



# NEXT STEPS

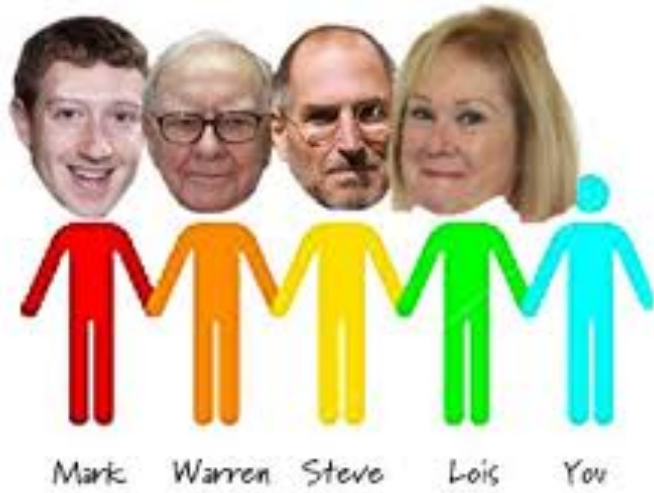
---

Kirby Black, PhD

Managing Partner

Epic BioVentures, LLC

# Next steps



- So you want to be an entrepreneur?
- Just like your hero?

# Next steps



# Next steps

- In reality being an entrepreneur is:
  - very hard
  - Very risky
  - It takes its toll
  - Few succeed and many fail
- But if you have the desire we'll talk about how to pursue your dream



# My background

- Education
  - B.S. Mechanical Engineering UCLA (Univ. of California, Los Angeles)
  - P.E. Professional Engineering certification (mechanical); California
  - Ph.D. Cell Biology/Immunology; UCI (Univ. of California, Irvine)

# My background

- Academic Positions

- Research and teaching at University of California, Irvine School of Medicine, Department of Surgery for 20 years (focus on transplant immunology)
- Professor of Biotechnology, Kennesaw State University

- Industry positions

- Senior management in the medical industry for 20 years (drugs, devices, biologics) (CEO, COO, VP, director, ...)
- Currently managing partner Epic BioVentures, LLC

# My background

- Publications
  - over 200 papers, books and abstracts
- Patents (issued and pending)
  - 42 U.S.
  - Over 100 foreign

# Background

So ...

“been there, done that, collected a few t-shirts along the way and have the war wounds to prove it”



# Next Steps

- Still want to be an entrepreneur?
- The big question is “who are you?”
  - What is your goal?
  - what is your vision?
  - What is your plan?
  - What are your resources?
  - What have you accomplished?
  - What will you accomplish?
- Lots of questions



# Next Steps

- Need to be able to explain your vision, your passion and your plan to:
  - Your family and friends
  - Your potential team (employees)
  - Your investors
  - Your customers
  - Your vendors

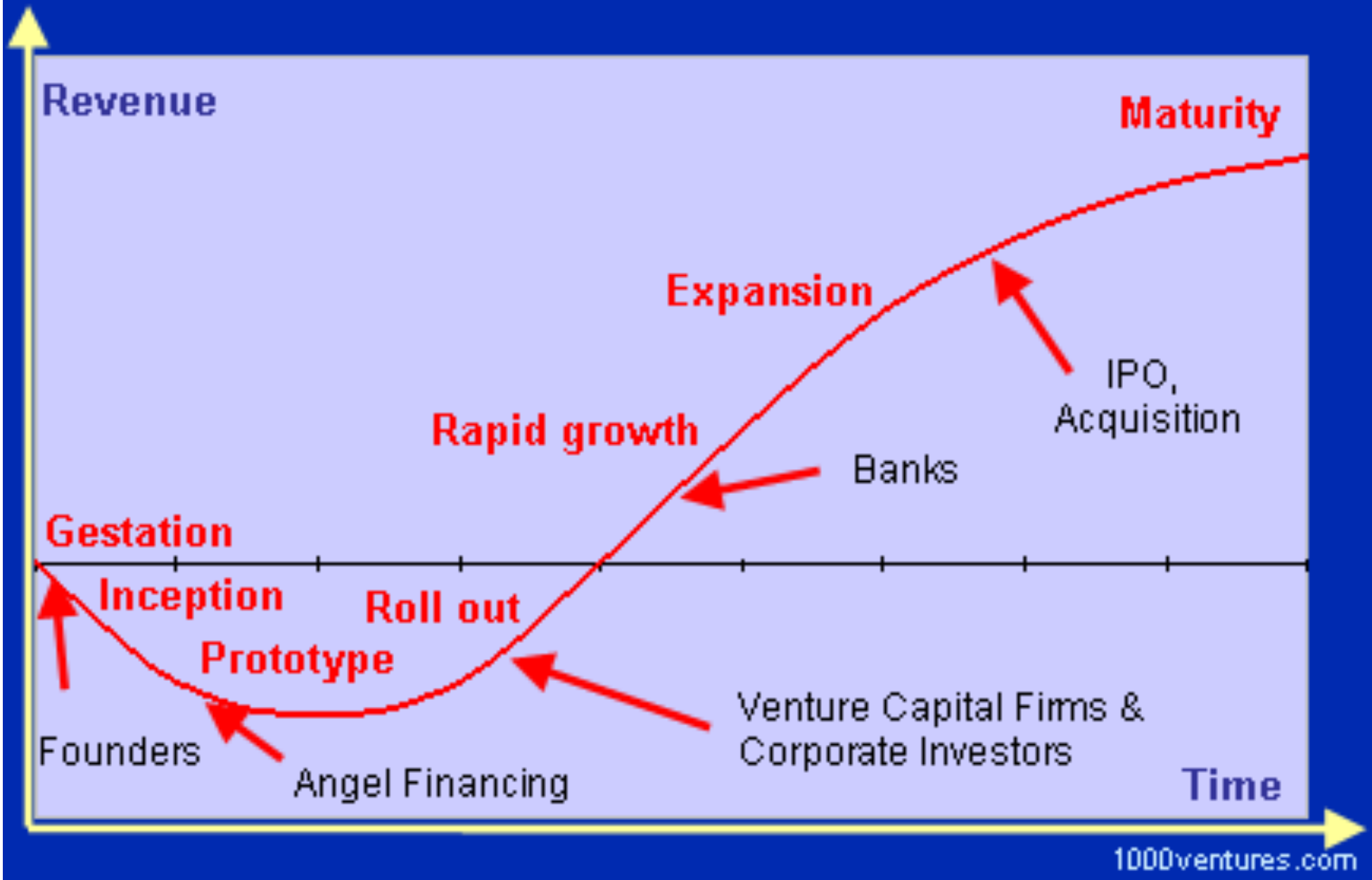
# Next Steps





# Venture Financing

## Sources of Funds for High-Growth Firms



# Getting money

- Need a plan for how you will make your business successful – your business plan
- Asking investors for money can be an
  - Emotional plea (but we have the cure for cancer!)
  - Monetary plea (we will make you rich!)
  - Arrogant plea (we can do it because we are great!)
- Good business plan uses the best all these and more

# Business plans

- Key items
  - Overall business plan (can be 50-100 pages)
  - Executive summary (1-2 pages)
  - Elevator speech
  - Slide deck (15-30 minutes or 15 – 30 slides)



# Business plan



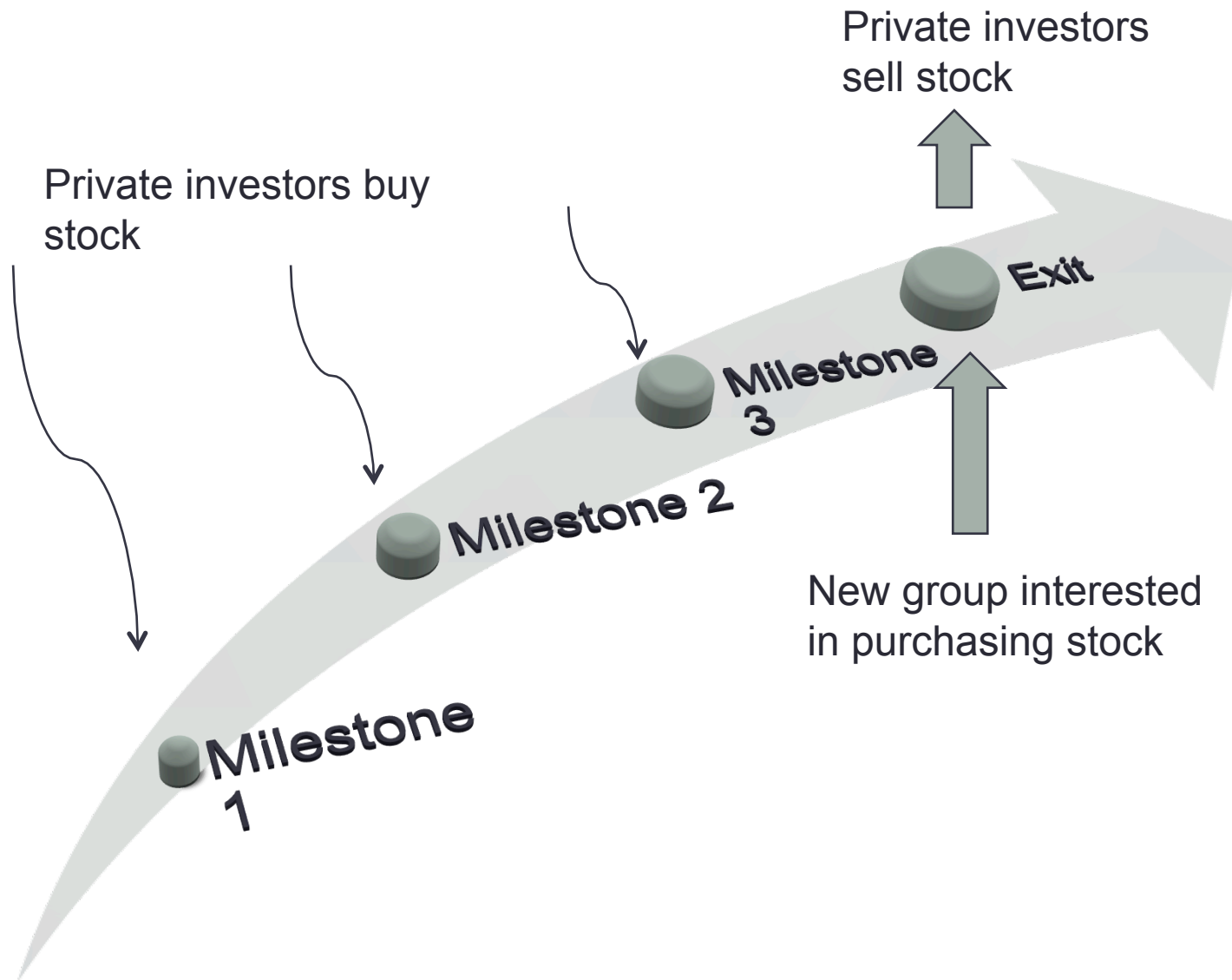
- Make sure its very clear and well thought out
- You will be presenting and defending it regularly

# VC Investing in Start-up Firms

- For the venture capital investment process, due diligence means a rigorous investigation and evaluation of an investment opportunity before committing funds.
- This process includes review of its management team, business conditions, projections, philosophy, and investment terms and conditions.
- These should all be found in the business plan



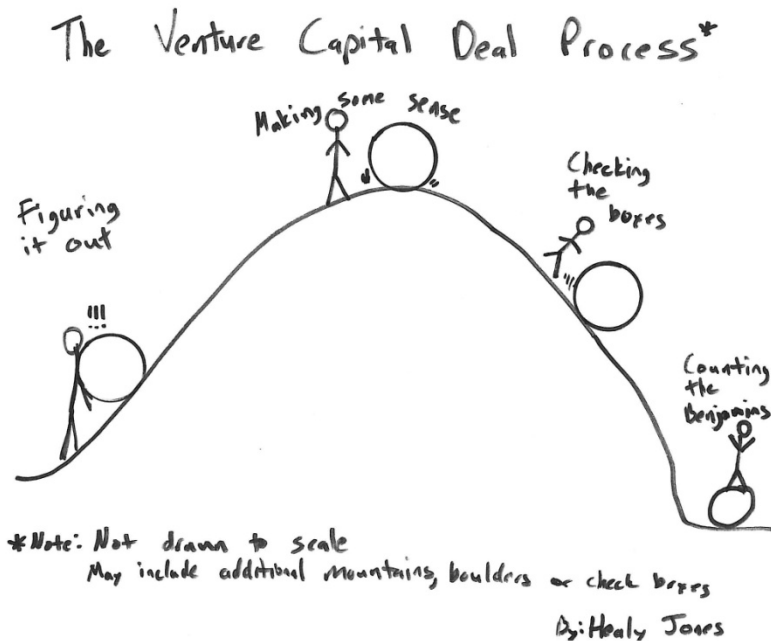
# how investors get their money out



# Investor motivation

- Buy low → sell high (make lots of money)
- Low risk (the plan will happen)
- Reasonable timeframe (3-5 years)
- Reasonable amount of money (can be raised)

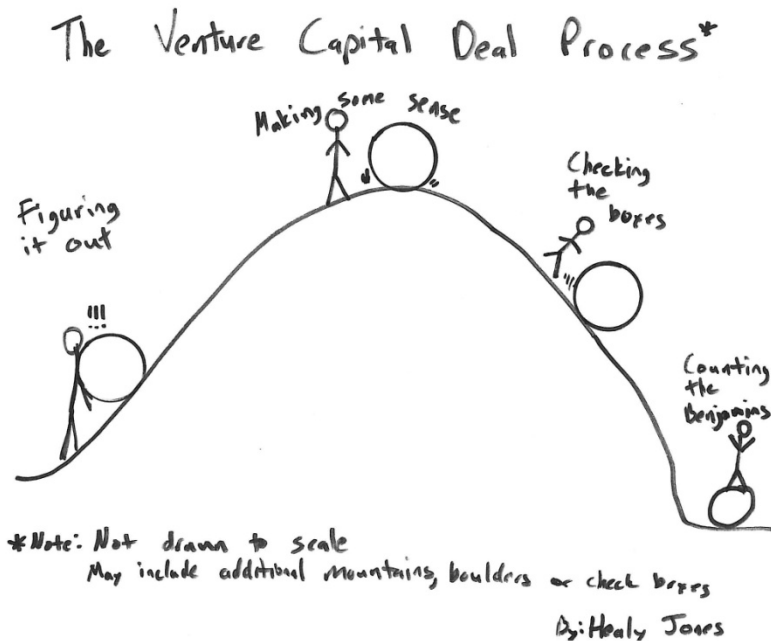
# Venture capital deal process from the VC perspective



- From: The Venture Capital Deal Process –
- Process? We don't need no stinkin' process
- September 11th, 2008
- by Healy Jones, formerly from Atlas Ventures

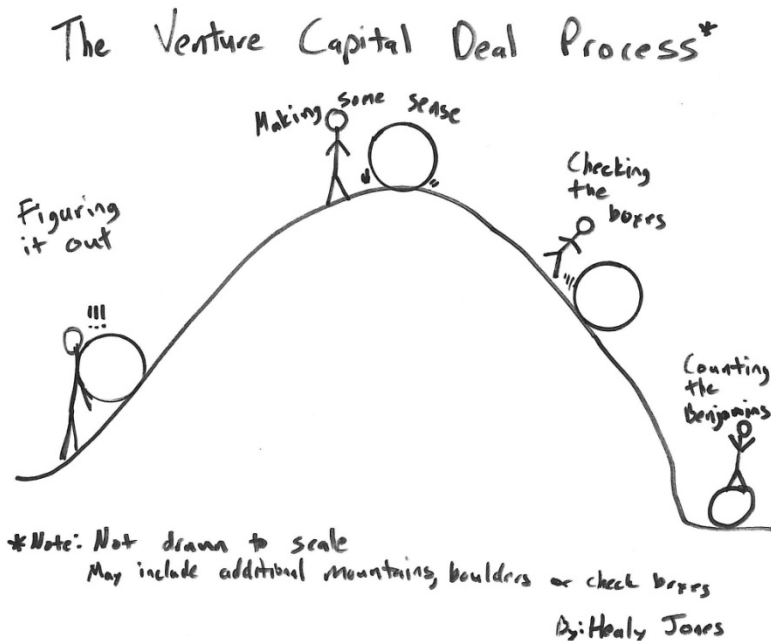


# Venture capital deal process



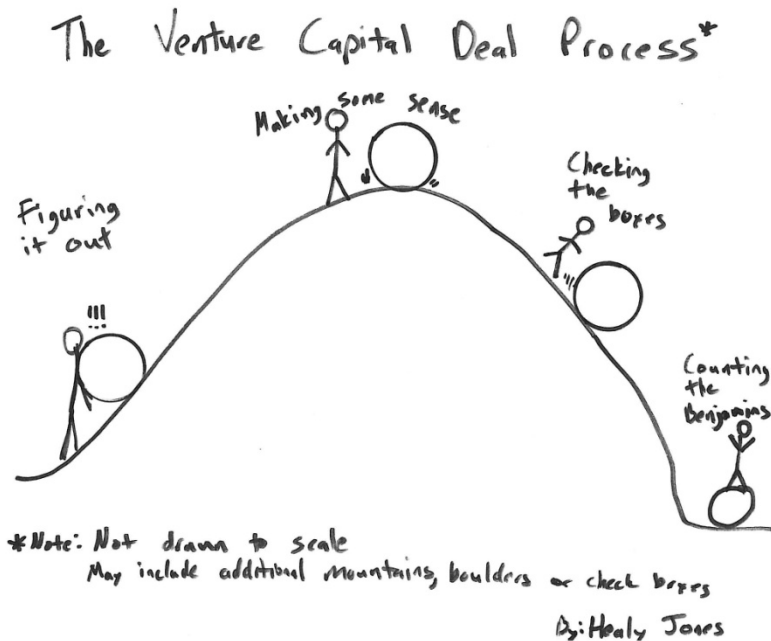
- Figuring it out (the company/deal)
- This is where the VC tries to decide if the investment idea could possibly make any sense.
  - Is the team creditable?
  - Is there a real market, and is it big enough?
  - Can the technology work?
  - Do customers exist and what do they say?
- Most companies in the fund raising process don't make it past this stage.

# Venture capital deal process



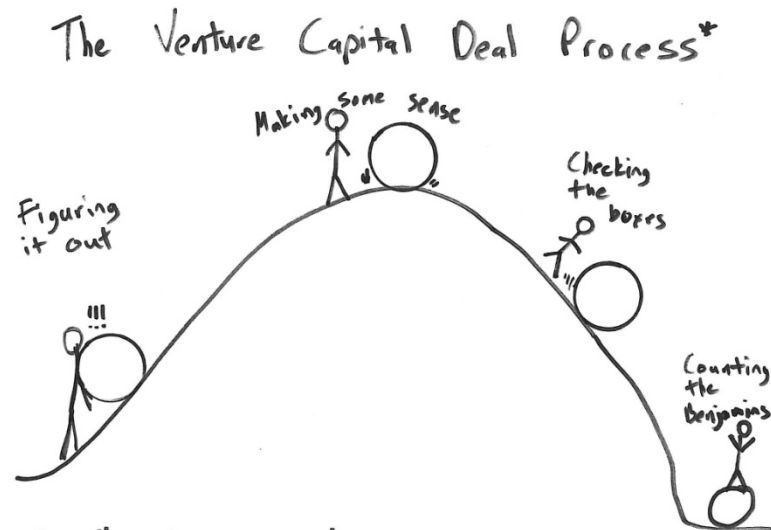
- Making some sense.
- The venture capitalist is starting to gel with the idea and team.
- Management might actually be able to pull it off.
- Key introductions around the team are clicking.
- The technology has survived numerous demos, and the back-end looks like it can scale.
- Customers are suggesting they'd buy the product.
- Usually a good piece of news or development is enough to push the startup into the next phase - a key customer sign up, or a top tier person agrees to join the team.

# Venture capital deal process



- Checking the boxes.
- Now the VC is on board.
- Instead of looking for reasons to not do the deal, he or she is simply turning over all the necessary stones to make sure nothing important is missed.
- Probably making final reference and background checks, and carefully monitoring the target market and customer group.
- While this might feel a bit easier, it is still a critical step.
- Don't drop the ball here, keep pressing hard!

# Venture capital deal process



\*Note: Not drawn to scale  
May include additional mountains, boulders or check boxes  
By: Healy Jones

- Counting the Benjamin's (money)
- Congratulations.
- Now it's time to execute...

# Executive Summary

- The Purpose of the Plan
  - Attract investors
  - Document an operational plan for controlling the business
- Market Analysis
  - The characteristics of your target market (demographic, geographic, etc.)
  - The size of your target market
- The Company
  - The needs of your company will satisfy
  - The products or services you will offer to satisfy those needs
- Marketing and Sales Activities
  - Marketing strategy
  - Sales strategy
  - Keys to success in your competitive environment
- Product or Service Research and Development
  - Major milestones
  - Ongoing efforts
- Organization and Personnel
  - Key managers and owners
  - Key operations employees
- Financial Data
  - Funds required and their use
  - Historical financial summary
  - Prospective financial summary (including a brief justification for prospective sales level)





QUESTIONS?

---