

**DSM**USA

DES MOINES, IOWA



# Raising Capital Seminar

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# RAISING CAPITAL SEMINAR

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# Non-Dilutive \$

## Mike Colwell



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# Non-Dilutive Capital

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- State IEDA Grant / Loan Programs
  - POCR
  - Demonstration Fund
  - Acceleration Fund
  - Expansion Fund
- SBIR / STTR – Federal Grants
- Corporate Programs
  - Wellmark Community Venture Capital Fund
- Pitch Competitions
  - Pappajohn Iowa Entrepreneurial Venture Competition

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# Online Platforms

Mike Colwell



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# Platforms

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- Gust
  - Focused on finding Angel Groups
- AngelList
  - Finding Investors
  - Finding Employees
  - Finding Competitors
- Crunchbase
  - Finding Competitors
  - Finding Investors
- Pitch Book
  - Finding Competitors
  - Finding Investors
  - Finding Market Data
- F6s.com
  - Connect to Accelerators, Funds and Investors
  - Get help talent search, exposure and resources
- Non-Accredited crowd-funding

# Why should you be online?

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- It's part of your startup's resume and identity
- Documents your existence
- Recruiting tool
- Fundraising tool
- Single point of data-room dissemination

# Gust

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- Popular platform for pitch events
- Absolute necessity for angel funds and networks
- Startup controls access to their data
- Easy to share deal docs
- This is not a trivial exercise
  - Requires a time commitment to stay current

# Gust – Best Practices

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- Always upload a pitch video
- Ensure financials typed in are **SAME** as those uploaded in business plans
- Ensure an understanding of valuation, run rate, etc. when filling in numbers
- Review your one pager as most investors look at this document **first**
- Remove access from disinterested parties **Immediately**

# AngelList

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- Popular platform for accredited crowdfunding
- De-facto site for syndicated funding rounds
- A recruiting and fundraising tool

# AngelList For Startups

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- Profile needs to be simple, complete, fresh, and accurate
- Reporting needs to be frequent
- Video profiles a necessity
- It is also a social network
  - Ensure key connections properly documented – founders, investors, advisors
- Use this profile for recruiting talent

# AngelList Investment Process

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- VC / fund creates lead investment and invests money
- VC / fund creates syndicate (single purpose LLC)
  - VC representative is managing member
  - Syndicate members receive deal notification
  - First 98 syndicate members to fill round invest
  - Amounts may be varied amongst members
  - Closing in 2 to 3 weeks

# AngelList - Post Investment

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- Monthly / quarterly email reports
- Annual K-1 for interest / dividend if any
- First priority to follow-on future rounds if any
- Little to no control on exits / future rounds