

Seeking Capital

Preparation & Strategy for Dilutive and Non- Dilutive Options

Panelists:

Wendy Kennedy, Founder – WKI

*John Hanak, Director - Purdue
Ventures*

*Louis DiNetta, Manager, Technology
Business Development – University of
Delaware SBDC*



Wendy Kennedy

Founder & President,
WKI

Topic: Preparing Clients to be
Investor Ready





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1. Pre- Funding Preparation
2. Pitch Preparation

Two Topics :



Investor Readiness

The Topics Are Standard

1. Problem
2. Team
3. Solution
4. Market
5. Customers
6. Competition
7. Business Model
8. Team
9. Financial Projections & Milestones
10. Timeline & “Ask”

Taking a Pitch From Good to Great



You Need to
Know ALL of
the Numbers



WHY YOU?

7. What's Your Competitive Edge?
8. Can You Execute?
9. What's Your Value Proposition?

WHO CARES?

4. Who's Your Customer?
5. What's Your Path to Market?
6. Where's the Money?

SO WHAT?

1. What's Your Idea?
2. What's the Problem?
3. Where Does Your Idea Fit?

The Problem

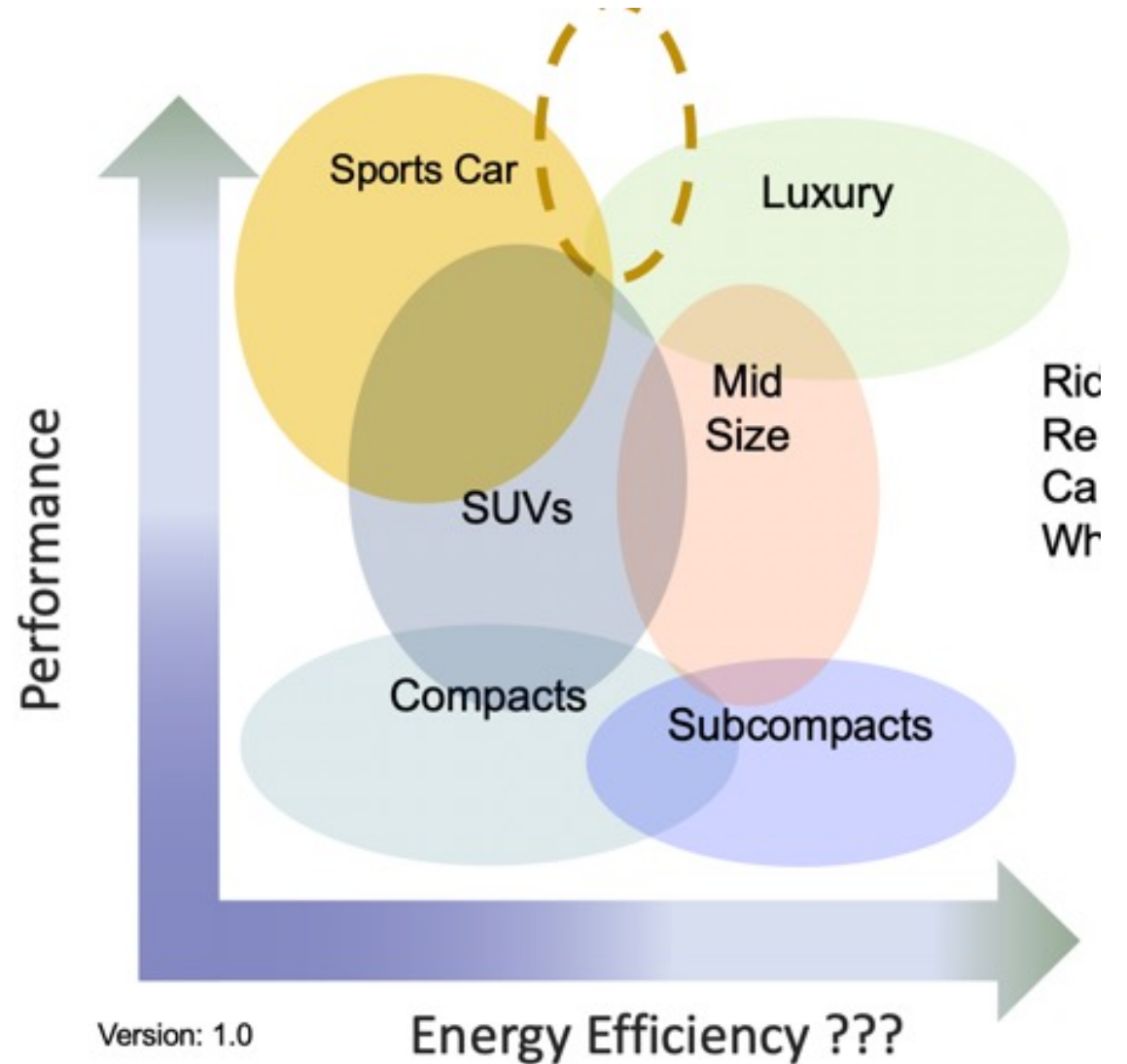
- Quantify the problem – facts & figures: data on costs of living with the problem
- Know the hard numbers that keep the customer up at night
- Know the performance metrics
- Describe these from the customer's point of view.



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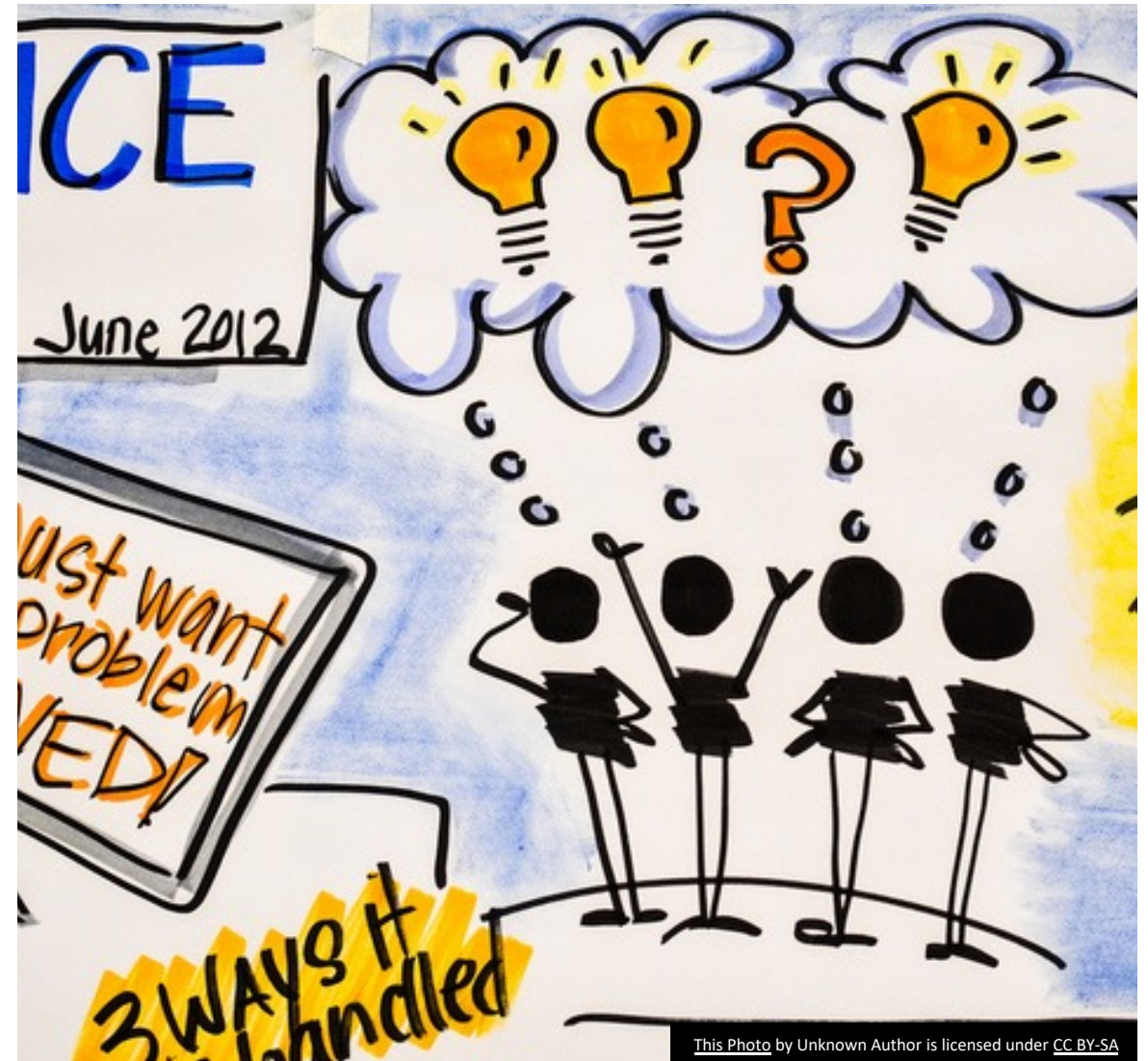
Market Size & Opportunity

- The Kiss of Death – *“it’s a xB market so if we just get 1%....”*
- Get Down to Specifics Here – Know the Math of Your Opportunity
- A Category Map of the Market Space is a Game-Changer

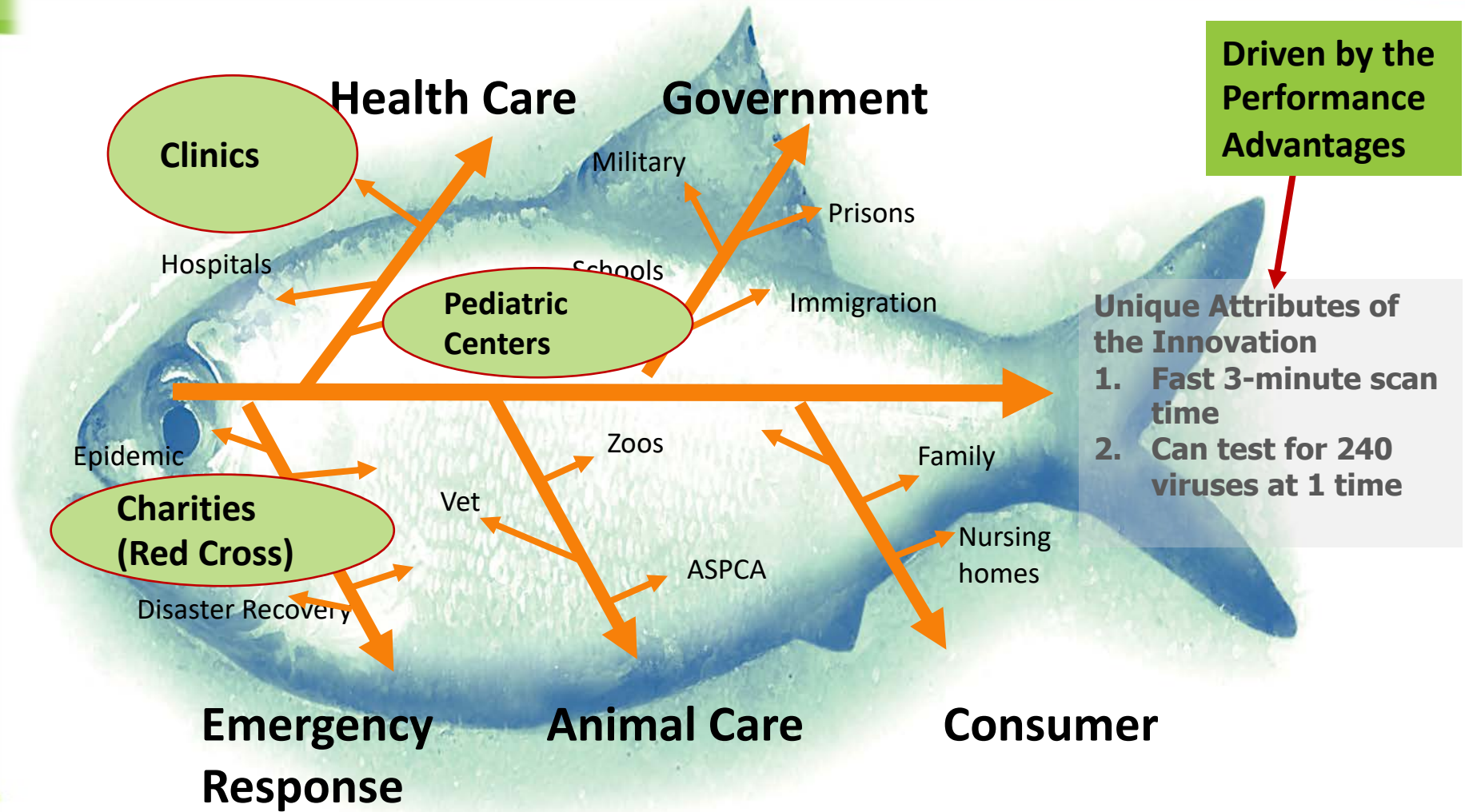


Customers & Use Cases

This topic separates the “good” from the “great”



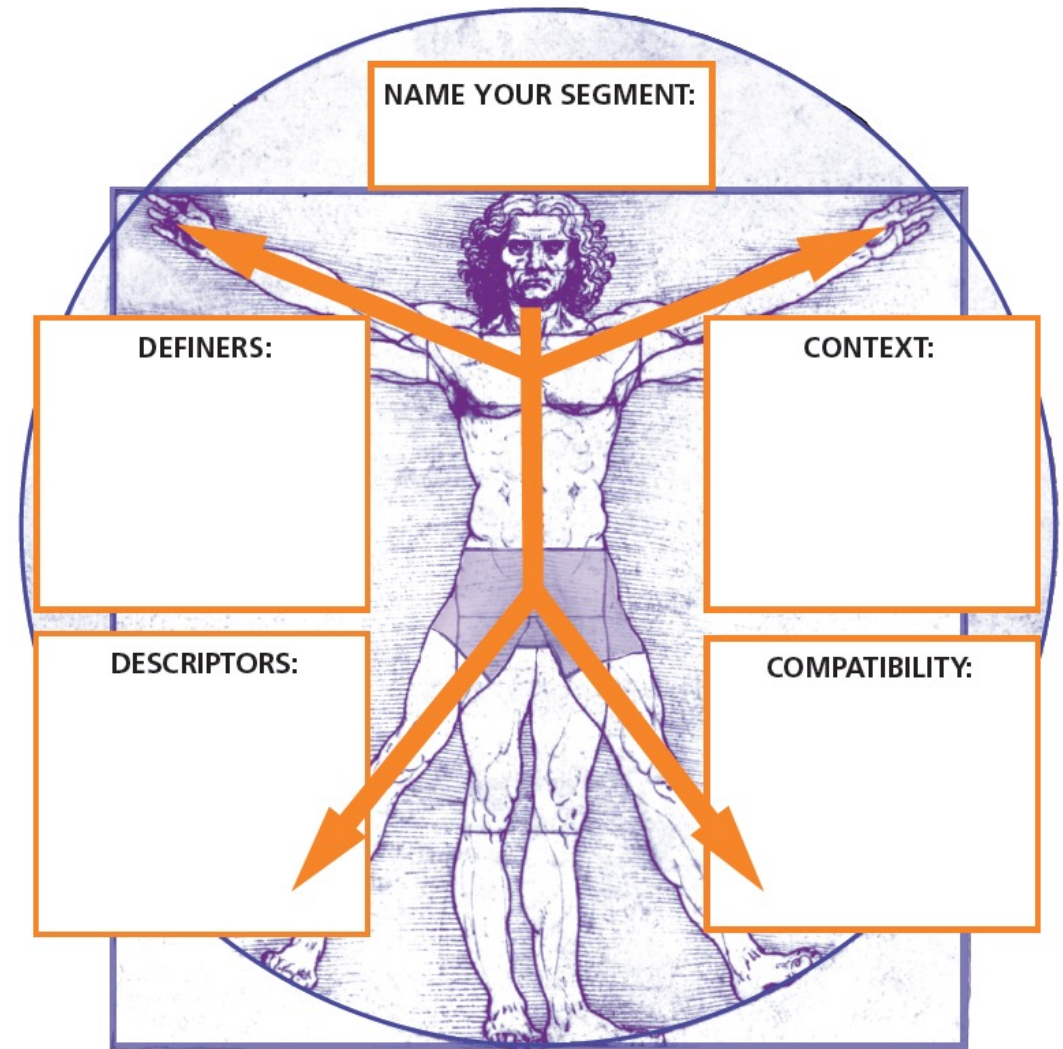
Example – Customer Discovery for Viral Diagnostic Testing



Design Detailed Use Cases

Use Cases Get Investor Attention

- A Balance of Quantitative and Qualitative:
- 5W's
- Translates technology into User Requirements (& Language)
- Identifying the specific customer segment is critical to success



Competition – Quantify the Performance Factors

Competitive Profile - Fiber Optic Gyroscopes

Performance Factor	Competitor	Competitor	Competitor	Competitor	You
	Gyrox	MEMTech	FOGCorp	ElectroMax	
1. Max Input Rate (°/sec)	1000	400	700	300	600
2. Stability (°/hour)	.00	0.50	0.20	5.00	0.05
3. MTBF (hours)	50,000	20,000	30,000	10,000	30,000
4. Weight (grams)	90	50	175	25	100
5. Power (watts)	2.5	1.5	4.0	0.5	4.0
Price	\$1,500	\$2,500	\$3,000	\$500	\$2,000
Key Claim	Rugged & Reliable	High Profile Customers	Current Technology Leader	Light Weight & Low Power	Extremely Stable

NOTES:

1. Maximum input rate primarily measures ability to handle shock and vibration.
2. Gyrox targets military applications, like weapon stabilization.
3. Electromax targets consumer applications.
4. MEMTech represents state-of-the-art in micro-electromechanical gyros.
5. Gyrox uses open-loop FOG technology - FOGCorp uses closed-loop.

Business Model

Get the Data:

- Know the Layers and the Players
- Understand How Money Moves
- Know the Access Points
- Find the Routes to Market & Specific Relationships

		PLAYERS				
		Customers	Enterprise	Retail	Government	...
LAYERS	Services	CRM - Salesforce.com - Netsuite - Microsoft	Content - Office Live - SpringCM - Box	Finance - Salary.com - Ariba	HR Suite - Kenexa - Concur	
	Software	Management - Cloudways - Right Scale - Standing Cloud	Storage/Backup - Green Cloud - Gladinet - Riverbed	Testing - Engine Yard - Azure - UTest		
	Platform	Analytics - Tibco - Oracle - Kognitio - Pivotal	Integration - Amazon - IBM - Google - Microsoft	Managed Cloud - Rackspace - Op Source		- AppZero - CloudSoft
	Infrastructure	Computing - HP - Go Grid - Amazon - IBM - Century Link - Microsoft	Networking - Cisco - VM Ware - RedHat	Storage - EMC - Barracuda Networks		

WKI Ecosystem Ladder Framework



Taking a Pitch From Good to Great

Pitch Preparation


Download:


<https://wendykennedy.com>


So what?
who cares?
why you?

Design A Winning Pitch

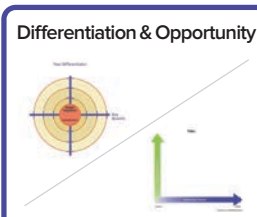
so what?

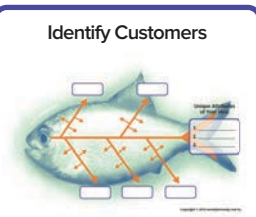
Intro Vision & Team

 The Vision Tool

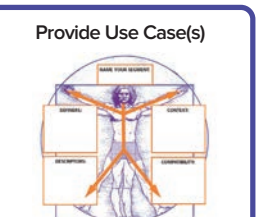
Define the Problem

 The Business Problem Tool

Showcase Your Solution

 The Napkin Drawing Tool

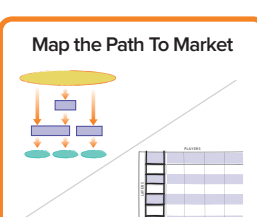
who cares?


Differentiation & Opportunity

 The Category Map Tool
 The Competitive Radar Tool

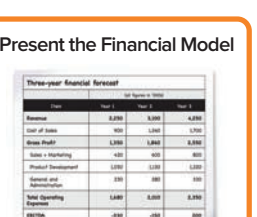
Identify Customers

 The Market Fishbone Tool

Provide Use Case(s)

 The Segment Strawman Tool

why you?

Map the Path To Market

 The Channels to Market Tool
 The Ecosystem Ladder Tool

Show the Market Entry Plan

 The Go to Market Plan Tool

Present the Financial Model

 The Financial Forecast Tool

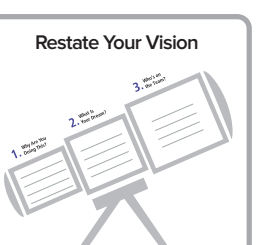
now what?

Make "The Ask"

- ✓ What Are You Asking For?
- ✓ What Will You Do With It?

Present the Highlights

- ✓ Why Are You A Great Investment?
- ✓ List the Proof Points.

Restate Your Vision


First....

There is no single way to pitch...

Your pitch needs to reflect you and your personality

Less is More – this is the hard part

Great founders pitch hundreds of times – truly

Investors want to say "yes"

You've got to give investors what they need...

THOUGHT

OUTCOME

STORYTELLING

A VOICE FROM WITHIN

WENDY BURTON

THE STORY OF INSTITUTIONAL LEARNING OUTCOMES



Teleological

METAPHORS

Feather in a cap

Levels

Superhero



CHAKETTE (feedback)



Get the Story in Front of
You....

Find the Main
Theme/Storyline





Telling Your Story....

- Ten Slides
- 30 Point Font
- 1 to 3 “Points” Per slide
- Use Visuals to Support the Story
- Don’t Waste the First Slide

Seeking Capital

Preparation & Strategy for Dilutive and Non- Dilutive Options

Wendy Kennedy, Founder – WKI

wendy@wendykennedy.com

<https://wendykennedy.com/frameworks>



Preparing Clients for SBIR/STTR



Louis DiNetta

Manager, Technology Business Development
Small Business Development Center
1 Innovation Way, Suite 301 ~ Newark, DE 19711
University of Delaware
302-831-0778
www.delawaresbdc.org
ldinetta@udel.edu

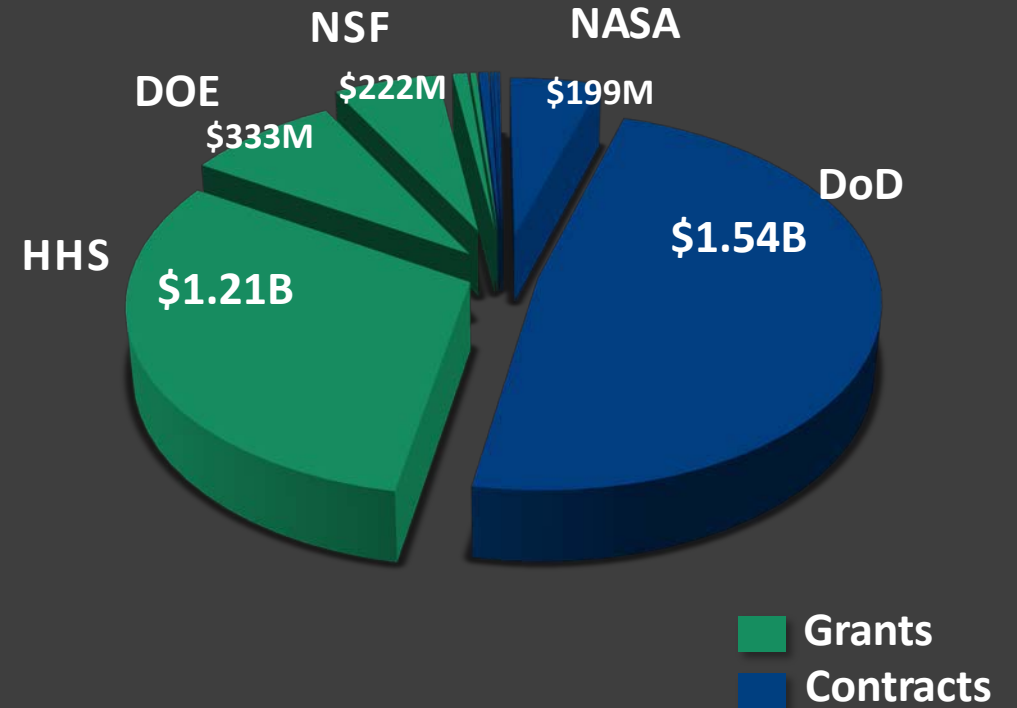


This program is funded in part through a cooperative agreement and FAST grant with the U.S. Small Business Administration, the State of Delaware, & the University of Delaware.



FY2020 SBIR/STTR Budgets by Agency

Agencies	Budget
Department of Defense (DoD)*	\$1.54 B
Department of Health and Human Services (HHS)**, including the National Institutes of Health (NIH)	\$1.21 B
Department of Energy (DOE), including Advanced Research Projects Agency – Energy (ARPA-E)	\$332 M
National Science Foundation (NSF)	\$222 M
National Aeronautics and Space Administration (NASA)	\$199 M
U.S. Department of Agriculture (USDA)	\$27 M
Department of Homeland Security (DHS)	\$16M
Department of Commerce: National Oceanic and Atmospheric Administration (NOAA) & National Institute of Standards and Technology (NIST)	\$11 M
Department of Education (ED)	\$10 M
Department of Transportation (DOT)	\$10 M
Environmental Protection Agency (EPA)*	\$6 M



SBIR: \$3.2 Billion
STTR: \$441 Million

* Budgeted Amount; other Agencies Obligated Amount

** Provides grants and contracts

Purpose of SBIR/STTR Programs

SBIR: Small Business Innovation Research

STTR: Small Business Technology Transfer

- ✓ Meet **Federal research and development needs**
- ✓ Increase private-sector **commercialization** of innovations derived from Federal research and development funding
- ✓ Stimulate technological **innovation**
- ✓ Foster and encourage participation in innovation and entrepreneurship by **socially and economically disadvantaged persons**

It **IS NOT** an alternative source of funding **basic research**
It **IS** a compelling source of funds when **basic/applied research** leads to **technology based products** with **strong commercial potential**

The SBIR & STTR Programs



Phase I Feasibility Study or Prototype
~\$100 to \$300 thousand and 6 to 12 months

Phase II Full Research and Development Effort
~\$1 million and 24 months

Phase III Commercialization Effort
Private and Non-SBIR financing

Pros and Cons of SBIR/STTR Funding

Positives	Negatives
Fund high risk projects	Limited funding per project
Cover most areas of technology	National competition
Almost \$3 billion awarded annually with over \$1 billion each in medical/biomedical and defense related projects	Articulation of market fit and commercialization capability early in the development process
Non-dilutive funding	Long timelines
Company retains IP	Requires skill in proposal writing
Multiple awards possible — even for the same technology platform	Requires compliance with government regulations

Agency Differences

- Receipt dates, number & timing of solicitations
- Type of award (grant or contract)
- Proposal review process
- R&D topic areas
- \$ of award (both Phase I and II)
- Proposal success rates
- Profit or fee allowed
- Payment types & schedules

Is It Right For My Company?

- Are my company, facilities, and PI qualified?
- Is the problem we're addressing important?
- Does it have a viable commercial opportunity?
 - Has a market been identified?
 - Who are the customers?
 - Has competitive analysis been done?
 - What additional resources will be required to achieve commercialization?
- Is my proposed solution technically innovative?
- Is it of interest to one or more agencies?
- Have I confirmed the agency interest?
- Do I understand the agency's procedures?

What Does a SBIR/STTR firm or Entrepreneur Look Like?

- Company must be for profit, US owned and operated, and <500 people
 - 51% owned by US citizen or permanent resident alien
 - Have investors? Note that no single investor can own & control more than 50% of the company
- Typically, they are primarily a R&D organization both in what they do and their staff
- R&D performed in US
- Focus is on performing R&D – Not for purchasing equipment, commercializing a technology that has already been developed, or one that has very low risk and only needs capital
- Company team has a combination of technical and business expertise

SMALL BUSINESS TECHNOLOGY TRANSFER PROGRAM (STTR)

- ▶ Modeled after SBIR
- ▶ Small company must team with Federal Lab, University or other non-profit R&D entity
- ▶ Only 5 Federal agencies participating
 - DOD
 - DOE
 - DHHS/NIH
 - NSF
 - NASA
- ▶ Fed Lab/University can do up to 60% of the R&D
- ▶ Company & its university partner must sign IP agreement
- ▶ Budget and Certification of Research Institution form required

	SBIR	STTR
Partnering Requirement	Permits partnering	Requires a non-profit research institution partner
Principal Investigator	Primary employment (>50%) must be with the small business	PI may be employed by either the research institution partner or small business except in the case of NSF
Work Requirement	May subcontract up to: 33% (Phase I) 50% (Phase II)	Minimum: 40% Small Business 30% Research Institution Partner
Program Size	3.2% (FY21)	0.45% (FY21)
Majority VC ownership	Allowed by some agencies	Not allowed
Participating Agencies	11 agencies (extramural R&D budget > \$100M)	5 agencies (extramural R&D budget > \$1B)

Review Processes

- Internal Review
 - DoD, NASA, DHS
 - Review panels composed of Agency personnel
- External Review
 - NIH, NSF
 - Review panels consist of leading experts in field
 - Agency personnel do not score/rank applications, but manage the process
- Think of the Reviewer
 - Use headings to make it easy to find information
 - Keep it short and simple. State key points directly
 - Guide reviewers with helpful graphics
 - Edit and proof your proposal
 - Answer: Technology (how) and commercialization (so what?)
 - Avoid acronyms

Evaluation Criteria

- Evaluation Criteria addresses
 - How well proposal addresses topic area
 - Skills of PI and Team
 - Potential to Commercialize
- Strong proposal hits all of these, provides clear details on how/why the approach address the Agencies need; Skills of the team; and describes how the firm will move the technology through the Phase's and commercialize the technology in the way that Agency wants them to
- Understanding needs of the Agency and talking to topic authors before submission is extremely valuable
- Use SBIR.Gov and local resources to help you

Don't Forget the Registrations

REGISTRATION	NIH	DoD	NSF	DoE	USDA	DoED	NASA	DoT	EPA	DoC	DHS
EIN	X	X	X	X	X	X	X	X	X	X	X
DUNS	X	X	X	X	X	X	X	X	X	X	X
SAM	X	X*	X	X	X	X	X	X	X	X	X
SBIR.gov	X	X	X	X	X	X	X	X	X	X	X
Grants.gov	X			X	X	X					
eRA Commons	X										
FastLane			X								
DSIP		X									
PAMS				X							
EHB							X				

Federal SBIR webpage sbir.gov

The screenshot shows the SBIR-STTR website homepage. At the top left is the logo for SBIR-STTR America's Seed Fund™, powered by SBA. The navigation menu includes links for Login/Register, Contact Us, Search, and a dropdown menu with options: About, Funding, Reports, Showcase, Announcements, and Resources. A large banner image shows a woman smiling while looking at a tablet. Below the banner is a section for SBIR-STTR Online Tutorials with a 'Browse Online Tutorials' button. The main content area is divided into three columns: Entrepreneur, Support Organization, and Federal Agency, each with a list of services. At the bottom, there is a yellow 'Find Opportunities' button and a text prompt 'Are you looking for SBIR/STTR funding?'.

SBIR · STTR
America's Seed Fund™
POWERED BY SBA

Login/Register Contact Us Search SBA

About Funding Reports Showcase Announcements Resources

SBIR-STTR Online Tutorials
Questions on the SBIR/STTR process?
Browse Online Tutorials

Entrepreneur

- Learn how to apply
- Confirm eligibility
- Register my company
- Edit company information
- Contact an SBIR Agency

Support Organization

- See awards in your area
- View training opportunities
- Submit an event

Federal Agency

- Procure cutting edge technology
- Share a success story
- Request an agency login
- Access Phase III information

Are you looking for SBIR/STTR funding?
Find Opportunities

general information for those new to SBIR

Submission tutorials and help

Search topics across all federal agencies

Interested in learning more? DSBDC is free, confidential, and here to help

The image shows a screenshot of the America's SBDC Delaware website. At the top left, there is a navigation bar with social media icons and the phone number 302-831-1555. The logo for America's SBDC Delaware is displayed, along with the text "Small Business Development Center". A navigation menu includes links for "Welcome", "About Us", "Training", "Services", "Special Programs", "Contact", and "Request Advising". The "Request Advising" link is circled in blue, with a blue arrow pointing to a large red button labeled "Request Advising" on the right side of the page. Below the navigation menu is a large banner image of a man presenting to a group of people in a meeting room. The banner contains the text "START YOUR BUSINESS" and "Are you ready to start your business? Work with us for the information and resources you need to succeed." Below this text is a "GET STARTED" button. At the bottom of the page, there are three main sections: "VIEW OUR CALENDAR" with a calendar icon, "REQUEST FREE ADVISING" with a people icon, and "STAY UPDATED" with a pencil icon. The "REQUEST FREE ADVISING" section is circled in blue. At the bottom of the page, there is a footer with a logo, the text "Join Our E-mail List!", an email input field, and a "Subscribe" button.

This program is funded in part through a cooperative agreement with the U.S. Small Business Administration, the State of Delaware, & the University of Delaware.



- SBIR Speaker Series
- Publication of Delaware SBIRResource newsletter
- Post-award Resources
- Connect Researchers/Tech Transfer
- Facilitate Partnerships
- Locate Space/Talent/Equipment

PROGRAM FEATURES

- POC for Proposal Submission
- Customized Advice
- Tailored Writing Assistance
- Develop Winning Submissions
- Financial Assistance

Seeking Capital Preparation and Strategy for Dilutive and Nondilutive Options.

An Approach to Dilutive Capital

ASBDC Conference
Presentation

September 22, 2021



Seeking Capital Preparation and Strategy for Dilutive and Nondilutive Options.

An Approach to Dilutive Capital

Designing A Capital Strategy

Ideation and Market Approach

Investor Approach

The Pre-Funding Checklist

Researching and Identifying Investors – The Fit

Mastery: The Key To Pitch Success



Designing A Capital Strategy

Preparing Your Client

"It's almost always harder to raise capital than you thought it would be, and it always takes longer. So plan for that."

Richard Harroch

Managing Director

VantagePoint Capital Partners

Designing A Capital Strategy

Your Investor Readiness

- ✓ Napkin Drawing
- ✓ Problem/Solution
- ✓ Product:Market Fit
- ✓ Category Map
- ✓ Customer Discovery
- ✓ Path To Market
- ✓ Financial Model
- ✓ Competitive Analysis
- ✓ Go To Market Plan
- ✓ Your Storyboard

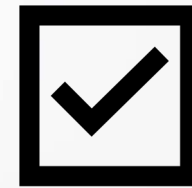


It Starts With The
Design of The
Company's Market
Approach

Designing A Capital Strategy

Your Investor Readiness

- Assembling Your Data
- Preparing Your Business Plan
- Stacking Your Diligence Vault
- Designing Your Capital Strategy
 - The Ask
 - The Who
- Pitching
 - The Investor Deck(s)
 - The Elevator Pitch



Then It Moves to
The Design of the
Company's Investor
Approach

The Pre-Funding Checklist

A Primer

Pre-Funding Checklist:

- Comprehensive Business Plan
- Deal Room Prepared
- Sound and verified financial projections
- Financing Strategy Roadmap
- Historical financials (if applicable)
- Accurate cap table
- Sound and reviewed pitch deck
- Sound and reviewed executive summary
- Regular company/investor update vehicle

What Does An Investor Expect?

How do you identify that? How do you identify them?

No Two Investors Are Alike

There is No Standard Approach

Expectations Vary

But...

Certain Principles Apply (and designed frameworks can help – The Rubric)

Certain Information is Important to Everyone

And...

You Must Talk to Your Potential Investors to Understand Their Needs

You Must Be Responsive to Their Need to Understand Risks

A Quick Word...on Types of Deals...

Debt or Equity
Dilutive or Non-Dilutive

Forms:

- Grant
 - Commercial Debt
 - Convertible Debt
 - Common Equity
 - Preferred Equity
-
- Term Sheets
 - Influence of corporate form on deal type

For More Information.....

Venture Deals: Be Smarter Than Your Lawyer and Venture Capitalist
Feld, Brad and Mendelson, Jason.
4th Ed. Wiley. 2019



Researching Investors

How Much, Who, How and Why?

Defining The Characteristics

Identifying The Targets

Planning The Approach

Researching Investors - Planning the Approach

Funding Strategy Worksheet

Part I of III

Company Name:

Round:

Date:

Completed by :

Position:

Company Counsel/Law Firm:

- Founders
- Pre-Seed
- Seed
- Series A
- Series B
- Series C
- Other _____

Amount Sought This Round:

Preferred Form (Debt or Equity):

Preferred Terms:

Use of Proceeds/Timing:

Time Frame - To Complete Round:

Worksheets and instructions are available for free at www.nrpworldsos.com by registering for the NRP Vault.

Researching Investors - Planning the Approach

Funding Strategy Worksheet

Part II of III

Describe the characteristics of your target investor:

Why does it make logical sense to target them?

For both questions consider: *Sector Knowledge *Market Knowledge *Location *Check size *Preferred form *Level of Involvement *Other Factors

Targeted Investors (Top 6)

1.

Who _____

How _____

2.

Who: _____

How: _____

3.

Who: _____

How: _____

4.

Who: _____

How: _____

5.

Who: _____

How: _____

6.

Who: _____

How: _____

Who – specifically a person or fund.

How – the approach/leverage/plan you have to achieve a first meeting.

Preferred Lead:

Rationale:

Worksheets and instructions are available for free at www.nrpworldsos.com by registering for the NRP Vault.

Researching Investors - Planning the Approach

Funding Strategy Worksheet

Part III of III

Preferred Lead:

Rationale:

Preferred Terms:

Rationale:

Capital Raised To Date (All prior rounds):

Form - (Debt or Equity with specific actual terms):

Anticipated Future Rounds:

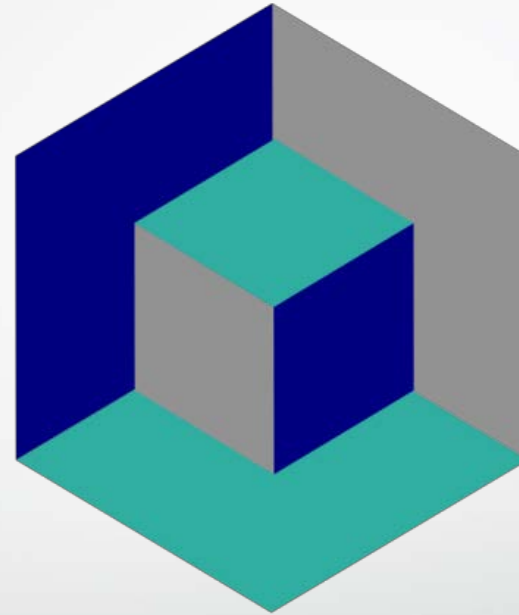
Attach current capitalization table:

Attach all current and previous offering documents:

Worksheets and instructions are available for free at www.nrpworldsos.com by registering for the NRP Vault.

Investor Target Determination Rubric
A Guide

**Researching
Investors -
Planning the
Approach**



Please refer to the Green Tab
"Instructions" and the Red Tab
"Definitions" before proceeding

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Complete rubric with instructions and definitions is available for free at www.nrpworldsos.com by registering for the NRP Vault

Researching Investors -Planning the Approach

Investor Target Determination Rubric

	Typical Check Size	Sector Knowledge	Market Knowledge	Strength of Network	Location	Preferred Form of Investment	Mentorship	Capital Access				
Seed Round Weighting:	5	3	3	5	1	3	1	5				
												Total
Investor/Fund Name												0
Investor/Fund Name												0
Investor/Fund Name												0
Investor/Fund Name												0
Investor/Fund Name												0
Investor/Fund Name												0
Investor/Fund Name												0
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Investor/Fund Name												0

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Assign a number to each criterion for each investor as follows: **3 - Very Important**

2 - Moderately Important

1 - Less Important

Complete rubric with instructions and definitions is available for free at www.nrpworldsos.com by registering for the NRP Vault


Crunchbase Research

- Competitors
- Investors
- Valuation

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

The screenshot shows the 'Gig Wage' profile page on the Crunchbase Pro platform. The top navigation bar includes 'crunchbase pro', 'Pro Guides', 'Products', 'Resources', 'Pricing', and a search bar. The main header for the profile includes 'Overview', 'Funding Rounds', 'Investors', 'Company Tech Stack by Siftary', 'Website Tech Stack by BuiltWith', and 'Web Traffic by SimilarWeb'. The profile summary shows a total funding amount of \$2.1M and a CB Rank of 13,721. The company logo is a green circle with a white 'W'. The description is 'Helping businesses pay, manage and support independent contractors. Dallas, Texas, United States'. The categories listed are FinTech, Freelance, Human Resources, Marketplace, Payments, SaaS, and Small and Medium Businesses. Other details include: Headquarters Regions (Dallas/Fort Worth Metroplex, Southern US), Founded Date (Jun 2014), Founders (Craig Lewis), Operating Status (Active), Funding Status (Early Stage Venture), Last Funding Type (Series A), Number of Employees (1-10), Legal Name (Visage Enterprise Inc.), IPO Status (Private), and Company Type (For Profit).

The screenshot shows the search results interface on the Crunchbase Pro platform. The top navigation bar includes 'crunchbase pro', 'Pro Guides', 'Products', 'Resources', 'Pricing', and a search bar. The main header for the search results includes 'Companies', 'Clear Filters', and a 'CREATE ALERTS' button. The filter section includes: Headquarters Location (includes any: San Antonio, Dallas, Austin, Japan, Boston, Europe), Categories (includes any: FinTech, SaaS, Android, Cloud Computing, Medical Device), Number of Employees (includes any: 1-10, 11-50, Select range e.g. 11-50), Total Funding Amount (between: \$ 1,000,000 and \$ 10,000,000), and Last Funding Date (between: now and a year ago). The search results show 3 results in 0.004s. The table has columns for Organization Name, Categories, Headquarters Location, Description, and CB Rank (Company). The results are: 1. Rabbet (Artificial Intelligence, Commercial ... Austin, Texas, United States, 6,157), 2. Gig Wage (FinTech, Freelance, Human Resour... Dallas, Texas, United States, 13,721), and 3. KindHealth (Direct Sales, E-Commerce, Employ... Austin, Texas, United States, 17,699).



Designing Your Pitch with The WKI Investor Pitch Template

Get a complimentary copy of the template

*Leave us your name and email address here and we will send
it to you!*

A Word On Mastery

- There's a high correlation between successful capital raises and founder/CEO mastery
- Mastery includes both the technical and the business aspects of the business
- What is mastery?
 - Command
 - Proficiency
 - Authority
 - Dominion
- Have DOMINION over your subject matter
- *Be totally prepared for any questions from anyone*
- *Always be ready for unexpected and fortuitous opportunities*

"If people knew how hard I had to work to gain my mastery, it would not seem so wonderful at all."

— Michelangelo

Becoming "Investor Ready" is all About Achieving Mastery

The NRP Mastery Index - Are You Ready to Pitch?

Assessing Mastery

The Mastery Index				
	Rating	Mastery Factor	Score	Definition
Using the definitions provided, rate yourself on each of the 10 Mastery Factors.		Innovation	3	You can speak authoritatively on the technology underlying your innovation and why this is innovative and perhaps even disruptive
			2	You can articulate the solution the innovation offers the problem but you are not the team's subject matter expert on the underlying technology
			1	You rely entirely on your CTO or other expert regarding the technology, its innovative aspects, and the problem it solves
		Problem	3	You can clearly and succinctly discuss the problem this innovation solves, how it solves it, and why customers care about that
			2	You have found a niche for your innovation and believe it solves a real world problem for your customers
			1	The innovation speaks for itself and you are relying on future customers to define the problem it solves for them
		Market	3	You have mapped the opportunity, identified your market segments; can articulate the rationale; and, explain what it means for the company
			2	You think there are multiple market entry points and have not established your precise market entry point
			1	You believe the market is wide open and will ultimately offer a variety of entry points; you intend to talk to future customers about it
	Rating:			
High	3			
Moderate	2			
Low	1			
	Customer	3	You have identified live prospects in your chosen segments, talked to many of them, and have identified "first customers"	
		2	You have spoken to a few prospects, can identify new ones and will let future prospects emerge once the product or service becomes available	
		1	You will identify the optimal customer type as your product or service gets market tested	
	Channel Management	3	You can articulate a clear path to market and have the requisite channel knowledge - and sales skills - to succeed in your chosen markets	
		2	You have spoken to a few prospects and are willing to let the sales channels self-identify depending on the initial customers you land	
		1	You intend to perform some customer/market discovery through which you will identify the optimal sales channels	
	Business Model	3	You can speak to why your business model makes the most sense to create meaningful revenue	
		2	You believe the appropriate business model will emerge as markets become available to you	
		1	You are not yet sure which business model is most appropriate for your business; you are open to a variety of possibilities	
	Financials	3	You have a firm grasp on the company's financials - historical and projected; you are deeply involved in the planning process	
		2	You rely heavily on either your team or external assistance for providing you the planned and actual financials	
		1	You do not have historical financials and will rely on the projections provided by your team	
	Competition	3	You have researched your competition extensively, identified 'non-normal' competition and can persuasively explain your advantages	
		2	You have a good sense for who is your competition but still need to perform an extensive competitive analysis	
		1	You believe you have no competition or that the competition withers in the face of your innovation	
	Team	3	You are proud of the team you've assembled and recognize it as the key asset in accomplishing the company's plan	
		2	You rely on the expertise of the team you have assembled and recognize the gaps that exist in their areas of competence	
		1	You do not have a full team in place yet and are willing to consider candidates offered up by potential investors, advisors and mentors	
	Capital Plan	3	You are either fully capitalized or have identified potential targets and acceptable terms for dilutive and non-dilutive funding opportunities	
		2	You are in the process of identifying both your capital needs and possible sources; and you have started a process to get there	
		1	You think that funding needs will begin to emerge and you want to start lining up possible sources	
Scoring Key:				
25 to 30	Strong			
20 to 24	Needs Improvement			
19 or Less	Get To Work!			
		Total Score		

This self-scoring tool is available to you and your clients for free at www.nrpworldsos.com by registering for the NRP Vault.



Seeking Capital
Preparation and Strategy for Dilutive and Nondilutive Options.
An Approach to Dilutive Capital

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John M. Hanak
jhanak@nrpworld.com