

Criteria for the Investment in Relevant Technologies

Introduction

There is an abundance of information about technology, but a shortage of analysis that can drive superior investment decisions. There is need of the most complete and comprehensive view of the industry through unparalleled access to both IT users and suppliers. There are thousands of end-users IT executives every day, gaining insight into how CIOs in both the public and private sectors are managing technology.

Who are investors and what are there interests?

Investors seek profitable market opportunities with a business that is based on a product or service that solves real customer problems. Many ideas and technologies may exist, but most cannot meet the full scope of investment criteria from angel and venture capital investors. Investors rarely find an outstanding opportunity.

Objective of investors

➤ How to Corporate Financially Investment with bankers and private equity professionals?

Private equity tends to be a common exit path for investment banking analysts and consultants. As a result, we get a lot of questions on both the functional and the actual day-to-day differences between investment banking analyst/associate and private equity associate roles, so we figured we would lay it out here.

➤ **How to handle Money managers, mutual fund managers, hedge fund managers, portfolio managers?**

□ A portfolio manager invests for the long term, whereas a hedge fund manager tries to time the market.

➤ Venture Capitalists — Managing partners, practice managers, business analysts

Money provided by investors to startup firms and small businesses with perceived long-term growth potential. This is a very important source of funding for startups that do not have access to capital markets. It typically entails high risk for the investor, but it has the potential for above-average returns.

➤ **A clear description of the problem that your business is trying to solve in the market**

This includes proof that customers are willing to pay to solve the problem, and proof of how your product or service lessens the pain or solves the problem.

➤ Potential for high growth

Your business must address a large or growing market opportunity, and you clearly understand the customer segments and competitive landscape in your target market(s).

➤ Sustainable competitive advantage

You should have few large competitors or well-funded new entrants already in the target market. Investors want to see a protected technology or a business model that will provide a sustainable advantage for the business and its customers.

➤ Financial return on their investment

You need to have developed a sound financial plan that demonstrates how your business will make money and some reasonable scenarios about when your investors will receive a cash return on their investment. Of course, this must be supported by the valuation and terms of the current investment round that the business is asking the investor to consider.

➤ **An experienced management team with a thorough and credible execution plan**

Ensure that your team includes people who are leaders in their field, have a customer focus and understand the specific sub-segments of your target market. Ideally, your senior team will consist largely of individuals who have prior experience in a technology start-up. Your team should reflect the characteristics of successful entrepreneurs: passion, creativity, strong leadership skills, and an ability to be flexible and adapt to market changes.

➤ Key management team members

You have attracted a strong management team.

OR

You have put the nucleus of that management team in place and plan to add additional members as capital is raised.

➤ **A viable business model**

You've figured out a way to make money from your idea. Remember, the best technology, product or service goes nowhere without a sustainable business model.

➤ **A financial model and financing roadmap**

- You have a detailed list of assumptions you're making about the business.
- You have determined the amount of capital you require, and the timing of these requirements.
- You have forecast the financial results you expect to generate.

➤ Clean and clear intellectual property position

- If applicable, you have taken the necessary steps to protect ownership and to enable access to any intellectual property that is critical to the operation and success of the business.
- With these resources and information about the business in hand, you are now ready to approach prospective investors about your new business opportunity.

Some Major Points for Technology Investors Helps Investment Professionals

- ✓ **Discern actionable research from information.**

You'll be able to turn information into the knowledge and insight necessary for making superior decisions.

- ✓ **Dig deeper into supply and demand.**

We'll provide insight into the buying intentions of key adopters in major segments, the initiatives the major vendors have truly funded, and how well the players are delivering.

✓ **Understand who's positioned to win.**

We'll provide you with objective, candid insight on the relative positioning of the players competing in major markets — which vendors are likely to succeed, and which ones are not.

✓ **Drill through the hype.**

We'll provide the insight you need about emerging technologies — their viability and likely rate of adoption — so you can better understand the likelihood of a business opportunity's real return.

Criteria For Making Objective and More Informed Decisions

- ✓ Conflict-free, independent insight adds confidence and ensures objectivity
- ✓ Research is driven by the agendas, priorities and experiences.
- ✓ Breadth and depth of coverage is unrivaled.
- ✓ Proprietary tools and methodologies add insight to your opinions and points of view.