



# INVESTMENT AND FUNDING

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# INTRODUCTION

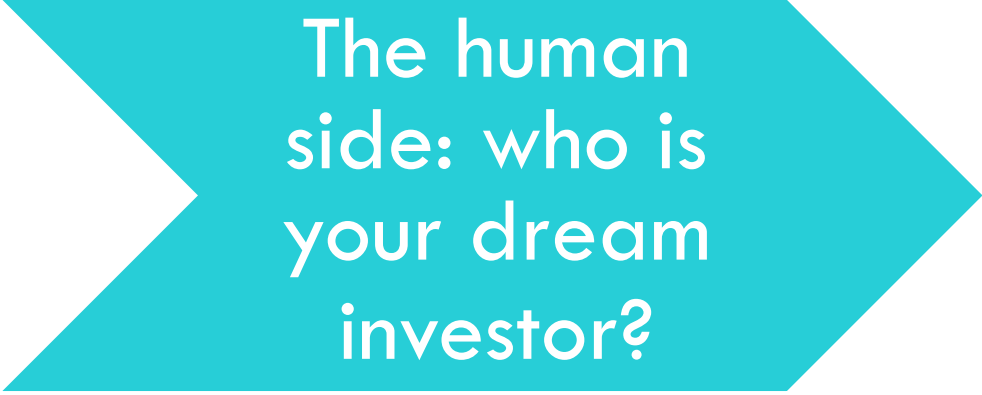


Successful financing is not defined in technical terms, but by the working relationship with your investors

# GENERAL CATEGORIES OF FINANCING



The technical  
side: equity &  
debt capital



The human  
side: who is  
your dream  
investor?

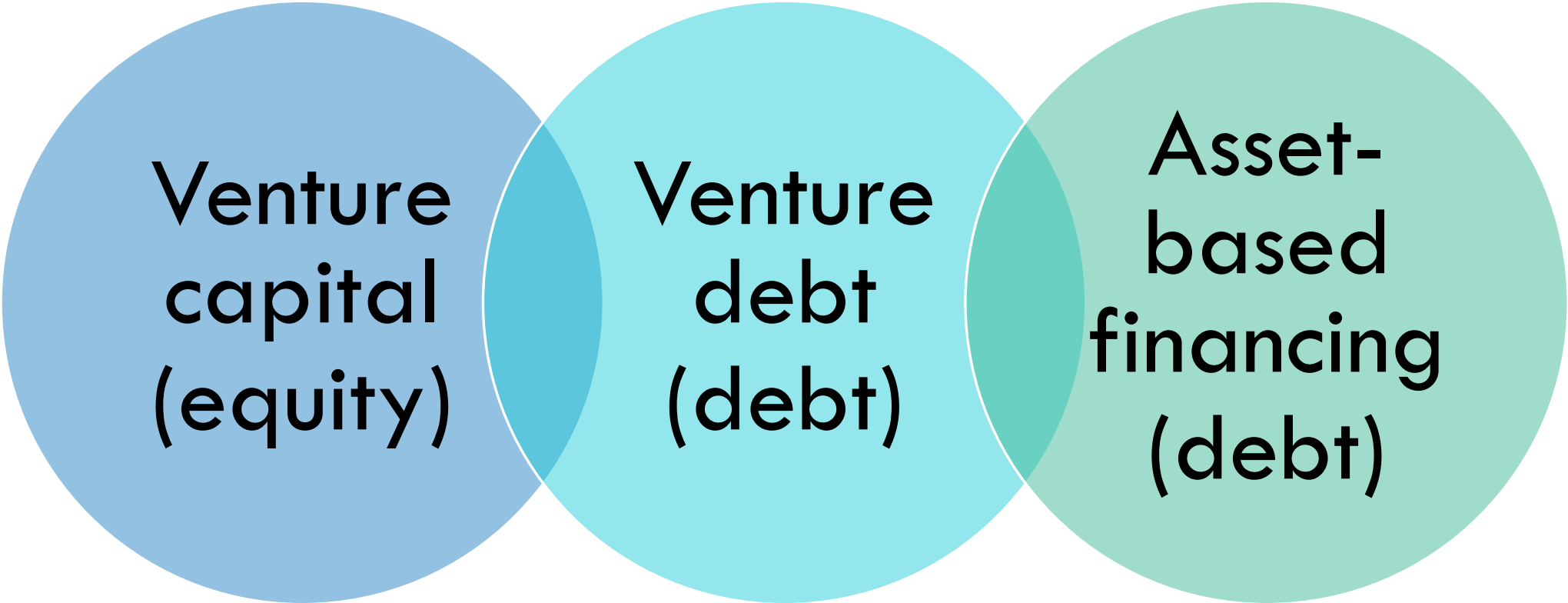
# GENERAL CATEGORIES OF FINANCING

The technical side:  
equity & debt capital

# GENERAL CATEGORIES OF FINANCING

The human side: who is  
your dream investor?

# COMMON TYPES OF FUNDING FOR STARTUPS



Venture  
capital  
(equity)

Venture  
debt  
(debt)

Asset-  
based  
financing  
(debt)

# COMMON TYPES OF FUNDING FOR STARTUPS

Venture capital (equity)

# COMMON TYPES OF FUNDING FOR STARTUPS

Venture debt (debt)

# COMMON TYPES OF FUNDING FOR STARTUPS

Asset-based financing  
(debt)

# COMMON TYPES OF FUNDING FOR STARTUPS

## Revenue-based financing (debt)

- The lender gives the full funding up-front, as a loan.
- The company makes monthly repayments. The amount repaid is a set percentage of monthly revenue.
- These payments continue until the loan has been repaid *plus interest*.
- After a certain period of time, if the loan hasn't been repaid via revenue, the outstanding amount is due.

# COMMON TYPES OF FUNDING FOR STARTUPS

Receivables  
financing or  
“factoring” (debt)

- **the “asset” in question are the outstanding invoices held by a company**

# COMMON TYPES OF FUNDING FOR STARTUPS

Supply chain  
financing (debt)

- **the buyer is given more time to fulfill their payment to a particular supplier**

# COMMON TYPES OF FUNDING FOR STARTUPS



## Inventory financing

- A car dealership might use inventory financing to purchase its fleet.
- A car rental service might use asset-based finance to purchase its fleet.

# COMMON TYPES OF FUNDING FOR STARTUPS



## Traditional bank loans

- **the majority of small businesses still rely on bank loans to get off the ground**

# HOW TO DESIGN A FINANCING STRATEGY FOR YOUR BUSINESS

Working  
capital

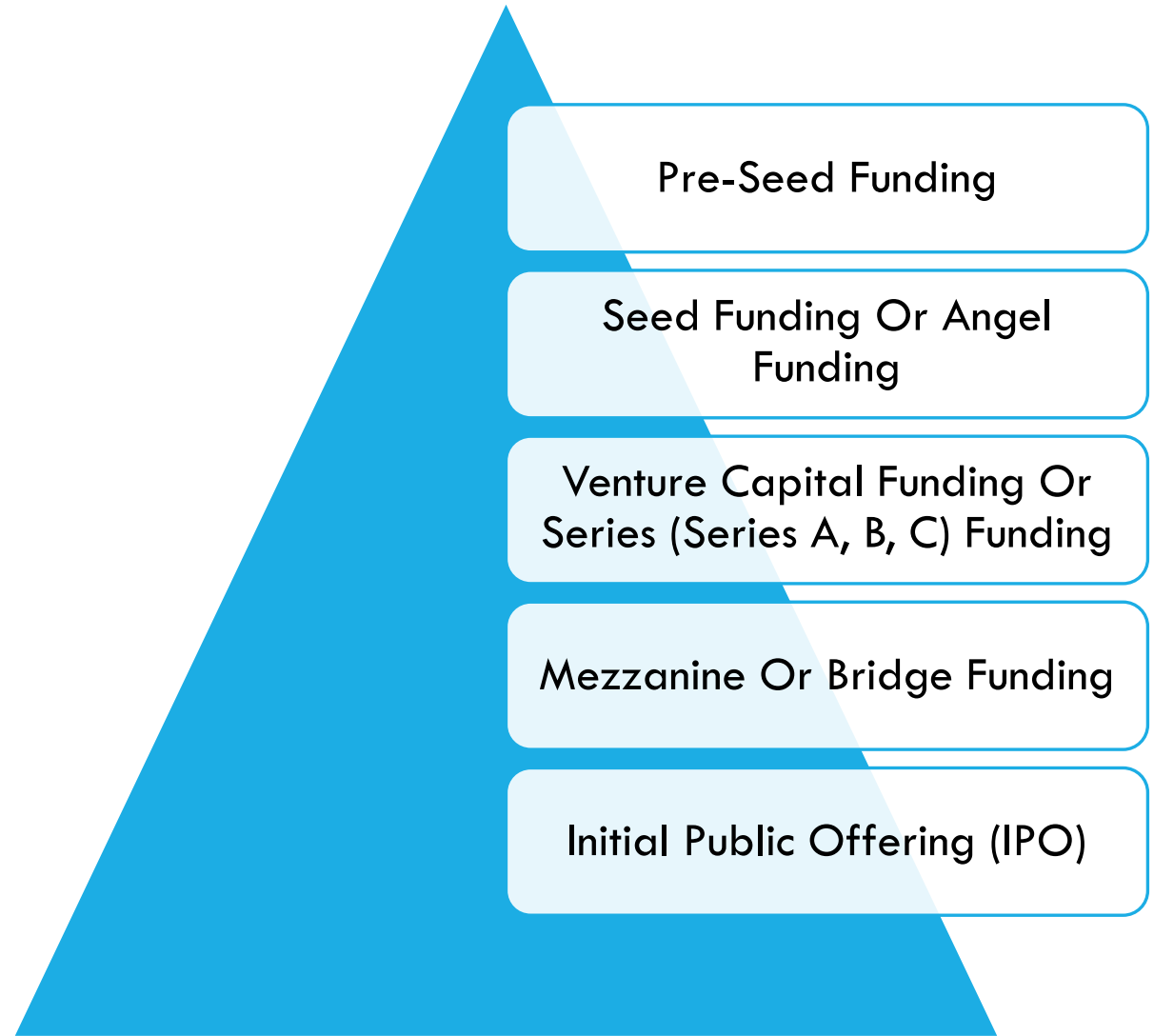
Equity  
capital

Debt  
capital



One size doesn't fit all in startup financing

# STAGES OF STARTUP FUNDING



# PRE-SEED FUNDING

The Potential Investors for Pre-Seed Funding are

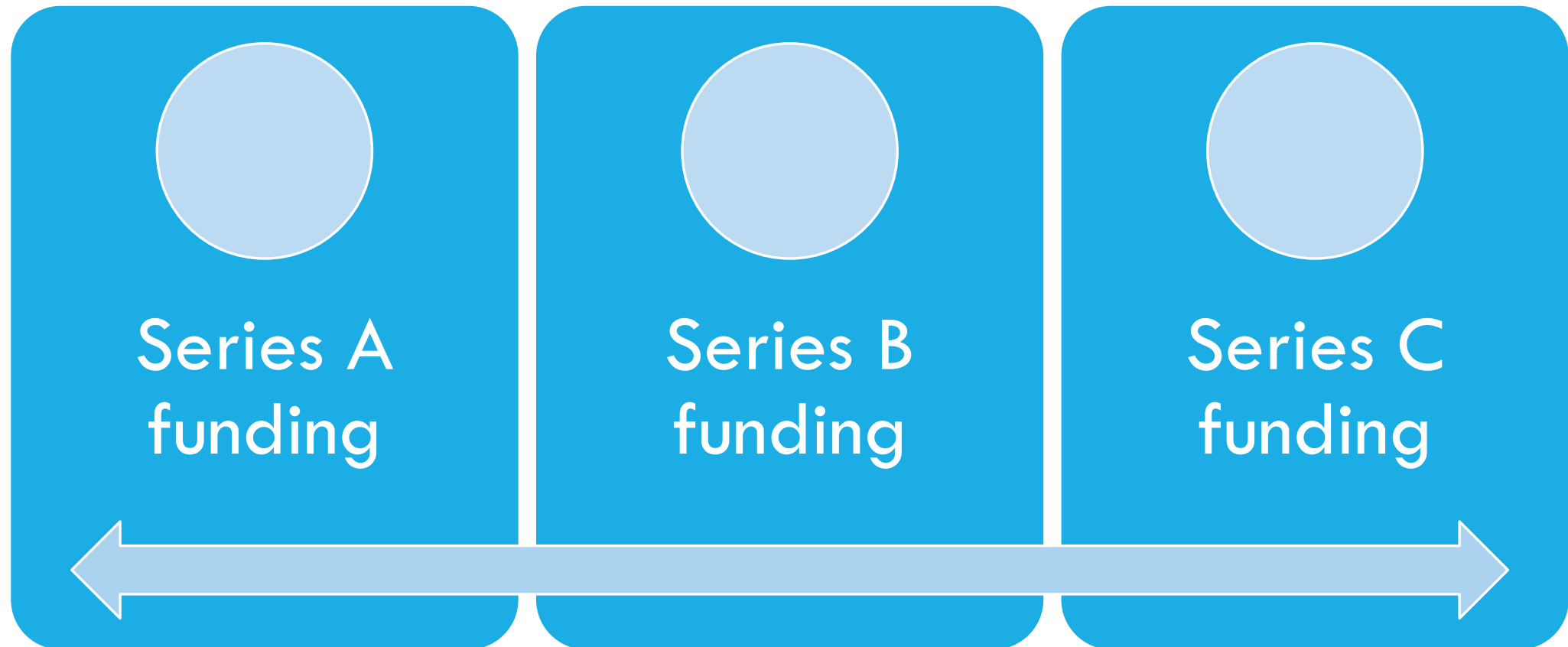
- Friends
- Family
- Micro VCs
- Fund from your credit card

# SEED FUNDING OR ANGEL FUNDING

Some of the crowdfunding platforms you could consider are:

- Kickstarter
- Indiegogo
- StartEngine
- GoFundMe
- CircleUp
- Patreon
- LendingClub

# VENTURE CAPITAL FUNDING



# VENTURE CAPITAL FUNDING

Series A  
funding

# VENTURE CAPITAL FUNDING

Series B  
funding

# VENTURE CAPITAL FUNDING

Series C  
funding

# MEZZANINE FINANCING & BRIDGE LOANS

## Mezzanine funding would be useful for

- Management buyout
- Acquisition of new company or part of the company
- To work on a specific project that is completely new
- To develop an additional product to the market
- To expand the business in several aspects

# IPO (INITIAL PUBLIC OFFERING)

## How it works

- Step 1: A company starts out as a private company, meaning it doesn't have shares that trade.

# IPO (INITIAL PUBLIC OFFERING)

How it  
works

- Step 2: The company decides to go public.

# IPO (INITIAL PUBLIC OFFERING)

## How it works

- Step 3: The company files an S-1 statement with regulators

# IPO (INITIAL PUBLIC OFFERING)

How it  
works

- Step 5: IPO  
day

# REFERENCES

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What is IPO - [napkinfinance.com](http://napkinfinance.com)

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Beyond equity: the full range of startup financing instruments - Julius Bachmann | [blog.spendesk.com](http://blog.spendesk.com)



**THANK YOU FOR YOUR ATTENTION** |