

Deal Sourcing Know-How

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Disclaimer

This document is created so as to record the insights and techniques used in industry research and shed light on some of the pitfalls to avoid in order to achieve a more effective and insightful research journey. Part of the content in this document is obtained from various discussions within the team and/or as instructed by the supervisors. The sole purpose of this document is for internal communication and training. Without permission from management, such document and the information within should not be divulged to any third party under any context.

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Deal Sourcing Channels

1. Personal Connection

- a. Personal connections are the most effective way of soliciting business partners. However, one has to measure if commercial cooperation will harm the relationship or not. If so, safeguards need to be placed to ensure when things go out of control, especially when it concerns monetary interests, there are ways to terminate the cooperation and restore personal bonds.

2. LinkedIn

- a. One benefit of using LinkedIn for deal sourcing purposes is that you can see whether you have any connections with the person you are going to liaise. Besides, you can build connections around the person at front to get a good first impression.
- b. When using LinkedIn, it is easier to share one's company profile to the connection.

3. Forum and Industry Talk

- a. Try to become a discussion panelist in a well-known industry forum or talk, where one can build connections much easily. Important and most-participated FinTech industry forums in Singapore include:

Forum/Seminar Talk/Conference	Industries	Date
CFO Innovation Asia Forum	Financial Services	May
Finovate Asia	FinTech	June
Singapore FinTech Festival	FinTech	November
CIO Leaders Singapore Summit	IT	November
...

4. School Clubs and Societies

School clubs and societies often hold industry talk and seminars at least every once per semester to reach their club sponsorship requirements set by the school.

5. Incubators

Although some incubators have strong bond with various VC and angel investors already, it is still a startup concentrated hub where one can identify a lot of promising startups to cooperate with.

6. Other Channels

Professionalism and Due Care

1. Things to do

- a. *Demonstrate expertise and experience*

Show the other party you know what you are doing. Details are vitally important here

- i. Job title
Job title indicates seniority of one's position.
- ii. Experience in the industry
- iii. Past working experience
People are inclined to believe in a person with extensive working experience than a fresh college graduate, though sometimes the latter might outperform the former on many levels. But when soliciting cooperators, there is no point to challenge the other party's bias.
- iv. Attire
Depending on the occasion, smart casual may be suitable in most casual or dining places, while for the occasions that involve serious decision making, for example, investment decision, contract signing, it is better to go full fledge and wear a

formal suite. Besides, depending your and the other party's rank, it is advised to wear a bit more formal than the other party suppose he or she is more senior than you.

v. *Appearance*

For male and in some cultures, keeping facial hair may be deemed to be socially acceptable, but in other cultures, people prefer male to be neat and clean. For female, the amount of makeup should be just right and suitable for work.

b. *Thorough and extensive industry and company research*

Market changes every second, industry one year ago may be totally different from industry today. Key information about industry has to be updated periodically. These information include but not limited to: latest fundraising case, new entrants, material change on industry fundamentals etc.

c. *Be prepared for the questions*

Brainstorm the questions that the investor/startup founders will ask before the meeting. Often the questions can involve:

- Industry knowledge
- Competitor operational performance
- The startup's own history, dilemma, and achievements etc.
- Other issues.

d. *Past successful cases*

Demonstrate with a slide full of the logos of past cooperators. Place important ones at front.

e. *Connections with acquaintance*

Build extensive connection with industry practitioners and via various social media.

f. *Follow-up after interaction*

Always follow a meeting or connection up by sending the connection with a Thank-you note or thoughts after the meeting to maintain the heat.

2. Things not to do

a. *Hard sell*

Do not appear to be a salesperson, in the name of reciprocal principal, show that you are capable of providing benefits to the other party first. To achieve so, one can either offer the other party a drink, or demonstrate one's industry research insights that can potentially help the other party.

b. *Low balling*

Do not compromise professional principals by low balling¹, which will eventually damage the industry fame and one's long-term profitability.

c. *Deception*

If one does not know about certain knowledge, he or she should not pretend to know it or give false statement that can reasonably misguide the other party.

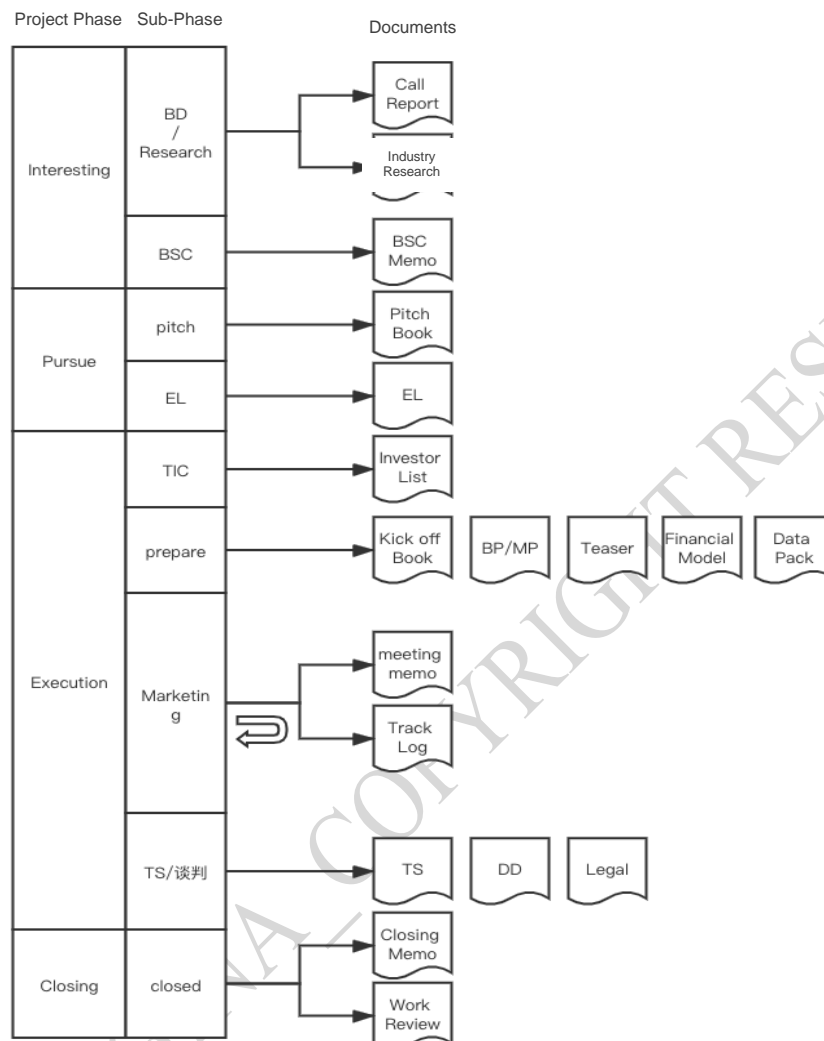
d. *Promise things that cannot be guaranteed*

This point is self-evident.

¹ Solicit a clients or business co-operators by voluntarily slash the service price and quality of service in order to land a deal.

Deal Sourcing Flows and Deliverables

The below graph shows the entire life cycle of deal sourcing with different project phases and documents involved. For workflow guidelines, please review *Appendix – B: Workflow Guidelines for Project Sourcing*.



BSC: Business Selection Conference
 TIC: Target Investor Conference
 EL: Engagement Letter

Investor Database

Investor Database collects regional top investor's company name, company representative(s), person in contact, company email and/or phone, person in contact email and/or phone or other social media account, Fund size (if applicable), Country/Region Interest, Field Interest, Funding Rounds, Ticket Size, Existing Portfolio etc.

<i>investor_id</i>	<i>com_name</i>	<i>com_rep</i>	<i>com_email</i>	<i>com_phone</i>	<i>person_in_contact</i>	<i>person_conn</i>	
...							
<i>person_phone</i>	<i>person_email</i>	<i>person_others</i>	<i>fund_size</i>	<i>country</i>	<i>field</i>	<i>fund_round</i>	<i>tix_size</i>

...

Exist_port	...

1. Information Requirements

a. Name of investor/institute

b. Country/Region of operation

Investors reside within a particular region/country tends to have a convergence in interest and/or pattern of investment. Understanding their way of doing business increases odds of successful cooperation.

c. Size of capital and operation basics

i. Size of capital

Often referred as Asset Under Management AUM. Large AUM indicates investor's appetite is likely to be great and its interest diverse. Small AUM indicates more investor discretion when selecting portfolios.

ii. Industry Experience

Often manifested through investor's career and educational background or its past portfolios.

iii. Team Composition

Team member's expertise also indicates investment interests.

iv. Other areas

d. Investment Interest and Portfolio

Investor's portfolios may be publicly available on its website or third-party fundraising intelligence agency like CB Insights and Tech in Asia

e. Ticket Size and Funding Rounds

Early rounds (Seed, Pre-A, Series-A etc.) tend to have ticket size smaller than 1 million USD, but it varies across investors. Different funding rounds require different types of expertise and investment strategies.

f. Resources and Networks

Identify the ecosystem that an investor represents and the resources it controls. Resources can include personal relationship with VIPs etc.

g. Current status on investment

Whether the investor is actively seeking deals or waiting for the heat to steam up a bit before wading in.

h. Personal Bond

Personal connection with the investor often plays a crucial party in deal sourcing practices due to the effect of familiarity – a weakness of humanity that we can leverage on.

i. Contact info

i. Email address

Preferred mode of communication for first time interaction or non-essential matters.

ii. Phone number

Preferred mode for familiar investors and/or friends.

iii. VIP personal Contact Info

Good to know, even though sometimes the person-in-contact might be person

with lower seniority.

- iv. LinkedIn profile
A place for updated information about the investor.

2. Communication Record and Minutes

For every official communication with clients, one will need to update in the aggregated database regarding the new information and action to be taken next etc. So other members in the team will clearly understand what to do next and avoids work overlapping.

a. Priority

When multiple deal flows are running at the same time, this parameter is to indicate which deal(s) should be dealt with first. It can be divided into “urgent, neutral, not urgent” gradients.

b. Action

To indicate which action should be done now, which is also an indicator for the deal-flow stages. Options can include:

- Cold email/call report (*See Appendix – A: Template for Call Report*)
- Email intro by
- Followed up
- In discussion²
- Signed
- Rejected³
- Future⁴
- Refer to

c. Person In-charge

Indicate which person should be responsible for the above actions to avoid misunderstanding and hold the person accountable.

d. Times of contact

Indicate the deadline to perform the above specified action(s).

e. Any agreements reached

Once an agreement is reached, such deal should be moved to the next stage of engagement.

3. Data Maintenance and Security

a. Password Protection

- i. Database or Excel file has to be protected by password. Only authorized persons should be given the password. Once the password has been shared with a one-time authorized person, the in-charge has to update the password to a new one.
- ii. For important files, password has to be updated periodically to ensure safety. Company is encouraged to implement company-wide data security protocol and key management has to be constantly trained in this matter.

² For important conversations, one can opt for audio recording, subject to the approval of the other party. Minutes should be maintained after each contact with clients for legal purposes. Besides, deal-flow database should be updated as well.

³ Remember to follow up with a Thank-you note.

⁴ Set a deadline and specific actions to perform. For example, present the clients with industry insights that are relevant to their business.

- iii. Passwords of important files have to be shared to at least two persons, or stored separately, so to make sure if one person has lost it, the files can still be accessed.
- iv. Password has to be as complex as possible. (Combination of letters, numbers, special characters etc.)

b. Confidentiality Declaration

i. Confidentiality Rank

Company is advised to set up a confidentiality system and classify all important documents with respective confidentiality ranks.

A Max Confidential, concerning survival and strategic decisions of the company. Strictly by the approval of top management only.

B High Confidential, concerning competitive stance and important business strategies. Accessible by middle management and specially authorized staff only.

C Low Confidential, concerning operational issues and are not strategic in nature. Accessible by internal staffs and authorised persons only.

D Not Confidential, such document can be freely disseminated to third-parties, and doing so does not hamper the company in its future endeavours.

ii. Authorization

Except labeling clearly which confidentiality a document belongs to, one has to be clear which seniority rank can authorize the access to a party. For example, for Classified-A documents, only CEO and Other C-suite persons can authorize. For Classified-D document, any members within the company can disseminate.

iii. Confidentiality Declaration/Clause

Such clause should be place at the front and explicitly visible of the files that are considered confidential. The clause is to advise reader the nature of his/her use of this information and any legal implications. Example of such Confidentiality Clause is as follows:

Confidentiality Clause

All terms and conditions of this Agreement and any materials provided in the course of inspection shall be kept confidential by the Reinsurer as against third parties, unless the disclosure is required pursuant to process of law or unless the disclosure is to Reinsurer's retrocession Aires, financial auditors or governing regulatory bodies. Disclosing or using this information for any purpose beyond the scope of this Agreement, or beyond the exceptions set forth above, is expressly forbidden without the prior consent of the Company.

c. Limited Authorization

Authorization to the database and important excel file should be restricted to a limited time and at the presence of supervisor if necessary, so to ensure the authorized person does not copy paste such document for his own use.

d. Regular Review and Update

Mechanism should be built for members to report information leakage issues. Management has to constantly review the data security issued within the company, especially for important data and files.

For updates of different natures, one needs to label it distinctly do to avoid unnecessary misunderstandings. One such label system can be in the following format:

“LYYYMM.T”

Where

- L-letter indicates the category of the updates, for example, “N” indicates news update, “I” indicates industry research findings, “C” indicates personal connections etc.
- YYYMM indicates the date format. For example, 20201228 indicates the update is made at December 2020.
- T indicates the time of update within the month. For example “.3” means the third update in the month

e. Back-ups

For important data and/or files, one should keep at least one copy of backup, after each amendment. The backups should be stored at another unconnected computer or system. For some files, one should keep a hardcopy by printing it out and keep it in the safe, in case all systems are hacked.

Deal-flow Database

Deal-flow DB records living start-ups' nature of business, latest funding rounds, latest valuation information etc. The database needs to be updated on weekly basis with new fundraising events, bankruptcy etc. Source of such news include (i) TechInAsia newsletter; (ii) CB Insights newsletter; (ii) VentureCap newsletter etc.

1. Information Requirements

a. Name of Startup

Mind some star-ups may change names. Often the practice is to include the prior name in the brackets after the current name.

b. Business Model and/or Business Description

How the company organize its resources towards service provision and profit making.

c. Industry Classification and Sub-Industry Classification

This may often split into Sector, Sub-industry etc. when the industry is complex and contains many sub-divisions.

d. Headquarter

Where the HQ of a company locates. This has implication in tax issues and regulatory compliance matters etc.

e. Operation Market(s)

The market(s) that the business operates in.

f. Contact Info

This may include the company email, phone, and address, and person-in-contact email, phone, and address etc. Besides, the company's Tech in Asia page, LinkedIn, and official website also serve the same purpose.

g. Valuation

How much the company is valued by industry experts.⁵ Often minimum and maximum valuation is presented for reference for sake of accuracy concerns.

h. Exit Plan

When a company has gone through an M&A activity or has succeeded in IPO, normally the startup will exit the fundraising market as the startup now has alternative ways of financing.

i. Total Historical Fundraising

- i. Total Dollar Amount
- ii. Past Investors

List all investors that have invested in the company previously.

j. Latest Fundraising

- i. Dollar Amount

- ii. Investors⁶

For familiar investors, PE/VCs may seek to gain connection with them and follow up the case development for future contact.

- iii. Fundraising Round

Some PE/VC have preferred fundraising phase to target, depending on its existing resources and capabilities. Normally for smaller PE/VCs, they would prefer early stage rounds as theses are generally easier to target and the company is less dependent on particular investors.

⁵ For valuation methods, please refer to other section of this document.

⁶ Often place the leading investor at first

Fundraising Rounds	Funding Needs	Investor Requirements
Early (Seed – Series A)	Product prototypes, market realization, and essential market expansion	Mostly financial investors for urgent financing and expenditures
Middle (Series B – Series C)	Market competition, expansion, and strategic competitiveness	Mostly strategic investors, leveraging on investor's resources and achieve fast scaling-up
Late (Series D and Later)	Complete ecosystem and achieve market dominance and/or fuel new business segment/market expansion	Mostly strategic investors, leveraging on investor's resources and achieve more secure market dominance
IPO/ICO	Exit the venture market and start to raise capital through equity market	/
Bridge	Bridging different rounds of funding and fulfill short term funding needs	Mostly financial investors

For bridge investment, one may care to investigate the fundraising round before the bridge, which is a more realistic indicator of what stage the start-up is at and what investment it may require.

k. Fundraising Expectation

- i. Dollar Amount
- ii. Funding Usage
Often showed in a pie chart regarding few major expenditure categories such as marketing, product development and upgrade, team expansion, miscellaneous expenses etc.
- iii. Preferred Investor Profile
Investors that can bring synergy effects to the start-up. For example, fundraising platforms may need internet platforms for its large consumer base, or other investors that can help solve the regulatory compliance issues.

2. Call Report and Minutes

Call report is to record the key discussion points and follow-ups after a first meeting with the client. Team can base on this for following work division and communications. (See Appendix – A: Template for Call Report)

Follow-ups indicated in the call report can include⁷:

a. Priority

When multiple deal flows are running at the same time, this parameter is to indicate which deal(s) should be dealt with first. It can be divided into “urgent, neutral, not urgent gradients.

Criteria employed in deciding the engagement priority can include:

- i. Last Funding Date
Depending on the industry, a healthy start-up usually raises funds every year to finance its development in that period. For start-ups failed to secure funding for

⁷ Information recorded in the Call Report needs to be transferred to the Deal-flow DB as this DB is the ultimate aggregator of all deal-relevant information

3 years and above, it may indicate operational difficulties.

- ii. **Prospect of the industry**
The industry has to be booming with increasing market size. Besides, if the market size is small yet the industry is swarmed with too many startups (5 – 10 or even more), investing in a particular start-up that has yet achieved competitive advantages may not be lucrative.
- iii. **Location of the company**
The infrastructure and market acceptance of the business services/products will indicate the likelihood of sustainable growth for the start-up.
- iv. **Competition landscape and Scarcity of the industry**
Investors are more inclined to invest the top players in the field, especially when the industry has moved from initial growth phase to maturity, where acquisition and shake-ups will take place, squeezing the living space for smaller players.
- v. **Existing investors**
Famous and well-versed investors endorse the start-up as their judgement and or resources provided to the company are positive indicators.
- vi. **Personal Connection**
Personal connection works in situation like this.

b. Action

To indicate which action should be done now, which is also an indicator for the deal-flow stages. Options can include:

- Cold email
- Email intro by
- Followed up
- In discussion⁸
- Signed
- Rejected⁹
- Future¹⁰
- Refer to

c. Person In-charge

Indicate which person should be responsible for the above actions to avoid misunderstanding and hold the person accountable.

d. Times of contact

Indicate the deadline to perform the above specified action(s).

e. Any agreements reached

Once an agreement is reached, such deal should be moved to the next stage of engagement.

⁸ For important conversations, one can opt for audio recording, subject to the approval of the other party. Minutes should be maintained after each contact with clients for legal purposes. Besides, deal-flow database should be updated as well.

⁹ Remember to follow up with a Thank-you note.

¹⁰ Set a deadline and specific actions to perform. For example, present the clients with industry insights that are relevant to their business.

3. Data Maintenance and Security

a. Non-disclosure Agreement

In some countries, the Fundraising Deck or Business Plan of a company can be business secret in nature. Parties have to sign Non-Disclosure Agreement (NDA) before using it freely. For the information that are not publicly available, one should seek management consent before disseminating it to any third parties.

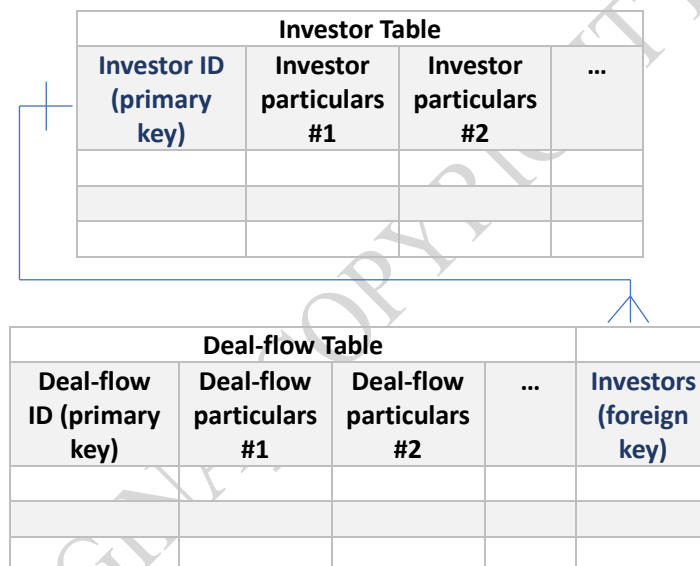
b. Data Update

Data should be updated periodically to reflect current market reality. Organization should seek to sink it as a habit and assign specific person and time for such matter. For

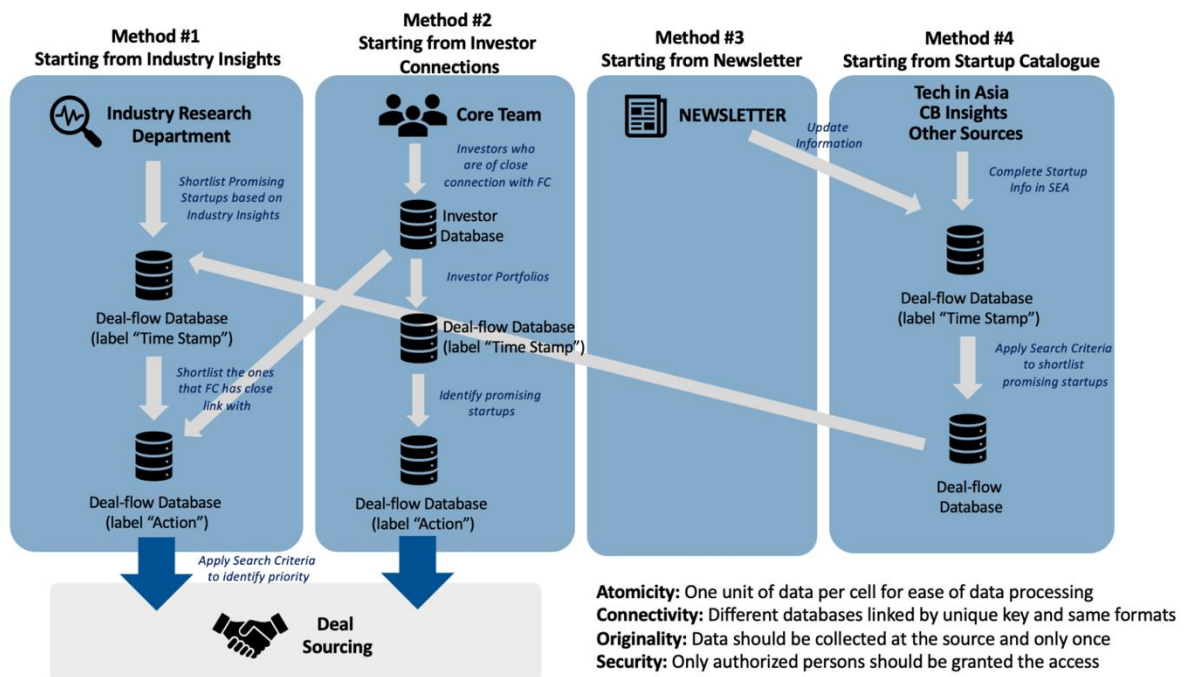
Database Management with SQL

1. Relational Databases and Structure

The database contains at least two tables, namely the investor table and deal-flow table. Investor ID is the primary key in the Investor Table and implicates one-to-many relationship to other tables in the databases, such as the foreign key in the Deal-flow table present below:



2. Relationship Among Databases and Workflow among Team



Deal Sourcing Deck (Pitch Book)

1. Presentation Structure

a. Overview of the Startup

This is to demonstrate that we do understand the startup and show interested in this business.

- Name
- Year of Foundation
- Country of Operation
- Industry/Sector
- Brief Introduction or Business Model
- Highlights or Competitive Advantages (optional)

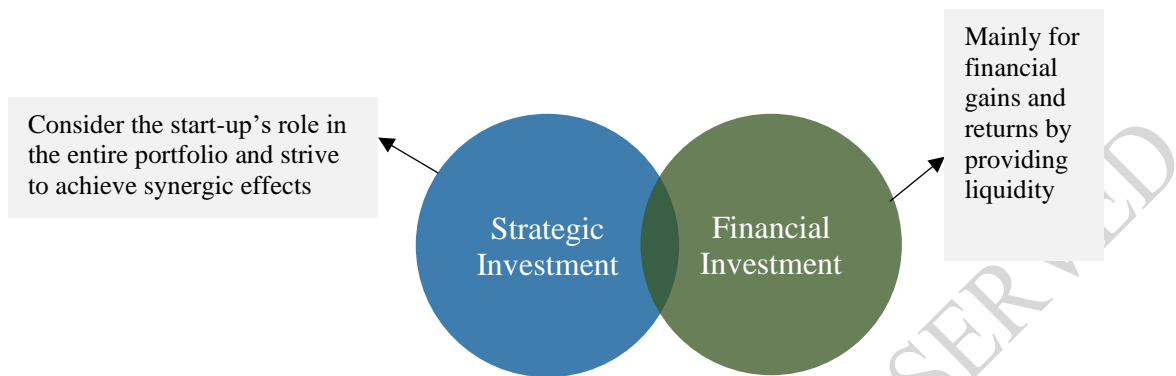
Identify if the startup has any competitive advantage. For the ones that are not so sure, neglect it. Competitive Advantages are the ones that either (i) the company has it but the competitors do not (e.g. market entry license or patent); (ii) Competitors have to invest a lot of capitals to achieve it; (iii) Competitors cannot catch up with the company for some times.

		Competitive Advantage	
		Lower Costs	Differentiation
Competitive Scope	Broad Target	Cost Leadership	Differentiation
	Narrow Target	Cost Focus	Differentiation Focus

vii. Funding History (optional)

If the startup does not have any funding history, which, is not likely to case as we aim for stage-A startup at least, leave it blank. Funding history includes time of

funding, funding amount, whether it is strategic investment¹¹ or financial investment¹², and the dollar amount.



b. Overview of the Industry Opportunity

Understanding the industry trends and opportunities is crucial to demonstrate that we are aware of the latest trends.

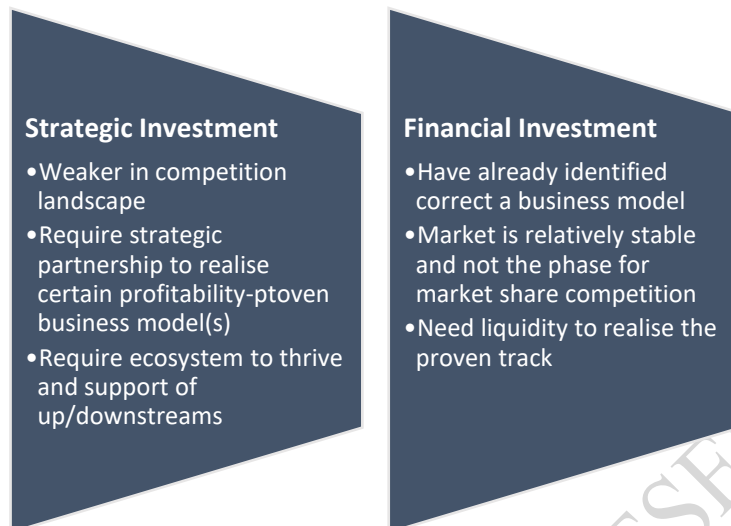
- i. Market Size
- ii. Growth Rate and Opportunities
- iii. Sub-Divisions
- iv. Development Phase (Starting-up, Growth, Maturity, Decline)
- v. Mega Trends
- vi. Others

c. Competition Landscape and Investment Strategy

- i. Identify the overall market competition landscape, namely how many players are currently in the field, what are the leading players, how many of them have been funded, how much they have been funded, and by whom.
- ii. List the direct competitors, explore their year of foundation, business models, competitiveness advantages (optional), and funding history.
- iii. Given the current competition and funding landscape, advise what the startup should do to remain alive or achieve its intended goals, including what kinds of investment should the startup seek.

¹¹ Strategic Investment is the type of investment where the investors will leverage on his/her/its resources and/or existing portfolios to help the start-up achieve fast development.

¹² Investors mainly expect higher and fast financial rewards.



d. Industry Winning Factors and Successful Investment Stories

- i. Factors that drive the industry forward or make it successful
Examples include a mature and stable ecosystem, constant improvement on internet penetration rate, Policy support etc.
- ii. Identify similar companies who have achieved success in history and what are the factors that make them successful, or what kinds of investment are most needed.

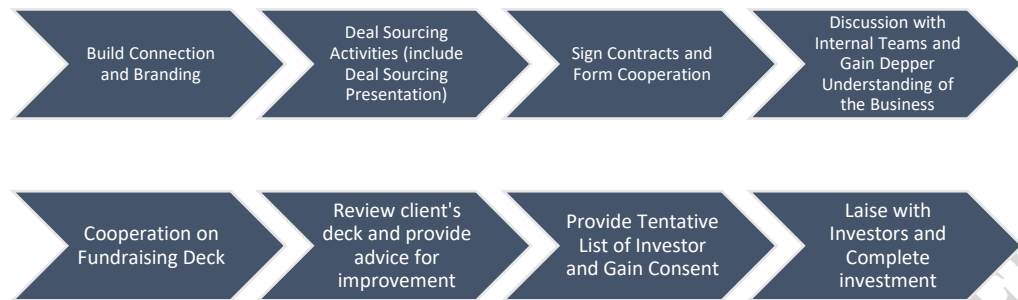
e. Our Advantage

To demonstrate why this startup/investor should seek to cooperate with us but not others.

- i. Industry insights
Superb industry research experience
- ii. Customized service
The ability to understand company needs and match them with most relevant resources
- iii. Effective communication
Exclusive investment banking team to be responsible
- iv. Vast investor network
The ability to identify the right investors for the startup to achieve its intended goals.
- v. Past cooperators

f. Proposed Working Schedule

How the two parties should fan out cooperation in the next step. Normally the next step could be a lengthy and detailed conversation between the two parties to gain deeper understand of the business conditions and/or investor networks. A typical deal sourcing procedure is present as follows:



Depending on the client's preferred way of working, the above procedures might subject to refinement.

2. Follow Up and Communication Protocol

a. Time Limit

- i. Let the other party specify the time he/she will get back to you.
- ii. When the stipulated time has been passed but one still not hear from the party, one should seek contact proactively.
- iii. If the party has chosen to ignore your message for three times, drop the deal and follow up by a Thank-you note.

b. Communication Protocol

- i. Let the other party take initiative to push forward the cooperation and follow the other party's preferred way of communication
- ii. Use business language for all communications

Engagement Letter

1. Scope of Content and Timing

Once both parties agreed on good terms and decided to cooperate, an Engagement Letter will be signed, stipulating rights and liabilities for both parties.

2. Service Fees and Other Charges

a. Fee Structure

Depending on the services performed, usually two fees are charged, namely (i) consulting fee – fees for providing consulting services, incurred regardless of actual placement or not; (ii) placement fee – incurred only when start-up has succeeded in securing fundraisings.

b. Fee Rate

Depending on company size and fundraising size, the total fee charged can range from 4% to 10%. For higher funds secured, the rate can be higher as well.

Fundraising Deck (Business Plan and/or Teaser)

Usually company's name and sensitive key information is not disclosed in a teaser, so FA can disguise company name using Code Name (Project Alpha/Project Ranger/etc.).

1. Presentation Structure

a. Cover Page

- i. Company Name
- ii. One sentence to introduce what the company does and/or what is the highlight. For example, "leading cross-border payment ecosystem provider".

b. Investment Highlights

This is to give investor a snippet of the case and pique their interests. Highlights are summarized from the main text and can include:

- i. Market Opportunities
- ii. Competitive Advantages of the Business
- iii. Synergic Effects after Investment
- iv. Favorable Investment Returns
- v. Other Highlights

c. Industry Pain Points and Opportunities

- i. Pain points in the existing products or services

Pain Points can include anything that hinders user from achieving the effectiveness or satisfaction that he or she demands.

- ii. Market size and growth forecast

Market size and growth estimation can be based on third-party research or self-conducted research. Data source should be cited. Besides, use distinct label to indicate the parts that are based on estimation, so to avoid misunderstanding.

- iii. Government support

List which Act, Regulation, or Law that support the industry development, together with its effective date.

- iv. Favorable market conditions and infrastructures

Identify the key market drivers (for example, smartphone penetration rate) and present data showing that improvement has been made over the years.

d. Competition Landscape

- i. Industry development stage

Industry development stage include introduction, growth, maturity, and decline. Each stage has different competition landscape (See "Industry Research Know-How.doc").

- ii. Number of players in the field

- iii. Identify several big players and analyze their pros & cons, especially the pain points that they cannot solve satisfactorily.

e. Product/service Introduction

- i. Product description

What does the product do? And what are the specimens (if applicable)

- ii. User case

Identify several types of user profiles and use cases. Demonstrate by storytelling and scenario revitalization.

- iii. Comparison

Compare the product and service with the ones of competitors' and highlight the advantages and unique selling points etc.

f. Competitive Advantages

Competitive Advantages are the ones that either

- the company has it, but the competitors do not (e.g. market entry license or patent)
- Competitors have to invest a lot of capitals to achieve it
- Competitors cannot catch up with the company for certain period of time.

g. Team Structure

Include key member profile and career highlights, especially the ones that are especially

valued by the industry and/or relevant to the industry.

h. Fundraising Requirements

i. The amount of funding required

This could benchmark to comparable companies or work from bottom up, namely forecast how much costs will be incurred, and the size of funding should reasonable cover all expenditures and ensure smooth function of key services.

ii. Intended use of funding

Shown in a pie chart.

iii. Current shareholder structure and the portion of shares to yield.

Depending on the startup's arrangement, some company may not intend to give up shares, which will force them to lose control.

i. Contact Info

Normally leave a contact person's details or company PR email will do.

For each slide, clearly label the caption and one sentence to summarize the highlight. The presentation sequence should not be altered to make most logical sense.

2. Ethical Issues and Data Management

a. Ethical Issues

i. Intentional deception

If the other party intentionally make false statement for personal favor or refuse to disclosure key information that are necessary to accomplish the deal, one should seek clarification from the other party's direct supervisor. If failed, one should seek guidance from compliance office or supervisor from his/her own company. If such endeavor does not stop one from cutting any illegal dealing, one should seek disengagement with the client or even the current position.

ii. Undue Influence

For gifts and favors that are material enough to influence one's professional judgement, one should actively seek for disengagement and disclose to his or her supervisor. Besides, the company is advised to set up compliance protocol for all staffs to follow.

iii. Arm Length Transaction

One should evaluate whether his or her professional judgement will be severely affected as a result of the arm length transaction. If so, one should seek disengagement with the current transaction.

b. Data Management

i. Misrepresentation

For data that are contradictory to one's observation or judgement, one should actively seek clarification from the startup and demand a data source to back the data. Any data misrepresentation should not be seen on written documents.

ii. Omission

For the data that are missing, ask startup to refurnish. For the ones they cannot give due to their limited outreach as a startup, one should seek for other replacement or proxy that will serve the same purpose. If this endeavor is also failed, one should omit it and explain so to potential investors.

iii. Tools used to source data from the startup

For financial forecasts and delicate, one should provide the startup with

accounting template that the startup can fill in. For other information, one can obtain it through verbal discussion (and validate it in the written documents afterwards) or a blank doc for the startup to fill in. The VBA codes to enable welcome message and auto format standardization is pasted below:

```

Sub DeleteRowsByUserCondition_Loop()
' defining variables
Dim condition_range As Range
Dim condition As String
Dim i As Integer

'error handling for Cancel buttons of InputBox controls
On Error GoTo error_handling

'populating variables
Set condition_range = Application.InputBox(Prompt:="Please select the range that condition will be applied to")
condition = Application.InputBox(Prompt:="Please type the condition text:")

'reset error handling procedure
On Error GoTo 0

'loop through rows and test the condition
With condition_range
For i = .SpecialCells(xlCellTypeLastCell).Row To .Row Step -1
If Cells(i, .Column) = condition Then Rows(i).EntireRow.Delete
Next i
End With

'exit sub without running error handling codes
Exit Sub

error_handling:
MsgBox "Error: Invalid input. Please try again."
End Sub

```

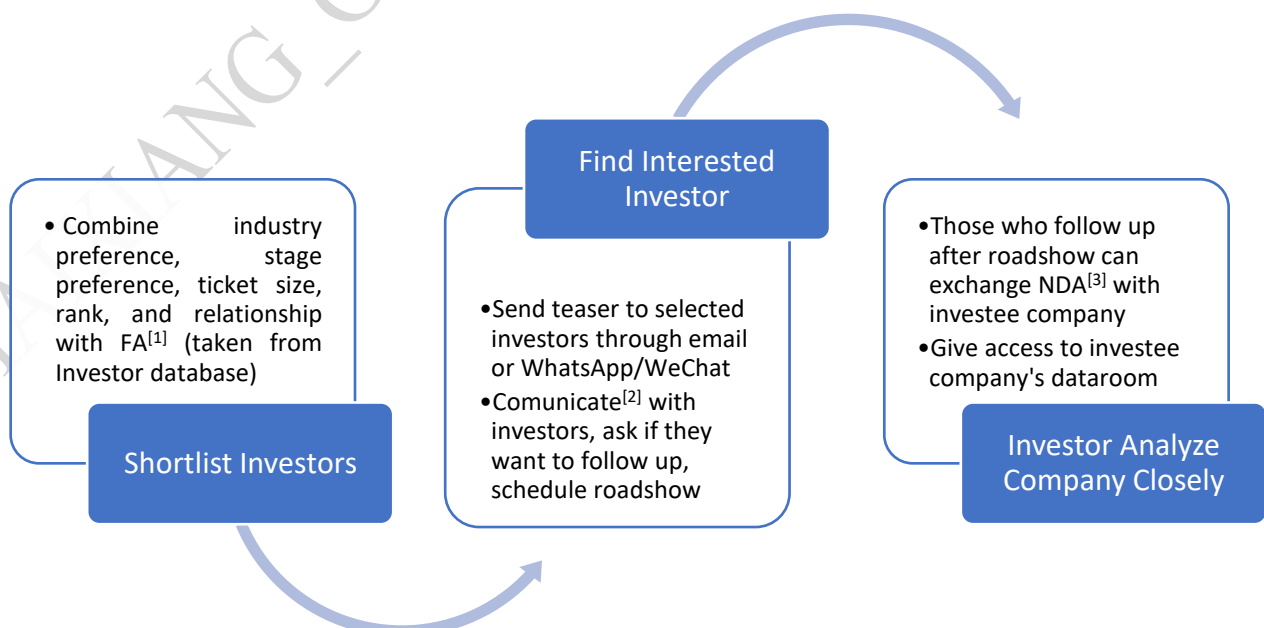
Alternatively, one could code VBA for batching purposes by enabling hot keys or design a user form for the client to fill in data in a more user-friendly context.

Investor Recommendation List

1. Timing

After the start-ups have prepared their business plans and/or Teaser (simplified version of Business Plan that does not disclose on sensitive information).

Investor shortlisting process normally involves the following procedures:



^[1]FA: Financial Advisor

^[2]Communication Mechanism: be consistent, if after 3-4 calls there's no feedback, said investor can be marked as 'Pass'

^[3]NDA Mechanism: Investors usually have their own NDA template. If the company doesn't mind, company can follow investor's NDA template. Using investee company NDA may take 1-2 weeks time for legal check-up.

2. Shortlist Investor based on Funding Rounds

<i>Funding Series</i>	<i>Stage of Company</i>	<i>Funding Amount</i>	<i>Typical Investors</i>
<i>Seed</i>	Business not yet developed, funding needed for first steps: market research and product development	\$500 k - \$2 mn	Incubators, Venture Capital, Angel Investors
<i>Series A</i>	Business has developed a track record and need funding to further optimize its user base and product offerings	\$2 mn - \$15 mn Valuation \$23 mn	Venture Capital (some well known are Sequoia, Benchmark Capital, Greylock, Accel Partners)
<i>Series B</i>	Business is already past the development stage and want to expand its market reach. Business model already proven and more well-established	\$15-33mn Valuation \$30-60mn	Venture Capital that specializes in late stage financing
<i>Series C</i>	Successful companies made it to Series C. Companies are focused on scaling, growing as quickly and as successful as possible	\$30-100mn Valuation \$100mn	Hedge funds, investment banks, private equity firms, large secondary market group (mostly institutional investors)

3. Investor Roadshows

a. Scheduling Roadshow

- Find a matching time for founder and investor
- Not necessary, but it's better to let founders know who's going to join the meeting representing the investors (Partner/Director/Manager/Associate/Analyst level) especially if the FA can get higher level to join
- Roadshow format: one-to-one or one-to-many (usually for star company)
- Time allocation for each session of the roadshow
- After roadshow, don't let the follow up be too long. Maximum a day after meeting

b. Accompanying meetings and minutes of meetings

- Whether to accompany meetings and what to do when accompanying meetings
The person in charge of the project will decide the arrangements for accompanying the meeting and will demonstrate professionalism when accompanying the meeting, including taking notes and guiding the meeting.
- What needs to be in meeting minutes
Question from investors and next step should be most important information in minutes so the investee company can provide the relevant info after roadshow. Potential from investor to lead/follow is also important. The minutes will be updated by 24:00 on the same day
- Etiquette in accompanying meetings

For on-site meetings need to arrive 15 minutes early and for online meetings, person in charge should confirm the time of all parties' presence in advance.

4. Preliminary due diligence

Before an investor issues Term Sheet, it is necessary for investors to conduct preliminary commercial due diligence, and FA play the role of smoothing the process. FA should ask investor in advance for the material requests and help the company screen what information is already available and help the company prepare.

Before each project, it is best for FA to check what data is not available or not good enough to be presented to the investors and assist the company in preparing it.

5. Typical data request from investors

- i. Information related to industry
- ii. Information related to patents and property rights
- iii. Preliminary Financial Information (audited financial reports, company financial analysis, etc.) from the start of business until present time
- iv. Financial projection and key assumptions for 3-5 years ahead
- v. Equity structure table (cap table) reflecting historical financing
- vi. Operational metrics
- vii. Team background
- viii. Product Specifications, sales contracts, and other contract templates

Non-disclosure Agreement and Data Pack

1. Scope of Content

a. Information Covered

It is up to the disclosing party to put forth the information he/she is willing to disclose, but this is also subject to discussion with the information recipients.

Once NDA is duly signed, the disclosing party will forward the data pack and/or open the access of the data room to the other party. Information involved usually covers:

- i. Operational data such as profits, debts, number of cooperators
- ii. Patent and/or Other Business secrets
- iii. Use of funds
- iv. Contracts with clients
- v. Others

b. NDA Valid Period

Within the stipulated period, the information recipients should abide by the agreement and not disclose the information as contracted.

c. Impunity and Breach of Contract

Terms describing the kinds and extent of penalty incurred once a breach of contract takes place.

2. Timing

NDAs are usually signed before the start-up and/or decided to forge formal relationship with the company and will disclose sensitive information that will potentially give its competitor(s) unfair advantages.

Appendix – A: Call Report Template

Basic Information

Appointment Time:	
Department:	
Company Representative:	
Internal Evaluation:	Internal Discussion ¹³ / Future ¹⁴ / Reject

Client Source:	Internal / External VC / External Client
Source(VC):	
Source(Individual):	

Potential Demand for Service:	Yes / No
Potential Financing Currency:	
Potential Financing Amount:	
Potential Financing Deadline:	

Interest in M&A transactions:	Yes / No
Interest in M&A Transactions Remarks:	

Latest Valuation:	
Latest Fund Raise Date:	

Is the Company Profitable:	Yes / No
Is the Company Profitable Remarks:	
Expected Profit Timeline:	
Company's USP ¹⁵ :	
Current Shareholder Structure ¹⁶ :	
Follow-up Reminder:	Yes / No
Follow-up Reminder Date:	

Meeting Information

Product & Service:	
Commercial Operations:	
Financial Status:	
Company Overview:	
Management Team:	
Past & Current Financing Plans:	

¹³ Will continue engagement

¹⁴ Approach again in the future

¹⁵ Unique Selling Point

¹⁶ Shareholder structure impacts decision making procedures and profit division etc.

Appendix – B: Workflow Guidelines for Project Sourcing

1. Project Selection Channels

- a) Industry Research: members to perform preliminary screening of projects while doing research
- b) Newsletter: members to update preliminary screening of suitable projects from weekly newsletter
- c) Identify suitable projects from VC portfolio

Personnel and responsibilities

Manager –

- Lead the preliminary screening of projects from industry research and newsletter
- Responsible for case reminders and weekly planning arrangements

Members –

- Identify suitable projects and support with follow up on the identified projects

Time Stamp

- ✓ Deal Flow DB updating of selected projects with **Time Stamp**¹⁷: by **all**
- ✓ When the case with time stamp does not get connection *by the end of next month*, will be marked as pass by **Manager**.

Priority

- ✓ Selection (High/Medium/Low) by **Manager**, once every week,
- ✓ Only judged by the case quality, the possibility of get investment

Action:

- ✓ Only those that have indicated (Contact & High/Medium) to move on to establishing outreach.
- ✓ When deal changed to “Contact”, there must be a “**next step by**” person.
- ✓ Selection of “contact” cases every week and **follow-up list** by **Manager** before weekly meeting.
- ✓ Allocate the deals to related person in weekly meeting. **Manager** mark the one can get connection by putting own initial to “**next step by**”. **Manager** help transfer the connection to **the person in contact**.

2. Establish contact, obtain information, and log Call Report

- **Familiar contacts:** According to the available familiar investor contacts via (FS/SC/RA/EF)¹⁸. For contacts originating from FS & SC, introduction will be passed on to respective team members to follow-up with the procedures.
- **No Familiar contacts:** SC to provide outreach template (LinkedIn or email) for usage
- Direct contact with external parties to obtain project information and log Call Report

Personnel and responsibilities

Manager#1 –

- Project selection in-charge
- Assist in contact/introduction to investor or project
- Provide basic information about familiar projects

Manager#2 –

- Responsible for future project reminders and planning arrangements
- Responsible for Elites to prepare contacts, coordinate project meetings, and prepare a series of templates
- Assist in contact/introduction to investor or project
- Responsible for cold outreach to prospective candidates

¹⁷ Please update this column whenever an entry has been updated, deleted or added. Recommended format is as follow:

I202010.1 indicates the update is from industry research insights, and the update is made 1st time (under the category of "I") in October 2020.

N202011.3 indicates the update is from newsletters, and the update is made 3rd time (under the category of "N") in November 2020.

C202103.2 indicates the update is from core DB or requested by team leaders, and the update is made 2nd time (under the category of "C") in March 2021.

¹⁸ Manager names

Manager#3 –

- Direct contact with project
- Focus on Indonesian projects

Manager#4 –

- Direct contact with project
- Participate in all important project meetings and form relationship with the projects

Members –

- Support with project identification via Industry Research and submission of Call Report log for respective prospects

Execution

- Call Report
- Deal Flow DB updating of selected projects, to indicate notes (Discussion/Future/Pass).
- For projects that are currently in discussion phase, to indicate (Discussion), if the decision of the Call Report indicates Pass/Future, reflect accordingly in the database. These projects will not proceed to the BSC meeting.

3. **Business Selection Conference(BSC) Meeting: Focusing on projects that possess collaboration potential, to go through the process of BSC before proceeding to pitching and partnership.**

Personnel and responsibilities

Participants: Project Manager, BSC Board (FS/EF)

Execution

- BSC Meeting Memo
- Deal Flow DB updating of selected projects, to indicate notes (Discussion/Future/Pass).

Appendix – C: Roadshow Meeting Minutes

Minutes – Roadshow with Investor A & Investee Company A

Participants:

Edit:

Date:

Investor Name:	
Investor Representative:	(Level/Name)
Type of Investor:	Venture Capital / CVC / Private Equity / Others
Number of Funds:	
Industry Interest:	
Minimum Investment Amount:	
Average Investment Amount:	
Maximum Investment Amount:	
Potential to Lead:	Lead ¹⁹ / Follow / Pass
Expected Timeline until TS:	

Question #1

Investee company answer

Question #2

Investee company answer

Question #3

Investee company answer

¹⁹ Lead Investor often called as Key Anchor Investor that helps to draw in other investors