

The Life Cycle of the Entrepreneur in Today's Economy


The Emergence: Growing Your Company

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WEALTH MANAGEMENT

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Growing Your Company



- How do you get more money?
- How do you put the money to work to build the Company?
- How do you build your management team?
- How do you build your Board?
- Family Values – Is it too early for succession planning?

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The Investment Landscape



- What are the sources?
 - Angel
 - VC
 - Debt
 - Strategic
- Estate planning prior to investment

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Angel Investors:



How are Angels different from VCs and Others?

- Family, friends, cashed out entrepreneurs, loose association of investors
- Limited investment funds
- Operational involvement
- Valuation

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VC Investors:



Is a VC investor right for you?

- Not all VCs are created equal
- Investment Focus by industry, technology or business stage
- Board Representation and Fund Dynamics

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VC Investors:



What are VCs looking for:

- Achievable exit in the next five years
- Market-validated equity valuation
- Particular concerns if a Strategic Investor
- Clearly articulated value proposition

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The Pitch



- Problem to be Solved
 - Prove there is a definite customer need
- Your Solution
 - Don't get too detailed, tell us about it on one slide
- Your Team
 - Key employees and advisors and their applicable industry background
- Market Opportunity
 - Size, growth, characteristics of your market
- Current Competitive Market
 - Who are the competitors, what is your advantage and how will you protect your competitive advantage
- Your Business Model
 - How will you make money

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The Deal Terms



- Preferred stock for protected position
- Founder restrictions
 - ROFR
 - Drag Along
 - Co-sale
- General Terms
 - Liquidation preference
 - Anti-dilution protection
 - Dividends
 - Redemption
 - Participation rights
 - Registration rights
 - Operational controls
 - Pay-to-play

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Debt Financing:



- When is it right for you?
- Sources:
 - Venture Debt
 - Bank
 - SBA

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Putting The Money To Work



- Identifying Key Milestones
- Building the Budget
- Continued Fund-raising

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Building The Management Team



- Which roles should you fill?
- When should they be filled?
- Succession Planning as you build the Team

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Incentivizing the Team



- Compensation
 - Cash
 - Equity
 - Benefits
- Market Trends And the impact of today's economy
 - Equity Allocations
 - Vesting
 - Increased Use of Restricted Stock
 - Pervasive Impact of 409A

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Building the Board



- Who should be on the Board and when?
- How are Board members compensated?
- How should you use an advisory board?

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Incorporating Family Goals and Values



- What are the goals?
 - Liquidity
 - Lifestyle
 - Employ generations
- How to fund with no VC investment

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What's Next:



- The Payoff: Selling Your Company
 - Tuesday, September 22, 2009
 - BNY Mellon Wealth Management's Boston Office
- The Life After: Post-Sale Considerations
 - Thursday, November 5, 2009
 - Foley & Lardner's Boston office

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