



FUNDRAISING THE L-SPARK WAY

FUNDRAISING 101 | LEO LAX

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FUNDING NEEDS

- To build the team
- To acquire resources
 - Software
 - Facilities
 - Cover operation expenses
 - Professional services
 - Legal
 - Financial
 - other

SOURCES OF FUNDS

- Self-funding
- Equity funding
 - FFF
 - “love money”
 - “friends, fools and family”
 - Angel Investors
 - Institutional Venture Capital investors
- Debt Financing

COMPANY DEVELOPMENT STAGES

- PHASE I

- Ideation
 - What
 - Who
 - Why
- Prototype Development
 - Product development
 - MVP
 - Pilots, proof of concept
- Company creation
 - First sales
 - First revenue
 - Early product market fit

COMPANY DEVELOPMENT STAGES

- PHASE II
 - Sales expansion
 - Marketing development
 - Sales development
 - Predictable revenue sources
 - Locking in product market fit
- PHASE III
 - Expansion
 - Product
 - Geographic
 - Markets
 - Partnerships
- PHASE IV
 - Growth

FUNDING SOURCES BY PHASE

Phase I	Phase II	Phase III	Phase IV
Self-funding	Angels	Institutional early stage	Institutional Growth Phase
Government Grants	Government Grants	Series A Funds	Debt
FFF	Angels	Debt	Series B,C,D...
Early-Stage Angels	Seed Funds		

FUNDING PROCESS

- Types of Equity Funding
 - The Convertible Debt
 - SAFE - Simple Agreement for Euture Equity
 - Share purchase
 - Common shares
 - Preferred Shares
- Key attributes
 - Share price/Company valuation
 - Terms

TIMINGS

- SAFES
 - 1-3 month
- Convertible Debt
 - 3-6 month
- Equity
 - 6 month +

PROCESS – PHASE I

- Determine the need for funding
 - How much
 - For what purpose
 - In what timeframe
- Identify who to approach
 - “the soft circle” list
- Prepare pitch material
 - Intro email
 - One pager
 - Initial presentation
 - Main Presentation
- Prepare for due diligence
- Pitch, pitch, pitch
- Term Sheet

PROCESS - PHASE II

- Close
 - Sign Term Sheet
 - “Hurdle the Cats”
 - Due Diligence process
 - Prepare definitive documents
 - Closing Agenda
 - Close

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