

10 things you need to know to successfully raise finance

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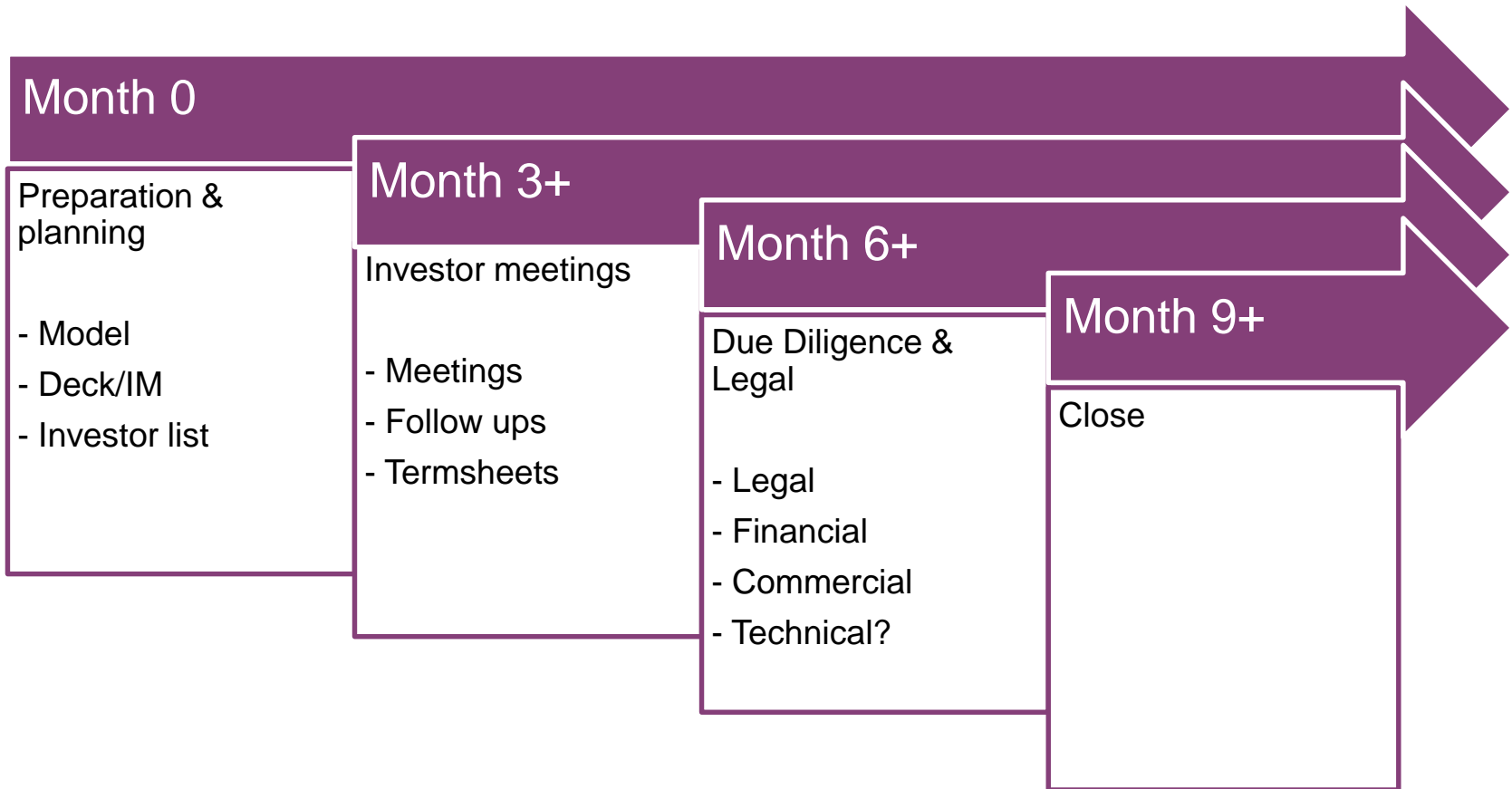
Andy Hodgetts, Manager, Buzzacott

In tonight's seminar...

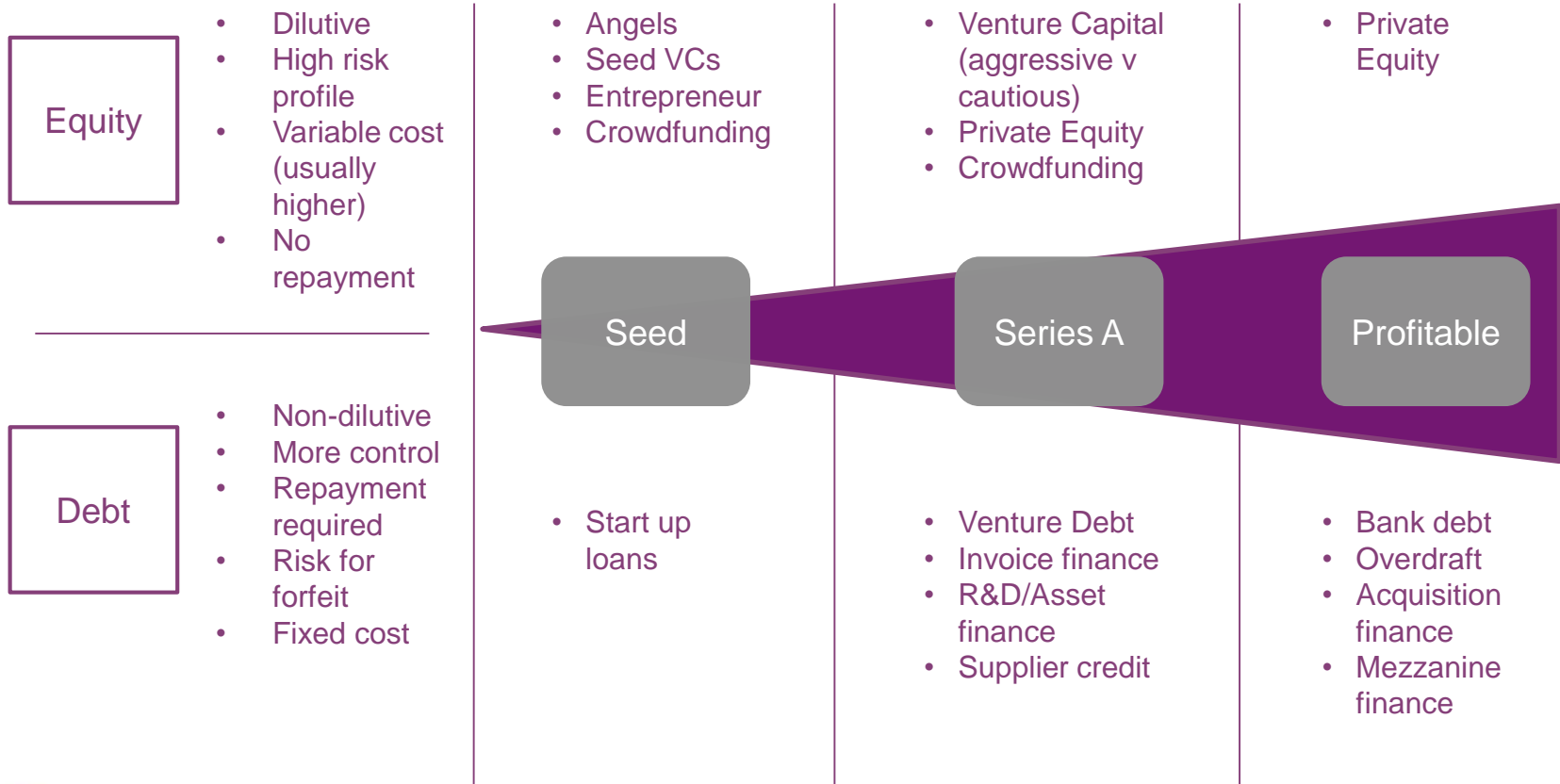
We will cover 10 of the most common pitfalls we see through fundraising. These include:

- ⦿ Valuation
- ⦿ Investor landscape
- ⦿ How to build an investment pitch

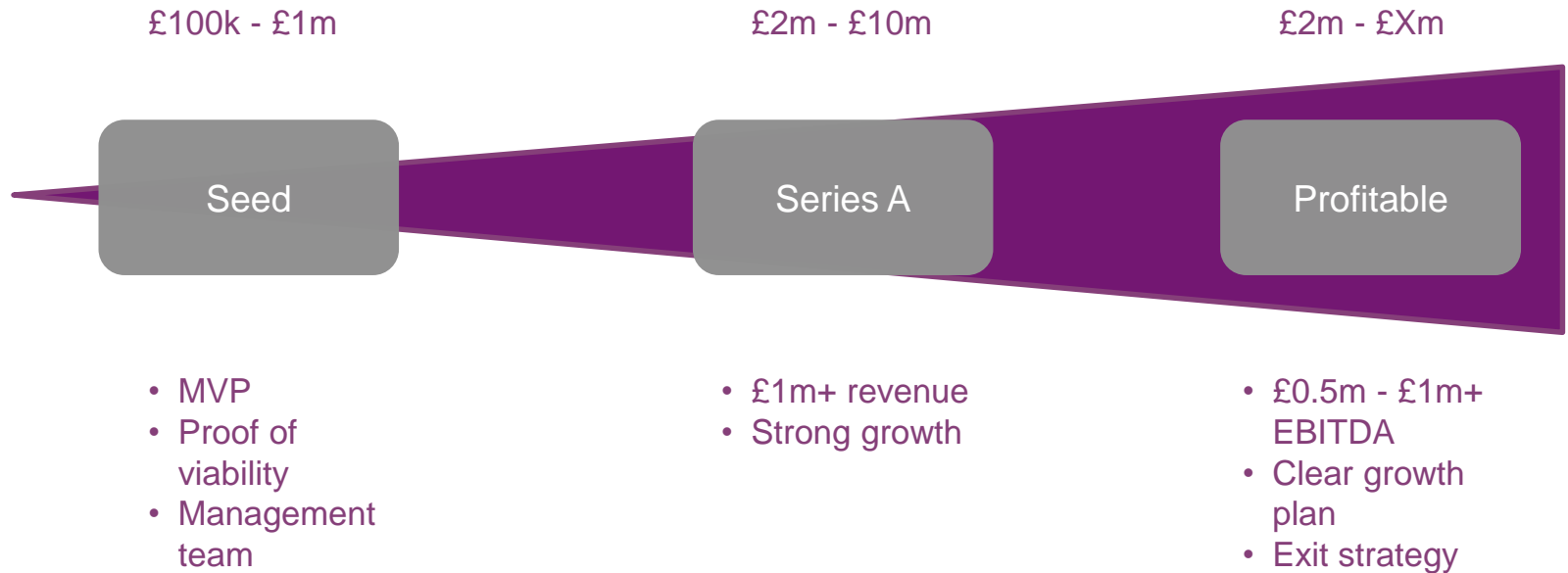
1. When is the right time?



2. What type of money?



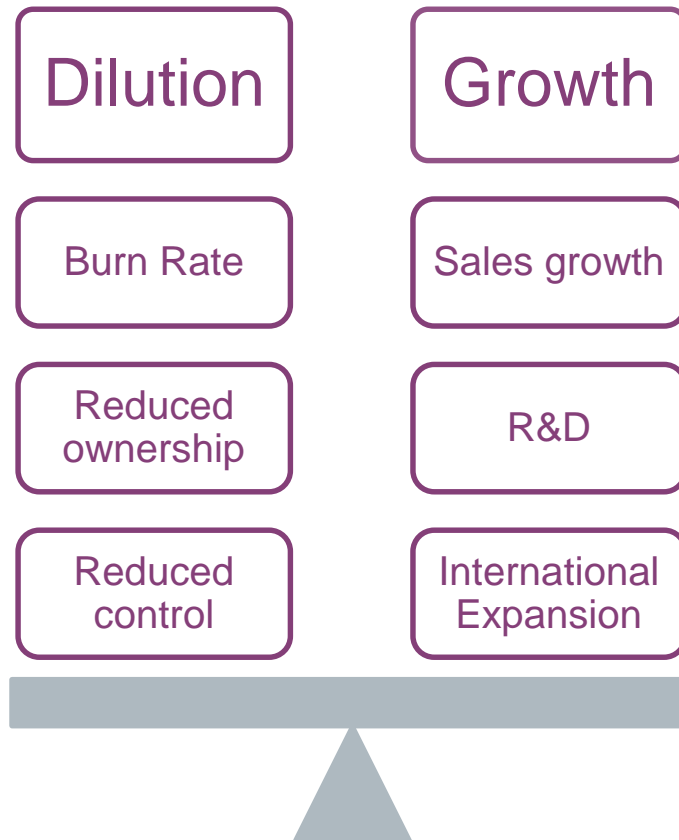
3. Know what the market wants



What do investors really want?

- Larger investments (same effort for different size deals)
- Clear path to return on money (not just exit)
- 20%+ IRR / 3x – 10x returns
- EIS/VCT relief

4. Know how much to raise



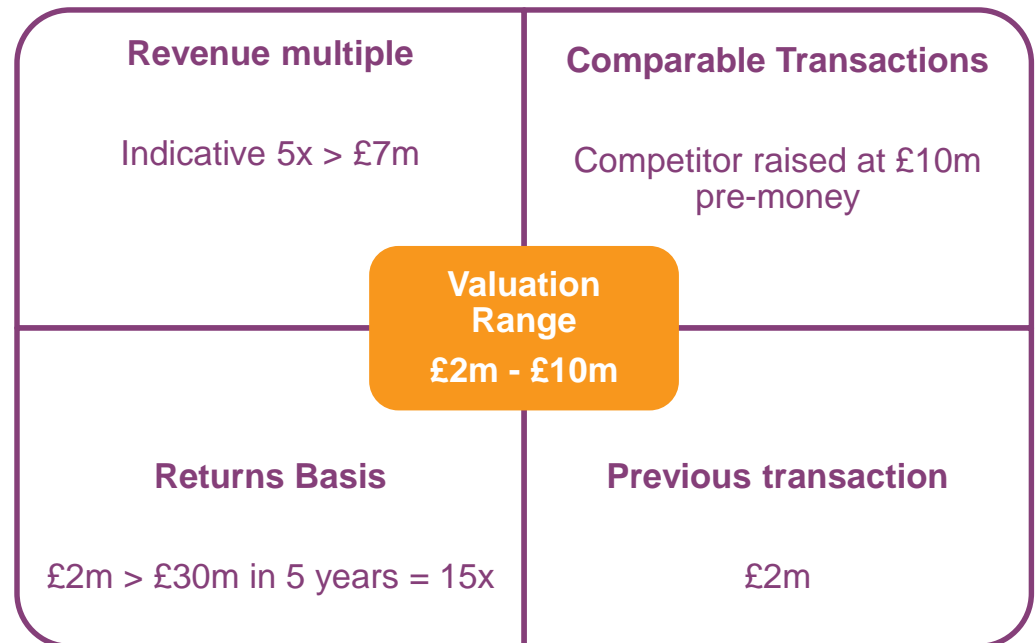
5. Setting the right valuation

Fictional Case Study:

Mr W is the founder of Wappr, a tech SaaS business that develops and sells accounting software.

Key facts:

- The business was founded in 2012
- Revenue has grown to £1.4m in the last financial year
- Currently burning £20k per month
- Looking to raise £2m
- Forecast turnover in 2021, £20m
- EBITDA £5m
- Raised £300k of Angel Finance in 2015 at £2m pre-money



6. Know your numbers

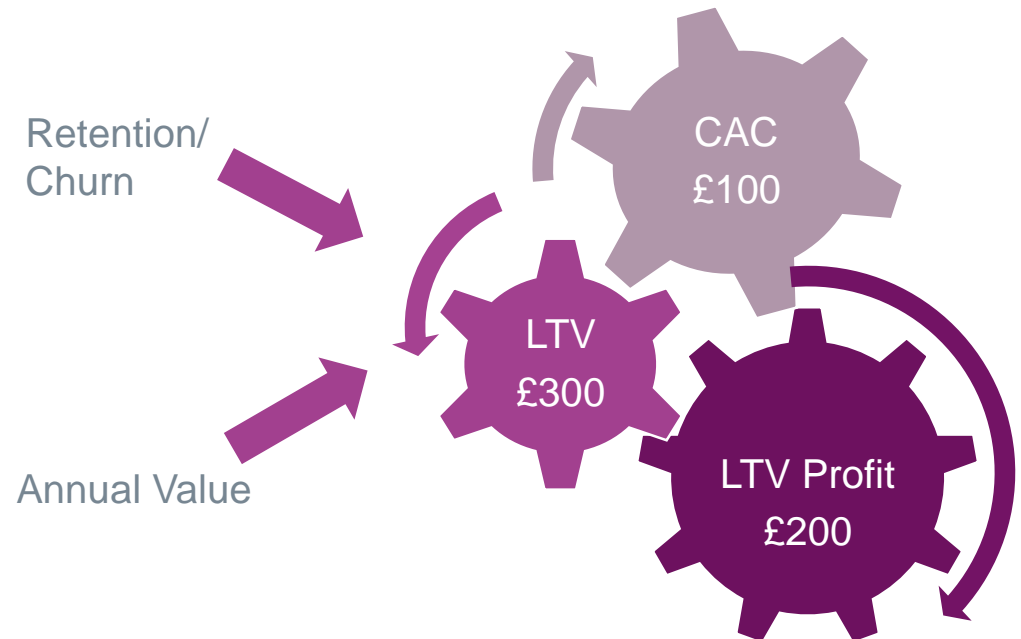
Other KPI's

- gross bookings
- quarterly annualised revenue
- Non-financial e.g. users

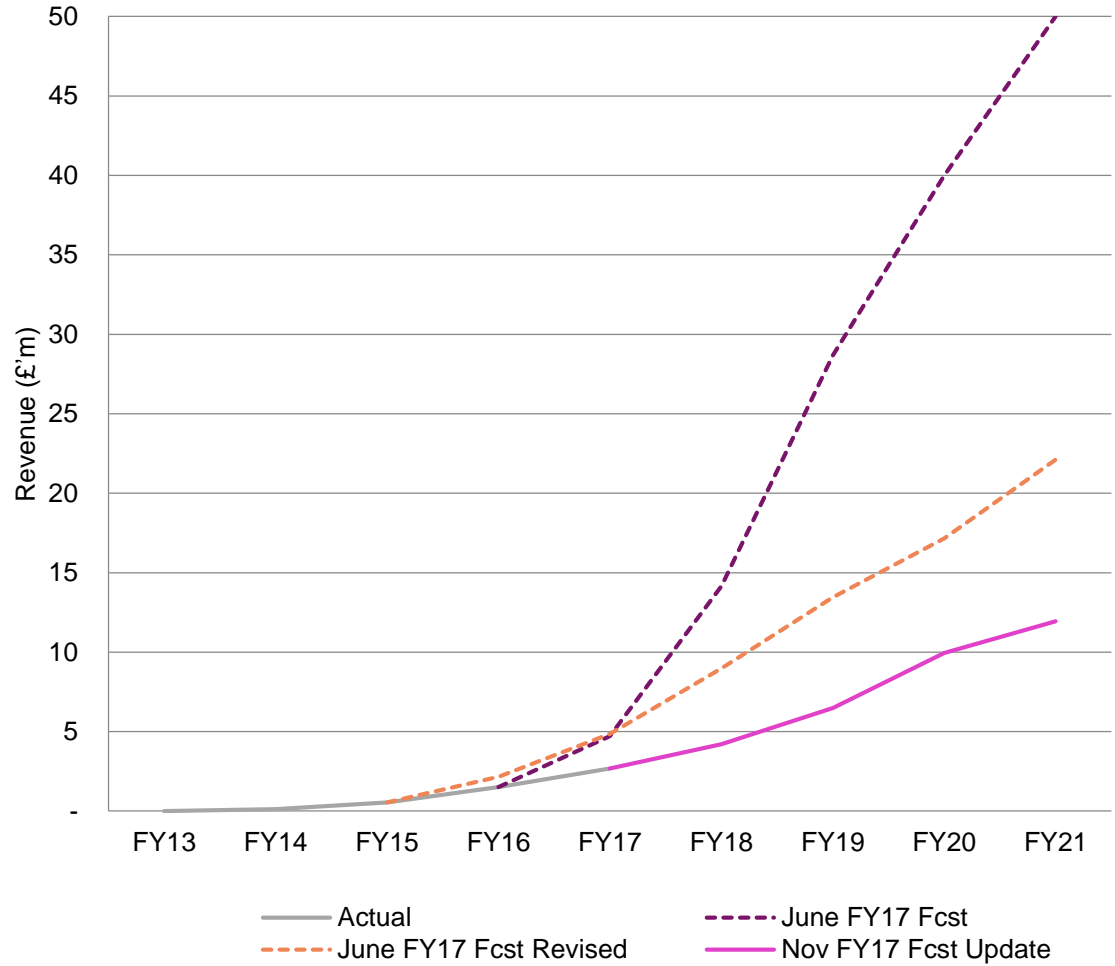
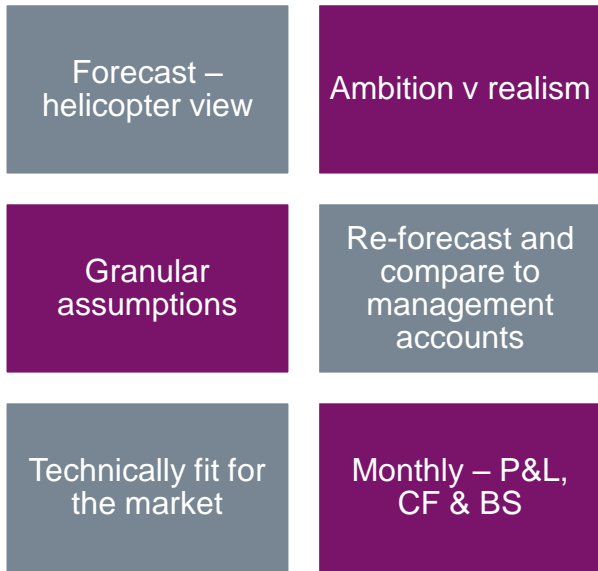


Total addressable market

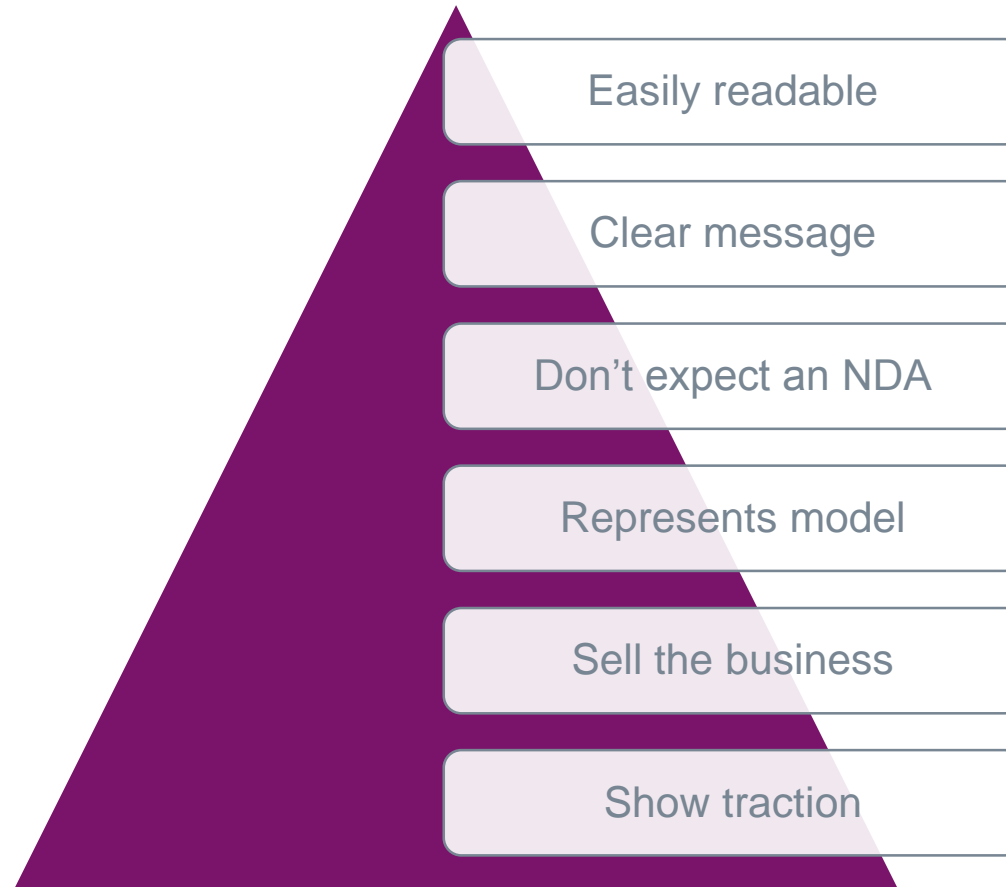
Unit economics



7. Create a realistic model



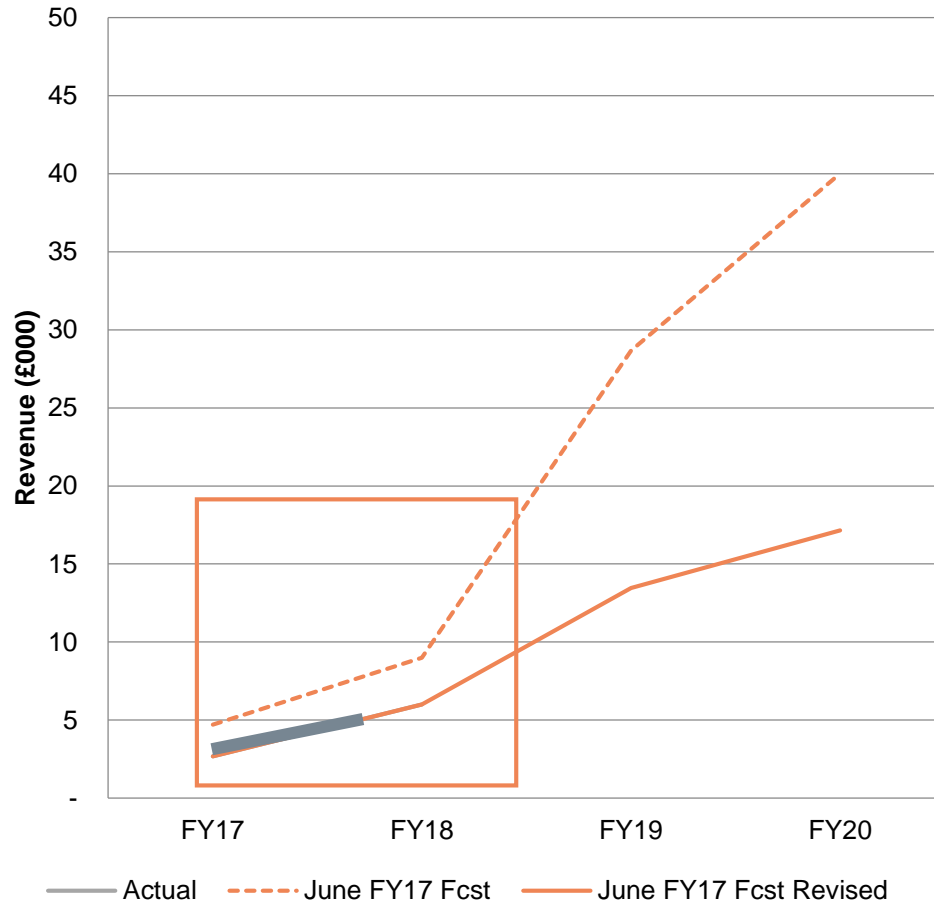
8. Keep the message clear



9. Get your house in order

Market presence	Presentation	Contracts	Audit
Lead schedules	Management accounts	Ownership of IP	Balance sheet
Private use	Share register	EIS	Payroll
Employee related securities	Taxation	Minority shareholders	Patents

10. Don't neglect your business



Budget v Forecast

Sales

Cost management

Cash runway

Explain variances

Monthly – P&L, CF & BS

Questions

- 1 • When is the right time?
- 2 • What type of money?
- 3 • Know what the market wants
- 4 • Know how much to raise
- 5 • Setting the right valuation
- 6 • Know your numbers
- 7 • Create a realistic model
- 8 • Keep it clear
- 9 • Get your house in order
- 10 • Don't neglect your business

Get in touch

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