Venture Capital Financing Issues

“Beyond SBIR Phase II”
Hyatt Regency Crystal City
August 22, 2007
Sources of New Venture Financing

- Self, Friends, and Family
- Federal Government Grants & Contracts
- Business Angels
- Venture Capital Investors
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- 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

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

High
Low
Self-Assessment for VC Readiness

- 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