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We will start momentarily at 2pm ET



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Have Questions?



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CHEMISTRY HAIKU OF THE DAY!



Passionate ionics
Cozy covalents
Ah chemistry love

5-7-5

Submitted by Ray Tabler

Take a break...write some poetry. Send us your Chem Haiku and have the chance to have it read aloud on air!

<http://acswebinars.org/chem-haiku>

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Watch the first Installment of Finance 101, On Demand



Joseph Steig

Finance 101 – Aligning Your Options With Your Business Goals

Raising money is the easy part. Anyone can raise 'fool's money'. Raising 'smart money', that's the trick. Make sure you know the difference!

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Upcoming ACS Webinars™

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Thursday, November 8, 2012

Doctoral Glut Dilemma: Are There Solutions?

Richard Freeman
Paula Stephan
Patricia Simpson



Thursday, November 15, 2012

Flavor Pairing Chemistry for Thanksgiving: Give Thanks!

Bernard Lahousse
Dr. Sara Risch

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ONE WORD



TO DESCRIBE ACS WEBINARS...THANK YOU FOR THE SUBMISSIONS!

interesting, informative, fascinating, entertaining,
educational, excellent, outstanding, **engaging**, varied,
wonderful, **stimulating**, awesome, inspiring, informational,
fantastic, intriguing, useful, professional, illuminating,
helpful, free, convenient, insightful, fabulous, **enlightening**,
accessible, well-prepared, unique, **timely**, terrific, superb,
eclectic, spellbinding, resourceful, precise, invigorating,
exciting, habit-forming, enthusiastic, engrossing,
energizing, edutainment, diverse, creative, convenient,
breadth, available, brilliant...**BRAINSNACK**... yum!

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ACS WEBINARS™

November 1, 2012



Finance 201 – What Investors Want



Joseph Steig
National Collegiate Inventors & Innovators Alliance, Long River Ventures, and River Valley Investors



David Miller
Clean Energy Venture Group



Teresa Esser
Silicon Pastures Angel Network



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Joseph Steig

- Joseph Steig is a CFO and advisor to both non-profits and for-profits. He is Manager of Venture Development at the National Collegiate Inventors and Innovators Alliance (NCIIA) and in that capacity works with Dr. Judy Giordan at ecosVC to facilitate the ACS entrepreneurship webinar series.
- Joseph also serves as CFO of Long River Ventures, a Massachusetts venture capital firm, and is the founder of River Valley Investors, a regional angel investor group. He is currently helping facilitate the cleantech syndication efforts of the national Angel Capital Association





Introduction to Finance 201

- We have two experts in seed stage funding who have a lot of experience with science and engineering ventures
- The main topic of the conversation today is “What do investors want?”

clean energy
venture group



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David Miller—Clean Energy Venture Group



- David S. Miller, Ph.D. is a founder and Executive Managing Director of Clean Energy Venture Group. An engineer by training, he brings over 20 years of technology startup management experience and over a dozen years of seed stage investing experience. He is on the board of directors or advisory board of several clean energy companies. He is also a research affiliate at MIT's Sloan School of Management.
- Previously, David founded several companies, including Quantum Telecom Solutions which developed software for programmable switching equipment. He grew the company to profitability, with over 100% annual growth over a four-year period and then negotiated venture financing and sold the company to a division of Lucent Technologies. At Lucent, he served as Director in the New Ventures Group where he managed and evaluated a diverse set of early stage investments.

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Teresa Esser-- Silicon Pastures Angel Network



- Teresa Esser is an angel investor and venture capitalist. She is the Managing Director of the Silicon Pastures angel investment network. In the past, she served as a General Partner for a \$40 million venture capital fund. She prefers to invest in early-stage high-growth companies that use technology to solve problems. She believes that corporate partnerships are a good thing.
- Teresa is the author of *The Venture Cafe: Secrets, Strategies, and Stories from America's High-Tech Entrepreneurs* (Warner Business Books, 2002).



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Poll Questions



... Mike ... take it away!

Two QUICK POLL QUESTIONS for our audience

1. Do you most closely identify as ...
2. Are you ...

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Review 1

First, a definition of an angel investor

an individual who directly invests their own money into a private company

Second, a definition of a venture capitalist

an individual who manages a pool of money on behalf of individual and institutional investors and invests that money into private companies



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Review 2

Stages of capital

Pre-revenue Stage Company		Revenue Stage Company		
<u>Stages of capital</u>				
Founding capital	Seed stage capital	Series A	Series B	Series C etc
<u>Types of capital</u>				
Friends and family				
		Angel Capital		
		Venture Capital		
				Private Equity >>
				Public Stock Offering >>



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Introduction

We'll start with a more extensive introduction to David and Teresa.

David and Teresa, can you each talk about:

1. Why you invest in early stage companies.
2. How your investment groups function.

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www.cleanenergyvg.com/investment-criteria/

Home | **Investment Criteria** | Portfolio | People | Contact

Investment Criteria and Process

Clean Energy Venture Group invests in early stage companies that meet the following criteria:

- Clean energy – the company's technology, products and services have the potential to substantially reduce the environmental damage from the production or use of energy.
- Team – we invest in and with people who will change the world — those of the highest integrity, intelligence and commitment to a clean energy future. We expect the management team to possess the experience and capabilities to successfully execute the business plan.
- Investment returns – we strive to achieve superior risk-adjusted returns for both investors and entrepreneurs. Factors we consider include the size of the target market, the potential to develop a sustainable competitive advantage, and whether there are realistic exit options.
- Location – we generally focus our investments on companies located in New England.

Our investment process is straightforward. Our due diligence focuses on the management team, the market, the technology, the intellectual property, the financial projections, and how well we can

The screenshot shows a web browser window with the URL www.siliconpastures.com/investment.html. The page features the Silicon Pastures logo (ANGEL INVESTMENT NETWORK) and a navigation menu with links for Home, News, Investment Criteria, and Contact. The main content is divided into three columns:

- For investors:** Founded in 2000, Silicon Pastures is one of Wisconsin's oldest and most active angel investment networks. Our group consists of smart people who enjoy coming together on a regular basis to network, talk about companies, share due diligence, and share our expertise with entrepreneurs. We provide value to entrepreneurs by providing them with a structured forum where they are required to craft a cohesive story, get their ducks in a row, and make a firm commitment to hitting certain milestones by certain dates. Our question-and-answer format encourages entrepreneurs to admit what they know and what they don't know, and to prepare themselves for answering challenging questions. Some of the companies we have invested in during the past couple of years have included:
- We are involved:** Our group has done best on those deals where we have worked more closely with one another and with the entrepreneurs. We have done the best when we have obtained a board seat, gotten involved — and stayed involved — throughout the life of the company, and helped craft a lucrative exit. Since we all have the ability to write our own checks directly to a company, or to pass on any given deal, it is hard to know exactly how the individual members of our group have done over time. We are aware of these hits:
 - BUYSEASONS
 - Ultravisual, which merged with Emageon
 - Prodesse
 - BioSystem Development
- Investment criteria:** We prefer to invest in companies that use technology to solve problems — and we love it when these problems are related to energy and water. We favor companies that use technology to organize, optimize, and accelerate business processes, or that save time, save money, or save lives. We like to support entrepreneurs who practice frugality and self-regulation, and who make us proud to be Midwesterners. With that said, every now and again we throw caution to the wind and make an investment in something that doesn't exactly match the above criteria, but seems like a really good deal anyway. Headquartered in Milwaukee, Wisconsin, we prefer to invest in companies that are located in Wisconsin, Minnesota, Illinois, and the Dakotas.

At the bottom right of the page, there is a small "Contact" link and the page number "17".

Question 1
Before the investment ...

1. What are you as an investor looking for?
2. How long does the process take from first meeting to an investment?

At the bottom of the page, there are logos for ecosVC and NCIIA (National Collegiate Investors & Innovators Alliance), along with the page number "18".



Question 2

After the investment is made

1. What role do you typically play after the investment is made?
2. How do you ensure aligned with an entrepreneur in which you've invested and what's an example of when you've been at odds?



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Question 3

Do you have any special comments *from your perspective as an investor to a scientist or engineer* who is seeking first round capital?



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It's YOUR turn!



Q&A from our listeners!



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ACS WEBINARS™ November 1, 2012



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Resources...

One relevant resource from David Miller ...

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<http://bit.ly/CleanStartSim>



CleanStart: Simulating a Clean Energy Startup Logout
Logged in as dsm Admin in dsm

Overview Sales Income Statement Cash Flow Shares Product HR Projections Competitors Decisions Energy

Pricing (\$/Unit)
60,000

Employees
New Engineers: 8
New Sales & Admin: 0

Compensation
Salary (% Industry Ave): 120
Stock Grant (% of Ind. Avg. Salary): 0
Options Granted (% of Ind. Avg. Salary): 0
Profit Sharing (% NI): 10

VC Financing
Funds Requested (\$): \$0
Status: -

IPO Launch
Status: Complete!

Dsm Industries, Inc. Y15Q4

News

Go Back to Facilitator Results

Cash (\$)
500.0M
0.0 Y2 Y7 Y12

Net Income (\$/Qtr)
10.0M
0.0
-10.0M Y2 Y7 Y12

Sales (Units/Qtr)
1.0K
0.0 Y2 Y7 Y12

Employees (People)
1K
500
0 Y2 Y7 Y12

Employee Ratio
Engineers
Sales & Admin

Credits User Guide Feedback Report an Issue Getting Started



Resources...

- And a few more relevant resources ...
 - For university student support (undergrad and grad) the National Collegiate Inventors & Innovators Alliance www.nciia.org
 - For information on angel investors www.angelcapitalassociation.org
 - A pretty good VC blog and book www.askthevc.com
 - And of course:
 - www.cleanenergyvg.com (David)
 - www.siliconpastures.com (Teresa)

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