompany them through the process, preparing them for early engagement with investors and assisting to identify those types of funding sources most applicable to the entrepreneur/SME.</p>	
Alternatives & Variants : comparative or alternative practices which achieve a similar result	
<p>This is a qualitative tool which relies on the experience of the selected consultants and, as such, cannot be supplemented for a different type of support. However, sector-specific experience is found universally so every innovation agency can access it through careful cultivation of these relationships.</p>	

Impact on Acceleration : Key objectives, how does it accelerate a part or the entire process
<p>The key objective of the practice is to get an early understanding of the likelihood of success of the business idea which is garnered through the consultant’s understanding of the sector and market.</p> <p>Acceleration takes place as a result of an early understanding of the critical success factors for this type of sector/market: EG the dominant players/ competitors, typical business models, level of disruption of the business idea, level of market saturation and maturity. This understanding enables the consultant to, at an early stage, assess the business idea’s opportunity and likelihood to succeed and scale in their selected market. Acceleration also occurs, in many circumstances due to the provision of industry contacts that assist with commercialization, route to market and market traction.</p> <p>Estimated impact : *** (HIGH)</p> <p>Global feedback from companies and agencies as testers and users : 14.7/20</p> <p><i>Better involvement of the team</i> : 3.3/5 <i>Better perception from investors</i> :4/5 <i>Savings of time and efforts</i> : 3.7/5 <i>Acceleration of the overall process</i> : 3.7/5</p>
Resources required to implement the practice
<p>The fundamental requirement is in the innovation agency’s own capacity to identify talented consultants. This can be time consuming, however, one identified and retained, the relationship will typically exist for a long time. In DublinBIC, the consultancy team has worked with the organization for an average of 6 – 8 years.</p> <p>The secondary requirement is access to networks of potential sector-specific consultants. This is dependent on the type and level of industry, corporates, educational institutes and general business networks that the innovation agency can access. For example, DublinBIC</p> <p>A third important resource is sufficient money to pay the consultancy fees. This is a trade-off as using experienced consultants typically means engaging higher quality entrepreneurs/SMEs that, through coaching and mentoring, have a greater likelihood of securing investment and access opportunities to scale. Thus the innovation agency experiences a return on investment. It is possible for the startup to pay fees for the consultancy work, however, as many startups have very little funding this element can be complex. Potential solutions are partial payment or equity shares as a contribution.</p>
Level of implementation complexity
<p>*** (DIFFICULT) – due to the qualitative nature of the process.</p>
Detailed description of the practice
<p><u>STEP 1: ESTABLISH SELECTION CRITERIA</u></p> <p>Key considerations are the type of companies that the innovation agency typically works with, for example, if most client companies are in the medtech space, the innovation agency will need to add this as part of the criteria.</p> <p>Typical criteria are:</p> <p>Experience as a founder/entrepreneur International experience</p>

Level of education – MBA etc
Relevance of sectoral background
Senior Position held in industry/sector

Output: Template brief created with key characteristics/skillsets tailored to organizational requirements

STEP 2 : IDENTIFY AND ENGAGE WITH SOURCES OF POTENTIAL CONSULTANTS

The innovation agency must approach the networks that contain a community that fit the criteria sought in step 1.

Examples of sources of consultants:

Business Networking events
Technology/industry related events
MBA programs/educational programs
Direct contact with industry eg. Vodafone for telcos
Technology Centers
Retired seniors with high experience in specific technologies.

Output: Identification and initial engagement with potential candidates

STEP 3 : SCREENING /TRIALING POTENTIAL CONSULTANTS

The selected consultants should be trialed to evaluate if they are a good fit with both the organization and the entrepreneurs. In some instances, the consultants might not have worked directly with entrepreneurs so this area may require some guidance and establishment of expectations.

Methods for trialing:

Shadow an existing consultant
Run a group workshop where the new consultant can be observed and assisted
Give the consultant 2 – 3 entrepreneurs/projects to work with. Monitor progression and request feedback from the mentored startups/SMEs.

Output: Recruitment of consultant OR no-go decision

STEP 4 : RETAIN CONSULTANTS

Draw up contract with the consultant, establish first client relationships and select appropriate sector specific companies from portfolio for guidance.

Output: Consultant retained and initial client engagement

TIPS:

Many of the best sector-specific consultants continue to achieve high results **because they continue to work in industry**. This ensures that they remain part of the ecosystem with relevant contacts, experience and up-to-date, current industry knowledge i.e. they continue to understand the **state of the art**. The relationship with these consultant should be cultivated however, they should not, typically, become full-time employees of the organization and **should remain free-lance** or on retainer.

Developing relationships with academia and industry will assist with finding appropriate consultants.

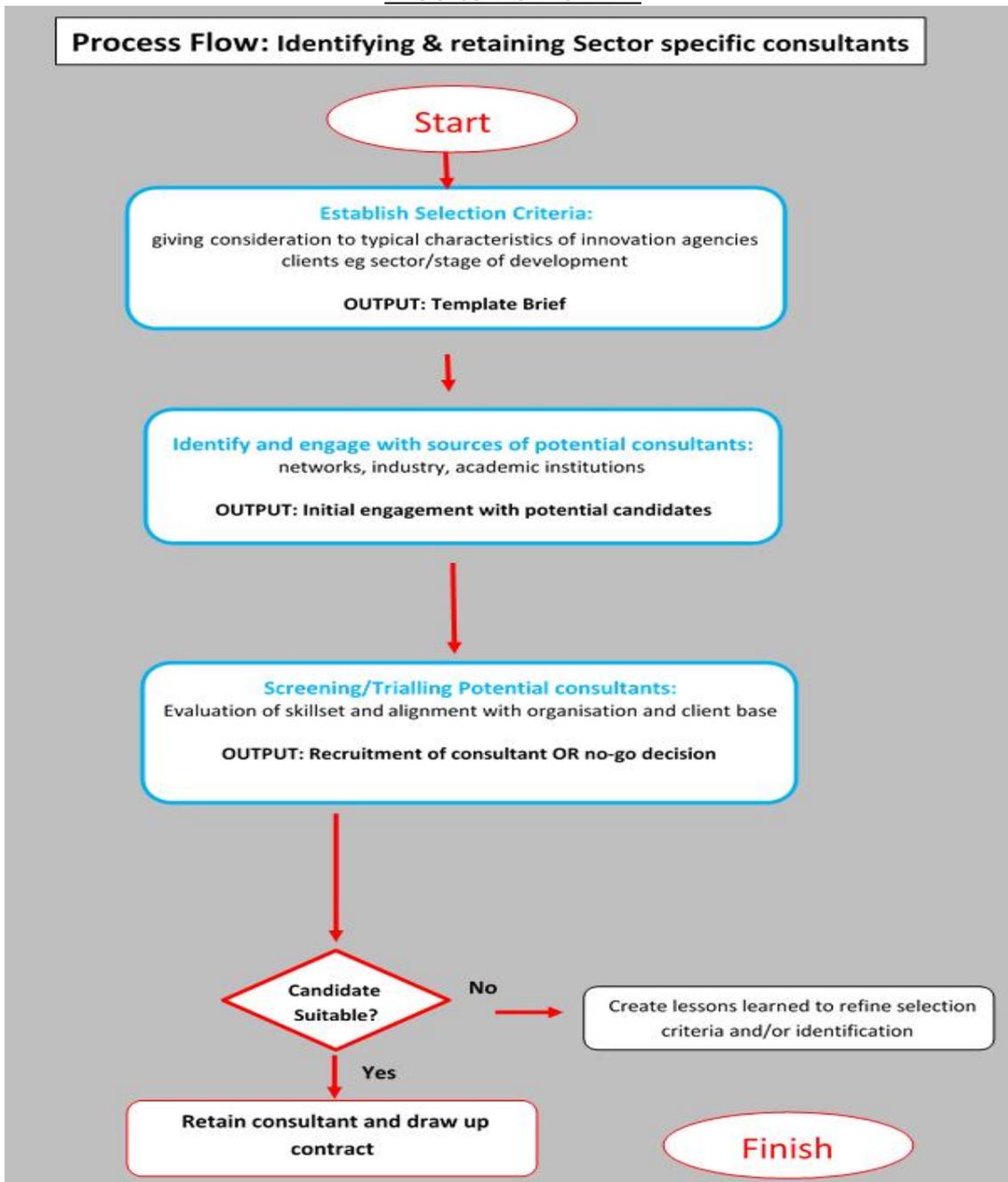
The consultants themselves can be a good source to grow the consultancy base.

Direct industry experience and preferably start-up/entrepreneurial experience have a significant impact as they add credibility and understanding.

A coaching qualification can be a beneficial characteristic as this assists with the client engagement process.

The process should be used as a lessons learned to refine the criteria for selection and critical success factors.

PROCESS FLOW CHART:



Practice 11 - Investor Ready Preparation Support

(Client Assistance Programme - CAP)

referent	Support Category
Richard Watson, Dublin BIC	Mentoring
Summary	
<p>The Client Assistance Programme (CAP) supports start-up companies in developing an investor ready business plan (typically prior to a start-up's first seed round). As part of the process, startups are advised on their funding strategy and, in many cases, in putting together a well-honed investor pitch deck towards the end of the process. Startups that are deemed to be investor ready at the end of the process are introduced to the Dublin BIC-managed Halo Business Angel Network and other potential sources of investment (e.g. the Dublin BIC-managed AIB Seed Capital Fund). The Client Assistance Program is in the form of one to one mentoring between a designated Dublin BIC consultant and the company, typically for 10 – 20+ hours over a period of several months (can be longer/shorter in some cases). Towards the end of the program, companies are reviewed by a Dublin BIC Strategic Panel, comprised of 3 or 4 internal and external business experts, which forms the basis of a decision gate on the strategy and plan in terms of investor readiness.</p>	
Origin/Source (Testing ground, results, why is it innovative)	
<p>It has been in operation in Dublin BIC for over 25 years, with over 800 companies completing investor ready business plans through the program. It is free of charge to startups. Over the past decade, a five-year survival rate of over 80% for companies going through the program was achieved (compared to a 61% five-year rate for all Irish start-up companies (Ref: CSO Business Demography).</p>	
Context: In which context for entrepreneurs supported it can be a relevant answer	
<p>Most startups are unfamiliar with the intricacies of developing an investor ready business plan and a realistic funding strategy. Startups are often very product/technology centric on account of the typical technical profile of founders, and they generally need advice/support in: appraising the market; understanding their customers and the value proposition; developing a robust business model and a scalable sales & marketing strategy; identifying gaps in the management team and key hires required; developing a comprehensive and realistic financial plan. Founders often need advice on how to put together a well-honed investor pitch to “hook in” potential investors when they have the opportunity to pitch.</p>	
Link to methodology: which part(s) of the process is the tool/support applied to	
<p>The support is relevant to: (2) Sector Specific Assignment, (3) Investor-ready Preparation, and (4) Investor Engagement Strategy.</p>	
Alternatives & Variants: comparative or alternative practices which achieve a similar result	
<p>Alternatives include:</p> <ul style="list-style-type: none"> (a) The assignment of an Enterprise Ireland (Irish state agency) mentor to the company, which is funded by Enterprise Ireland. These mentors often provide less hours to the start-up (than CAP) and in many cases do not have expertise in funding strategy and the start-up investment landscape. (b) The company paying for an independent business consultant, which can be hit and miss, as 	

many to not have deep domain knowledge within the start-up area.

(c) Enterprise Ireland's SPRINT Programme (delivered by Dublin BIC), which is delivered to a group of circa 20 startups at a time through lectures, interactive workshops and facilitated peer learning sessions. This, however, does not result in each company having an investor ready business plan at the end of the program and does not provide 1:1 advice on funding strategy and access to finance.

<https://www.enterprise-ireland.com/en/start-a-business-in-ireland/sprint>

Impact on Acceleration: Key objectives, how does it accelerate a part or the entire process

The key objective of the Client Assistance Programme is to support companies in honing all elements of their business plan and fundraising strategy to put them in as strong a position as possible to raise sufficient investment from seed funds, business angels, stage agencies and other sources. Through 1:1 engagement with an experienced consultant over a period of time, issues and opportunities in the context of the business plan and fundraising strategy are identified, discussed and addressed. This can often lead to significant changes in a start-up's business plan and funding approach, reducing risk for investors and increasing the opportunity for successfully scaling the business, leading to potentially stronger investor returns.

Estimated impact : *** (HIGH)

Global feedback from companies and agencies as testers and users : 15/20

Better involvement of the team : 3.7/5

Better perception from investors : 4/5

Savings of time and efforts : 3.7/5

Acceleration of the overall process : 3.7/5

Resources Required to implement the practice

The key requirement is access to a panel of experienced business consultants with expertise spanning the range of markets that the start-up companies (to be supported by the Programme) operate in.

Ideally the consultants should have: (a) strong international experience; (b) worked or are working in a high potential start-up; (c) deep sectoral knowledge of the start-up sectors to be supported; (d) deep insight into the local start-up ecosystem, including sources of investment and characteristics and dynamics of the investor groups; (e) MBA or similar. *See "Identification & Retaining of Sector Specific Consultants" for more information on Consultants' criteria.*

There is obviously a financial requirement to: (a) pay the consultants an agreed hourly rate for the time spent supporting the start-up companies through the program, (b) fund the administration of the program, including receipt and initial pre-screening of enquiries.

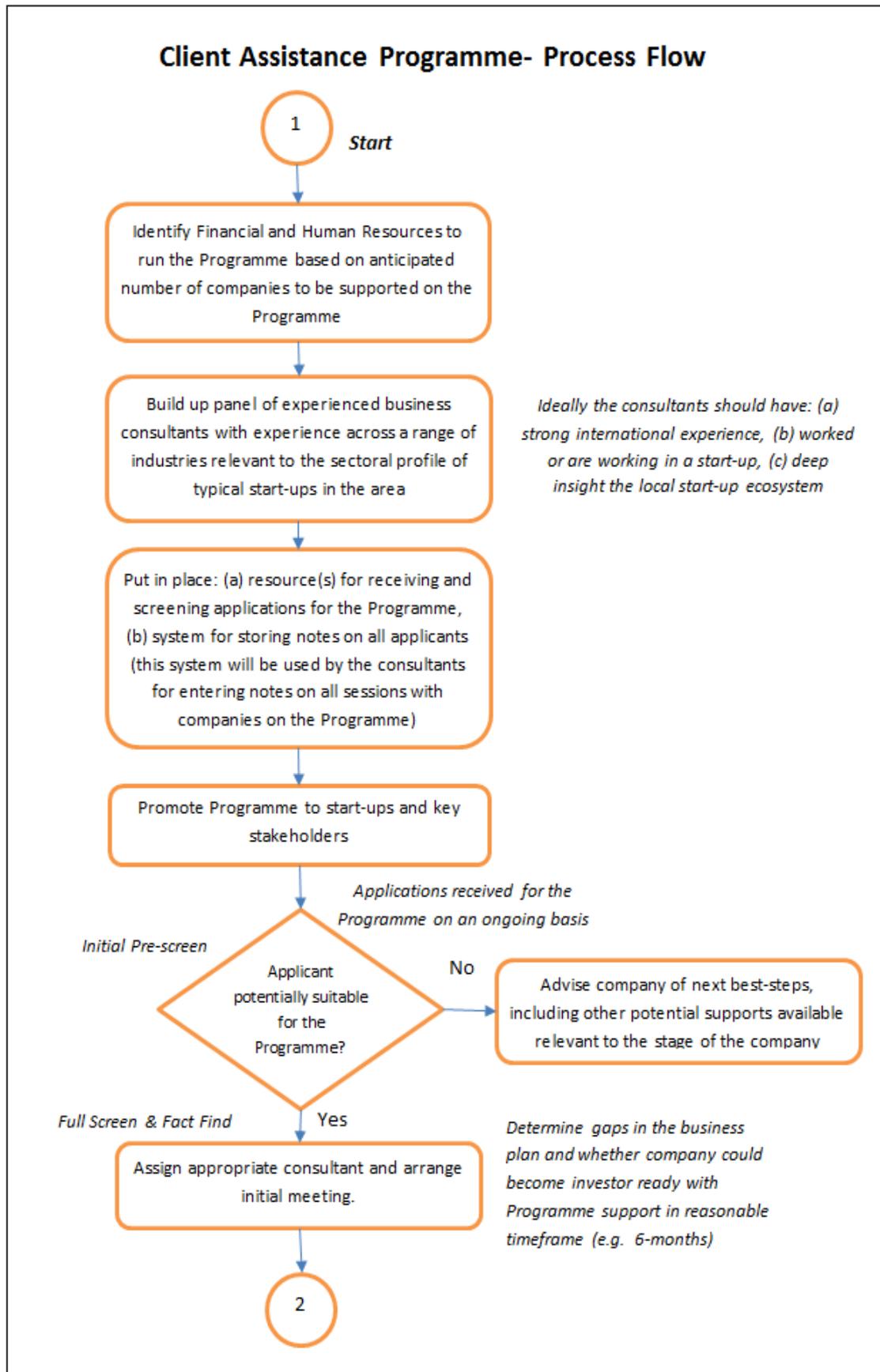
A database is required to record all enquiries and for the consultants to record key points from company meetings, including advice and outputs.

Level of implementation complexity

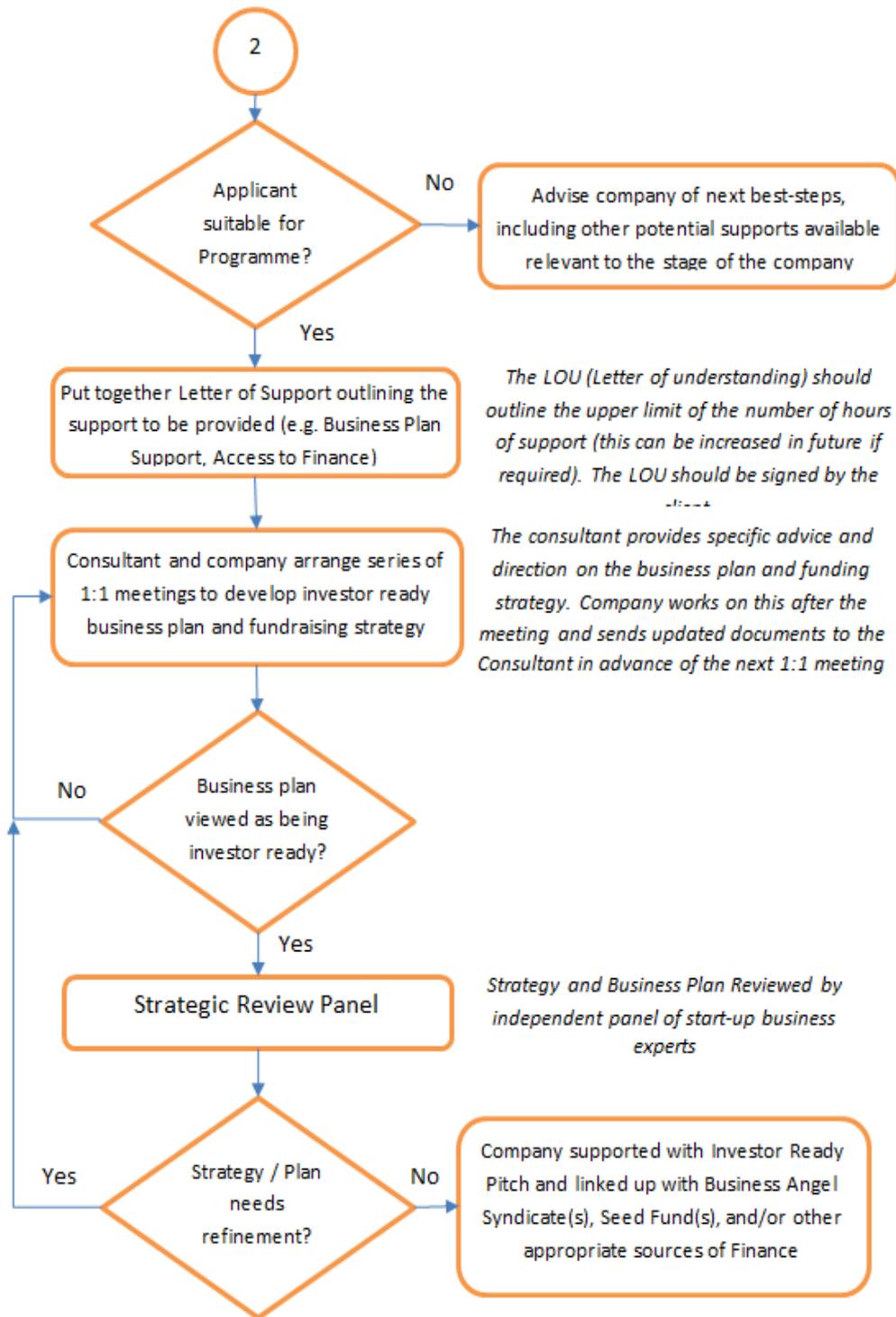
*** **Difficult**, on account of the time required to build up a panel of suitable consultants and the financial resources required to pay for the consultants and administration of the service.

Detailed description of the practice

Client Assistance Programme- Process Flow



Client Assistance Programme- Process Flow (continued)



**Practice 12 - Mentorship by entrepreneurs experienced
in fundraising process**

Referent

Support Category

ADI ALPC

Mentors

Summary

The practice utilizes entrepreneurs as mentors, providing a practical support for entrepreneurs during the fundraising process as is aimed to complete investment preparation support by Innovation Agencies. Focusing on fundraising issues, this specific mentoring is relatively simple to implement and proves to be a valuable aid for entrepreneurs who have never met any Business Angels and VCs before.

Professional coaches structure and manage the whole approach, provide technical advice and external feedback to entrepreneurs. Mentors speak as credible entrepreneurs and build strong links with their peers that allow to boost entrepreneurs' morale if need be, to share their experience and their useful contacts. Moreover they often help them to articulate their fundraising process with the day-to-day management of a company and sometimes with their private life.

Origin/Source (Testing ground, results, why is it innovative)

A "fundraising Club" was launched in 2013 by ADI ALPC. The objective was to ask experienced entrepreneurs who had been supported by the Innovation Agency in their fundraising process to get involved as mentors in the process of new entrepreneurs. A run trial was carried out during a 2 year period and 14 duos Mentor/Entrepreneur were formed. At the end of the process, 6 entrepreneurs had not raised funding while 8 had secured a round.

From that experimental period the Agency drew useful lessons :

Entrepreneurs are enthusiastic and say they feel more confident with mentoring.

Mentors are easy to on-board as they are very willing to participate but have significant time commitments meaning their availability is scarce.

Investors were very positive about the mentoring approach and many of them offered the mentor a board position with the company after they had invested in.

Facilitating impact on the overall process is clear.

Mentoring activity lightens the Agency coaching workload: around 10% per project.

Context: In which context it can be a relevant context for the supported entrepreneurs

It is a real added value in the context of an entrepreneur beginning the fundraising process for the first time.

Link to methodology: which part(s) of the process is the tool/support applied to

The mentoring focusing on fundraising has to be implemented ideally during the stage 3 of the methodology: when a first strategy of fundraising is to be confirmed.

This support ends up naturally when funds are raised.

Alternatives & Variants: comparative or alternative practices which achieve a similar result

Entrepreneurs that have a large network of seasoned entrepreneurs may have the opportunity to utilize this relationship for advice on the fundraising journey. Nevertheless, we observed several bias when entrepreneurs meet directly other entrepreneurs in an informal context without any assurance of confidentiality :

Some tend to not disclose important details of their story

Some others want to show a positive image at all costs

Successful and useful mentoring approach needs to create the necessary conditions of openness and trust.

Impact on Acceleration: Key objectives, how does it accelerate a part or the entire process

Mentorship by experienced entrepreneurs accelerates certain parts of the fundraising process :

Choice of the ideal fundraising scheme in advance of first meetings with investors

Decision of the entrepreneur to get involved at 100% of his professional time

Boosts morale and encourages entrepreneurs that are disheartened

If necessary, assists with the selection of lawyers or other advisors

When entrepreneurs are in the process of selecting the right investors and are organizing their fundraising strategy

Estimated impact : * (LOW)

Global feedback from companies and agencies as testers and users : 12.3/20

Better involvement of the team : 3.3/5

Better perception from investors : 3.7/5

Savings of time and efforts : 3/5

Acceleration of the overall process : 2.3/5

Required Resources to implement the practice

Network of entrepreneurs

The most important is to have close relations with numerous and various entrepreneurs who have already managed to raise private funds for their company. This relationship is key for the innovation agency in order to be successful in on-boarding them as volunteers.

Writing or adapting a tripartite contract

Creation of a context of mutual confidence and confidentiality implies drawing up a document to be signed by 3 actors : mentor, entrepreneur and the agency.

It is highly recommended to write it with a lawyer.

The NDA must have been signed from the start of the relationship.

Human resources and skills

Any coach of an agency, even those not specialised in fundraising issues can implement the methodology.

Time

Building a network and convincing the first 10 potential mentors : 1 month FTE

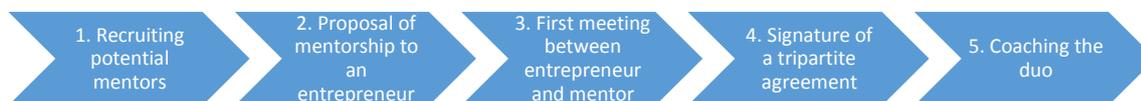
Initiating a mentorship with an entrepreneur : a total of 1 day FTE

Assistance to the duo : advice, coordination, stimulation of the relationship, review meetings etc. : 3 days FTE

Level of implementation complexity

*(EASY)

Detailed description of the practice



STEP 1 : RECRUITING POTENTIEL MENTORS

The first action is to identify a minimum of 10 entrepreneurs who have completed at least a first significant round of fundraising (more than 200k€) from the innovation agencies ecosystem.

It is recommended to focus on entrepreneurs that have raised funds recently (4 years ago maximum). Indeed it has been noticed that entrepreneurs in growing businesses tend to forget what their real mindset was, a few years before. In addition to that, the financial context evolves quickly and inexperienced entrepreneurs prefer to talk to mentors that are aware of their reality.

Arguments to convince an experienced entrepreneur to become a mentor :

- He will discover in more depth a project and a person in a one to one relation
- He has the opportunity to give back a little bit of what he get from the ecosystem
- Even if his company is still young, he can teach how to avoid the mistakes he made
- He won't spend a lot of time in the mentorship,
- He isn't responsible for the success or the failure of the fundraising approach
- He will be backed by the agency that remains the first coach of the entrepreneur

STEP 2 : PROPOSAL OF MENTORSHIP TO AN ENTREPRENEUR

It is really easy to convince an entrepreneur to accept mentorship, but the choice of the mentor is sometimes tricky. Whenever it is possible, it is better to prefer a mentor in the same sector as the entrepreneur, or in activities with similar technical or market context. As soon as the agency selects an appropriate mentor, this one collects initial reactions. At this juncture it is important to highlight possible conflicts of interest or other major incompatibilities.

The next step is to contact the mentor and provide an overview of the entrepreneur to them, with specific focus on the fundraising context. If both parties are agreeable, the next step is to set up an initial exploratory meeting between the two parties.

STEP 3: FIRST MEETING BETWEEN ENTREPRENEUR AND MENTOR

Ideally, the initial meeting should take place in an informal environment, which fosters discussion. The role of the agency is to introduce the parties, chair the interview and ensure that an effective meeting takes place with necessary topics covered.

At the end of the meeting, the agency :

- Gives them a short presentation of a mentoring process: rules, possibilities, etc.**
- Gives them a copy of the standard tripartite contract of mentoring**
- Offers them to think about all the elements before accepting the approach**
- Sets up a date to obtain the 2 decisions in order to sign the convention**

STEP 4: SIGNATURE OF A TRIPARTITE AGREEMENT

Key elements of the contract

Role of the agency :

Admin support and management of the contract (versions, starting and ending dates etc.)

Coaching

Role of the entrepreneur

Role of the mentor

Non disclosure agreement

Potential future conflict of interests

Involvement of entrepreneur and mentor (frequency of meetings : minimum one meeting between entrepreneurs and mentors every month)

Cost of the mentorship: free of charge.

Term of the contract

STEP 5: COACHING THE DUO

Throughout the mentoring process, the agency monitors the evolutions of the relation by meeting regularly either the entrepreneur or the mentor.

<u>Practice 13 - Integration of operational investors</u>	
Referent	Support Category
ADI ALPC	Teams
Summary	
<p>Many early-stage companies with high levels of technology development and innovation are founded by people with specific industry backgrounds such as engineering or medicine. These team members add significant value at the R&D/feasibility stages, however, they lack the commercial skillset to bring the idea to market. The “Integration of operational investors” tool seeks to on-board investors to not only provide finance for the venture but also join the team, bringing added value through their commercialization focus and knowledge. This is known by the industry term “smart money” and is a feature of business angel funding landscape. This adds significant strength to the company when they are seeking further funding through VCs.</p> <p>Definition of the term “operational investor” : in the practice description, we call “operational investor” a person who both :</p> <ul style="list-style-type: none"> enters the capital of a company several months (or years) after its incorporation as a partner with a significant contribution capital injection (like a business angel) giving him an important percentage of shares (over 10%). joins the managing team of the company as a full time manager, involved in the daily management, decision-makings and business according to his or her skills and professional experience with a possible remuneration (unlike a business angel or a consultant). <p>The “operational investor” is a talented person who enters as a second step into partnership with founders and completes the operational managing team with vital complementary competencies working 100% of his time in the company over the long term.</p>	
Origin/Source (Testing ground, results, why is it innovative)	
<p>ADI ALPC, the Innovation Agency of Nouvelle Aquitaine region (France), has been experimenting this practice since 2014 and now the process is quite mature.</p> <p>During the year 2015, ADI ALPC successfully carried out 4 integrations of operational investors in 4 different companies. 2 of these startups have raised additional money from VCs shortly thereafter and 2 others got sufficient funding from operational investors to meet their needs.</p> <p>The innovation of the tool is in its formalisation of a process that is typically very informal and unstructured, thereby hard to replicate. Albeit that there still remains some uncertainty of the long term fit between the new team member and the original founders the methodology provides a foundation for successful matchmaking to encourage a good fit.</p>	
Context: In which context it can be a relevant answer for the supported entrepreneur	
<p>It is really recommended to operate such a practice when all these necessary conditions are fulfilled by the young company :</p> <ul style="list-style-type: none"> it lacks one or more of these essential skills in its original team : R&D, management, business development Existing founder(s) is (are) ready to be involved in the process and really open to share their daily decision making power with a potential new partner. 	

<p>And it can be a matter of life and death for a company in these particular situations :</p> <p>It is looking for VCs and Business Angels but realizes that its current team won't succeed in convincing investors about its quality and complementarity. Indeed in order to invest his money in a young company, a BA has to strongly entrust its current managers for their ability to achieve the objectives they set. If things go wrong, He hasn't much power on daily decisions and actions to improve the situation: just a possibility to have reports of information, to advise or mentor the managers, to put in contact with people from his network. If a BA has the slightest doubt about competences of managers, he usually doesn't invest. Conversely, if an operational investor detects in a young company a need of additional and complementary competences and if he feels able to be the right person who would bring the required skills, he might be interested in joining the capital and the team.</p> <p>It is likely to run out of cash soon before achieving a seed round of fundraising</p>
<p>Link to methodology: to which part(s) of the process is the tool/support applied</p>
<p>Starting point of the practice : during stage 2 (Sector Specific Assignments)</p> <p>Integrating an operational investor in a team of original entrepreneurs is a process that can take place after entrepreneurs</p> <p>have decided to start a fundraising process</p> <p>have prepared their first version of presentation documents for investors (Pitch deck, business plan)</p> <p>have realized their skills gap/need to build a stronger team to achieve their fundraising</p> <p>Ending point of the practice : At the end of stage 5 (Investment Mechanics)</p> <p>Ideally, as soon as the operational investor has been identified and interested in the company, he or she will join the team and work on the final version of presentation documents.</p> <p>Then, depending on the situation there are 3 possible cases :</p> <ol style="list-style-type: none"> 1) The operational investor brings straightaway all the money that the company planned to raise: the fundraising is completed. 2) The operational investor immediately enters the share capital but the money brought isn't enough to complete the total fundraising. So, the new team has to continue the overall fundraising process so as to convince VCs to invest additional money. 3) The operational investor and the existing team decide to go and convince VCs to invest in the company. So the operational investor brings his or her money simultaneously in.
<p>Alternatives & Variants: comparative or alternative practices which achieve a similar result</p> <p>possible alternative is sometimes the recruitment of a new manager but</p> <p>An employee is often regarded by VCs as a person less committed in business than a partner.</p> <p>Paying an additional salary and spending more money each month during the fundraising period can shorten this period before the company is out of cash.</p>
<p>Impact on Acceleration: Key objectives, how does it accelerate a part or the entire process</p> <p>Potential accelerating factors :</p> <p>Additional operational skills and human resources speed up the entire process</p> <p>Possible transformation of an average company into a top flight one</p> <p>A completed team increases its chances to convince VC's to invest shortly thereafter.</p>

<p>Estimated impact : *** (HIGH)</p> <p>Global feedback from companies and agencies as testers and users : 14.7/20</p> <p><i>Better involvement of the team : 2.7/5</i></p> <p><i>Better perception from investors :3.3/5</i></p> <p><i>Savings of time and efforts : 4.7/5</i></p> <p><i>Acceleration of the overall process : 4/5</i></p>
<p>Required resources to implement the practice</p> <p>Networks: Close links with potential business buyers and with senior managers looking for new professional life.</p> <p>Time: 10 % of a FTE dedicated to interviews of potential operational investors and matchmaking with startups.</p>
<p>Level of implementation complexity</p> <p>*** (DIFFICULT)</p>
<p>Detailed description of the practice</p> <div style="text-align: center;">  </div> <p><u>STEP 1 : IDENTIFICATION OF OPERATIONAL INVESTORS PROFILES</u></p> <p>What is an operational investor?</p> <p>He can be defined as a person who</p> <ul style="list-style-type: none"> Is looking for a new professional activity has a strong entrepreneurial mindset hasn't his own startup project and prefers joining an existing company is available to contribute to a project from now on has got money to invest in the company he will work full time in <p>Who are operational investors?</p> <ul style="list-style-type: none"> Experienced people with enough money to invest experienced Senior executives in large multinational corporations being attracted by entrepreneurship People having difficulties in taking-over alone an existing business and ready to enter the capital of a young one as a co-founder and minority investor. Business angels looking forward to involving again in business operationally <p>How is it possible to find operational investors?</p> <ul style="list-style-type: none"> Posting advertisements on social networks or innovation agency websites

Identifying value added profiles with governmental employment agency and recruiting firms
First interview of potential operational investors

This first meeting is key. It aims at finding out :

Their skills, know-how and experiences
How much they are willing to invest in a company
What are their personal objectives and constraints
Sectors they are focusing on
Etc.

Further interviews with operational investors are recommended so as to go more in-depth regarding their “mindset, motivation, requirement, personality etc.” ideally with the help of a human resources specialist.

STEP 2 : FIRST MEETING BETWEEN ENTREPRENEUR AND OPERATIONAL INVESTOR

We suggest to introduce different CV of operational investors to entrepreneurs looking for partners. Entrepreneurs have to choose those they want to meet.

The best is when an entrepreneur has the opportunity to meet from 2 to 5 people during one month.

Indeed, for an entrepreneur who started on his own, it’s always a tough awareness to admit he needs a complementary manager to carry out the project and to succeed in convincing VCs to invest in his company. That’s why he will be more comfortable if has a real choice to pick his next partner/co-manage: he will have the impression of controlling the situation. But the operational-investor has usually himself an entrepreneur mindset too. He will also prefer to have a choice of several opportunities before deciding which company he will join.

Most important matching criteria are :

Clear awareness of lacking competences on the part of the entrepreneur(s)
Clear acceptance of the legitimacy of the founder on the part of the operational investor.
Complementarity of skills
Common values and aspirations
Mutual admiration

First meeting hosted by the agency :

Investor : Signature of a NDA
Investor : Presentation of the potential investor
Entrepreneur : Presentation of the project
Entrepreneur : Presentation of the need
Innovation agency : proposal of a time table and methodology

Follow-up of first meetings :

Entrepreneur and investors confirm a first level of interest
If necessary: possible further meetings and visits of the young company headquarters/laboratories until the entrepreneur chooses only one investor to carry on building a project.

STEP 3 : BUILDING A COMMON PROJECT AND ADJUSTING THE FUNDRAISING STRATEGY

At this stage, neither the entrepreneur nor the operational investor have decided to enter into partnership. They both are committed to discover each other more in-depth and try to build a common project. To do the role of the Agency is to suggest an appropriate field of work and specific deadlines and milestones.

Fields of work :

Operational Investor expertise :

Any subject that the operational investors masters and that the entrepreneur is aware of his difficulties (R&D, Management-recruiting, Finance, Marketing, business development, etc.)

Concretely, the operational investor operates as a free consultant and suggests solutions or changes in strategy or organization that he would be able to manage if he joins the company.

Strategy, vision and governance :

The possible arrival of a new partner will automatically modify the initial business plan. The Innovation Agency has to organize 1 or more meetings about these possible changes. In order to help entrepreneurs and investors to reach a common vision and strategy.

Business plan

This part consists in coaching entrepreneurs and investors in their process of writing down a new version of a business plan taking into account the operational investor arrival and his capital investment :

Impacts on financial forecasts (monthly personnel costs, cash balance etc.)

Impact on governance and organization chart.

Impacts on fundraising scheme and strategy

Deadlines and milestones :

This working period is really important for entrepreneurs and investors in order to challenge their mutual views, to test their ability to decide and operate together. As a result a minimum period of work is one month.

This period delays the final decision of partnership and is likely to postpone the rest of the fundraising. That is why the coach will set up a deadline of maximum 2 months to get :

A decision to invest

The amount of money to be invested

Date of expected investment (before or at the same time as VCs)

An updated business plan

A clear organization chart

STEP 4 : COMPLETING THE FUNDRAISING

If the investment is planed very soon after, as a usual share capital increase the process will be :

Choice of lawyers

Drafting of a shareholder agreement

Holding of the Extraordinary General Meeting

<u>Practice 14 - Networking events to create suitable teams</u>	
Referent	Support Category
CEEIM	Events
Summary	
The main objective of this action is to encourage the creation of working teams that may drive a startup launching or being integrated into it, once it is already established.	
Origin/Source (Testing ground, results, why is it innovative)	
<p>This practice is innovative to the extent that solves an existing problem in the world of entrepreneurship, as the difficulty of having a good starting team, especially multidisciplinary, in order to launch a startup. It's difficult to score the innovative grade but in the way, this practice allows to identify and verify/validate team interactions and behaviors we consider is, at least, a good alternative to traditional selection process.</p> <p>Some platforms, for example https://www.younoodle.com/ and other similar, use the contexts to identify "high-performance" teams that are capable of setting up a startup, a project...</p>	
Context: In which context for entrepreneurs supported it can be a relevant answer	
This practice is relevant to the extent that solves a common lack in most of startups and strengthens their organizational structure.	
Link to methodology: which part(s) of the process is the tool/support applied to	
Sector Specific Assignments (stage 2) and Investor-ready preparation (stage 3)	
Alternatives & Variants: comparative or alternative practices which achieve a similar result	
<p>The existing alternative is the staff search and recruitment which is slower, laborious and costly for the startup.</p> <p>The main alternatives are the traditional recruitment companies. However, some new companies have appeared last years with new recruitment solutions based on web platforms: http://www.jobvite.com/ http://www.dice.com/ http://www.careerbuilder.com/ others similar web platforms...and obviously LinkedIn.</p>	
Impact on Acceleration: Key objectives, how does it accelerate a part or the entire process	
The impact within an acceleration process is very high to the extent that it is integrated into the project/startup the necessary staff to ensure the development of the project. Moreover, to the extent that team members have previous experience in other projects, adaptability and growth speed of the startup is bigger.	

An example of a company that was boosted in its fundraising thanks to that event : <http://neuromobilemarketing.com/en/>

This practice has low success figures.

Estimated impact : * (HIGH)**

Global feedback from companies and agencies as testers and users : 15/20

Better involvement of the team : 4.3/5

Better perception from investors :4/5

Savings of time and efforts : 3.3/5

Acceleration of the overall process : 3.3/5

Resources Required to implement the practice

Organizational capacity to manage the networking event

Venue for the networking event

Mentors advising during the networking event

Level of implementation complexity

**** (MEDIUM)** - The methodology works is difficult in the way the event has the capacity of attracting a great number of entrepreneurs, technicians ...

Detailed description of the practice

ADVISES:

Promotion of the event through organizations in contact with projects (universities, business schools, business innovation centers, incubators ...)

Having a good panel of experts for project development stage, where selected projects for participating in the event have to propose the project to be developed, making the lean canvas and a prototype, if applicable.

Having an experienced jury such as [CEEIM] - Business Angels, Consultants, Regional Business Development Agency Staff, CEEIM Staff

ACTIVITY	M 1	M 2	M 3	M 4	M 5	M 6	M 7	M 8	M 9	M 10	OUTPUT
Event organization											EVENT RULES
Communication campaign											MATERIAL/DOCUMENTS FOR THE COMMUNICATION CAMPAIGN
Registration management											REGISTRATIONS
Projects presentations											PROJECT PRESENTATIONS (PPT, VIDEOS...)
Projects selection											FINAL PROJECTS
Teams forming											FORMED TEAM
Projects development											BUSINESS MODEL CANVAS,

											PROTOTYPES...
Projects presentations											FINAL PROJECT PRESENTATIONS (PPT, VIDEOS,...) JURY DELIBERATIONS
Winners selection											WINNER PROJECTS
Projects advisory											CREATED STARTUP, LEAN/MODEL CANVAS, BUSINESS PLAN...
Fundraising											FUNDING REACHED, BUSINESS ANGELS...

<u>Practice 15 - Investment forums</u>	
Referent	Support Category
DublinBIC	Matchmaking Events
Summary	
<p>Investment forums are a good way to achieve early on-boarding of investors, a critical component for long time-to-market technologies as they can provide not only an injection of finance to assist with the technological development cycle and commercial strategy but also advice and contacts of the project. Investment forums provide an opportunity for both parties to meet and can be structured to showcase the best investment opportunities and provide an opportunity for networking in a less formal environment. Regular forums also allow relationship development between investor to investor, enabling co-funding opportunities.</p>	
Origin/Source (Testing ground, results, why is it innovative)	
<p>Investment forums, by their qualitative nature, are seen as a key best practice for securing investment. Dublin BIC has pioneered sector-specific forums in Dublin, but also operate non-sector specific forums on a monthly basis.</p> <p>Results: Since 2012, the Halo Business Angel network has operated approximately 12 forums per year, with business angels investing an average of €14m annually.</p> <p>Innovation: The innovation of investment forum is based on the accuracy of the relationship development between the core entities - the startups, the investors and the matchmaking entity (innovation agency) Seed funding is high risk, so cultivation of trust is critical to de-risk the process.</p>	
Context : In which context the support can be a relevant solution	
<p>Investment Forums are useful for startups at various stages of maturity and fundraising. They can be effective for seed funding but also for second round and Series A funding. This, however, depends on the preferences of the investors and the level of investment that they are interested in.</p>	
Link to methodology: which part(s) of the process is the tool/support applied to	
<p>The tool is relevant to steps 4 and 5 of the methodology, it takes place when the entrepreneur has completed their “investment preparation” step and are ready to engage with the funding community.</p>	
Alternatives & Variants : comparative or alternative practices which achieve a similar result	
<p>This is a qualitative tool which relies on relationship development. It is particularly effective when there are small, sector-specific groups. Due to this, the tool does have many alternatives. However, due to its generic formula (investors + pitching companies + administrator), it is possible to implement this tool in any geographical location for an innovation agency of any size, as long as the core ingredients (investors + pitching companies + administrator) are present.</p>	
Impact on Acceleration : Key objectives, how does it accelerate a part or the entire process	

The key objective of the practice is to cultivate the 3 distinct relationship types:

Relationship type 1: Forum organizer/innovation agency > Investor/BA

Relationship type 2; investor/ba > investor BA

Relationship type 3: Investor/BA > startup-SME.

Acceleration takes place as the opportunity for investment increases with the level of trust in these relationships. Higher calibre investment opportunities are presented by trusted innovation agencies to pre-screened investors who have existing relationships.

Estimated impact : *** (HIGH)

Global feedback from companies and agencies as testers and users : 14.3/20

Better involvement of the team : 4/5

Better perception from investors : 3.3/5

Savings of time and efforts : 3/5

Acceleration of the overall process : 4/5

Resources required to implement the practice

The fundamental requirement is in the innovation agency's relationship with investors, either through the direct management of a BAN or through a relationship to a BAN or with investors.

The secondary requirement is access to and preparation of investment opportunities. The companies must be of sufficient calibre to create trust in the innovation agencies selection and preparation process. If this does not occur the investors will not repeatedly attend.

A third resource, more basic than the others, is the financial resources to host the events (venue, networking, etc...).

Level of implementation complexity

***** (MEDIUM)** –investment forums can take many different approaches and are possible once the core requirements are available.

Detailed description of the practice

STEP 1 : ACCESS INVESTORS

The innovation agency can access investors in a number of different ways, for example:

Managing a BAN

Relationship with a BAN

Relationship with a seed fund

Relationship with a VC

Output: Identification of investors

STEP 2: IDENTIFY AND PREPARE INVESTMENT OPPORTUNITIES

The innovation agency must ensure that the investment opportunities are of high calibre to build credibility in the investment community. Companies should be “polished”, meaning that they are able to communicate and present their business idea effectively and also feel comfortable with the Q&A from investors.

Preparation check list:

Investor-ready business plan generated covering key areas
Financial projections completed
High quality pitch deck generated
Dry run pitch test performed with Q&A, preferably to a new audience (not core consultant)
Investment summary documentation generated and disseminated to investors in advance.

Output: Investment opportunities prepared

STEP 3 : COMMUNICATE THE FORUM

Once the forum has been set-up it needs to be communicated to investors and potential new investors and potential new investors/members of the business community. The method of communication will depend on the Innovation agencies access to the investment community.

What should be communicated:

Basic details regarding the time, date, venue
Summaries or “tasters” of the pitching companies – e.g. Technology sector, amount of investment sought, amount already secured (if co-funding).

Output: Investors, potential investors, business community secured

STEP 4 : OPERATE THE INVESTMENT FORUM

Consideration should be given to the venue and set up to create an atmosphere that is both relaxing and professional. Remember – the key objective is relationship development, and this takes place when participants/attendees can network comfortably.

Basic elements of the forum:

Pitching room with presentation software/technical support

Host/compare: This should be a person that is familiar with the companies and the investors, if possible. They are the “glue” that brings the session together. The person should be able to enhance the Q&A aspect of the forum, encouraging conversation and engagement.

Networking area/venue: After the pitching element is completed, it is very important to provide time and comfort for the attendees to network.

Output: Forum operated

STEP 5 : EVALUATION & FOLLOW-UP

All attendees should receive a follow-up communication from the organizers. This is important for 4 central reasons:

1. To keep communication with the investors in advance of another forum; this allows the network to develop and grow.
2. To evaluate their perception of the pitches. This allows the innovation agency to understand if the quality is not viewed as sufficient, providing guidance on preparation standards.
3. To make introductions to other investors and to pitching companies. Some investors may not want to make their interest publicly known, investment is competitive, and they will prefer to be linked to pitching companies after the event for private discussion.
4. Track engagement between investment opportunities and investors. This is very important for the credibility of the innovation agency/organizer so that they can “claim” these deals as ones that have been generated through their work.

Output: Introductions, evaluation and feedback secured

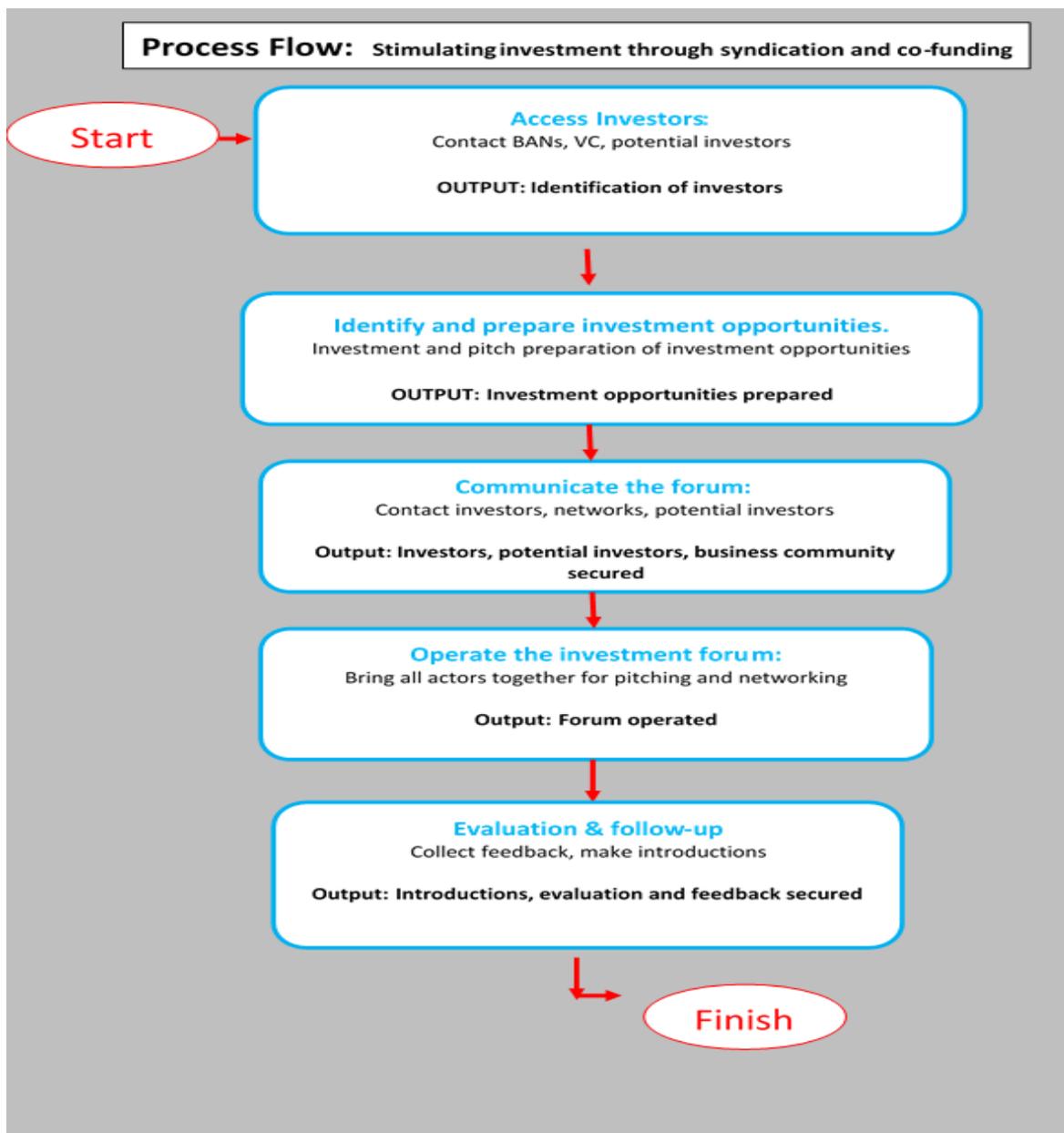
TIPs:

Investments and successful exits should be highlighted and shared with potential investors to increase credibility of the forum organizers.

Building up relations with business communities that may become investors is important for growing investor networks.

It is useful to have relationships with other innovation agencies who may have additional investors that might attend.

See below process flow chart



<u>Practice 16 - Business Plan Competition</u>	
Referent	Support Category
Bwcon	Matchmaking Events
Summary	
<p>Business Plan Competitions are searching for startups with innovative business concepts. Entrepreneurs and startups are invited to develop their business plan and submit it to be evaluated by a jury of high-tech industry experts and investors. The finalists get the chance to present their concept personally to the jury and discuss the idea with these experts and investors. In addition to cash and other prizes business plan competitions provide a platform to get access to potential investors and business partners.</p>	
Origin/Source (Testing ground, results, why is it innovative)	
<p>Bwcon is managing a business plan competition, the <u>CyberOne Hightech Award</u>, since 1998. As a result there are various success stories of startups which became successful:</p> <p>HEILER SOFTWARE AG 1st PLACE CYBERONE 1999 Enterprise Product-Information Management Software Growing successful – more than 100 employees and more than 300 customers all over the world. 10 Mio. Euro Venture Capital and 22 Mio. Euro through IPO</p> <p>NET VIEWER AG 3rd PLACE CYBERONE 2002 Web-Collaboration-Tools for Desktop-Sharing, Web-Conferencing und Remote-Control 25 Mio. Euro growth financing, 260 employees in nine locations</p> <p>20/10 PERFECT VISION AG 1st PLACE CYBERONE 2003 Computer-based products for the therapy diagnosis in ophthalmology 35 Mio. Euro Venture Capital, Merger with Bausch & Lomb to Technolas Perfect Vision, Merger of Equals for 400 Mio. Dollar</p> <p>AWS GROUP AG SPECIAL PRICE CYBERONE 2008 Innovative filter technologies for air cleaning Successful growth financed with Venture Capital</p> <p>Amcure GmbH 2nd PLACE CYBERONE 2012 Innovative approach for the prevention of formation of new blood vessels Investment: 5 Mio. Euro financing through Venture Capital</p>	

<p>Context: In which context for entrepreneurs supported it can be a relevant answer</p>
<p>Most of the startups in the technology sector do need external investment due to long-time to market technologies. Finding the right investor for the own business often turns out to be difficult. A clear business plan which is well-structured and includes all relevant aspects of a venture proves helpful when the entrepreneurial team addresses an investor. But how to get in contact with an investor? A business plan competition is a very good chance to get access to different investors.</p>
<p>Link to methodology: which part(s) of the process is the tool/support applied to</p>
<p>The support is useful for stage 4 and 5 of the methodology process.</p>
<p>Alternatives & Variants: comparative or alternative practices which achieve a similar result</p>
<p>There are a lot of other business plan competitions. Some focus on specific sectors, a region, a stage of development or even a company.</p> <p>Examples of other business plan competitions:</p> <p>http://www.businessplancompetition.fr/</p> <p>https://www.b-p-w.de/en/competition/</p> <p>https://www.younoodle.com/competitions/the_ireland_funds_business_plan_competition_2016</p>
<p>Impact on Acceleration: Key objectives, how does it accelerate a part or the entire process</p>
<p>The key objective of a business plan competition is to award the best business plans. The competition pushes startups to structure their business concept which is not only important for potential investors but also for the startup itself. A business plan helps to validate and evaluate the assumptions which the team has made about its business case. Furthermore, the goal is to show investment opportunities to investors and companies. All winners are communicated to the public which increases media awareness. Business structure, investment opportunity and publicity are all accelerating elements which help the startups grow their business.</p> <p>Estimated impact : *** (HIGH)</p> <p>Global feedback from companies and agencies as testers and users : 16/20</p> <p><i>Better involvement of the team :</i> 4.3/5</p> <p><i>Better perception from investors :</i> 4/5</p> <p><i>Savings of time and efforts :</i> 4.3/5</p> <p><i>Acceleration of the overall process :</i> 3.3/5</p>
<p>Resources Required to implement the practice</p>
<p>A business plan competition requires the ability to build up a jury which includes investors on the one hand and sector-specific experts on the other hand. Expertise is important to evaluate the business plans. For the evaluation of the business plans, a standardized evaluation system proves helpful to assess the business plans systematically. The Venture Development Index (cf. Tool: Venture Development Index) provides an assessment system for evaluating the content of a business plan. Furthermore, the innovation agency needs the financial resources to run the award ceremony (venue, catering, technical support, etc.).</p>
<p>Level of implementation complexity</p>
<p>** (MEDIUM)</p>

Detailed description of the practice



STEP 1 : CALL FOR PROJECTS

Setting up the competition's framework: What are the conditions of participation? → e.g. not older than three years, a maximum revenue of € 1 million, location limitation to a region

Does it make sense to set up sector specific categories? → bwcon has 3 categories: Industrial Technologies, ICT/Media, Lifesciences/Biotech

Until when do the entrepreneurs have to submit their business plan? → Submission deadline

Who are the jury members? → Investors, industry players who are searching for innovation, strategic partnerships

What are the prizes? → cash prizes, non-cash prizes such as free coaching, image film, participation in business workshops, etc.

A structure should be given to the participants → bwcon uses the following structure: Management Summary, Product, Customer Needs, Market, Competition, USP, Team, Market Entry Strategy, Business Organization, Realization Planning, Financial Planning, Opportunities and Risks

If all business plans have the same structure, it will be easier for the jury to compare and to assess the business plan

Communication of framework to entrepreneurial teams (Roadshow, personal invitation, mailings, newsletter, etc.)

Entrepreneurship Roadshow at universities, incubators and other support organizations: The goal of the roadshow is not only to inform about the competition but also to impart business relevant knowledge to students and entrepreneurs. Topics which can be addressed are business modeling, investor readiness, Marketing & Sales, Financing, etc. It proved very attractive to invite former winners of the award as speakers so that they can share their experience with the students and entrepreneurs.

Advise on how to write a business plan: Some teams do need support or advise on preparing an investor-ready business plan (bwcon uses the Venture Development Toolkit to support the teams, cf. Tool: Venture Development Toolkit)

STEP 2 : EVALUATION OF BUSINESS PLANS

All business plans are evaluated by the jury members

A standardized evaluation system proves helpful to assess the business plans systematically → In the bwcon CyberOne Hightech Award the evaluation system of the Venture Development Index turned out to be reasonable (cf. Tool: Continuous Assessment of content and maturity level (based on Venture Development Index)

Result of this step is the determination of finalists → bwcon has 3 finalists per category (in total 9 finalists)

Jury feedback is provided for all participants

STEP 3: PITCH TRAINING FOR FINALISTS

All finalists are invited to a pitch training which gives them the opportunity to present their business concept to an independent expert, get feedback and improve their presentation

STEP 4 : FINALIST PITCHES

The selected finalists get the chance to pitch their business concept to the members of the jury (15 minutes presentation – 15 minutes Q&A)

Jury members vote for the best participants and the winners are determined

STEP 5 : AWARD CEREMONY

In preparation of the award ceremony, the event should be communicated (An invitation should be sent to all relevant players of the high-tech industry, politics and media) and well prepared (venue, catering, technical support, etc.)

The award ceremony is the event to celebrate the winners of the competition. But it serves not only as the event to hand over prizes, it also serves to present the winners to the general public. Therefore, the winners should be a central element of the agenda and should get the opportunity to present themselves not only on the stage but also with a stand. This ensures the awareness of the attendees.

In order to attract a high number of attendees, an excellent speaker is necessary. The speaker might be a former winner of the award who has a successful story to talk about or another speaker who talks about a relevant topic or a trend.

The event should be accompanied by a networking session after the ceremony in order to give all attendees the opportunity to build new relationships.

Practice 17 - Sector specific matchmaking events

(example : Startup Dinner)

Referent	Support Category
Bwcon	Matchmaking Events
Summary	
<p>Selected startups get the chance to meet executives of established industry players in an exclusive ambience at the “Startup Dinner”. Every Startup Dinner has a specific topic such as 3D (3D Printing & Virtual Reality), IoT, Future Mobility, Energy or Agrifood.</p> <p>Startups pitch their idea and discuss with the corporates connecting the idea to demands coming from the industry. At this event startups benefit from the opportunity to address potential customers, partners or investors in a personal atmosphere. The industry players benefit from the access to new ideas, innovations and investment opportunities.</p>	
Origin/Source (Testing ground, results, why is it innovative)	
<p>This event has been tested by Bwcon in the federal state of Baden-Württemberg. Startups from all over Europe participated in the events and were matched with big industry players as well as established companies from the “German Mittelstand” (medium-sized companies). In the year 2016 there have been 3 Startup Dinners in different regional areas with different industry players and startups from Germany, Spain, Italy, Belgium, France, and Estonia. Feedback both from startups and corporates was very positive (e.g. “It was especially useful for networking and leads generation”). Some strategic partnerships could be initiated.</p>	
Context: In which context for entrepreneurs supported it can be a relevant answer	
<p>Most of the startups in the technology sector are searching for financing and striving for the first customers. Often they have no access to the decision-makers of potential customers (B2B) and therefore need networking support. On the other side, established companies must adapt their business with regards to the overarching trend of digitalization and are therefore often searching for innovations outside the company. These companies might act as an investor (Corporate Venture), a customer or a partner. The Startup Dinner therefore proves useful for the entrepreneurs if they are searching for direct contacts to customers, partners or investors within their industry sector.</p>	
Link to methodology: which part(s) of the process is the tool/support applied to	
<p>The Startup Dinner is a matchmaking event linking entrepreneurs of all stages with established companies, investors and potential customers. Depending on the needs of the entrepreneur this support action can be applied to all parts of the fundraising process.</p>	
Alternatives & Variants: comparative or alternative practices which achieve a similar result	
<p>As a high-tech network bwcon serves as a matchmaking organization aiming at linking startups to customers, partners and investors. Usually, this is done based on a one-to-one matching, however, this requires much more resources regarding money and time.</p> <p>Other matchmaking events do also match startups with potential customers, investors or partners, however, the Startup Dinner allows the startups to get directly in contact with the decision makers</p>	

of large companies.
Impact on Acceleration: Key objectives, how does it accelerate a part or the entire process
<p>The main objective of the Startup Dinner is to create connections between young entrepreneurial teams with excellent ideas and potential business partners, customers or investors in the same branch. Finding the right contacts and implementing the potential of these contacts is always important in the fundraising process, whether in establishing partnerships, finding new customers or investors. This event has proved as a means for young companies to find these contacts and start new relationships.</p> <p>Estimated impact : *** (HIGH)</p> <p>Global feedback from companies and agencies as testers and users : 14/20</p> <p><i>Better involvement of the team :</i> 3.7/5 <i>Better perception from investors :</i> 3.3/5 <i>Savings of time and efforts :</i> 3.3/5 <i>Acceleration of the overall process :</i> 3.7/5</p>
Resources Required to implement the practice
<p>Organizing the Startup Dinner requires the ability to set up relations linking both sides, startups and established companies. Therefore, a good network is indispensable. If there are no or rather few direct contacts to a special branch, but the innovation agency wants to support startups of this branch anyhow, a partner (e.g. industry association, cluster organization, chamber of industry, etc.) for the realization of the Startup Dinner proves helpful.</p> <p>Besides a network and a partnership, an adequate location (e.g. restaurant, hotel, etc.) is necessary. The location should offer the required space and event technology so that the startups can present their business concept.</p> <p>Furthermore, a moderator is needed to take the audience through the evening.</p> <p>The innovation agency also needs employees who are in charge for the organization of the event. In total the organization of a startup dinner requires 0.5 person/month of a FTE.</p> <p>Financial resources (assuming a dinner for 40 persons):</p> <p>Location: 500 EUR Catering: 1200 EUR Event technology (Screen, beamer, etc.): 300 EUR (internal or external moderator)</p>
Level of implementation complexity
** (MEDIUM)
Detailed description of the practice
<p>The organization of this event format in total requires 0.5 person/month. However, the starting point of organization should be at least four months in advance of the event itself. The following steps describe the main steps to organize the event:</p>


STEP 1 : PREPARATION OF CONCEPT AND FRAMEWORK

Which topic should be addressed?

Examples: 3D (3D Printing & Virtual Reality), IoT, Energy and Agrifood

How many startups should be invited? → A selection of 4 to 5 startups proved reasonable.

How many enterprises should be invited? → A selection of 20 corporates/enterprises is recommended.

Which event location and date is suitable? → Selection of location and date.

Is there a partner to work with? → industry association, cluster organization, chamber of industry, etc. are also connected to big companies which might be interested in innovations from startups

What is the agenda of the event?

Example

17:30: Registration

18:00: Welcome and Introduction

18:15: Course 1 - Appetiser

18:30: #1 Pitch

18:45: Course 2 - Starter

19:00: #2 Pitch

19:15: Course 3 - Main course

19:45: #3 Pitch

20:00: Course 4 - Dessert

20:15: #4 Pitch

20:30: Discussion and get-together

Who is moderating the event?

Preparation of communication material (slides, mailings, flyer, etc.)

STEP 2 : SELECT THE STARTUPS

Which startups are suitable for the event? Is the startup ready to talk to partners or investors? →

Invitation of startups using communication material

Requesting high quality pitch deck

Pitch training

STEP 3 : SELECT THE CORPORATIONS/ENTREPRISES

Which companies are searching for innovations, investment opportunities, and/or new cooperation partners? → Personal invitation of upper management executives using

communication material and description of business idea of the selected startups

STEP 4 : OPERATE THE EVENT

Ensuring the event coordination with host, moderator, startups

Technical support

Moderator should be familiar with startups, corporates, bringing together the startups with established industry players after the pitches

Networking time/area: It is very important to provide the opportunity to network after the dinner. This is of utmost importance to connect the participants. Personal discussions are necessary to know the background and the interest of the other person.

STEP 5: EVALUATION & FOLLOW-UP

Follow-up email with evaluation questionnaire → Quality of pitches, quality of contacts, quality of event framework

The follow-up communication is necessary to evaluate the outcome of the event and to keep communication with the participants