



**NEW
ZEALAND
HEALTH I.T.**

Pragmatic Guide to Raising Capital

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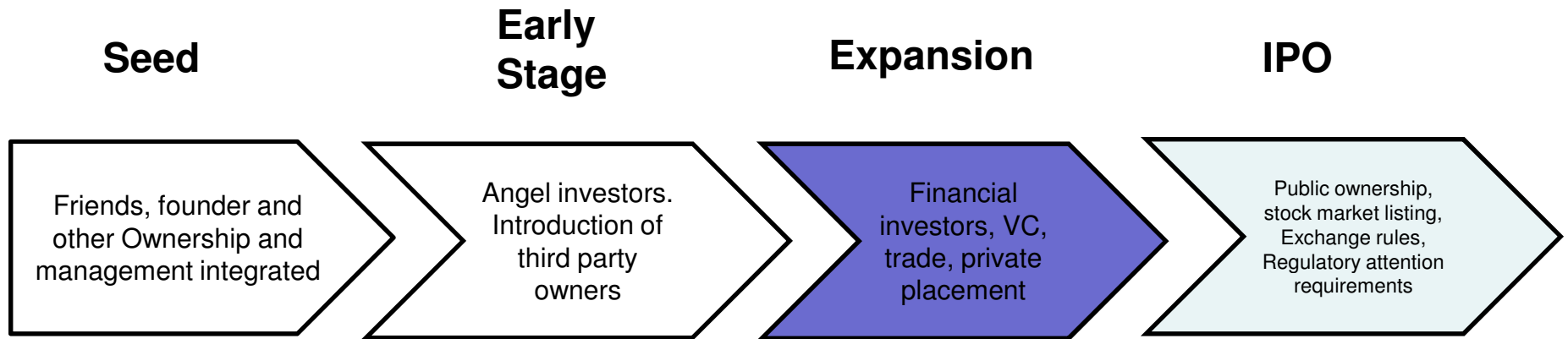
Overview

1. The Investment Environment
2. Sources of Funding
3. The Strategic Investor
4. What Investors Like
5. Capital Raising Lessons

Investment Environment

- Funding is difficult
 - Low chances of a startup raising VC funds
 - Valuations are low
 - Deals are taking a long time
-
- There are signs of improvement
 - Investors like Health IT

Funding Stages



Sources of Funding

Cashflow & Profitability

Friends, Family

Angels

Bank

Vendors/Customers

Corporate funds

Private Equity

Venture Capital

So where is the easy money?

- Sell Stuff
- Write invoices
- Find lots of small things to sell
- Write invoices
- Avoid long sales cycles
- Sell more stuff
- Write invoices

Ownership Relief Model

| | |
|---------------|-----|
| Idea | 2/3 |
| Prototype | 1/2 |
| Beta | 1/3 |
| Customers | 1/4 |
| Profitability | 1/8 |

Strategic Investors

Want to leverage the assets and competencies of your business to create significant gains in their own business in combination with helping to make your business successful.

Strategic Investor Synergies

For You

- Funding
- Global Distribution Channel
- Advice
- Board member /contacts
- Joint initiatives
- Solid backing

For the Big Guy

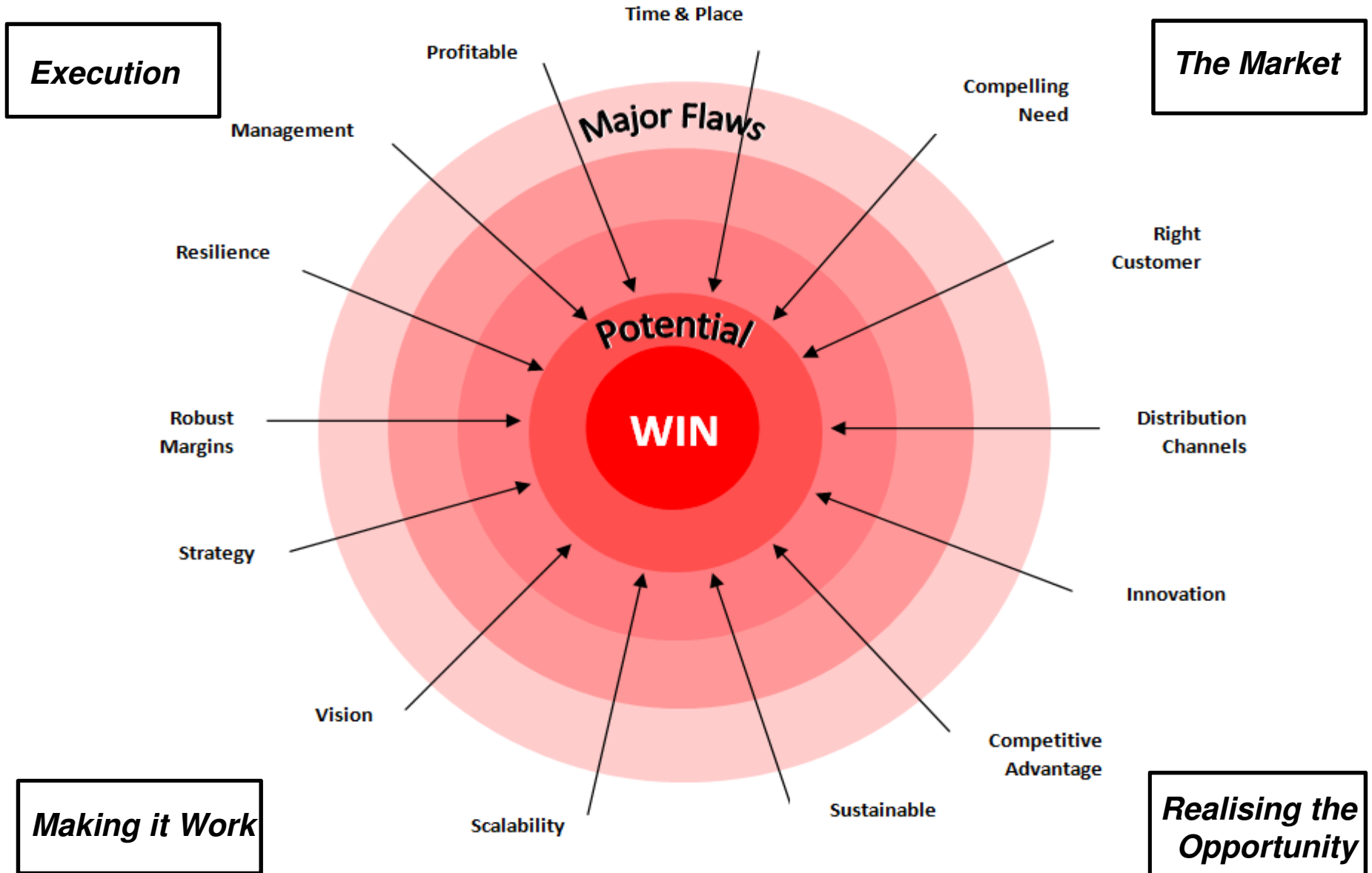
- Entrepreneurial startup
- Access to Knowledge
- Existing Product set expansion
- Rare Skills
- Joint initiatives
- Provide a missing capability or enhance one
- Access to a critical resource or IP

What Investors Like ?



“WINNERS”

Picking Winners



Your Company

“Racers or Day Sailors ?”



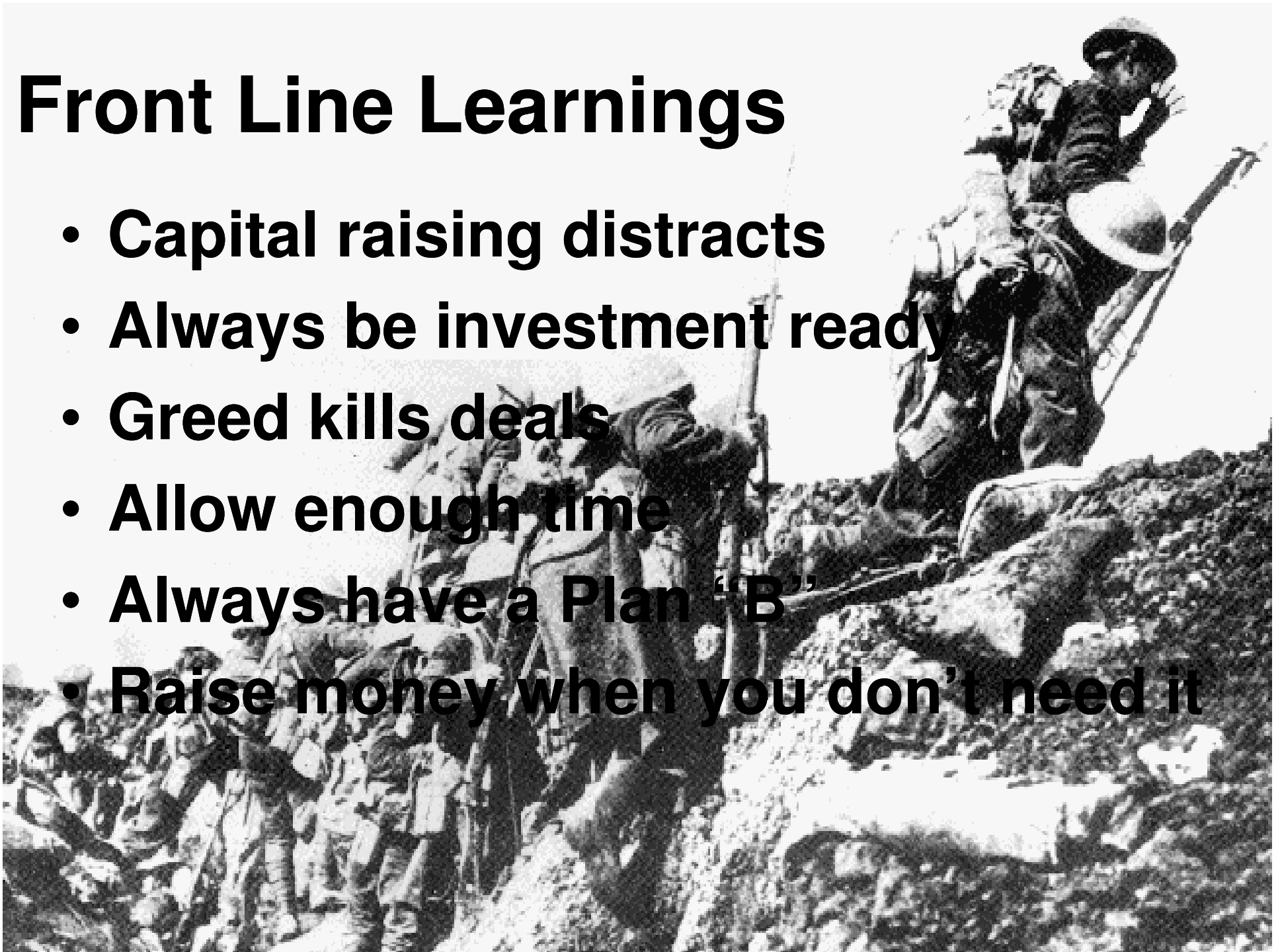
What I Look For?

- Great Team
- Thinking Globally – Thinking Export
- Customers give a shit about your stuff
- Action Research - fast
- Everyone is Selling
- Invoices are being written

- Potential for a good return!

Front Line Learnings

- **Capital raising distracts**
- **Always be investment ready**
- **Greed kills deals**
- **Allow enough time**
- **Always have a Plan "B"**
- **Raise money when you don't need it**



Fantastic Free Training



The Essential Guide to Raising Capital

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