


# Fundamente de Antreprenoriat

Curs 11: Ecosistemul de antreprenoriat,  
oportunități de creștere

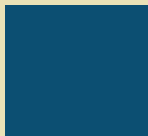
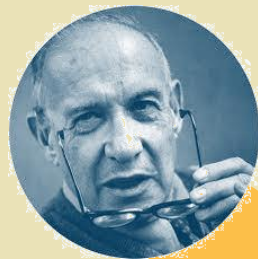
Speaker: Mircea VĂDAN  
Activize, Transylvania Angels Network,  
Cluj Startups, Spherik Accelerator, FreshBlood HealthTech





“Cel mai bun mod prin care poți prezice viitorul este să-l creezi.”

— Peter Drucker





Activize is a consultancy and advisory company based on a network of partners focused on projects and programs in the startup ecosystems in Eastern Europe.



Startup scouting and ecosystem mapping



Acceleration and corporate innovation programs



Support in fundraising and go-to-market

**Transylvania  
Angels Network**

**CLUJ<sup>1</sup>STARTUPS**  
CONNECT TO GROW

**techmatch**



**FinTech Camp**

**[CLUJ.AI]**



**SPHERIK<sup>™</sup>**  
accelerator



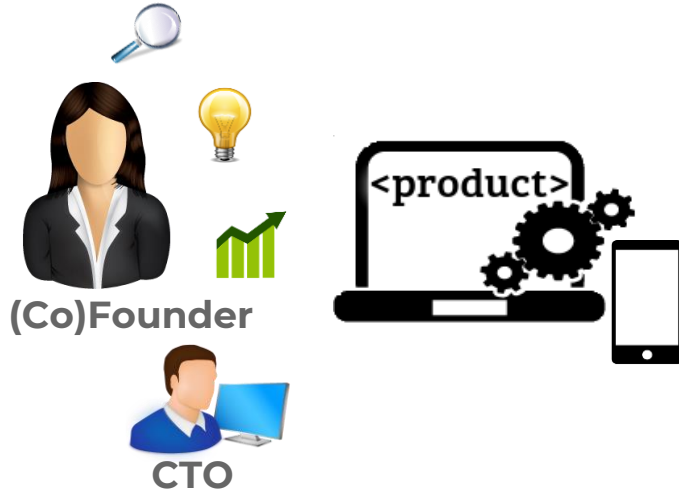
**FRESHBLOOD**

How a startup works

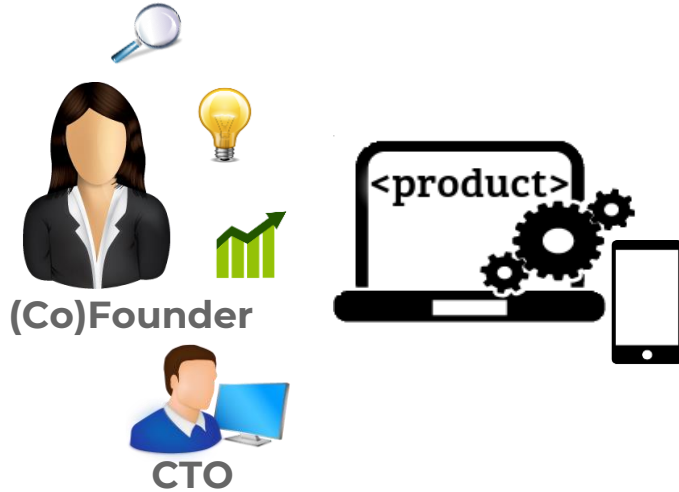
# How a startup works



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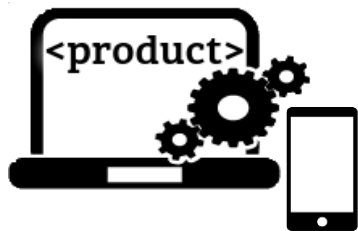
**Accelerator**

Investors

# How a startup works



(Co)Founder



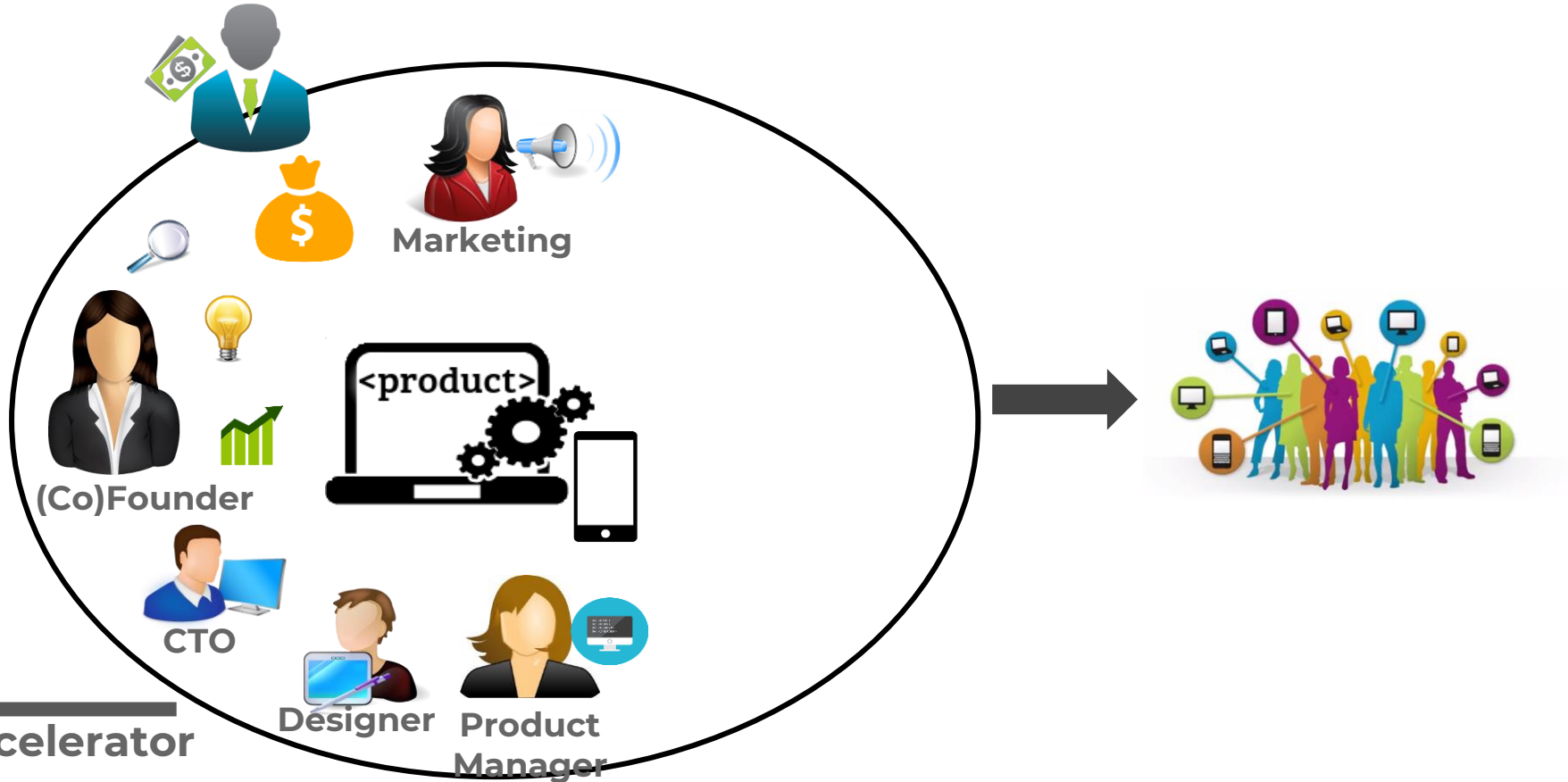
CTO

Accelerator



# How a startup works

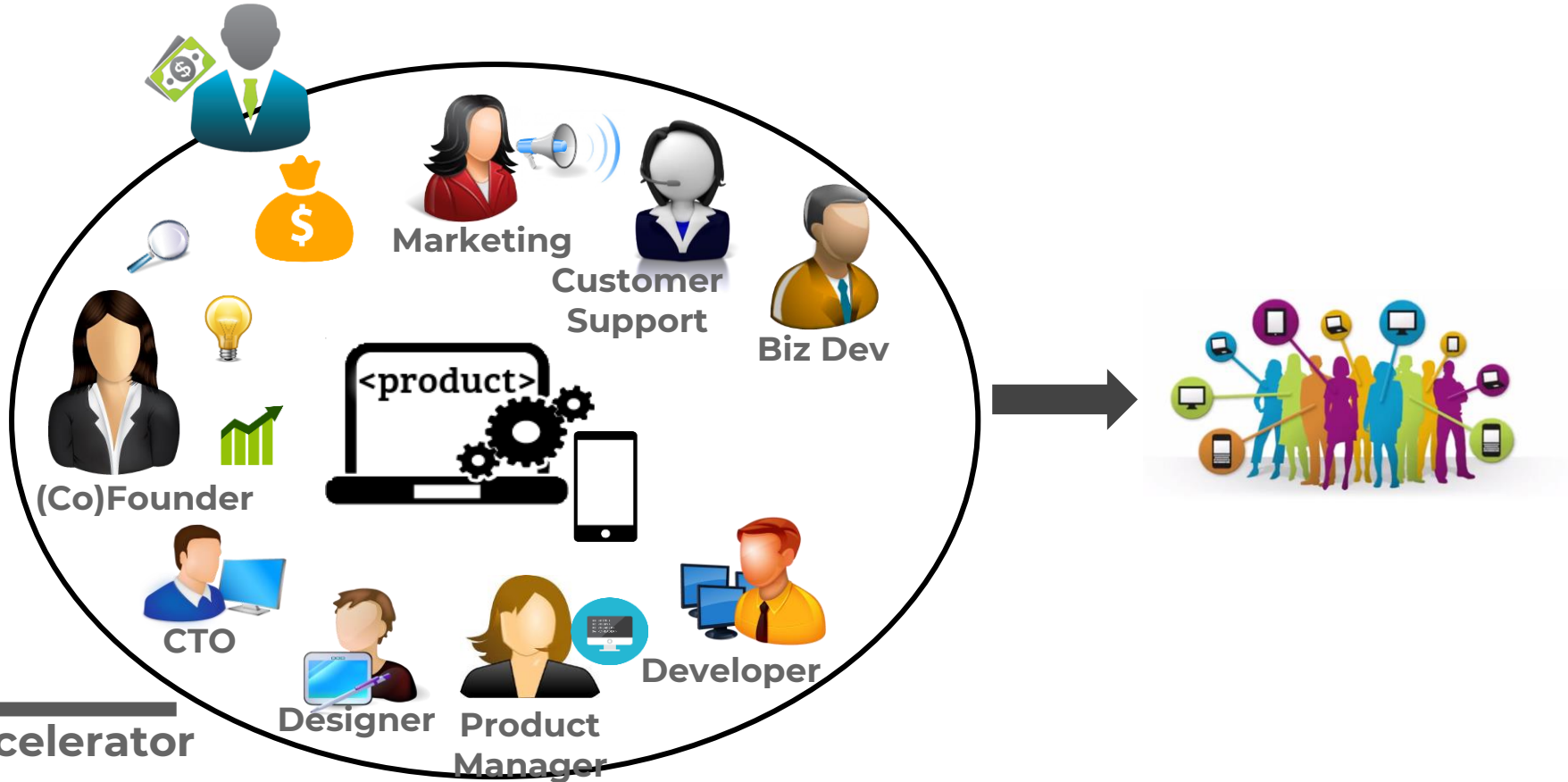
Investors



Accelerator

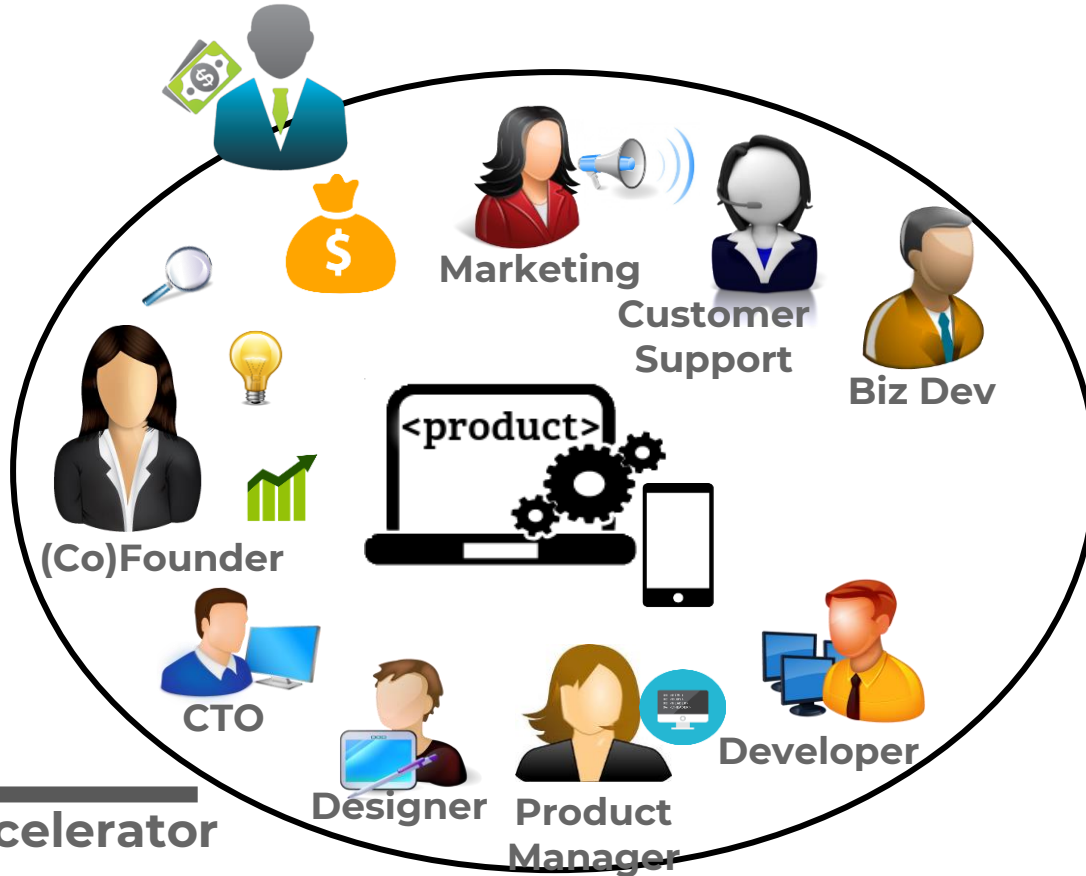
# How a startup works

Investors



# How a startup works

Investors

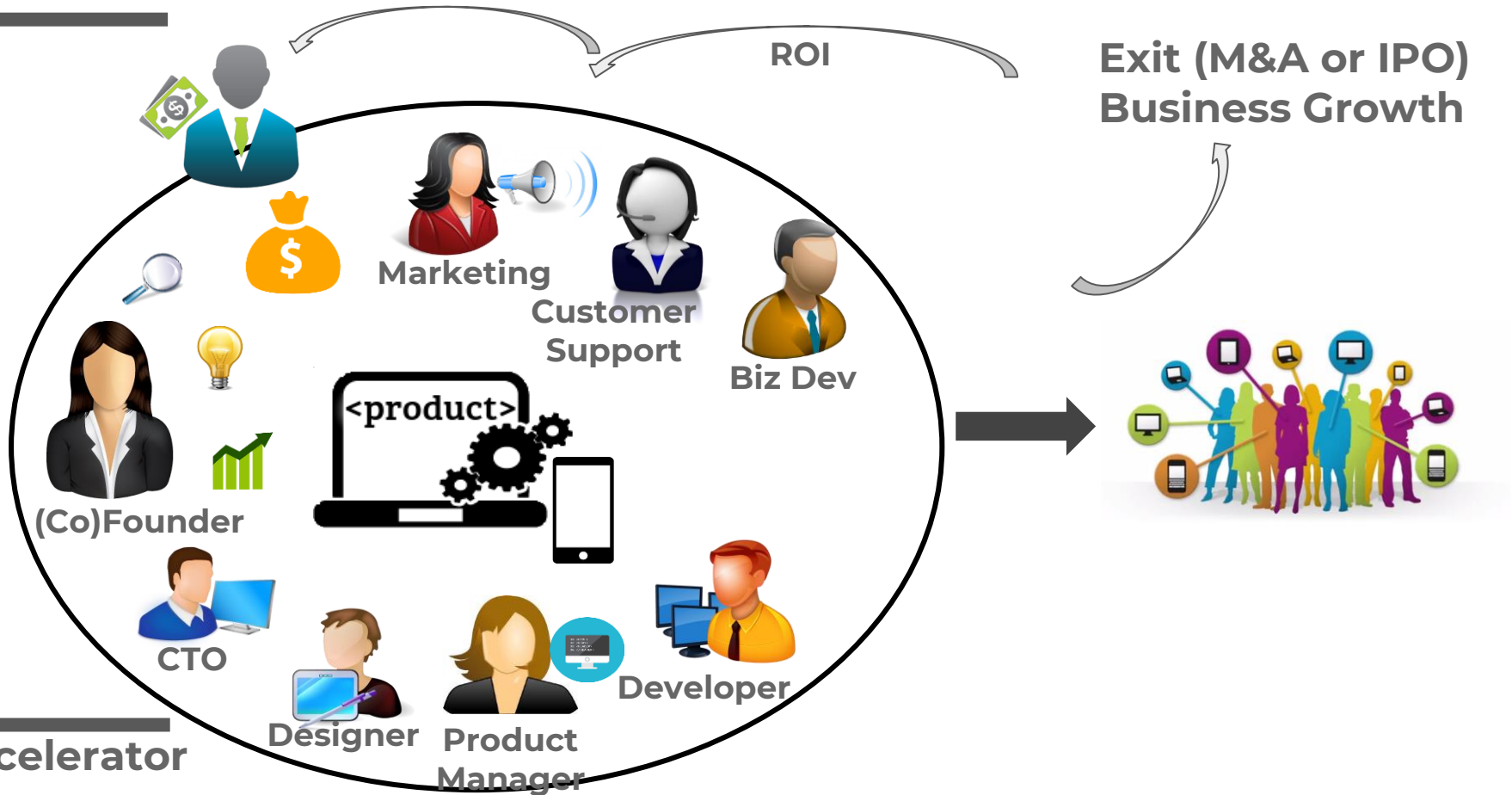


Exit (M&A or IPO)  
Business Growth



# How a startup works

Investors



Accelerator

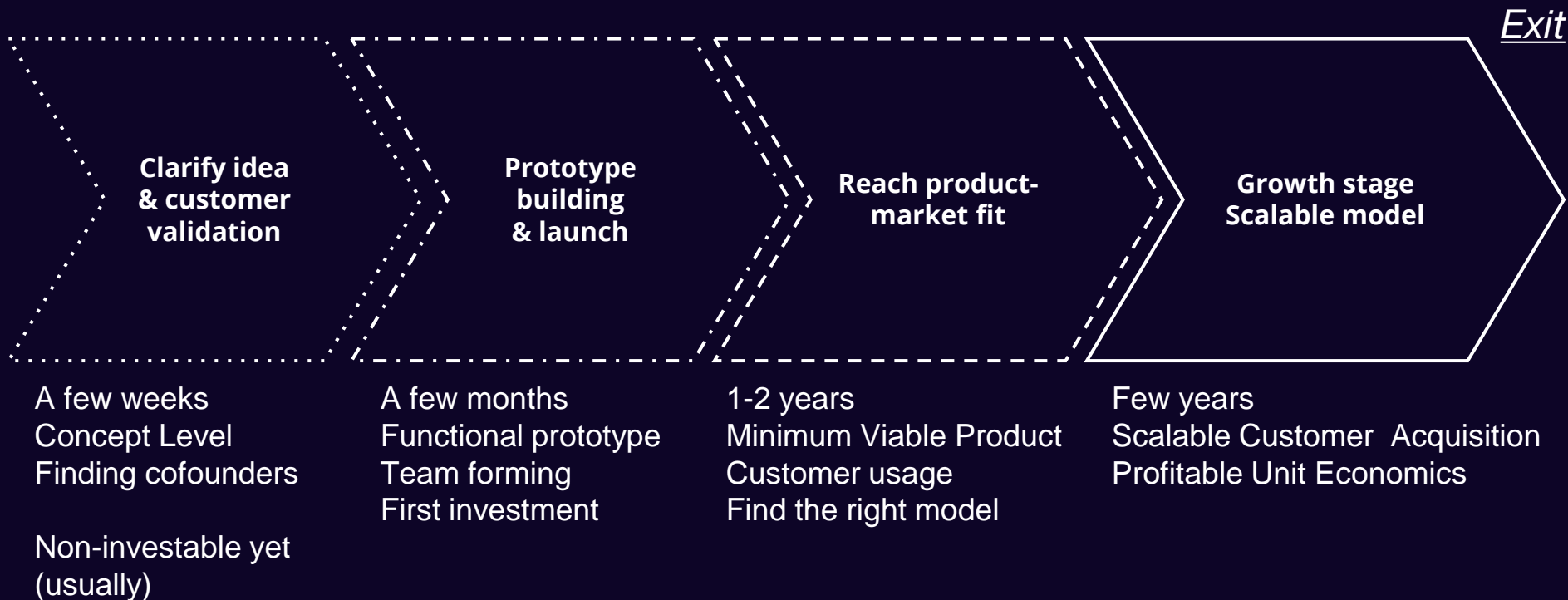
# Huge Risk, Huge Return

**Huge Risk (considered  
money to loose)**

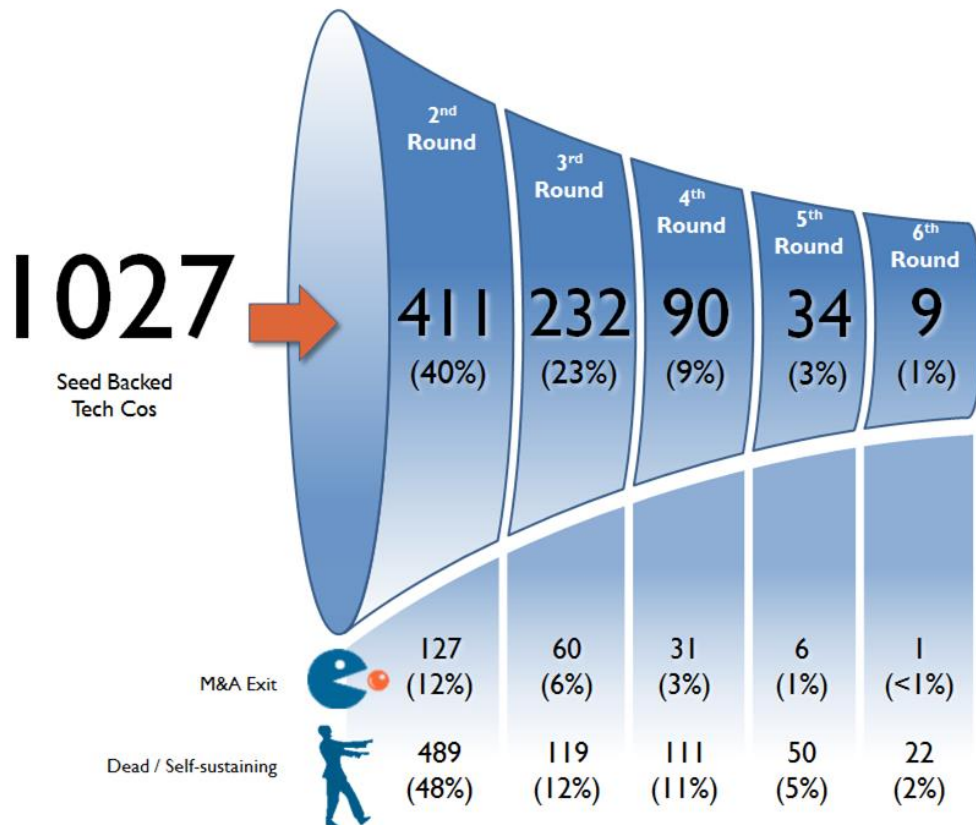
**Huge potential returns  
(10-100 time more)**

# **The general phases for tech startups**

# The general phases for tech startups



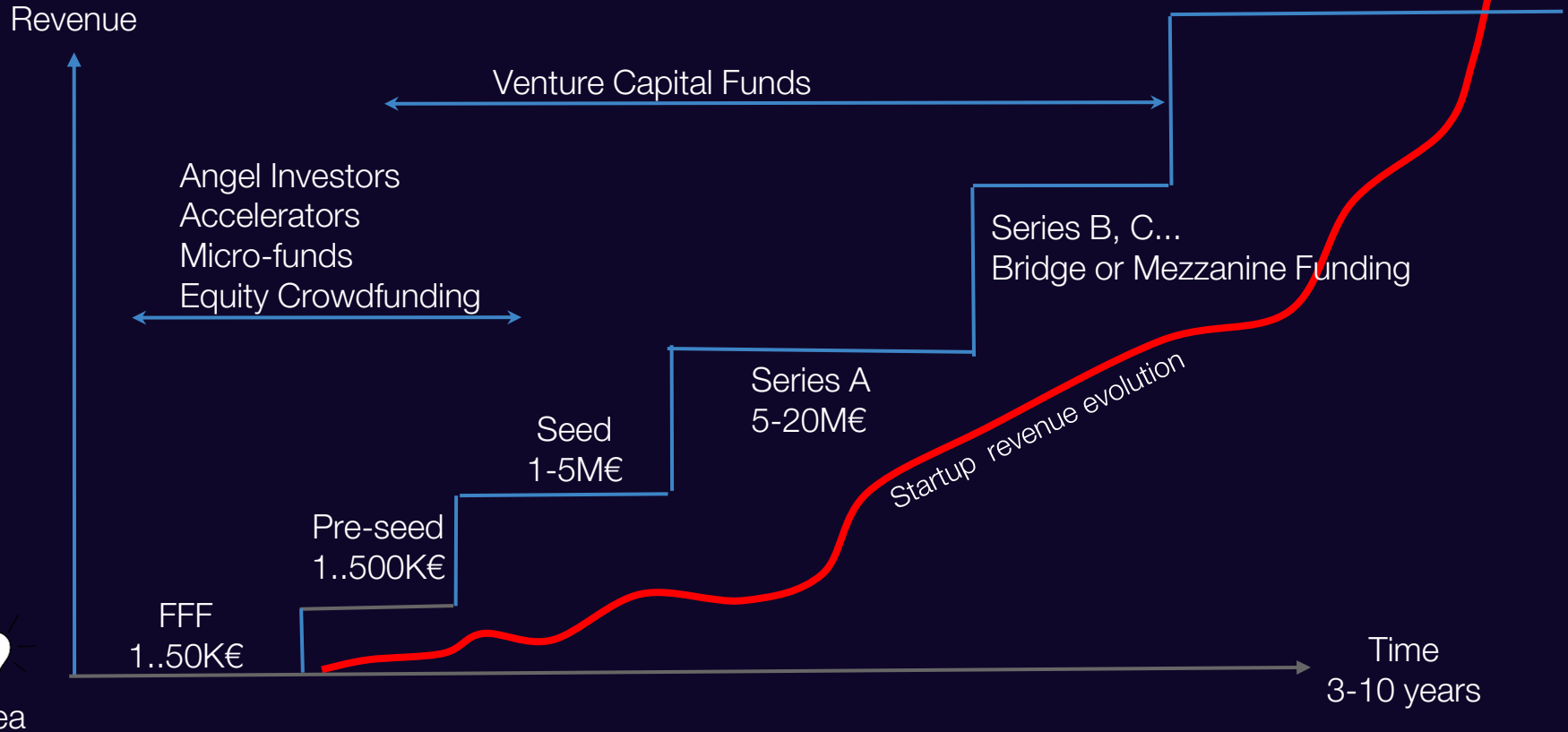
# THE VENTURE CAPITAL FUNNEL



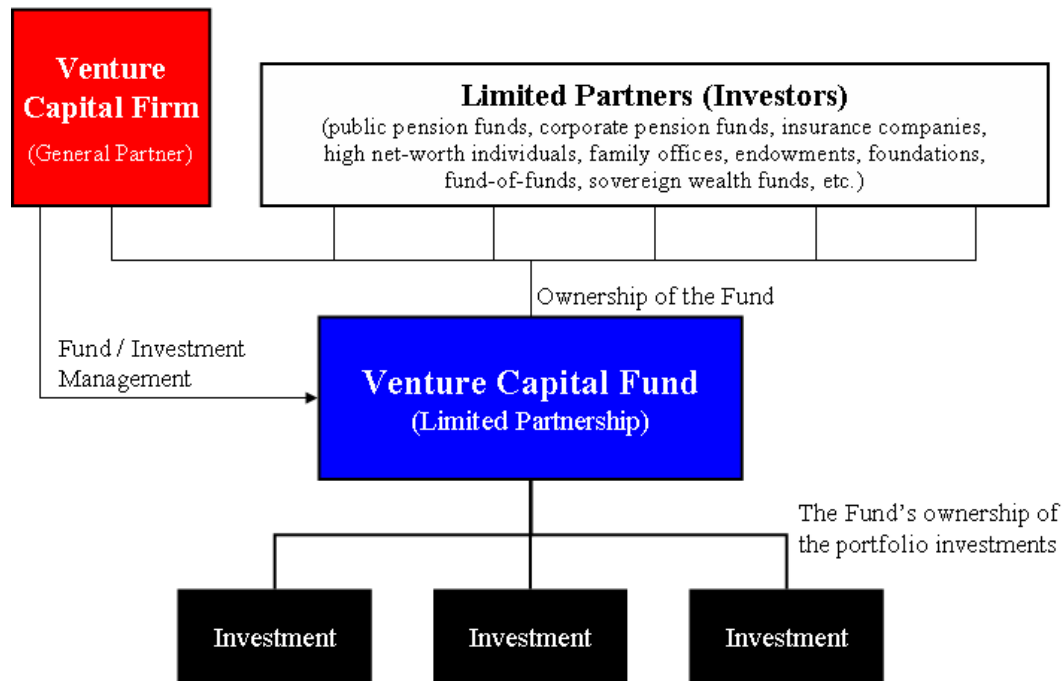
**Analysis done in  
2018 in USA with  
startups that got  
Seed  
in 2009-2010**



# Startup funding stages

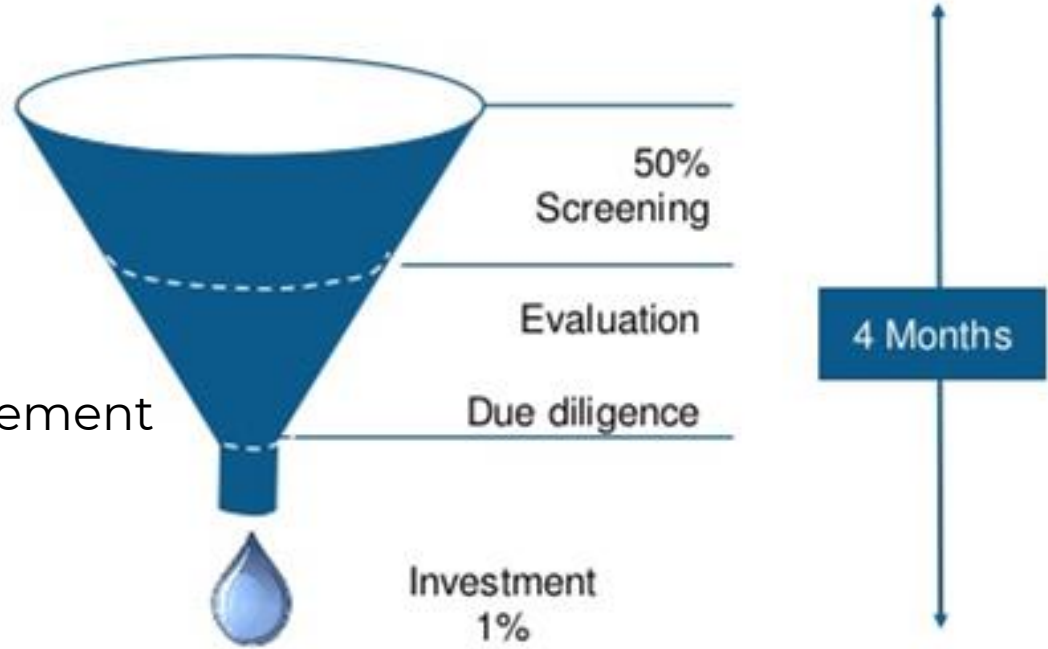


# Venture Capital Fund Structure



# Process of investment

- get in touch
- get informed
- term-sheet
- due diligence
- final investment agreement
- sign legal documents
- transfer money
- get shares



**What's Next?**

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Yo starting a new VC fund

I need a 3x return 🤔💰



LP

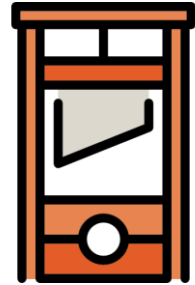
Limited Partner (LP)

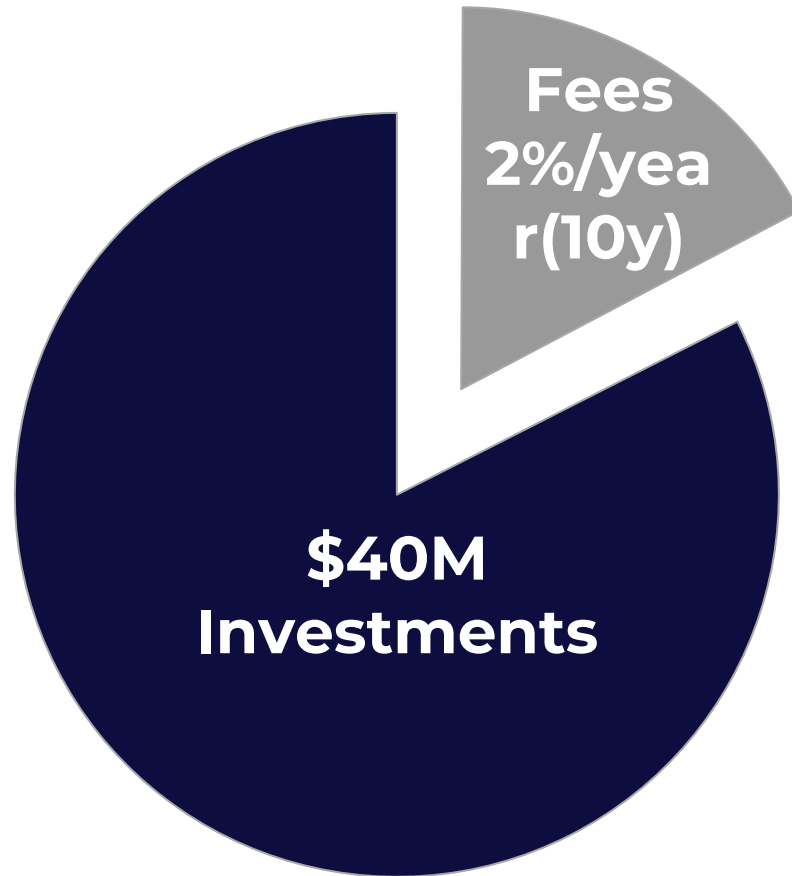


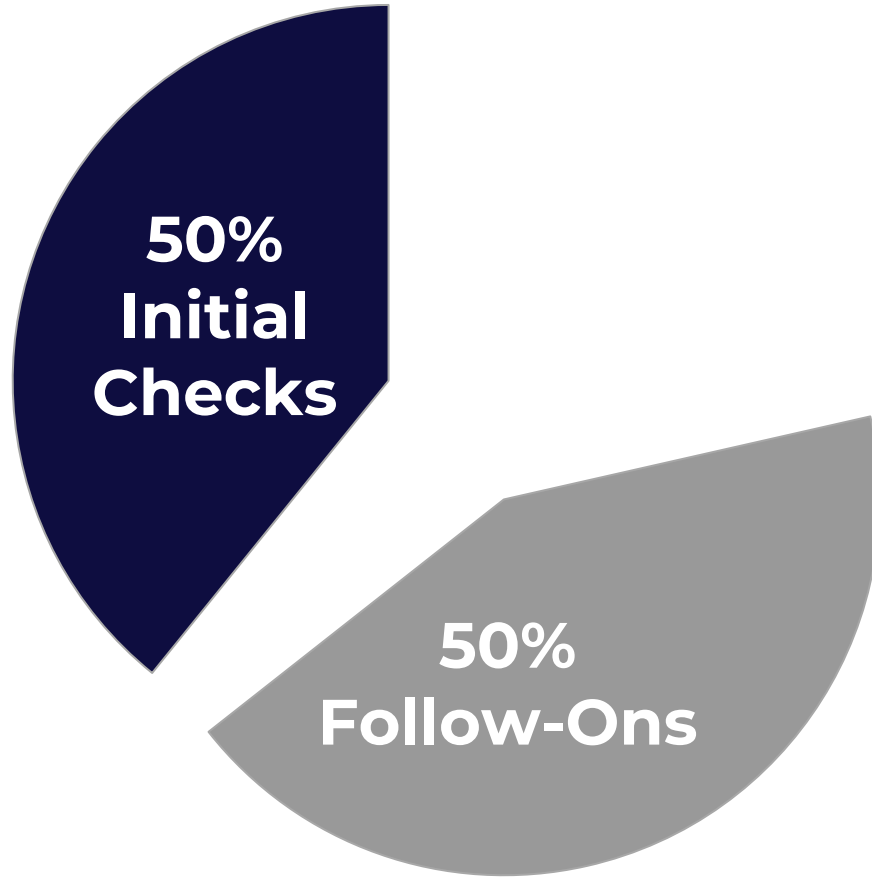
**General Partner (GP)  
of a venture capital firm  
a.k.a. the “VC”**



x 3 in 5-10 years...  
or



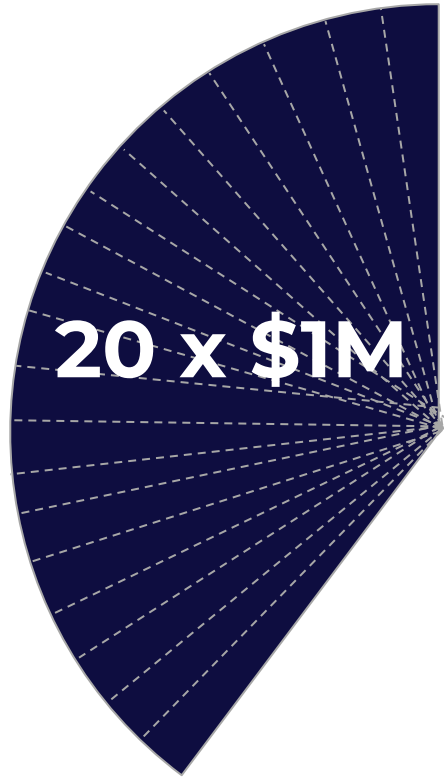








Actual allocation to  
new investments



**20 x \$1M**

Deployed into 20  
companies over 3 year  
investing period

Each investment is \$1M,  
on average

A common early-stage Valley VC investment in 2020:

**INVESTMENT**



**\$1M**

for

**OWNERSHIP**



**10%**

at

**VALUATION**



**\$10M**

Repeat 20 times to create a portfolio.



**Support the startup 2-6 years**

# **FUNDING RETURN AND POWER LAW**

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\$50 million  scenario

**OWNERSHIP**



**10%**

of

**EXIT VALUE**



**\$50M**

=

**RETURN**

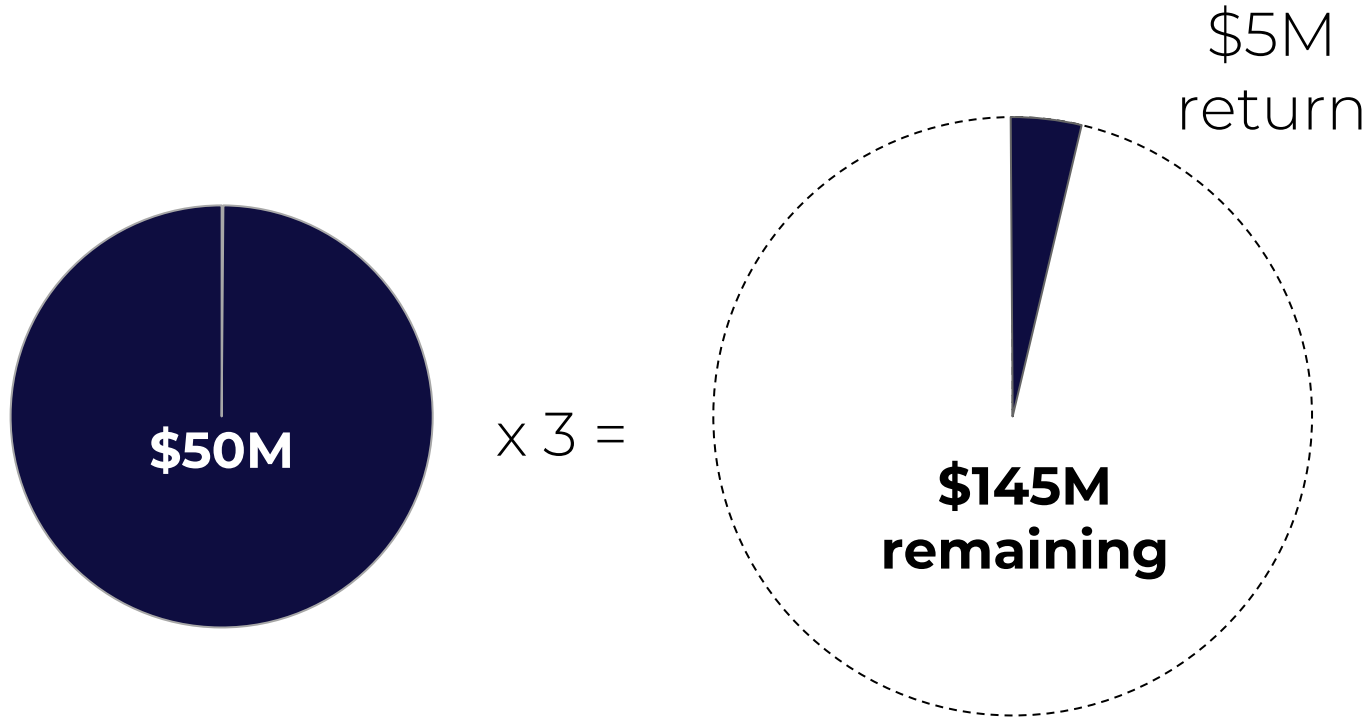


**\$5M**

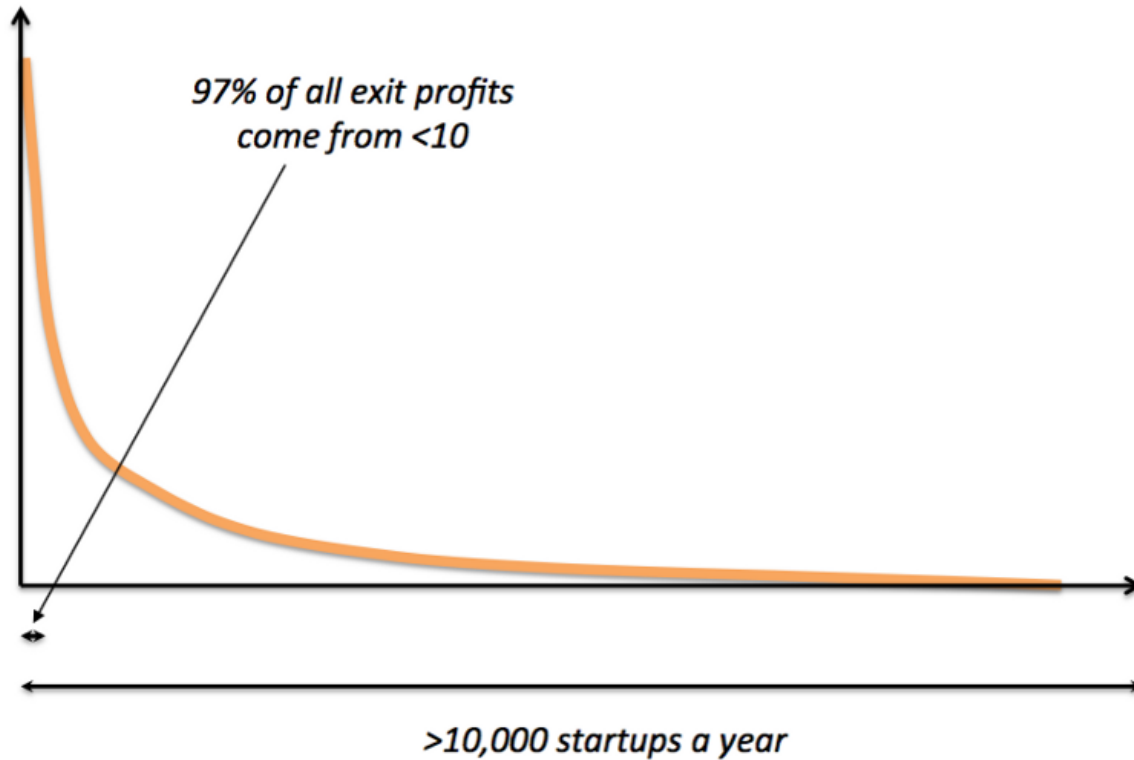
\$5M = 5x return on investment. Great news!

...Or is it?

**\$5M is only 3% of the expected return of the fund**



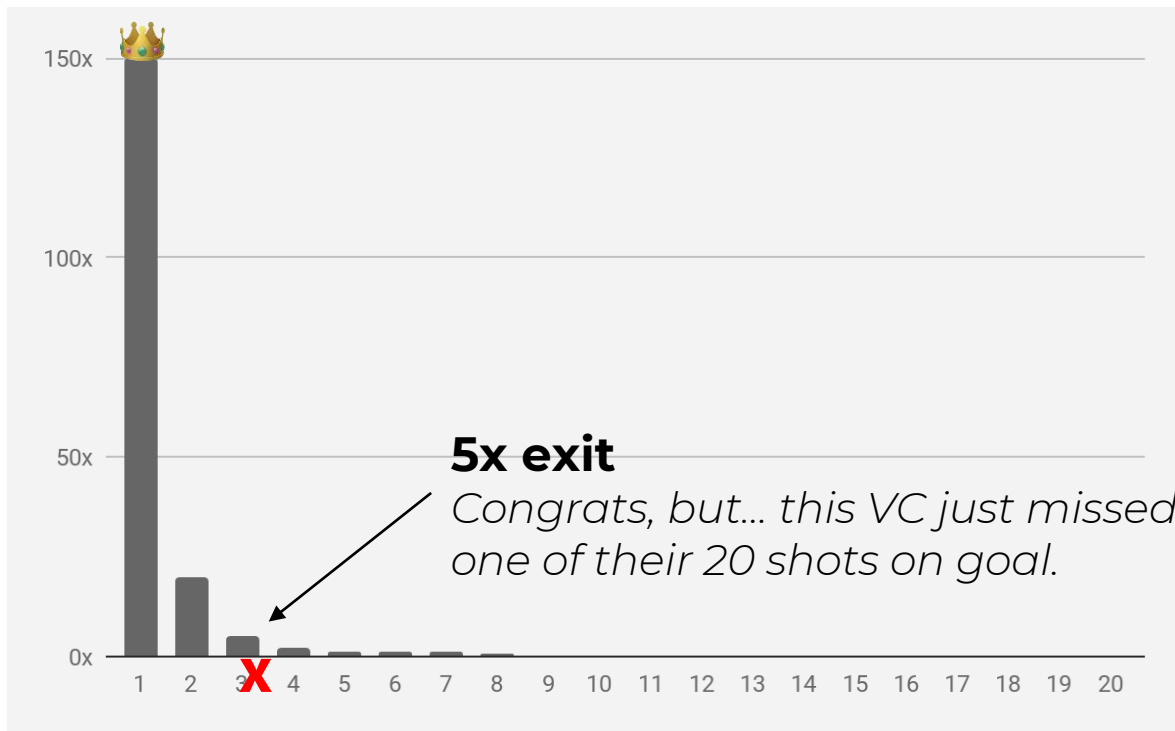
# The Power Law





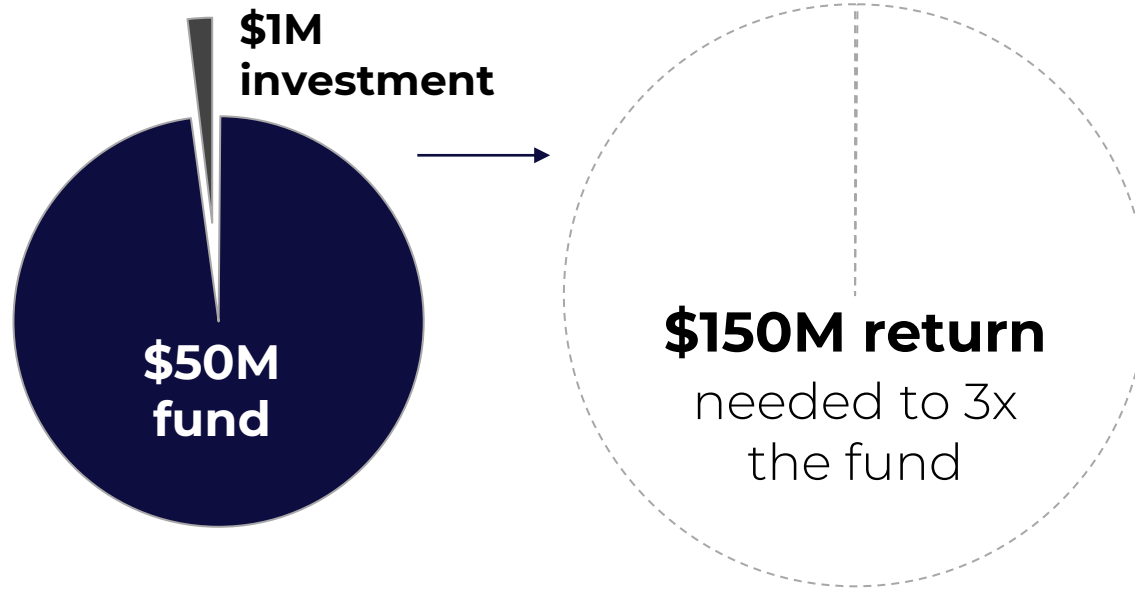
**Most probably, almost all of the VC's returns will come from one company**

Return  
multiplier



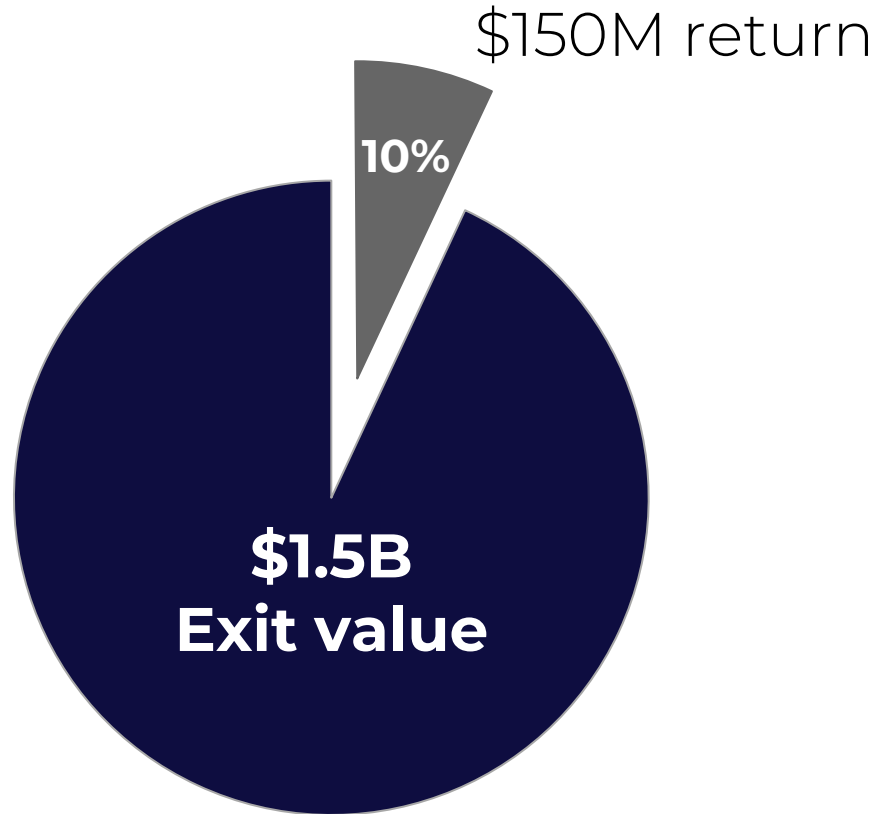
20 companies

So. To qualify for VC investment,  
your company needs a credible path to becoming their sole fund returner.

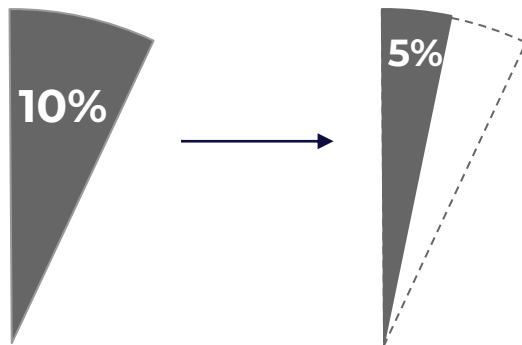


This VC needs to see the path to a 150x return, every new company they invest in.

**At 10% ownership, it translates to a \$1.5 billion exit.**



**Wait... we didn't account for dilution.**



Companies commonly raise A, B, C, D... rounds before exit.  
Early-stage ownership stakes dwindle down further with each round.  
(If it can, the VC will deploy its reserves to slow down its dilution).

**To account for 50% dilution, the needed exit value doubles to \$3B.**



# **TYPES OF VENTURE CAPITAL FUNDING SOURCES**

~\$50K

~\$200K

~\$1M

~\$5M

~\$50M

Pre-seed

Seed

Early Stage

Growth Stage

Later Stage

## FFF

Family, Friends and other "Fools"  
Thousands dollars (could be more)  
Invest mostly as connection with you

## Angel Investors

Usually experienced entrepreneurs  
Not having an investment structure  
Invests starting with \$10k up to \$250k  
SuperAngels can invest more (up to \$1M)  
They do syndicates (more angels in one investment)

## Accelerators

Usually a program of a few months  
Funded by corporates or bigger funds -> dealflow  
In Europe: \$20k to \$70k  
In US: up to \$150k

## Crowdfunding\*

Usually done through platforms  
The investors are normal people, individual investment is small  
It can be as equity (Seedrs) or in pre-sales (IndieGoGo, Kickstarter)  
\*Sometimes is not counted as investment

## Seed/Early Stage Funds

2-5 managing partners, experienced  
Having limited partners (funding entities)  
Starting with \$200k, up to \$1.5M  
The fund has usually less than 10 employees

## Growth Funds

Managing partners worked in other funds  
Limited partners: mainly institutions or other funds  
Up to \$25M

## Later Stage Funds

Professional managing partners, financial background  
Can invest hundreds of millions in one round  
Draw their money from various sources

## Corporate funds

Sponsored by a big corporation  
It usually focuses on an industry/vertical  
They vary in total size, investment amount and stage  
Aims to partner with startups useful for the corporation  
Can have an accelerator included in its structure

# Headquarters of the funded startups

Counting the 72 startups which received funding in 2019 \*



**In Romania RO in total: 62**

Startups with other headquarters:

USA: 5

Switzerland: 2

Germany: 2

Canada: 1

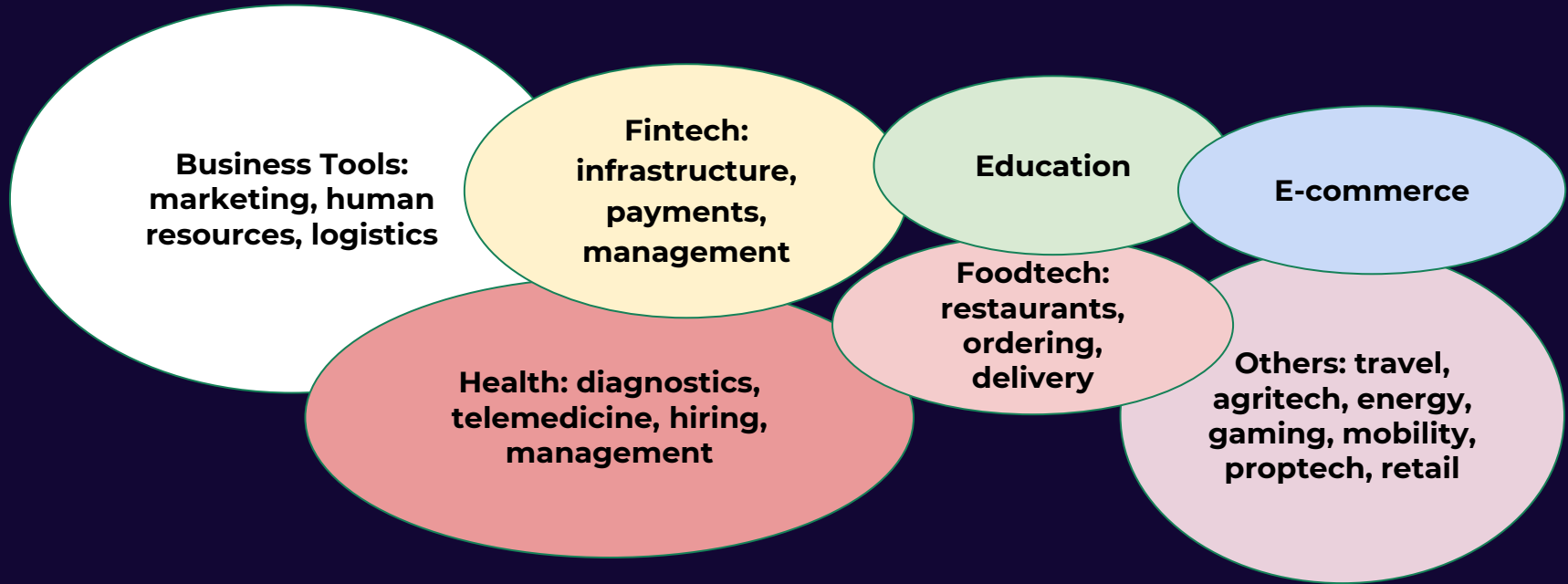
\* There were 5 startups which had more than one prize/investment during 2019 (we counted them only once).

\*\* To determine the city, we've checked the location of the headquarters on LinkedIn or we asked the founding team

\*\*\* In case of Cluj and Bucharest there were startups which had the team split between more cities (we counted the main city only).



# Domains of activity of the funded startups



# During 2020 Angel Networks



We counted **54 startups** which all together have received a total of **€18 million** through angel investments and equity crowdfunding campaigns.

# Romanian Startup Ecosystem

## (Pre)Acceleration Programs and Support Organisations



techcelerator

**Commons**  
ACCEL

InnovX

INNOVATION LABS

rubikhub

**CLUJ<sup>1</sup>STARTUPS** **ACTIVIZE**  
CONNECT TO GROW

 **SPHERIK<sup>®</sup>**  
accelerator

Make <IT>  
in Oradea

**IMPACT HUB** Bucharest  **Startarium**

ClimAccelerator

 **Innovators  
for children**

**culturepreneurs** **FIX**   
ASPIRE

 **CHANGENEERS** **STEP FWD**   
POLIHACK

 **Food & Agri  
Tech Challenge**  **STARTUP SPINNER**  
MAKEATHON

# Romanian Startup Ecosystem

## (Pre)Acceleration Programs and Support Organisations



## Angel Networks and Angel-based Funds



# Romanian Startup Ecosystem

## (Pre)Acceleration Programs and Support Organisations



## Angel Networks and Angel-based Funds



## Conferences and Competitions



# Romanian Startup Ecosystem

## (Pre)Acceleration Programs and Support Organisations



## Angel Networks and Angel-based Funds



## Crowdfunding Platforms



## Conferences and Competitions



# Romanian Startup Ecosystem

done by  
**ACTIVIZE**

## (Pre)Acceleration Programs and Support Organisations



## Angel Networks and Angel-based Funds



## Crowdfunding Platforms



## Venture Capital Funds



## Conferences and Competitions



# Romanian Startup Ecosystem

done by  
**ACTIVIZE**

## (Pre)Acceleration Programs and Support Organisations



## Angel Networks and Angel-based Funds



## Crowdfunding Platforms



## Venture Capital Funds



## Corporate Venture Arms



## Conferences and Competitions





# ***Startup Growth Workshops***

*powered by EIT Urban Mobility  
RIS HUB Romania*

**25th - 26th of May**

Register here: <https://forms.gle/e98y3vWDAJ3KJWnz7>



**ICEBERG<sup>+</sup>**



**ACTIVIZE**



Chestionar de evaluare →  
(activ în intervalul 19:30 – 20:00)!

