

# Venture Capital Financing Issues

“Beyond SBIR Phase II”  
Hyatt Regency Crystal City  
August 22, 2007

# Sources of New Venture Financing

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- Self, Friends, and Family
- Federal Government Grants & Contracts
- Business Angels
- ✓ Venture Capital Investors
- Small Business Investment Companies (SBICs)
- Trade Credit and Factoring
- Asset-based Lending
- Mezzanine Capital
- Private Placements of Equity (Relational Investors)
- Public Offering
- Public Debt

# VC Stages



- Pre-Seed / Seed
- Start-Up
- First-Stage
- Second-Stage
- Third-Stage, Mezzanine
- Bridge Financing/ Pre-IPO



**High**

Time-to-Liquidity  
Investor's Expected Return  
Technology Risk  
Business Risk  
Entrepreneur's Cost of Capital

**Low**

# Self-Assessment for VC Readiness

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- Team
- Market
- Technology

# Today's Panel



- Tom Weithman – Managing Director, CIT GAP Funds
- Don Rainey – Partner, Intersouth Partners
- Gian Brown – President, SAIC Ventures
- Rohit Shukla – CEO, LARTA Institute
- Ted Hobart – Partner, Chart Venture Partners