



**A1: Business Insights Report:
Angel Investor Network Pitching on Keiretsu Forum San
Francisco Debrief**

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Introduction

This business insights report will overview the pitching process for entrepreneurs seeking angel investment through the Keiretsu Forum San Francisco chapter. Keiretsu Forum is a renowned global investment community that connects investors and entrepreneurs, facilitating funding and collaboration. The Keiretsu Forum San Francisco chapter is a hub for angel investors and startups in the Bay Area. The chapter conducts regular meetings where entrepreneurs can present their business ideas and investment opportunities to a network of accredited investors. The forum aims to foster collaboration, facilitate due diligence, and provide funding to early-stage companies. The main goals for the different stakeholders involved were:

Entrepreneurs: The primary goals for entrepreneurs participating in the Keiretsu Forum San Francisco Pitching Event were multi-faceted. Firstly, they aimed to showcase their innovative startup ideas to a highly influential audience of angel investors. This platform allowed them to gain visibility, generate interest, and receive valuable feedback on their business concepts and strategies. Additionally, entrepreneurs sought to secure investments from angel investors who recognized their ventures' growth potential and value. Additionally, the event provided an opportunity to network with seasoned mentors and business leaders who might give advice, support, and connections to beneficial resources. By participating in the event, entrepreneurs aimed to leverage these opportunities for rapid growth, market expansion, and long-term success.

Angel Investors: When evaluating the startup ideas presented, angel investors attending the Keiretsu Forum San Francisco Pitching Event had specific objectives. Their primary goal was to identify promising startups with high growth potential. They were interested in ventures that demonstrated innovative solutions to industry challenges, disruptive technologies, and scalable business models. Angel investors sought opportunities to diversify their investment portfolios by engaging with startups from various industries and sectors. They aimed to contribute their expertise and experience to the selected ventures, providing guidance and support to help them navigate challenges and achieve success. By investing in these startups, angel investors aimed to generate financial returns and contribute to the overall growth and innovation ecosystem.

Themes of the Pitching Event:

- Early-stage startups
- Technology-enabled businesses
- Businesses with a clear path to profitability

The Pitching Event featured a diverse range of startup ideas across various industries. Some notable themes included:

Technology and Software Solutions: Startups presented innovative technologies such as artificial intelligence, machine learning, and SaaS platforms. These solutions aimed to disrupt traditional industries, streamline operations, improve efficiency, and enhance customer experiences.

Healthcare and Biotech Innovations: Pitches revolved around medical devices, AI musculoskeletal/digital health software, personalized medicine, genetic therapies, and telemedicine platforms. These concepts aim to transform patient care, enhance health outcomes, and propel developments in the healthcare sector.

Consumer and Farming: Entrepreneurs presented direct-to-consumer brands, personalized consumer experiences, and innovative farming models. These startups aimed to disrupt traditional retail models, enhance customer engagement, and provide sustainable and organic products. Some focused on growing high-quality organic fruits, while others explored unique farming and distillery models.

Value Proposition:

The startup ideas presented during the event offered compelling value propositions:

Efficiency and Cost Savings: Startups emphasized how their solutions could streamline processes, reduce costs, and improve operational efficiency for businesses across various sectors. For example, software platforms like Uhubs were presented that automated manual tasks. Uhubs has achieved impressive financial success, with a 13% month-over-month revenue growth in 2023. On track to hit £1m ARR in Q3 2023, Uhubs has helped customers increase team revenue by 21% within 90 days. Uhubs leverages AI to make predictive recommendations, reducing ramp-up time and saving time for managers. With a strong growth trajectory and a reputation as the "Moneyball for sales," Uhubs is driving revenue impact and delivering measurable results for businesses seeking to optimize their sales teams and improve performance. Enhanced customer relationship management leads to increased productivity and significant cost savings.

Disruption and Innovation: Startups showcased unique approaches to solving existing problems, offering innovative solutions with a competitive edge over traditional methods. They presented disruptive technologies, such as advanced analytics, artificial intelligence, and the Internet of Things (IoT), which could revolutionize industries by introducing new efficiencies, business models, and customer experiences.

Scalability and Growth Potential: Entrepreneurs highlighted the scalability of their business models, demonstrating how their ideas addressed significant market opportunities and offered potential high returns on investment. They presented strategies for expansion into new markets, showcased strong revenue generation potential, and outlined plans for scaling their operations. Investors were particularly interested in startups with clear pathways for growth and the ability to capture a substantial market share. For example, Tenzr Health is an early-stage AI musculoskeletal/digital health software company revolutionizing Physical Medicine and Rehabilitation. With a focus on gamification and personalized rehabilitation, Tenzr's patented sensing technology turns rehab into engaging games, measures recovery status, and creates AI-driven recovery pathways for each patient. With no direct competitors in the market, Tenzr has a first-mover advantage. Their vision includes developing a strap that tracks limb movement 24x7 for recovery and injury prevention. Tenzr's innovative approach enables the restoration of healthy movements, surpassing traditional physical therapy, and utilizes data and AI analysis to optimize recovery pathways. They projected a Worldwide \$117B (21) market with a CAGR of 4%. There U.S. industry is \$50B, projected to grow 6% annually.

Impact and Social Good: Several startups positioned their ventures as impactful, showcasing how their products or services contributed to sustainability goals or created positive societal change. These startups focused on healthcare access, education, and healthcare innovation. They demonstrated a commitment to making a difference. They resonated with angel investors interested in supporting ventures that aligned with their values and had the potential for significant social impact.

Startup Ideas presented at the event:

Four startups from different funding stages pitch for investment.

- **BioXtreme Rehabilitation Robotics**

BioXtreme is at the forefront of therapeutic advancements in motor learning and stroke rehabilitation. Their groundbreaking solution, deXtreme™, is a robotic system that utilizes their patent-protected Error Enhancement technology. This innovative approach revolutionizes upper limb motor rehabilitation by automatically rebuilding motion range and capability through intuitive learning. BioXtreme is in a position to significantly improve the quality of life for both patients and medical professionals. BioXtreme stroke rehab upper limb solution shortens recovery time and significantly improves motor results, allowing a quicker return to independency for patients and financial savings for hospitals.

Business model:

1. Capital equipment model - robotic selling via distributors to hospitals and rehab centers in the CAPEX model (one-time payment and annual service fee after the warranty)
2. Leasing/pay-per-use model - recurring revenue through leasing business model

HQ Location: Israel

Scaling Stage

Capital seeking (\$): 1,000,000 - 2,750,000

Pre-money valuation (\$): 15,000,000

Accomplishments:

- \$8.5M has been invested, including \$2M in grants from Israel Innovation Authority.
- 5 clinical trials for deXtreme, complete certification, and IP.

Exit strategy: Competitor buyout, Company buyout IPO/RPO

- **Royal Bluff Orchards**

Grows Certified Organic Apples & Cherries for human consumption throughout the U.S. and greater North America. Have an onsite Distillery.

Business model: Grow apples & cherries and market them over a 12-month sales cycle each year from August thru July.

HQ Location: U.S.

Capital seeking (\$): 80,000 - 4,000,000

Pre-money valuation (\$): 33,000,000

Valuation cap (\$): 37,000,000

Annual breakdown and details of funding and investments: \$21,352,500 -- Series A - D Equity
Funding from 2014 - 2021 \$ 1,300,000 -- Non-Dilutive PPP Loans.

Exit strategy: This is a Family Farm. An investment in this business is designed to be held long-term. That said, LLC Members can exit in 2027 when they reach full production.

- **Uhubs**

Uhubs is a SaaS platform to help sales teams hire more intelligently, ramp new hires faster and close more deals. It analyses thousands of data points from existing tools, customer conversations, and psychometric tests to understand salespeople's strengths and blind spots. Leverage AI to make predictive recommendations for things like the detailed profile of the salesperson who should be hired

next and how to onboard and train each seller to close more deals. Uhubs has reduced ramp time to 4.5 months for Hook, a revenue benefit of £180k per seller.

Business model: SaaS subscription revenues are charged on a per-seat basis.

HQ Location: UK

Funding: £1.2m

Capital seeking (£): £750k (£350k already committed) via ASA with a discount on Series A in 2024.

Traction: 13% MoM revenue growth in 2023 on track to hit £1m ARR in Q3 2023. Trusted by global brands like G2, Pleo, and Zoom to help them improve their revenue performance.

- **Tenzr Health**

Tenzr Health is an early-stage AI musculoskeletal/digital health software company revolutionizing Physical Medicine and Rehabilitation. Tenzr enables the restoration of healthy movements using patented movement tracking tech, which can be accessed and monitored at any time, any place, paired with gamification to engage, resulting in outcomes that surpass legacy physical therapy. It tracks recovery stats to inform clinical care and leverages collected data and AI analysis to create optimal recovery pathways. The company has a first-mover advantage. There are no competitive services in the market that gamify and personalize rehabilitation with measurable successful outcomes. Tenzr's future vision includes embedding the technology into a simple strap that can track any limb 24x7 for recovery and injury prevention.

Business Model:

- B2B with recurring revenue and high gross margin.
- Clinic/Health System client base benefits from Remote Therapeutic Monitoring Reimbursement.

HQ Location: Canada

Capital seeking (\$): 750K Seed+

Traction : UCSF, Washington U, Sutter Health, and Mayo Clinic are treating patients with Tenzr.

Investment History: \$3.6M raised to date from Angel investors and strategics (including company's patent attorney Wilson Sonsini (WSGR) due to strong IP).

Overview of Insights Gained:

During the Pitching Event, several vital insights were gained regarding the investor's primary objectives when investing in these ideas:

- It became evident that angel investors focused on startups with significant growth potential. They evaluated scalability, market size, and disruptive potential as critical factors in their investment decisions. Startups that demonstrated a clear pathway for growth and expansion in large addressable markets were particularly attractive to investors.
- Traction and market validation played a crucial role in increasing investor confidence. Investors looked for startups with significant milestones, such as initial customer adoption, revenue generation, or successful pilot programs. These indicators of traction demonstrated the market demand for the startup's products or services and reduced perceived risks.

- The startup team's experience, expertise, and commitment were essential considerations for investors. They sought teams with a track record of success, relevant industry experience, and a solid commitment to driving the company's growth. Investors recognized that a capable and dedicated team significantly increased the chances of a startup's success.
- Differentiation and competitive advantage were crucial factors that investors assessed. Startups that effectively communicated their unique value proposition, competitive advantage, and defensibility of their business models stood out. Investors were interested in startups that offered something distinct from existing solutions, creating a barrier to entry for potential competitors.
- Investor alignment with the startup's industry and business model also played a role. Investors were particularly interested in startups that aligned with their expertise or fit within their existing portfolio strategies. This alignment facilitated active investor involvement, mentorship opportunities, and potential synergies between the startup and the investor's network.

Overall, angel investors sought startups with significant growth potential, traction in the market, experienced and committed teams, clear differentiation, and alignment with their expertise or portfolio strategies. Understanding these investor objectives is crucial for entrepreneurs seeking angel investment to position their startups and attract investor interest effectively.

Insights for Successful Pitches

Preparation is Key: Entrepreneurs should thoroughly prepare their pitches, focusing on concise and compelling storytelling. It is crucial to communicate the problem being solved, the unique value proposition, the market potential, and the team's ability to execute the business plan. Practice and refine the pitch to engage investors and convey confidence in the opportunity effectively.

Know the Investors: Research and understand the interests and investment preferences of the Keiretsu Forum San Francisco members. Tailor the pitch to resonate with the investor audience, highlighting aspects of the opportunity that align with their investment criteria and portfolio focus areas.

Be Open to Feedback: Entrepreneurs should welcome feedback from investors and the Keiretsu Forum panel during pitching. Constructive criticism can help refine the business proposition, address potential concerns, and demonstrate coachability, enhancing investor confidence in the entrepreneur's ability to adapt and succeed.

Establish Relationships: Beyond the pitch, entrepreneurs should focus on building relationships with Keiretsu Forum investors or any investor. Engage in networking opportunities, seek mentorship, and demonstrate a genuine commitment to long-term collaboration. Building trust and rapport can lead to ongoing support, follow-on investments, and valuable business connections.

Conclusion

An investor's primary goals are safety, growth, and income. Investors' secondary goals are liquidity and tax savings. (*Types of Primary & Secondary Investment Objectives | Digibank by DBS, 2021*). Keiretsu Forum's activities reveal an inescapable relationship between the procedure and return.

Angel investment carries a higher amount of risk. Thus there should be a comparable level of return. The Angel Investor Network Pitching event at Keiretsu Forum San Francisco exhibited exceptional use of facts, informed conclusions, and critical thinking. The entrepreneurs demonstrated their ability to navigate the complex business landscape, contribute unique perspectives, and present compelling investment opportunities to the angel investor network. The event showcased diverse themes and value propositions, emphasizing growth potential, differentiation, and impact. Understanding investor objectives and aligning with their expertise and portfolio strategies were crucial for entrepreneurs seeking investments. Investors were checking volatility and market fluctuations for investment decisions. Investors have mainly shown interest in high-growth, low-risk unique startups.

The key learnings from the event include:

- Angel investors are looking for startups with a clear vision, a strong team, and a track record of success.
- Although they want proof that the firm has the potential to succeed, angel investors are prepared to invest in early-stage businesses.
- Startups with a clear path to profitability are more attractive to angel investors.