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Finance Options for Entrepreneurs

The ITC entrepreneurs Forum
Budget Day – 22.04.09

PRE-X CAPITAL MANAGEMENT – INTELLIGENT PRE-IPO INVESTING

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Key Investment Criteria

- USP
- Management
- Exit
- Scalability
- Valuation
- Revenue



“It’s the combination of horse and rider, that creates winners.”

How do you make your business stand out?

- Demonstrate the need for your product/service
- IP – defensible and well documented
- Management team fit for purpose
- It's all about the exit – how do investors get back more than they put in and how do you realise that gain (e.g. Trade sale/IPO)?
- Valuation – is this going to be a source of acrimony between company and investor?

The Budget – what happened today?

Is this the opportunity to raise money?

- EIS
- VCT
- EFG
- The return of investor confidence?



“Will the chancellor’s stimulus package release investor funds?”

Conclusions

- Put yourself in the shoes of an investor
 - how will they realise their investment?
 - have you priced in a premium for investors?
 - are your forecasts and revenues realistic?
 - have you demonstrated that your team is the right team for the job?
 - GET IT RIGHT FIRST TIME – THERE ARE RARELY SECOND CHANCES!