

Financing For Growth: Driving the Processes to a Successful Conclusion

An internationally acclaimed two day workshop for CEOs and CFOs of new ventures and existing high growth companies, Business Angels, Venture Capitalists, Bankers and other funding sources as well as government officials who want to promote the creation of more globally competitive innovation-based companies in Scotland.

Led by:

WILLIAM K. AULET

Senior Lecturer, MIT Sloan School of Management,
and

Entrepreneur in Residence, MIT Entrepreneurship Center,
Cambridge, MA, USA



EUROPE & SCOTLAND

European Regional Development Fund
Investing in your Future

Thursday/Friday, 24 - 25 June 2010, EDINBURGH

*... "The quality of the material, the dynamic and engaging style of delivery and the practical real-world examples made the workshop unlike any other I have attended. Expect to come back from the two days with a completely different perspective on how to successfully accelerate the growth of your company." —
- Jim Black, Marketing and Business Development Manager, Bloxx Ltd, Livingston, UK*

Funded by the University of Edinburgh - Informatics, Scottish Enterprise and the European Development Fund, Investing in your Future



THE UNIVERSITY of EDINBURGH
informatics

 **Scottish Enterprise**

An Effective Financing Strategy is Mission Critical

How a new venture or an existing company raises money to fund its growth is critically important to the long term success of the company. The conventional and unconventional lessons and knowledge taught in this workshop to successfully plan and execute the financing process have proven invaluable to management teams worldwide. Conversely, poor execution of this process not only can change the distribution of created wealth for management but also actually destroy a promising company. Strong execution of the financing process can enhance a company's probability and magnitude of success.

This workshop will provide a comprehensive framework for understanding fundraising processes and will then show attendees how this framework can be applied to real world situations with the use of some illustrative case studies.

... "The Financing for Growth Workshop was a resounding success for our entrepreneurs in the Netherlands. The fundamentals that Bill and Ken taught the group were relevant to every level of entrepreneurs and each entrepreneur felt it was very worthwhile. It increased our financing IQ dramatically and numerous people wished we had had it sooner. The presentations were not only content rich but also filled with valuable lessons, amplified and inspired by the passion of an entrepreneur who has done it successfully many times before."

- Minnemijn Smit, Project Manager 20x20 For Exceptional Growth, Delft & Amsterdam, The Netherlands.

This workshop will leverage the instructors' significant expertise and experience to enable the attendees to become more efficient and effective at developing and executing their long term financing strategies.

Specifically the attendees will learn:

- Mastering the proper role that financing should play in the life of the enterprise
- Developing a financing strategy aligned with the specific needs of your business
- Understanding when, where, how, and from whom you should find the money to grow your business
- Learning how to take control and drive the financing process, instead of having it drive you
- Embracing what investors look for in a management team and their business plan
- Reviewing the current state of new venture financing in Scotland
- Ensuring you succeed after you get your funding.



William K. Aulet

- Senior Lecturer,
MIT Sloan School of Management
- Acting Managing Director,
MIT Entrepreneurship Center
- Managing Director,
Entrepreneurship Ventures, Inc.
- Master in Management Sciences,
MIT, 1994
- Bachelor of Engineering
Harvard University, 1980

Bill Aulet is a highly successful business leader with over 25 years of experience in all areas of high technology business operations and financing strategies, from startups to public companies.

... "I have seen a lot of money raised by a lot of different people in all market conditions and Bill is the best. He understands the process in public and private fundraising transactions and consistently delivers results" —

- Peter Faubert, CFO, Turbine, Inc., Boston, Massachusetts, USA

Track Record

Bill Aulet has raised over \$100 million in funding for his companies and directly created hundreds of millions of dollars of market value. He started his career with eleven years at IBM, then the top training ground for high technology executives. This culminated with Bill being named a prestigious MIT Sloan Fellow in 1993.

Upon graduation in 1994, Bill became a serial entrepreneur, founding and running two MIT spinouts as the President/CEO of Cambridge Decision Dynamics and then SensAble Technologies. The latter was twice named to Inc. Magazine's 500 Fastest Growing Private Companies. With a presence in over twenty countries, SensAble also won over two dozen awards and was featured in *Fortune Magazine*, *Business Week*, *the Wall Street Journal*, and many other publications for its innovative products and strong business foundation.

In 2003, Bill was recruited as the Chief Financial Officer to help turn around Viisage Technology, a security technology company. At the time of his arrival, Viisage was losing \$2.4M per quarter and had a market value of approximately \$50M. Working quickly to develop a new strategy, as well as a culture of innovation and strong execution, the Company achieved a dramatic transformation in his 2.5 year tenure. During this timeframe, the market value for Viisage increased from approximately \$50 million to over \$500 million.

In 2005, Bill became the Entrepreneur-in-Residence at the MIT Entrepreneurship Center and was appointed Senior Lecturer at the MIT Sloan School of Management. He was recently promoted to Acting Managing Director of the MIT Entrepreneurship Center as well. He has taught and worked with hundreds of entrepreneurs and executives at MIT and beyond. Bill has advised numerous companies ranging from inspired individual entrepreneurs to large firms such as Danfoss, Hewlett-Packard, Microsoft, Mobilink, and Saudi Aramco, all striving to be more innovative and fast moving.

Bill serves on the Board of Directors or Advisors of a number of highly innovative companies. His particular areas of interests are entrepreneurship, innovation, energy, and superior performance through alignment. In addition to his experience with his own companies, Bill has mentored and advised numerous other companies on their fundraising process and is frequently consulted by Venture Capitalists and Business Angels.

Bill is a regular featured speaker at management leadership programs around the world and is also a contributor as an Xconomist on www.xconomy.com.

AGENDA OF THE PROGRAMME

DAY 1, Thursday, 24 June 2010 - Preparing for the Process

- 09:30 – 09:45 Introduction and Overview: Desired Outcomes of this Programme
- 09:45 – 10:15 The Importance of the Financing Process and Responsibility for its Execution
- Why the financing process is important
 - What is the proper perspective on financing and its timing
 - Who has the roles and responsibilities for financing
- 10:15 – 11:00 Getting Yourself into the Right Mind Set to Raise Money
- How to approach the process - The right frame of mind
- 11:00 – 11:15 *Break*
- 11:15 – 11:45 Overview of the Financing Status of Companies in this Workshop
- A situational analysis of the current state of the companies in the group
 - Description of the financing plans for the companies in the workshop
- 11:45 – 12:15 Sources of Financing
- Potential sources of financing for new ventures - Advantages and disadvantages of each
- 12:15 – 13:30 *Lunch* in “Birds of a Feather” Format
- Tables arranged by common interests (e.g., “Customer Financing,” “Family & Friends Financing,” “Angel Financing,” “Venture Financing,” etc.)
- 13:30 – 14:15 Estimating the Timing and Size of a Potential Financing
- The imperative for absolute clarity in goals
 - Calculating your basic needs with cash flow statements
- 14:15 – 15:00 What International Investors Look For: Business Plans that Generate Success and Raise Money
- Fundamentals of business plans – the role and the elements
 - Critical Success Factors
 - The Dynamic Business Plan
- 15:00 – 15:45 What Makes an Outstanding Investor Presentation
- 15:45 – 16:00 *Break*
- 16:00 – 17:30 Panel Discussion with Special Invited Guests from Scotland, UK and beyond
- 17:30 – 18:00 Companies Work Individually to Script an Elevator Pitch to Investors, followed by Coaching and Practicing of Investor Elevator Presentations with the Instructor
- 18:00 – 19:30 *Reception* -- Attendees Give Elevator Presentations to Visiting Investors and Get Feedback
- 19:30 – 21:30 *Dinner*: The Current State of Funding in the Region
- Representatives from different potential sources
 - What’s hot and what’s not - Questions and answers with the attendees

AGENDA OF THE PROGRAMME

DAY 2, Friday 25 June 2010 - Executing the Process

- 09:30 – 10:15 Raising the Next Round
- The steps in the process and what is the most important and what is of lesser importance
 - How to determine important variables such as valuation and expected IRR in the real world
 - Understanding the trade offs that can and may need to be made
- 10:15 – 11:00 Driving the Process versus Being Driven by the Process
- Understand the mating dance and everyone's interests
 - Be prepared; generate options and alternatives
 - Take control as much as possible
- 11:00 – 11:15 *Break*
- 11:15 – 11:45 Multiple Rounds of Financing Considerations
- Key considerations when raising multiple rounds of financing
- 11:15 – 12:15 What to do Once You Have Raised the Money
- Now the real work starts
 - Sending a clear message to all stakeholders
 - Maintaining focus and controls on cash
 - Managing investors' expectations
- 12:15 – 12:45 Attendees Work Individually on Investor Presentations
- Apply lessons learned to develop presentations
 - Coaching and Critiquing by BA & potentially others
- 12:45 – 13:45 *Lunch*, with Presentations and Coaching at the Tables
- Attendees make investor presentations
 - Instant feedback from instructors and participants
 - At end of lunch, 2-3 ideas per table are presented
- 13:45 – 13:55 Observations
- Based on attendees' issues in developing good quality investor presentations
- 13:55 – 14:45 Startup.com and Brontes Technologies: Case Studies in Financing
- The "Crossing the Chasm" challenge in high technology and its relationship to financing
 - Considerations at each stage of the fund raising process
 - The importance of stages of growth for a new venture & the importance of exit strategies
- 14:45 – 15:30 Wrap Up, the Way Forward from Here, and Presentation of Certificates

Who Should Attend this Workshop?

- CEOs and CFOs of New Ventures
- CEOs and CFOs of existing High Growth Ventures
- People who are considering starting their own company
- Executives in larger companies who are seeking to leverage innovation from new ventures and small and medium enterprises (SMEs) more effectively
- Business Angels, Venture Capitalists, Bankers and other funding sources who want to better understand the mentality of the teams they are trying to fund and what it takes to be successful in the global marketplace
- Government officials and other stakeholders who want to promote the creation of more innovation-based enterprises in Scotland

Expectations for the Attendees

This workshop requires homework and mandatory preparation work to be done before coming to the class, including:

- Read all prerequisite material. These documents (case studies and articles) will be sent soon after registration.
- View the movie 'Startup.com' - 2001, available on DVD via www.amazon.com
- Prepare financial statements for the past 3 years and projections for the future 5 years. These will be used to discuss financing needs.
- Bring outline or first draft of an up-to-date business plan.

... "I really appreciate Bill and Ken's teaching style. They are both great original thinkers but then they systematically explain how to put into practice the ideas and show how they succeed in the real world. Our entrepreneurs love them." —

- Lise Lemay, Project Manager, Fondation de l'entrepreneurship, Québec, Canada



Tuition Fee

■ The Fee for the 2-day workshop is **£495** per person, and **£420** PP when registering with 3 executives from the same company

* **Companies of the Informatics Ventures Programme participate for free**
Contact <andrew.mitchell@ed.ac.uk>,
Tel: + 44 779 311 1386 for details

The Tuition Fee includes:

1. Networking Reception, Elegant Dinner, + Cocktail with special invited guests:
 - Leaders of the Entrepreneurial and Business Community
 - Executives of the Scottish Enterprise Network
 - Business Angels and Venture Capitalists
 - Successful “Alumni” from previous Courses and the MIT EDP Program
2. Course Book with all Case Studies and Presentations
3. Photo Book of Attendees (for future networking)
4. Lunch, Reception and Dinner on Thursday; Lunch on Friday, plus Refreshments and Snacks throughout the day

... “The powerful and practical workshops by Bill and Ken have had a game changing impact on our company’s performance. Bill and Ken have been there and done it well many times; they know how to explain key strategic problems for busy entrepreneurs. Their advice is good for both tomorrow’s tactics and sustained strategic success. Their wisdom has helped accelerate the exponential growth of 8D Technologies. Attending their workshops will likely pay your company important dividends for years to come.” —

- Isabelle Bettez, President & CEO, 8D Technologies Inc. Montréal, Québec, Canada

Registration

To register for the workshop, please go to <http://www.informatics-ventures.com/financeforgrowth2010> and complete the Registration Form

* Confirmation of a place is subject to terms, conditions and cancelation policy, found in the online registration form.

Registration Deadline:

18 June 2010

Workshop Language

English

Workshop Materials

- “A Note on Valuation of Venture Capital Deals” from Stanford Graduate School of Management
- “Brontes Technologies” Case from MIT Sloan School of Management
- “Startup.com” movie
- Criteria for Grading and Evaluating Elevator Pitches
- Business Plans that Generate Success and Raise Money
- Critical Success Factors in Executing the Financing Process

Workshop Location

The workshop will be held in **Edinburgh Business School**, Heriot-Watt University Campus, Edinburgh EH14 4AS.

... "Bill is a great mix of a thinker, a practitioner, a story teller and a charismatic presenter. He also has a nice sense of humor. This allows him to be very effective with entrepreneurs who have a similar construct. His instruction has been fun to participate in and very helpful to our growth and bottom line results." _

- Helmut Kirchner, CEO, Cybertec, Trieste, Italy

... "Bill walked in and turned around our world in less than 8 hours. He left us with a roadmap that catapulted us from an unknown player to one of the most talked about companies in our space." _

- Jawwad Farid, CEO, Alchemy Technologies, Karachi, Pakistan

General Information and Contact Address

For general information and questions, please contact **Andrew Mitchell**, Senior Business Development Executive of the School of Informatics, and Project Leader of Informatics Ventures at <andrew.mitchell@ed.ac.uk>, Tel: +44 779 311 1386, or e-mail Anny at <anny@entrepreneurship-scotland.com>.

... "Historically, my focus has been on the operational side of being an entrepreneur. Bill got me to put more emphasis on specific elements on the financial side and address some issues that will facilitate our growth going forward. It is wonderful to have someone with so much experience step us through the process with wisdom, dedication, and a nice sense of humor." _

- Isabelle Bettez, CEO, 8D Technologies, Montreal, Canada

... "While it is unfortunately often overlooked, new ventures need a world class long term financing strategy as much as they need top notch sales and product plans," _

- Jenny Morel, Managing Partner, No 8 Venures, Wellington, New Zealand

About Informatics Ventures

Informatics Ventures is funded by the European Regional Development Fund and aims to build upon the world-leading Informatics and Computer Science research in Scotland encouraging the development and growth of globally ambitious software companies.



The University of Edinburgh School of Informatics and Scottish Enterprise project is one of 220 projects in Lowlands and Upland Scotland which have benefited from the European Union to support the economic development and regeneration of communities.

Andrew Mitchell, Informatics Ventures Project Leader, said:

...“Despite Scotland’s reputation for excellence in science and our formidable track record of invention, we still have a mountain to climb in terms of increasing the number of global blockbuster entrepreneurial ventures. However great progress is being made and Scotland’s Informatics and Computer Science sector is fast establishing a strong track record in taking great ideas out of the cool comfort of the laboratory into the cruel crucible of the marketplace. Informatics Ventures seeks to bring together ambitious nascent entrepreneurs and experienced global entrepreneurs who can make success happen for our start-ups and spin-outs.” —

Commenting on the support given to the Informatics Ventures project, Enterprise Minister Jim Mather said:

...“The Scottish Government is keen to ensure all our efforts are focused on creating a more successful country through increased sustainable economic growth. That’s why European funding for projects such as Informatics Ventures can be beneficial. These awards help stimulate investment and job creation – something which is particularly important in the current economic climate.” —

Read more on www.informatics-ventures.com

Andrew Mitchell - Informatics Ventures Project Leader

Andrew Mitchell has been deeply involved with entrepreneurship education and business-university collaboration since 1999 and has been at the centre of or has personally raised over £8 million of industry, government and higher-education “enterprise” funding during this time. He joined the *University of Edinburgh’s Informatics commercialisation team* in July 2007, coming to the university from a business incubator in Queensland, Australia. In Australia, he introduced and developed entrepreneurship programmes for a diverse audience ranging from students to CEOs of high-tech start-ups. Prior to this Andrew worked for the *University of Cambridge Centre for Entrepreneurial Learning* where he designed, built and delivered educational programmes on behalf of the *Cambridge-MIT Institute Limited (CMI)*.



Earlier employment includes *British Telecommunications PLC*, as a Modernising Government Specialist including a secondment to the *BT Disruptive Lab* at the *Massachusetts Institute of Technology (MIT)*. Within *BT* he was a founding member of a Web 1.0 “spin-up” delivering innovative solutions to Central Government, such as UK Online (now www.direct.gov.uk).

Andrew has also worked for *Andersen Consulting*, within an SAP development team, and *Covell Matthews Architects Limited* as an architectural technician.

Andrew’s interests and objectives are to help evolve the entrepreneurial culture in and around Scotland’s Informatics and Computer Science research base, and to support world-class spin-outs from Scotland’s universities.