Four Common Traits in Great Entrepreneurs

1. Vision
2. Persistence
3. Optimism
4. Humility

“Entrepreneurship is a state of mind, a state of being. It’s constantly looking at a problem in life from different vantage points. What entrepreneurship is NOT about…is money. It’s about making a difference in life, and chasing dreams.”

Reference: Global Insights From 24 Leaders; Rothman Institute of Entrepreneurship.
“Today’s innovative leaders must stay in touch with their customers. They must be confident in their ability to successfully lead a growing company. And they must know when to empower members of the team so that innovative thinking drives new solutions for existing problems.”

Reference: Global Insights From 24 Leaders; Rothman Institute of Entrepreneurship.
Seven Rules for Business Success

1. Focus on your definition of success.
2. Never lose your enthusiasm for what you are doing.
3. Build high-quality teams with complementary skills.
4. Once you have the best people on your team, treat them well.
5. Reward and celebrate success.
6. Never neglect the basic housekeeping rules of business.
7. Value your family and your personal life.

Reference: Global Insights From 24 Leaders; Rothman Institute of Entrepreneurship.
Tips from an Astronaut

• Tap into government money.
• Understand how different indicators affect a company’s ability to operate in the marketplace.
• Reinvent yourself.
• Leverage partnerships and resources.

Reference: Global Insights From 24 Leaders; Rothman Institute of Entrepreneurship.
Surround Yourself With Great Stakeholders

- Management
- Industry Advisors
- Board Members
- Lawyers
- Accountants
Federal Government Resources

Grants, Cooperative Agreements, and Contracts for medical research and research-related activities

**SBIR.gov**  SMALL BUSINESS INNOVATION RESEARCH

*Competitive, three-phase program that encourages R&D and High-Tech innovation.*

- Phase I: Up to $100,000
- Phase II: Up to $750,000 for as many as 2 years
- Phase III: Innovation moves from the lab to the marketplace (no SBIR funds)

Capital, Contracts and Counseling
State Government Resources

Business Action Center: (866) 534-7789
One-stop shop for business; identifying applicable state incentive and financial programs (EDA), as well as state-supported job training opportunities (LWD), providing site selection services, and assistance navigating state permitting processes.

Lt. Governor Kim Guadagno

Microloans, Procurement, Training and Mentoring

Counseling and training
Edison Innovation Fund/Other State Resources
Supporting Companies Throughout Their Life Cycle

<table>
<thead>
<tr>
<th>Development</th>
<th>Launch</th>
<th>Growth</th>
<th>Mature</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 3 years in business</td>
<td>Undertaking R&amp;D</td>
<td>“Bench” prototype success</td>
<td>2-year, profitable history</td>
</tr>
<tr>
<td>Undertaking R&amp;D</td>
<td>“Bench” prototype success</td>
<td>“Proof-of-concept” completed</td>
<td>Marked year-over-year revenue growth</td>
</tr>
<tr>
<td>Not yet produced prototype</td>
<td>Not yet progressed to beta trials</td>
<td>Produce revenue, but show no profit</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New Jersey Business Action Center</td>
<td></td>
<td>Edison Innovation Fund up to $500k (1:1 match)</td>
<td></td>
</tr>
<tr>
<td>NOL Sale</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commercial Banks</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Workforce Training, etc.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Edison Innovation Fund provides up to $500k (1:1 match) for companies in the Growth phase.
- NOL Sale offers tax benefits.
- Commercial Banks provide financial support.
- Workforce Training is available for companies in the Mature phase.

Edison Innovation Fund/Other State Resources
Supporting Companies Throughout Their Life Cycle
Edison Innovation Fund Programs

**Edison Innovation Angel Growth Fund:** Angel supported technology companies with minimum trailing 12 month commercial revenues of $500,000 may be eligible for up to $250,000 in subordinated convertible debt financing. Growth capital through the Edison Innovation Angel Growth Fund can be used for key hires, product rollout, product enhancement, and marketing/sales. There is a 2:1 angel match funding requirement that must be received within 90 days prior to application.

**Edison Innovation VC Growth Fund:** Venture capital (VC) supported technology companies with minimum trailing 12 month commercial revenues of $500,000 may be eligible for up to $1 million in subordinated convertible debt financing. Growth capital through the Edison Innovation VC Growth Fund can be used for key hires, product rollout, product enhancement, and marketing/sales. There is a 1:1 VC match funding requirement that must be received within 90 days prior to application.

**Edison Innovation Growth Stars Fund:** Angel and/or VC supported technology companies with minimum trailing 12 month commercial revenues of $2,000,000 may be eligible for up to $500,000 in subordinated convertible debt financing. Growth capital through the Edison Innovation Growth Stars Fund can be used for key hires, product rollout, product enhancement, and marketing/sales. There is a 1:1 match funding requirement that must be received within 90 days prior to application.
Edison Innovation Fund Programs

Edison Innovation Green Growth Fund: Technology companies with Class I renewable energy or energy efficiency products or systems that have achieved "proof of concept" and successful independent beta results may be eligible for subordinated convertible debt financing up to $1 million to advance technologies in becoming competitive with traditional sources of electric generation. There is a 1:1 match funding requirement that must be received by time of loan closing.

Edison Innovation Clean Energy Manufacturing Fund: Two separate program components offer up to $3.3 million as a grant and loan for New Jersey manufacturers of Class I renewable energy and energy efficiency technologies. Up to $300,000 is available as a grant to assist with the manufacturing site identification and procurement, design, and permits. Up to $3 million is available as a loan to support site improvements, equipment purchases, and facility construction and completion. One-third of the loan may convert to a performance grant if certain business and technology-based milestones are met.
Angels

Who Are They? Where are They?

• Founders, Friends, Family and Fools
• Angels – All Different Kinds
  ▪ Passive
    Money Only
  ▪ Value Added
    Operational and/or Entrepreneurial Experience
  ▪ Ideal
    Money, Time and Talent
Angel Groups

Golden Seeds™
JumpStart
NJ Angel Network
RobinHood VENTURES
LORE ASSOCIATES
New York ANGELS
DELAWARE CROSSING Investor Group
IVY PLUS
Alternative Investment Network

Tri-State Private Investors Network
bringing ventures and investors together...

PIF
PRIVATE INVESTORS FORUM
info@privateinvestorsforum.com

new jersey
Highly educated, perfectly located.
Archangels

The Hidden Financing Sources

Service Providers
i.e. accountant, attorney

Vendors

Employees/Advisors
Different Business Objectives Require Different Types of Capital:

<table>
<thead>
<tr>
<th><strong>Fame/Fortune</strong></th>
<th>How committed are you to being an entrepreneur?</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ownership</strong></td>
<td>How much ownership do you need?</td>
</tr>
<tr>
<td><strong>Governance</strong></td>
<td>Are you willing to share governance with outsiders?</td>
</tr>
<tr>
<td><strong>Leadership</strong></td>
<td>What are your strengths/weaknesses as a business leader?</td>
</tr>
<tr>
<td><strong>Transparency</strong></td>
<td>How much transparency are you willing to provide to investors?</td>
</tr>
<tr>
<td><strong>Cash Flow</strong></td>
<td>When your business begins to throw off cash, what will you do with the cash?</td>
</tr>
<tr>
<td><strong>Income</strong></td>
<td>How much salary do you require?</td>
</tr>
</tbody>
</table>

Reference: Warren Haber, Manager Partner, Crossbar Capital
Tools to Prepare for Funding Request
Do Your Homework!!!!

Four Basic Documents Should be Prepared

1. Executive Summary
   - No more than two pages
   - Include contact information (email, phone and address)
   - Answer key questions: What is unique about your business? Is there a market/customer pull? How and when will you make money? Successes to date?

2. Business Plan

3. Pitch Deck

4. Financial Model
# Pitch Deck

<table>
<thead>
<tr>
<th>1. Vision</th>
<th>6. Deals</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>What are you trying to do and why are you doing it?</em></td>
<td><em>What are you major partnerships, relationships, etc.?</em></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2. Market</th>
<th>7. Differentiation</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>What is the market you are addressing and the estimated value of this market over the next five to ten years?</em></td>
<td><em>How are you different from your three main competitors? Include a simple SWOT chart.</em></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3. Team</th>
<th>8. Stats</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Who are the key three to five executives (vision, operations, tech, sales, marketing) and what are their specific qualifications?</em></td>
<td><em>What are the basic stats of your company (last round and valuation – if any), employees, location?</em></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><em>What is your exact offering? If possible, include a three to five minute demo.</em></td>
<td><em>High level projected P&amp;L for next two years, plus historical.</em></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>5. Roadmap</th>
<th>10. Capital</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Where are you in your offering release cycle and with respect to getting traction?</em></td>
<td><em>How much are you raising and what is its use?</em></td>
</tr>
</tbody>
</table>

*Reference: The Funded, “Mr. Smith”*
Financial Model

- Should be built from the bottom up
- Include all assumptions
- Include historical year to date actuals and project forward
- Include Balance Sheet, Income Statement and Cash Flow
- Provide monthly financials for first two years at a minimum
- Be very clear on capital needs and time to break even
- Make assumptions and stick to them - don’t make excuses
- Keep model current
Investors Are *Always* Doing Due Diligence

- Six Degrees of Separation
- Elevator and Restaurant Meeting
- Are you following up?
- Have you done your homework?
  - *Know investors interest and terms*
  - *Is this the right match?*
  - *Is there a “matchmaker”?*
Business Action Center: (866) 534-7789

www.njeda.com

www.NewJerseyBusiness.gov