



# You Get One Shot with Most Investors



**Lets Make That Shot  
Count!!!!**



# **AGENDA**

**A. *Red* Flags**

**B. *Investor Expectations***

**C. *Tools of the Trade***

**D. *Tips from the Top***



# A. RED FLAGS



# A. Red Flags

- 1. Valuation



## A. Red Flags

- 1. Valuation:
  - Pre Money
  - Post Money



## A. Red Flags

- 1. Valuation:
  - Example:
    - **Entrepreneur needs:**
      - **\$1,000,000**



## A. Red Flags

- 1. Valuation:
  - Example:
    - Entrepreneur needs:
      - \$1,000,000
    - Investor receives:
      - 10% of common shares



## A. Red Flags

- 1. Valuation:
  - Example:
    - Entrepreneur needs:
      - \$1,000,000
    - Investor receives:
      - 10%
    - Pre Money:
    - Post Money:



## A. Red Flags

- 1. Valuation:
  - Example:
    - Entrepreneur needs:
      - \$1,000,000
    - Investor receives:
      - 10%
    - Pre Money:
      - \$9,000,000
    - Post Money:



## A. Red Flags

- 1. Valuation:
  - Example:
    - Entrepreneur needs:
      - \$1,000,000
    - Investor receives:
      - 10%
    - Pre Money:
      - \$9,000,000
    - Post Money:
      - \$10,000,000



## A. Red Flags

- 2. Magnitude of the problem?
  - Is it a bleeding finger?
  - Or is it a bleeding jugular vein?



## A. Red Flags

- 3. Scalability?
  - Hockey stick growth curve potential?
  - Size of the “addressable” market?
  - Can the financial forecasts be believed?



## A. Red Flags

- 4. Validation
  - Will the dog eat the dog food?
    - Can you prove it?



## A. Red Flags

- 5. Management
  - Does management have the relevant experience?
  - Investors must be convinced that this management team can deliver the forecasted financials



- **B. INVESTOR EXPECTATIONS**



## B. INVESTOR EXPECTATIONS

- Who Are the Potential Investors?
  - Friends & Family: \$60B
  - Angels: \$20B
  - Venture Capital Funds: \$20B



## B. INVESTOR EXPECTATIONS

- Target return on Angel portfolio:
  - 25% IRR per year
  - 3x ROI after 5 years



## B. INVESTOR EXPECTATIONS

- BUT
- Not all investments are successful
- Angels receive their target ROI from approx 15% - 20% of their investments



## B. INVESTOR EXPECTATIONS

- Let's look at IRR/ROI expectations:



## B. INVESTOR EXPECTATIONS

- | • IRR  | ROI | TARGET              |
|--------|-----|---------------------|
| • 25%  | 3X  | Entire Portfolio    |
| • 60%  | 10x | Min Each Investment |
| • 100% | 32x | Home Run            |



## B. INVESTOR EXPECTATIONS

• IRR	ROI	5 YR RET ON \$1M
• 25%	3X	\$3,000,000
• 60%	10X	\$10,000,000
• 100%	32X	\$32,000,000



- **C. TOOLS OF THE TRADE**



## C. TOOLS OF THE TRADE

THE OBJECTIVE OF THESE “TOOLS”  
IS TO CRAFT & PRESENT A

**“COMPELLING STORY”**

ABOUT YOUR PROJECT TO THE  
INVESTOR



# C. TOOLS OF THE TRADE

1. Elevator Pitch
2. Power Point Presentation
3. Executive Summary
4. Business Plan
5. Due Diligence



# C. TOOLS OF THE TRADE

Elevator Pitch – 30 seconds only!!!!





## C. TOOLS OF THE TRADE

### Elevator Pitch

**You**

**Your Customer**

**Your Competition**

**Differentiation/Benefit**



## C. TOOLS OF THE TRADE

### Elevator Pitch

**You**

Who – your company name

What - what is your product or service –  
(1 line max)



## C. TOOLS OF THE TRADE

### Elevator Pitch

# Your Customer

**Who** - who is your customer (describe your key market – 1 line max)

**Need** - what need are your customers solving by buying your product or service



## C. TOOLS OF THE TRADE

### Elevator Pitch

## Your Competition

Who – is the incumbent. ie: who are they buying a solution from now?

Behave – biggest weakness



## C. TOOLS OF THE TRADE

### Elevator Pitch

### Differentiation

Difference – how you handle the issue compared to the competition

Benefit – what benefit does the customer get by choosing your behavior



## C. TOOLS OF THE TRADE

### Rampworth's Elevator Pitch

# US

We're Rampworth Capital Services Inc., an entrepreneurial consulting firm with a passion for helping private companies **RAISE** their **VALUE** before they **RAISE** their **MONEY**.



## C. TOOLS OF THE TRADE

### Rampworth's Elevator Pitch

### Our Customer

Our Customers are owners and entrepreneurs who want to raise money, sell equity or sell their Company and want to maximize their company value before they engage in the deal process.



## C. TOOLS OF THE TRADE Rampworth's Elevator Pitch

### Our Competition

Unlike the traditional financial consultants, who Position & Package Companies so that the increased value tends to be for the benefit of the investor....



## C. TOOLS OF THE TRADE Rampworth's Elevator Pitch

### The Difference

We add value by Positioning & Packaging  
Companies BEFORE the money is  
raised...so our clients get **Higher  
Values + Better Terms + Faster Deals**



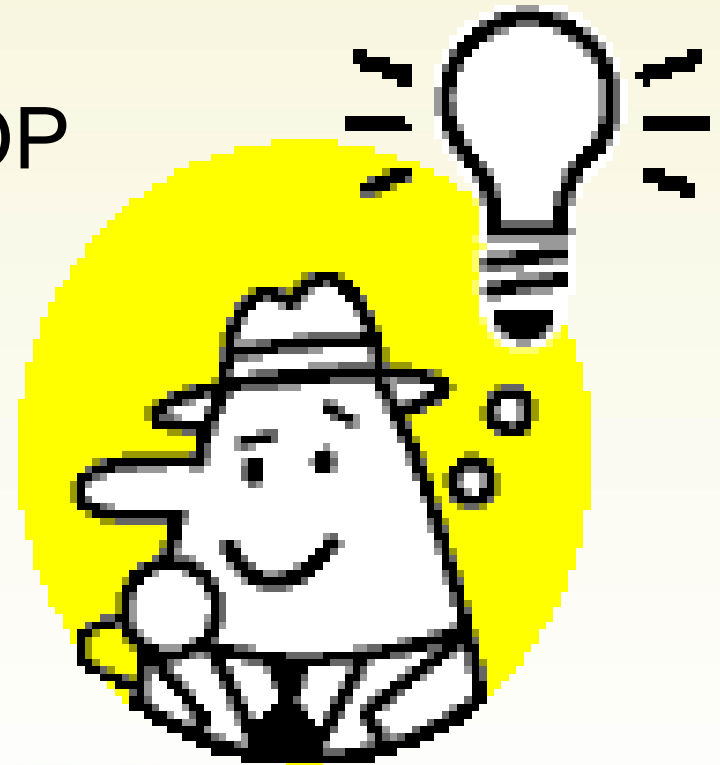
## C. TOOLS OF THE TRADE



**Object of the “tools” – to make your project stand out from the crowd!!!!**



- D. TIPS FROM THE TOP





## D. TIPS FROM THE TOP

- Value your deal realistically



## D. TIPS FROM THE TOP

- Remember the investors “expectations”



## D. TIPS FROM THE TOP

- Nail your 30 second “Elevator Pitch”



## D. TIPS FROM THE TOP

- The CEO must be the main presenter to the prospective investor



# TIPS FROM THE TOP

- DON'T “Spray & Pray” your deal



# TIPS FROM THE TOP



**RAMPWORTH CAPITAL SERVICES INC.**

VALUE & LIQUIDITY



# Let's Make That Shot Count



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