

Western Universities Technology Innovation Fund 

“Idea to Reality”

March 28, 2007

or


“What Angels Really Want”

[\[www.mikevolker.com\]](http://www.mikevolker.com)

Student Biotechnology Network 

 Mike Volker (mike@volker.org)
University/Industry Liaison Office
Simon Fraser University

Questions?



Questions are guaranteed in life; Answers aren't.

Mila asks about:

- The most rewarding and challenging moments of starting up a company?
- Biggest lesson learned?
- Motivation to succeed & keep up enthusiasm and passion?
- Tips for starting your own biotech venture (or adventure)?

My Passion: Tech Startups

Experience:

- starting them (tech entrepreneur, mentoring)
- raising capital for them & investing in them

Observation over 30 years:

It's as tough being an investor (ie. picking winners) as it is to be an entrepreneur!

Conclusion:

It's all about Entrepreneurship & Leadership
Beware of the E-myth!

Innovation is *the* key to growth



Entrepreneurs


Entrepreneurs are the Champions of Innovation

What *is* an Entrepreneur?

Someone who...

- Believes s/he's in control
- Doesn't know "no"
- Takes total responsibility
- Accepts blame
- Dreams (big?)
- Has nothing to lose! (go for it!) [What? Me Worry?]

The game – make your own rules (easier to win that way)



What about Scale?

The \$100 million deal?
or
The Lifestyle Business?

YOUR DECISION.

Then sell your story to the right audience!



"D'you want your change or shares in the company?"

Starting is easy....

There's no such thing as failure....

....only a learning experience!



[See www.garage.com]

Fact: 100 companies are incorporated in B.C. each business day!!

The Elevator Pitch...

What do Angels Look For...in a Venture?

the 3 G's....

GOODNESS
GREATNESS
GREED


The Elevator Pitch...

What do Angels Look For... in a Person?

the I's....

Intensity (passion)

Integrity (honesty)

Immediacy (hodie) 

Avoid "BS Bingo"

Domain Expertise	ProActive Management	Unique Proposition	Low Burn Rate	Best of Breed
Enabling Technology	Empowered Team	Ground Floor Opportunity	First To Market	Platform Technology
Market Driven	World Class Products	<u>PROFITS</u>	Competitive Advantage	Renowned Board
Proprietary Technology (no competitors)	Revolutionary Business Model	IP Portfolio	Favorable Valuation	Liquidity Event (Exit Strategy)
Revenue Traction	NASDAQ IPO	Mezzanine Round	Defensible Strategy	Visionary

A Great time to start a Company

- Prime at 6.0%, low inflation, GDP: >3.0%
- Lower taxes
- Low R&D costs
- Great Infrastructure (see www.hitechbc.com)
- Overhaul of securities regs (easier financing)
- Special incentives: SBVCA - VCC program
- Make a list of all un-invented things!
- Americans will buy anything!

Getting Started

Type of Business?

Proprietorship

Partnership

LLP Partnership

Corporation – BC or Canada?



Structure

Who owns it? (for what....?)

Who runs it?

Shareholder's agreement?

You have to sell your story

At the start, the *only* asset which you have to sell is *your* story.



And....how to achieve this?

Through....

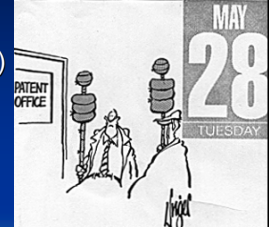
The People (why you?)

Your Idea.....

(your I.P.)

and

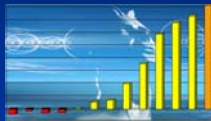
how will it make \$\$?



It's all about P&L:

What are you selling, who will buy it, how much will you make?
(Profit & Loss)

Why you and your team?
(Passion & Leadership)



NVBC Questions:

ROUND #2 (5 pgs)

- 1.Product
- 2.Intellectual Property
- 3.Technology Development + Technical Team
- 4.Business Plan Status
- 5.Market + Market Scope & Need
- 6.Distribution
- 7.Competition + Barriers to competition
- 8.Team
- 9.Financial (basic) + 18-36 months proj

ROUND #3 (8 pgs)

My First Business Plan

My introduction to *business* plans
The Bank of Montreal story
The BDC story

And, the happy ending....

- made me think about what I was doing
- gave me a vision, goals, and....
what I had to do to achieve these
- and, I got the \$\$\$!

Who are you selling to?

- Partners, employees, advisors
- Friends and Relatives (Love Money)
- Business Angels
- Seed Investors
- Granting & Funding Agencies
- Venture Capitalists
- Corporations and Institutions
- The Public

Note: They all have different criteria!



What's in a Plan?



- Executive Summary
 - The Company
 - Marketing
 - Operations
 - Financial
 - Risk Factors
- (and....not only What but How is it presented?)

What's in an Executive Summary?

Executive Summary

- Vision Statement
- Mission Statement
- Statement of the opportunity
- Salient features (management, IP)
- Statement of sales and profit potential
- Investment highlights (if appropriate)

Elevator Pitch: a *summary* of the exec summary!

A Few Final Tips:

- don't make the "only 1% of market" claim (it's the kiss of death!)
- don't compromise by saying what you think investors want to hear
- don't be given to hyperbole; confident humility can go a long way
- show leadership!! (the reasons for failure always point to lack of leadership)
- never procrastinate!

Questions?

Mila asks about:

The most rewarding and challenging moments of starting up a company? **a.Selling out or liquidity b.managing people**

Biggest lesson learned? **it's about the people; judgement**

Motivation to succeed & keep up enthusiasm and passion? **You!**

Tips for starting your own biotech venture (or adventure)? **get good mentors**

Contact Info



<http://www.mikevolker.com>

<http://www.hitechbc.com>

<http://www.wutif.ca>

THANK YOU!
(mike@volker.org)