

ACS Symposium

Exit Strategies – Financing to the End Game

Chemical Heritage Foundation

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DR. STEPHEN F. FLAIM, PAST CHAIR, BOARD OF GOVERNORS, TECH COAST ANGELS

DR. SCOTT LOCKLEDGE, FAIRBRIDGE VENTURE PARTNERS

DR. EDWARD C. GREER, MANAGER, SCOUTING AND EXPLORATION NETWORK, VENTURES AND BUSINESS DEVELOPMENT GROUP, THE DOW CHEMICAL COMPANY

MODERATOR: **DR. JUDITH GIORDAN**, PARTNER-ECOSVC; CO-FOUNDER CHEMICAL ANGELS NETWORK



Raising \$\$\$ is a CONTACT SPORT

- KNOW who you are approaching and why
- KNOW who you are, what you are providing
- KNOW how big you aim to grow
- KNOW how you expect to exit

Exit Strategies – Financing to the End Game



It all comes down to...

- All \$\$\$ are NOT equal
- NEVER, NEVER, NEVER take more than you need...
- Basic math: $100 \times 0 = 0$
- Be sure it's \$\$\$ you need when you go after them...you may really be seeking expertise!

CREDIBILITY is NUMBER 1



Give Investors a *reason* to invest!

- WHAT makes you credible to an investor..from the *investor's perspective*. *NOT YOUR OWN*
- HOW does your proposition align with the investor's goals for return/exit. *AS WELL AS YOUR OWN*

This ALL implies that you DO YOUR HOMEWORK
and know motivations and how you fulfill
them...



\$\$\$ and Expectations

Dilutive (to Founders)

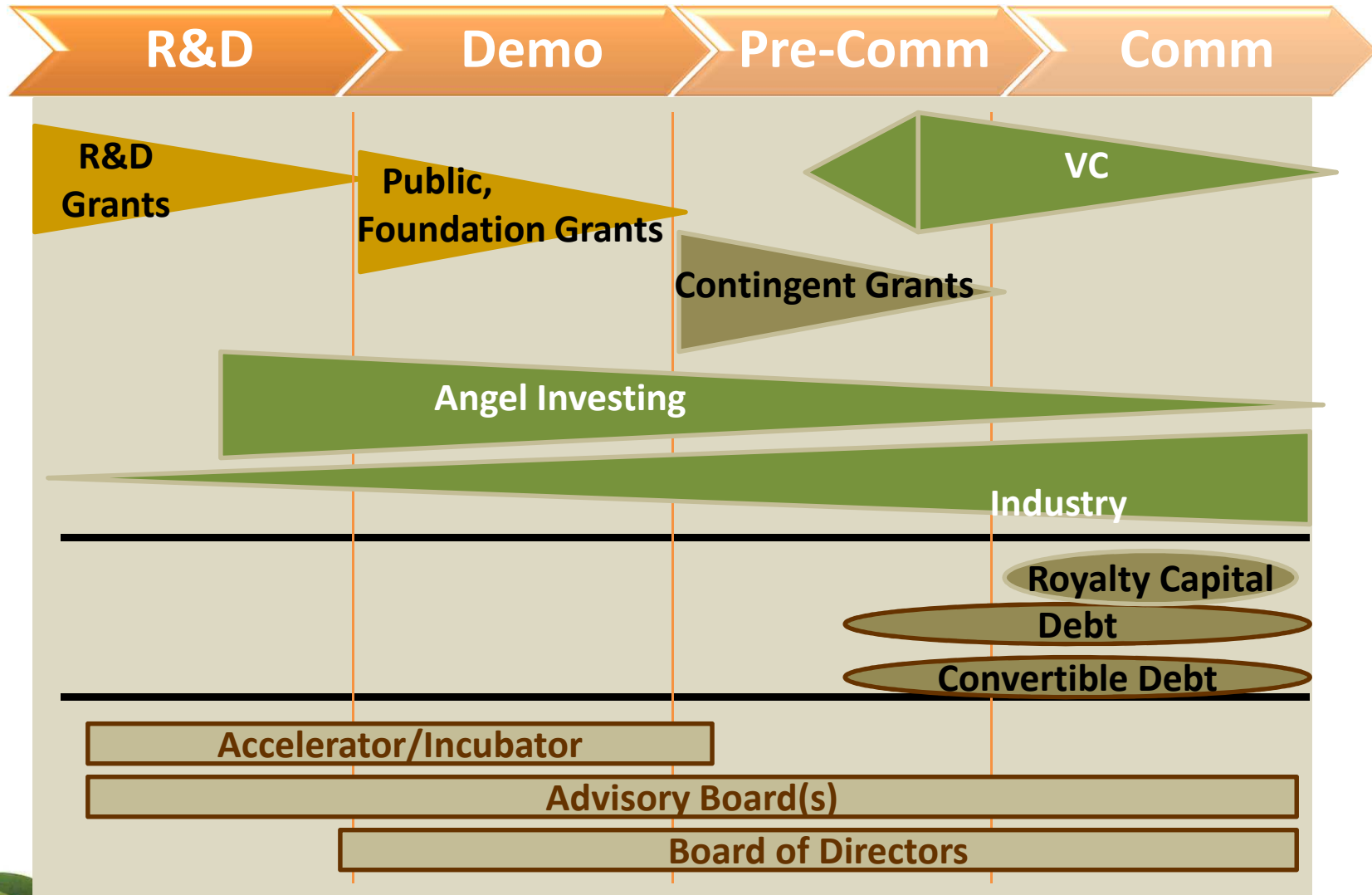
- Equity investors
 - Yourself and co-founders
 - Friends and family
 - Angel investors
 - Venture capital
 - Corporations
- Equity partners
 - Boards and advisors
 - Services: legal, other
 - Accelerators or incubators
- Debt – convertible note
 - Royalty capital
 - Loans

Non-Dilutive (to Founders)

- Debt
 - Government and partners
 - Friends and family
 - Angel investors
 - Non-dilutive lines of credit
 - Equity crowdfunding/partnerships
- Grants/Competition
 - Government, local, State, Federal
 - Foundations
 - Corporations
- Deferred payments
 - Enterprise zone
- Assistance
 - Accelerators/incubators

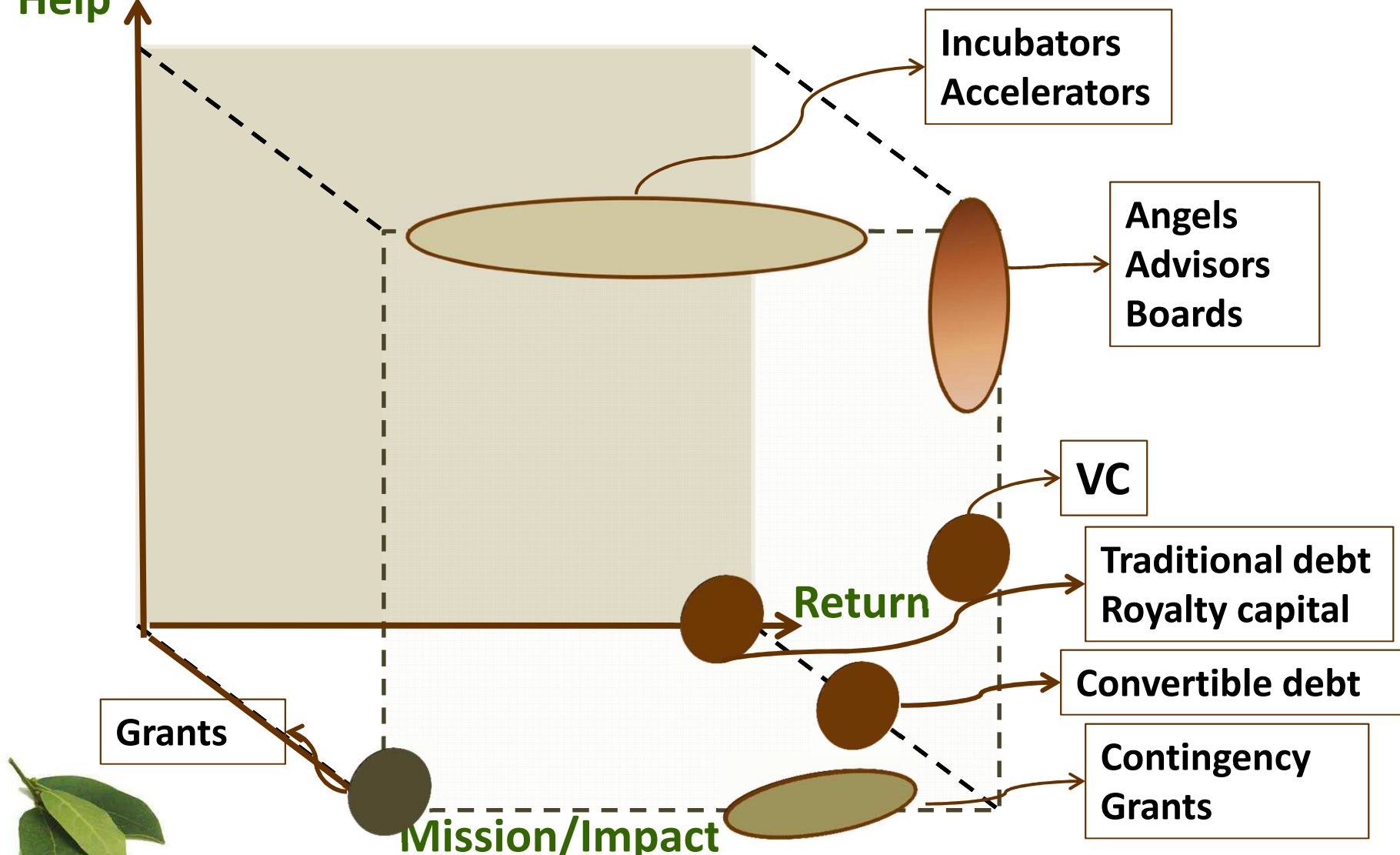


Investment Continuum



Motivation!

Help



Incubators
Accelerators

Angels
Advisors
Boards

VC

Traditional debt
Royalty capital

Convertible debt

Contingency
Grants

Grants

Mission/Impact

Return



Dr. Stephen F. Flaim, F.A.C.C., F.A.H.A

Tech Coast Angels

Dr. Flaim holds a doctorate in Human Physiology and Pharmacology from the Univ. of California at Davis. He held faculty positions in Medicine and Physiology at the Penn State Univ. and senior management roles at the Johnson & Johnson Pharmaceutical Research Institute, the Squibb Institute for Medical Research, Alliance Pharmaceutical Corporation, Trega Biosciences, Inc. and Galileo Pharmaceuticals, Inc.

Dr. Flaim is Founder and President of Flaim Partners Consulting. He is a board member of Pivotal Biosciences, Inc. and AnaBios Corporation, and Chairman of the Board for Leading Biosciences, Inc. Dr. Flaim is Past Chairman of the Board of Governors for the Tech Coast Angels, Past President of the San Diego Network of Tech Coast Angels, an Entrepreneur-in-Residence with CONNECT, and Chairman of the Board of Directors for the John G. Watson Foundation. He is a Technology and Business advisor to the William J. von Liebig Center for Entrepreneurism and Technology Advancement at UC-San Diego, Cofounder and CEO of CardioCreate, Inc., Chairman & CEO of OncoFluor, Inc. and Special Advisor to the Office of Translational Alliances and Coordination in the Division of Extramural Research Activities of the National Heart, Lung and Blood Institutes of the National Institutes of Health.



Dr. Scott Lockledge

Fairbridge Venture Partners

Scott P. Lockledge, Ph.D. is a scientist and entrepreneur with over 25 years experience in both global companies and start-up enterprises. He is the CEO and co-founder of two nanotechnology start-up companies: Venture-backed Lutek, LLC, and Tiptek, LLC. As a venture partner, he also advises Fairbridge Venture Partners on prospective portfolio companies and chairs the Advisory Board of the National Science Foundation Center for Nano-structured Electronic Materials.

Scott has had the privilege of serving as a Science and Engineering Fellow in the Executive Office of the President. While working in the White House OSTP, he coordinated a \$4B public-private partnership to develop hybrid electric automobiles called the Partnership for a New Generation of Vehicles (PNGV). He also served as an advisor to the vice-chair of the U.S. House of Representatives Committee on Science. Scott has authored more than 15 U.S. and foreign patents and numerous technical papers, reports, and conference presentations on topics including materials engineering and clean technology. Scott holds a Ph.D. in inorganic chemistry from the University of Illinois at Urbana-Champaign and a B.S. in chemistry from Pennsylvania State University.



Dr. Edward Greer

The Dow Chemical Company

Edward Greer, Ph.D., is member of the Scouting & Exploration Network in Dow's Ventures and Business Development group. In this role, he is responsible for finding and evaluating technologies and opportunities that complement Dow's robust Research & Development pipeline and have the potential to contribute to the Company's long-term success. His geographic focus is on the U.S. East Coast.

Edward joined Rohm & Haas in 1982 as a senior scientist in Analytical Research where he was promoted and then transitioned to Corporate Exploratory research followed by Corporate Development. Edward has experience in research management, market development, and business development for the Electronic Materials and Advanced Materials markets. He has contributed to advancements in ceramics, displays, organic electronics, optical disks, photovoltaics, and microwave devices.

Edward earned a B.S. in Chemistry with Honors from the Univ. of North Carolina at Chapel Hill and his Ph. D. in Analytical Chemistry from the Univ. of Wisconsin-Madison. He holds a Certificate of Professional Development from Wharton Executive Education, and was Co-chair for the Industrial Research Institute subcommittee on Corporate Venturing.



Dr. Judith Giordan

ecosVC

Judy is a chemist, entrepreneur and former Fortune 500 exec. Currently, she is Partner at ecosVC, co-founder of the Chemical Angel Network, Senior Advisor to the NCIIA and a member of the board of directors and/or an advisor to science and engineering intensive start-ups, and as such, currently is CTO of Qteros, Inc.

Previous Fortune 500 roles include VP and Global Corporate Director of R&D at IFF, Inc.; Vice-President Worldwide R&D for the Pepsi-Cola Company; and Vice President R&D, Henkel Corporation. Judy has held academic and government roles including Professor of Practice in Polymer Science at the University of Southern Mississippi and Program Officer for the National Science Foundation IGERT Program.

Judy received her BS from Rutgers University, her PhD from the University of Maryland , and was an Alexander von Humboldt Post Doctoral Research Fellow at the University of Frankfurt in Germany. Judy is honored to be the recipient of the 2010 ACS Garvan-Olin Medal of the American Chemical Society.



Dr. Stephen F. Flaim, F.A.C.C., F.A.H.A

Tech Coast Angels

Question....

From the lens of a **an angel investor...**

WHAT ARE THE TOP 3 ATTRIBUTES for a potential investment...that is WHAT DO YOU LOOK FOR that will make it TOO COMPELLING TO PASS BY!



Dr. Edward Greer

The Dow Chemical Company

Question....

From the lens of a **corporate technology scout...**

WHAT ARE THE TOP 3 ATTRIBUTES for a potential investment...that is WHAT DO YOU LOOK FOR that will make it TOO COMPELLING TO PASS BY!



Dr. Scott Lockledge

Fairbridge Venture Partners

Question

From the lens of a **venture capitalist...**

WHAT ARE THE TOP 3 ATTRIBUTES for a potential investment...that is WHAT DO YOU LOOK FOR that will make it TOO COMPELLING TO PASS BY!



Dr. Stephen F. Flaim, F.A.C.C., F.A.H.A

Tech Coast Angels

Question....

From the lens of a **an angel investor**...

What are the KEY ATTRIBUTES angel investors bring to the table and how do these attributes FACILITATE A DESIRED EXIT?



Dr. Edward Greer

The Dow Chemical Company

Question....

From the lens of a **corporate technology scout...**

What are the KEY ATTRIBUTES a strategic investor brings to the table and how do these attributes FACILITATE A DESIRED EXIT?



Dr. Scott Lockledge

Fairbridge Venture Partners

Question

From the lens of a **venture capitalist...**

What are the KEY ATTRIBUTES VCs bring to the table and how do these attributes FACILITATE A DESIRED EXIT?



QUESTIONS from the
AUDIENCE?

IT'S YOUR TURN!



ecosVC



Words of Wisdom...

