

# HUM120-L6

## Persuading investors - Alternative to VC \$\$

### 1. Bootstrap (Ideas)

You can launch a company without investors

- Discipline, carefully choose what you need to buy.
- Freedom
- 100% Control, for unconventional product, no investors limiting you.

### 2. Partner financing

ex. Singtrix (R&D marketing) and Voxx (Manufacturing, Sales, Distribution)

Give away part of your profits to start your business, you just in charge of how to BUILD the product and marketing stuff. And have some partners to do the rest for you.

### 3. Crowdfunding (Interesting NEW idea)

ex. Pebble (Pre-Sell), Tile (AitTag), Baubax (clothing)

If you want to build product that people will buy and perfect way to test product / market fit (without VC money).

**1.-3. is non-dilutive = you get money, but you don't lose ownership**

### 4. Incubators (Before VC)

ex. Skydeck, Cirtis Foundry, The House Fund, Y Combinator, 500 Startups

What do incubators do?

- i. Investment & Space
- ii. Network of Mentors / Advisors
- iii. Demo day & Investors

## QA:

Q: You go to VC, but you got no money now. How to negotiate to find partners? How to turn down VC money?

A: Talk to Business Development or sales. Take money loses dilution too. Think about taking investor money or not.

Q: Is there a strategy for crowdfunding?

A: Some potential buyers saw product video on YouTube and decide to contribute it. Social Media, make sick cool video.

## Rehan Jalil of Securiti

### Did you start your startup during times at university?

How many things are **accidental**? Many decades later, he decide entrepreneur for cyber security.

- **What you are doing now will make consequences at the end.**

### How do you find your teams, partners, customers?

Finish M.S. degree at Purdue. After graduate, went to Silicon Valley. You need to show investors know you understand how to market works, especially for high-tech product.

- Works you have done before can persuade investor.

### Tips for contractors and investor?

Think about who have the ability to do it. He reach out to post-doc student majoring in Math at Berkeley. For investor is different,

- Human have intuition, you get a feel whether you can work with this person or not. Spend sometime viewing his past experience. Mutual respect with investors, especially if you need space.

### What are topics cyber security looking at for the next 10 years?

Everything needs it. AI, goal of knowledge, it is important to make it trust worthy. Human relies on words, AI cannot be malicious.

### Do you have lots of competitors?

Depends on whether people think this product is important and will become popular. It is all about team collaboration, making sure you are always taking over your business.

### AI taking over human jobs, is there a AI software that can design cyber security?

It is a non-ending competition.

### Where do you spent \$50M?

A lot goes to HR (most valuable resources), R&D is the most important part of company, wrong direction will lose a lot of money. Slightly tuning, adjust it will also cost money.

### **How do you think this is a good idea to startup?**

Data is the future of company. Whether you can fit in the tornado market such as AI. Only the top fit company can survive.

- **Concept will not success, but consist does.**

### **Do you have model analyzing market trends?**

No such formula but focusing on several variables and think how to beat competitors. Otherwise noise is not important.

### **Last words:**

Generated AI, having more knowledge than human. Knowledge become more available to kids under poverty. So far we don't know how it will change the world?