DO YOU HAVE THE RIGHT STUFF?

February 2020
TODAY’S CONVERSATION

Attributes of a High-Growth, High-Expectation Startup...and How To Get There

• CIT equity investment programs - long-term, active engagement
• What the journey is like from inception to exit
• What businesses are best suited for angel/venture capital...and which are not?
• Learn what professional investors really look for and why
• Discussion / Q&A
VALLEY OF DEATH: WHAT WE DO

220+ startup portfolio
100% Virginia-based
Equity $25K-$250K

Innovation-centric
High-growth
Return + Impact

Catalytic Equity Investor Driving Virginia’s Innovation Ecosystem
Alaska and North Dakota had no VCs meeting our criteria. VCs featured have the most unique tech investments into the state. When there was a tie across multiple VCs in one state, we used recency of deals, overall deal activity, and investor quality to select the most active tech startup investor for that state. Data is from 2014 – 2019 YTD (1/24/19).
SHOWCASING A CIT RISING STAR

Senseware CEO Serene Almomen "Crushing Tech"

Forbes Top 50 Women-Led Startups That Are Crushing Tech

Congratulations to Senseware CEO Serene Almomen for being named by Forbes as one of 50 women that are "pushing the frontiers of innovation."

Senseware's IoT Smart Building Solution is changing the industry by making real-time data from the built environment easily accessible. Read more about Forbes list of the Top 50 Women-Led Startups That Are Crushing Tech here.

Driving the Commonwealth's Innovation Economy

207 Community Engagements
$800M in 3rd Party Investments
142 Jobs Created
220 Companies Launched since FY2010
When is high-risk growth capital a fit?

Hint: From inception to exit, startups are a long-term proposition (often 10+ years)
Management Team / Founder
• Full-Time Commitment
• Integrity, Passion, Creativity
• Coach-ability
• Record of High Achievement

Investment Stage
• Seed-Stage Focus
• Up to 36 Months Prior to Venture Capital
• Pre-prototype – Newly-Launched Tech

Proprietary Advantage
• Unique Technology
• Defensible Intellectual Property
• Difficult-to-Replicate

Scalability
• Markets with Big Buying Power
• Potential for Dominant Market Position

Returns
• Angel -VC Multiples
HIGH-GROWTH STARTUP MOLECULE
WHY STARTUPS SUCCEED

SURVEY SAYS? ...

Market Timing: 42%
Team: 32%
Idea: 28%
Bus Model: 24%
Funding: 14%

2019 Data
ROCKET FUEL

Debt
- Loans
- Bonds
- Venture Debt

Preferred Stock
- SAFE
- Convertible Debt
- Equity Investment

Common Stock
- SBIR/STTR
- Fed/State/Local
- Prize Money

Grants
- Universities
- Government
- Private Company

SOURCES
- Qual. Instit. Buyers
- Private Equity
- Banks
- Gov Lender (SBA, USDA)
- Mezzanine Finance
- Corp. Venture
- Venture Capital
- Angels
- Friends/Family
- Founders/Sweat
- Universities
- Government
- Private Company
A high-growth, high-expectation startup DNA is unique ... unicorns even rarer

No one-size-fits-all investment source or type exists

High failure rate ... the lemons ripen first

Outsized returns make it worthwhile requiring a decade before payout
VIRGINIA’S ACCELERATOR NETWORK

Featured Partners Located Throughout the Commonwealth