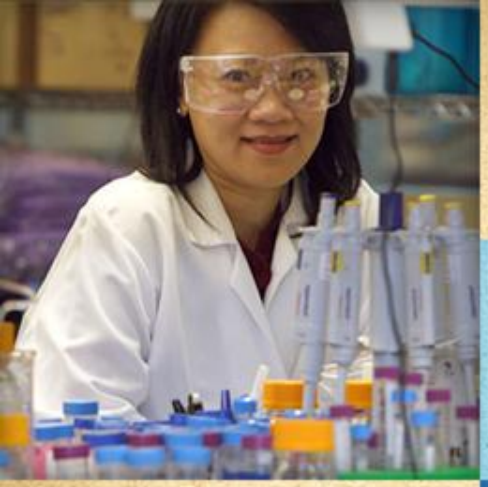

FEBRUARY 12, 2013

Rutgers Eco Complex

MBS Student Workshop

New Jersey Economic Development Authority

new jersey

Highly educated, perfectly located.

Four Common Traits in Great Entrepreneurs

John Crowley
President & CEO
Amicus Therapeutics, Inc.

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.

How to be an Innovative Leader

John Bailye
Executive Chairman
EKR Therapeutics

"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

Maxine Ballen
President & CEO
NJ Technology Council

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

Gregory Olsen
President
GHO Ventures

- **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)

SBA.GOV U.S. Small Business Administration

Capital, Contracts and Counseling

State Government Resources

Lt. Governor Kim Guadagno

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.

New Jersey Economic Development Authority

New Jersey Department of LWD Labor and Workforce Development nj.gov/labor

Resources & Solutions for Small Business UCEDC

Microloans, Procurement, Training and Mentoring

New Jersey SBDC Small Business Development Centers

Counseling and training

Edison Innovation Fund/Other State Resources

Supporting Companies Throughout Their Life Cycle

Development	Launch	Growth	Mature
New Jersey Business Action Center			
TECHLAUNCH		Edison Innovation Fund *up to $500k (1:1 match)*	EDA New Jersey Economic Development Authority
	Incubator	NOL Sale	
Resources & Solutions for Small Business UCEDC			Commercial Banks
	OmniCapital	NewSpring Capital	Edison Venture Fund
	NextStageCapital		Quaker BioVentures
		NJTC Venture Fund	LWD Workforce Training, etc.
		Osage Ventures	
Under 3 years in business Undertaking R&D Not yet produced prototype	"Bench" prototype success Not yet progressed to beta trials	"Proof-of-concept" completed Produce revenue, but show no profit	2-year, profitable history Marked year-over-year revenue growth

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 use 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

New York ANGELS

LORE ASSOCIATES

IVY PLUS
Alternative Investment Network

DELAWARE CROSSING Investor Group

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

PIF | PRIVATE INVESTORS FORUM
info@privateinvestorsforum.com

Arch*angels*

The Hidden Financing Sources

Service Providers

i.e. accountant, attorney

Vendors

Employees/Advisors

Different Business Objectives Require Different Types of Capital:

Fame/Fortune
How committed are you to being an entrepreneur?

Ownership
How much ownership do you need?

Governance
Are you willing to share governance with outsiders?

Leadership
What are your strengths/weaknesses as a business leader?

Transparency
How much transparency are you willing to provide to investors?

Cash Flow
When your business begins to throw off cash, what will you do with the cash?

Income
How much salary do you require?

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

1. Vision *What are you trying to do and why are you doing it?*	**6. Deals** *What are you major partnerships, relationships, etc.?*
2. Market *What is the market you are addressing and the estimated value of this market over the next five to ten years?*	**7. Differentiation** *How are you different from your three main competitors? Include a simple SWOT chart.*
3. Team *Who are the key three to five executives (vision, operations, tech, sales, marketing) and what are their specific qualifications?*	**8. Stats** *What are the basic stats of your company (last round and valuation – if any), employees, location?*
4. Offering *What is your exact offering? If possible, include a three to five minute demo.*	**9. Financials** *High level projected P&L for next two years, plus historical.*
5. Roadmap *Where are you in your offering release cycle and with respect to getting traction?*	**10. Capital** *How much are you raising and what is its use?*

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"?*

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

Business Action Center: (866) 534-7789

www.njeda.com

www.NewJerseyBusiness.gov