

Course : Entrepreneurship

Lecture 10: Raising Money and Other Forms of Financing

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Panimula

- Bakit kritikal ang pagpopondo: gasolina para sa ideya, prototyping, at unang paglago.
- Unang pinanggagalingan: sariling ipon, pamilya/kaibigan, at ilang institusyonal na mapagkukunan.
- Sa simula, plano at projection ang base—hindi pa malalim ang historical financials.
- Overview ng spectrum: bootstrapping → informal investors → angels → crowdfunding → venture capital → IPO/M&A.
- Layunin: praktikal, realistiko, at etikal na paglapit sa tamang pinagmumulan sa tamang oras.

Mga Layunin sa Pag-aaral

- Ipaliwanag ang bootstrapping at Four Fs, at kilalanin ang angkop na gamit.
- Makilala ang mga uri ng informal at angel investors at karaniwang terms.
- Masuri ang crowdfunding (rewards, donation, lending, equity) at kailan ito akma.
- Maunawaan ang mekanismo ng venture capital at mahahalagang bahagi ng term sheet.
- Magamit ang batayang valuation methods at makapagplano ng posibleng exit/harvest.

Ano ang Bootstrapping?

- Pagbuo at paglunsad gamit ang resources na meron ka: home office, sariling kagamitan, delayed sweldo.
- Layunin: makapagtatag ng maagang traction—prototype, pilot, unang benta—bago humingi ng external funds.
- Kalakasan: bilis, kontrol, disiplinang gastos; Limitasyon: mababang kapital para sa agresibong paglago.
- Praktikal na diskarte: i-prioritize ang high-ROI activities at umiwas sa fixed costs.

Creative Bootstrapping Tactics

- Customer/Vendor financing: paunang bayad ng customers o pinalawig na terms mula sa suppliers.
- Lease kaysa buy sa equipment; paggamit ng shared spaces o incubators para tipid sa renta.
- Professional services sa reduced rates (legal/accounting) kapalit ng deferred fees.
- Early PR at guerilla marketing para makakuha ng traction nang hindi malaki ang ad spend.

Four Fs at Informal Investors

- Founders, Family, Friends, (and Fools/Strangers): backbone ng early-stage financing.
- Karaniwang anyo: maliit hanggang katamtamang loan o simpleng equity buy-in.
- Expectation: mabilis na payback at malinaw na gamit ng pondo; iwasan ang kalabuan sa usapan.
- Tip: ituring na 'arms-length'—may dokumentasyon kahit simple (promissory note o agreement).

Panganib at Etika sa Family & Friends Money

- Huwag kumuha ng perang hindi kayang mawala ng nagbigay; ipaliwanag ang risk nang malinaw.
- I-set ang terms: loan na may definite maturity at option to convert kapag may susunod na round.
- I-separate ang personal at negosyo: transparent na reporting at update schedule.
- Kapag may doubt sa fairness, magbigay ng diskwento sa conversion o interest in lieu of dividends.

Business Angels: Sino Sila?

- High-net-worth individuals na pumapasok sa seed o very-early stages.
- Bukod sa kapital, nagbibigay ng mentorship, network, at credibility sa susunod na rounds.
- Investment size: humigit-kumulang five-figure hanggang low seven-figure depende sa grupo.
- Signal value: kapag kilala o may domain expertise, tumataas ang tiwala ng merkado.

Paano Maghanap ng Angels

- Warm introductions mula sa founders, mentors, at industry leaders ang pinaka-epektibo.
- Sumali sa pitch nights/angel groups; gamitin ang online deal platforms.
- Gumawa ng concise data room: deck, financial model, traction metrics, legal docs.
- Pag may isa, madalas may kasunod—network effect sa co-investment.

Uri ng Angel Investors

- Entrepreneurial angels: hands-on, mataas ang value-add (pinaka-ideal sa karamihan).
- Corporate/professional: strategic ang anggulo; bantayan ang conflict at time commitment.
- Enthusiast at micromanager: malinaw na expectations at reporting cadence ang susi.
- Assess: domain fit, track record, terms discipline, follow-on capacity.

Pagbuo ng Angel Round

- Target raise vs. runway: kalkulahan ang 12–18 buwan na milestones at buffers.
- Instrument choice: convertible note o SAFE vs. priced round (convertible preferred).
- Due diligence readiness: cap table, IP ownership, compliance, customer contracts.
- Sapat na bilang ng investors para sa round, iwasan ang sobrang fragmented cap table.

Deal Instruments: Preferred vs. Convertible

- Convertible debt/SAFE: dinidefer ang valuation, may discount at minsan valuation cap.
- Priced round: mas malinaw ang valuation at rights (liquidation preference, anti-dilution, etc.).
- Trade-off: simplicity at bilis vs. cap table clarity at governance setup.
- Consider: stage, urgency, lead investor preference, legal cost.

Magkano ang Start-up Capital?

- Depende sa industriya: capital intensity (hardware/biotech) vs. asset-light (software/services).
- Base sa milestones: prototype → beta → first revenue → repeatable sales motion.
- Rule of thumb: target runway para maabot ang susunod na 'credible raise' milestone.
- Iwasan ang sobrang liit (hindi aabot) at sobrang laki (unnecessary dilution).

IRR Expectations: Investors vs. Founders

- Investors: naghahanap ng risk-adjusted return at payback horizon na akma sa stage.
- Founders: madalas mas optimistic—i-balance sa conservative at base-case scenarios.
- Pagkakaiba sa assumptions (growth rate, margins, timing) ang ugat ng gap.
- Solusyon: sensitivity analysis at milestones-based tranche releases.

Crowdfunding Overview

- Collective funding sa internet; kapalit: produkto, perks, interes, o equity depende sa uri.
- Uri: rewards-based, donation-based, lending/peer-to-peer, at equity crowdfunding.
- Benepisyo: market validation, pre-orders, community building, publicity.
- Limitasyon: fulfillment risk, platform fees, at reputational risk kapag hindi na-deliver.

Crowdfunding Platforms & Use Cases

- Rewards: pre-sell campaigns para sa hardware/consumer products.
- Donation: social at community projects; storytelling ang pokus.
- Lending/Equity: regulated; akma sa growth-stage na may malinaw na financials.
- Keys to success: malinaw na value proposition, credible timeline, at transparent updates.

Case Study: Product Pre-Sell

- Matinding pain-point + malinaw na prototype → malakas na interest at pre-orders.
- Ginamit ang video demos, FAQs, at tiered rewards para i-manage ang expectations.
- Advance cash = pondo sa tooling at initial production; community = free marketing.
- Risk control: staged fulfillment, supplier MOUs, at contingency buffers.

Venture Capital: Reality Check

- Bihira ang VC para sa pre-revenue; kadalasan pumapasok kapag may traction na.
- Portfolio logic: iilan ang big winners; karamihan ay modest o write-off.
- Implication: kailangan ng scalable model, malaking market, at defensibility.
- Expect intense due diligence, governance structures, at board oversight.

Classic VC Focus & Impact

- Knowledge-intensive sectors: software, internet, medtech/biotech, deep tech.
- Network effects at economies of scale bilang value creation engines.
- VC money bilang accelerator: product velocity, GTM expansion, at talent density.
- Trade-offs: dilution, pressure to hyper-scale, at exit-driven timelines.

Paano Gumagana ang VC Funds

- Fund structure: limited partnership, 10-taon life, management fee + performance carry.
- LPs (capital providers) vs. GPs (managers): mandate, thesis, at governance.
- Follow-on reserves: pinoprotektahan ang winners at kinakaltasan ang underperformers.
- Harvest: IPO o M&A; timing at market cycles ang malaking salik.

VC Firm Dynamics

- Multiple funds at parallel vintages para sa continuity ng follow-ons.
- Pipeline: sourcing → screening → IC approval → term sheet → closing.
- Board work: strategy, hiring, partnerships, at metrics discipline.
- Expected distribution ng outcomes: iilan ang 'power law' wins, marami ang marginal.

VC Returns at Scale

- Long-run returns: cyclical; depende sa vintage year at macro cycles.
- Seed/early funds: mas mataas ang variance pero may potential outperformance.
- Later-stage: mas mababa ang variance pero mas mababa rin ang upside potential.
- Lesson: pumili ng investor na may fit sa stage, sector, at value-add capabilities.

Pakikipag-ugnayan sa VCs

- Warm intro > cold email; leverage advisors, founders, at portfolio bridges.
- Maghanda para sa deep diligence: metrics, cohorts, unit economics, retention.
- Assess ang investor: reputation, founder-friendliness, at time-to-yes cadence.
- Iwasan ang 'tourist capital'; piliin ang matibay sa down cycles.

Term Sheets: Ano ang Hahanapin

- Key economics: valuation, investment amount, liquidation preference, anti-dilution.
- Governance: board seats, protective provisions, information rights, voting matters.
- Legal: pro rata rights, ROFR/co-sale, drag/tag-along, vesting acceleration.
- Process: timelines, conditions precedent, use of proceeds, closing mechanics.

Valuation: 4 Core Methods

- Earnings capitalization: sustainable earnings \times multiple (o cap rate).
- Discounted cash flow: PV ng FCF + terminal value; sensitibo sa assumptions.
- Market comparables: P/E, EV/EBITDA, EV/Sales batay sa comparable firms.
- Asset-based: adjusted book value, replacement cost, o liquidation value.

Practical Valuation Tips

- Huwag magpabulag sa pseudo-precision: gumamit ng scenario ranges at sanity checks.
- Isaalang-alang ang opportunity size, risk profile, buyer resources, at time horizon.
- Gamitin ang comps bilang guide, hindi diktado; i-justify ang premium o discount.
- Iugnay sa harvest path: sino ang posibleng acquirer at anong multiples ang realistic.

Example: Market-Comparable Math

- Halimbawa: $FV = \text{Net Income} \times \text{P/E multiple}$; sensitivity sa multiple at timing.
- Back-solve: ilang % equity ang ibibigay para maabot ang target IRR ng investor.
- Bantayan: dilution sa susunod na rounds, option pool refresh, at down-round risk.
- Ipakita sa deck: base/bull/bear scenarios at milestone-linked capital plan.

Example: Asset-Based Valuation

- I-adjust sa fair values ang assets/liabilities (AR, inventory, PPE, accruals).
- Kalkulahin ang restated equity bilang proxy sa floor valuation.
- Akma sa 'ordinary' o asset-heavy firms; limitasyon sa high-growth/intangibles.
- Gamitin kasama ng income/market approaches para kumpletong larawan.

Harvesting: IPO, M&A, Buyback

- IPO: access sa malaking kapital at liquidity pero mataas ang gastos at disclosure burden.
- M&A: mas mabilis at mas mura; may integration at culture-fit risks.
- Buyback: bihira at capital-intensive; kadalasan fallback kung walang external exit.
- Planuhin ang exit nang maaga pero manatiling adaptable sa market windows.

IPO: Pros and Cons

- Pros: large financing, follow-on access, prestige, M&A currency, liquidity para sa mga naunang shareholders.
- Cons: underwriting fees, reporting/compliance, short-term market pressures, takeover risk.
- Process basics: banker selection, prospectus ('red herring'), roadshow, book-building, pricing.
- Execution risk: market volatility at post-IPO performance management.

Acquisition Playbook

- Strategic fit: distribution, brand synergies, tech/IP at talent acquisition.
- Deal mechanics: earn-outs, employment agreements, non-competes, representations/warranties.
- Pros/cons para sa founders at team: cash-out vs. role clarity at integration friction.
- Preparation: data room hygiene, customer concentration, at ops KPI discipline.

Summary

- Simulan sa scrappy approach: bootstrapping at Four Fs para sa unang traction.
- Angels para sa speed at mentorship; crowdfunding para sa validation at pre-orders.
- VC para sa scalable models: intindihin ang mechanics, governance, at term sheet levers.
- Value realistically; ihanda ang posibleng harvest habang nagtatayo ng sustainable na negosyo.

Reflection Questions

- Ano ang pinaka-realistic na unang source of funds para sa ideya mo—at bakit?
- Kung kukuha ka ng angel, anong uri ang hahanapin mo at paano mo sila makikilala?
- Crowdfunding vs. angels vs. VC: ano ang tamang sequencing para sa sitwasyon mo?
- Aling valuation approach ang babagay sa stage at business model mo—at bakit?
- Anong exit ang target mo sa 5–7 taon, at anong paghahanda ang sisimulan mo ngayon?

Huling Pagbubuod

- Pondo ay paraan, hindi layunin: tumugma sa tamang pinagmumulan sa tamang oras.
- Protektahan ang relasyon at reputasyon sa bawat round sa pamamagitan ng malinaw na terms.
- Disiplina sa valuation at governance; i-optimize ang long-term value creation.
- Ihanda ang kumpanya para sa exit, ngunit magtayo para tumagal at lumago.

Textbook

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