

# FLC Northeast Regional Meeting Business Plan Review

September 19, 2006

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Battelle Ventures

# Agenda

- Battelle Ventures
- Business Plan Analysis
- Discussion

# Battelle Ventures

- \$150 Million in Capital under management
- Invest Primarily in Businesses That Will Benefit From Battelle and National Lab Owned or Controlled Technologies or Capabilities
- Single-LP fund (BMI) *but* independent decision-making (returns-focused)
- Invest in Seed, Start-Up, and Early-Stage Tech Companies
- Create Businesses with Value > \$100 Million
- Generate Venture Capital Returns
  
- **Innovation Valley Partners (IVP)**
  - Affiliate (parallel) fund investing in parallel with Battelle Ventures
  - \$35 Million in Capital under management
  - Multi-LP fund (high-net-worth individuals, university, institutions etc)
  - Based in Knoxville, Tennessee

# Business Plan Review

- Numbers
  - Venture Capitalists Review 1,000+ Business Plans per year
    - 1 of 10 get serious review
    - 1 of 10 serious reviews result in investment

# Business Plan Review – Due Diligence

- Product/Market
- Financials
- Management

# Business Plan Review – Product/Market

- Market Size: potential size, growth rate
  - Driving Forces, restrictions
- Competition
  - Big firms
  - Small, emerging firms
- Competitive Advantage
  - What Problem/Pain Is Being Solved
- Follow-on Products

# Business Plan Review –Financials

- Revenue Growth Projections
  - Market size/growth
  - Production capacity
- Profit Margins
- R&D, S&A
- Inventory
- A/R
- CASHFLOW
- Capital Required to Profitability, Positive Cashflow

# Business Plan Review – Management

- Scope
  - CEO, Sales, Marketing, Technology, CFO
- Experience
  - At level of current position
  - Industry specific
  - Track Record of Success
  - Start-up experience
  - Experience of Commercializing Technology

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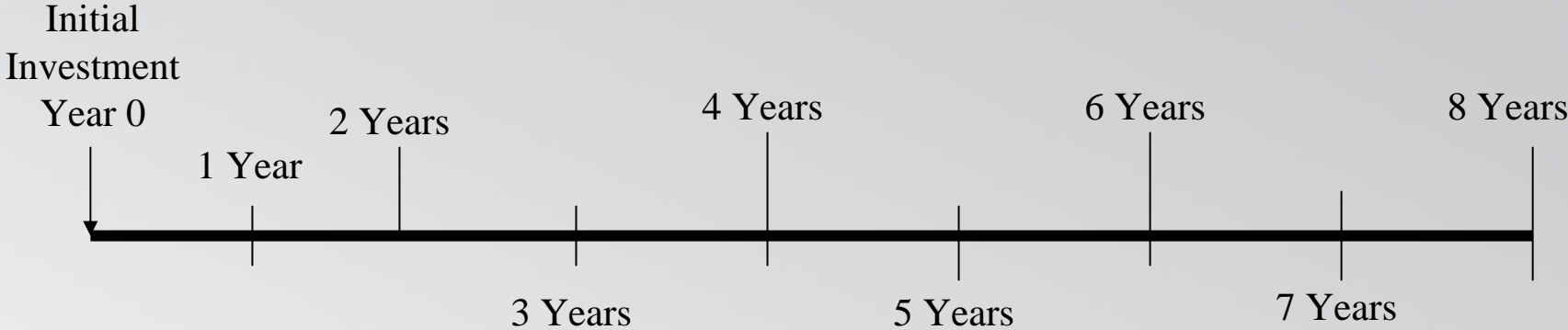
- Higher Percentage of Success
- VC Evaluation
- Capital Investment

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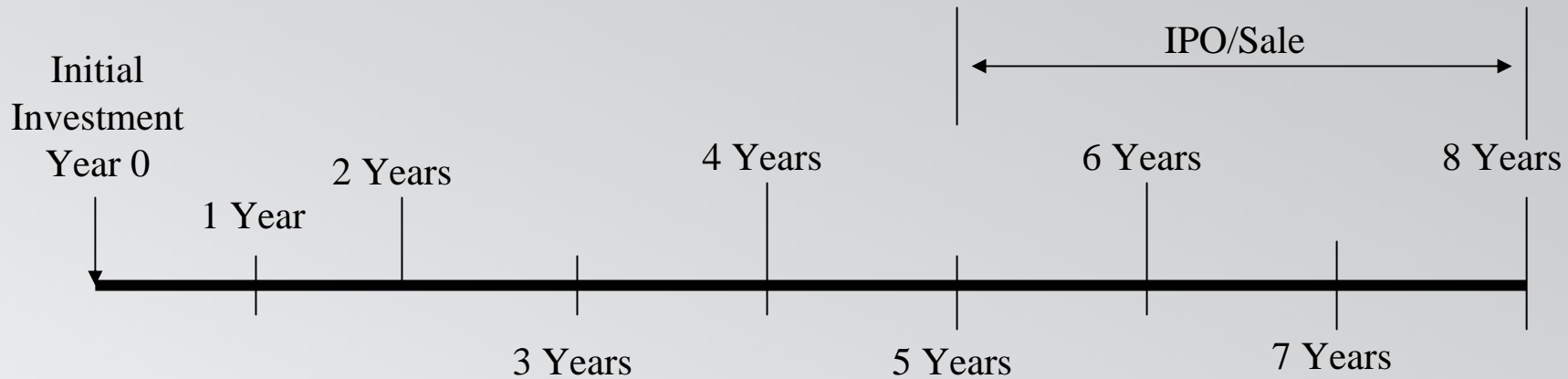
- Higher Percentage of Success
- VC Evaluation
- Capital Investment
- VC Professionals Working with Company

# Discussion

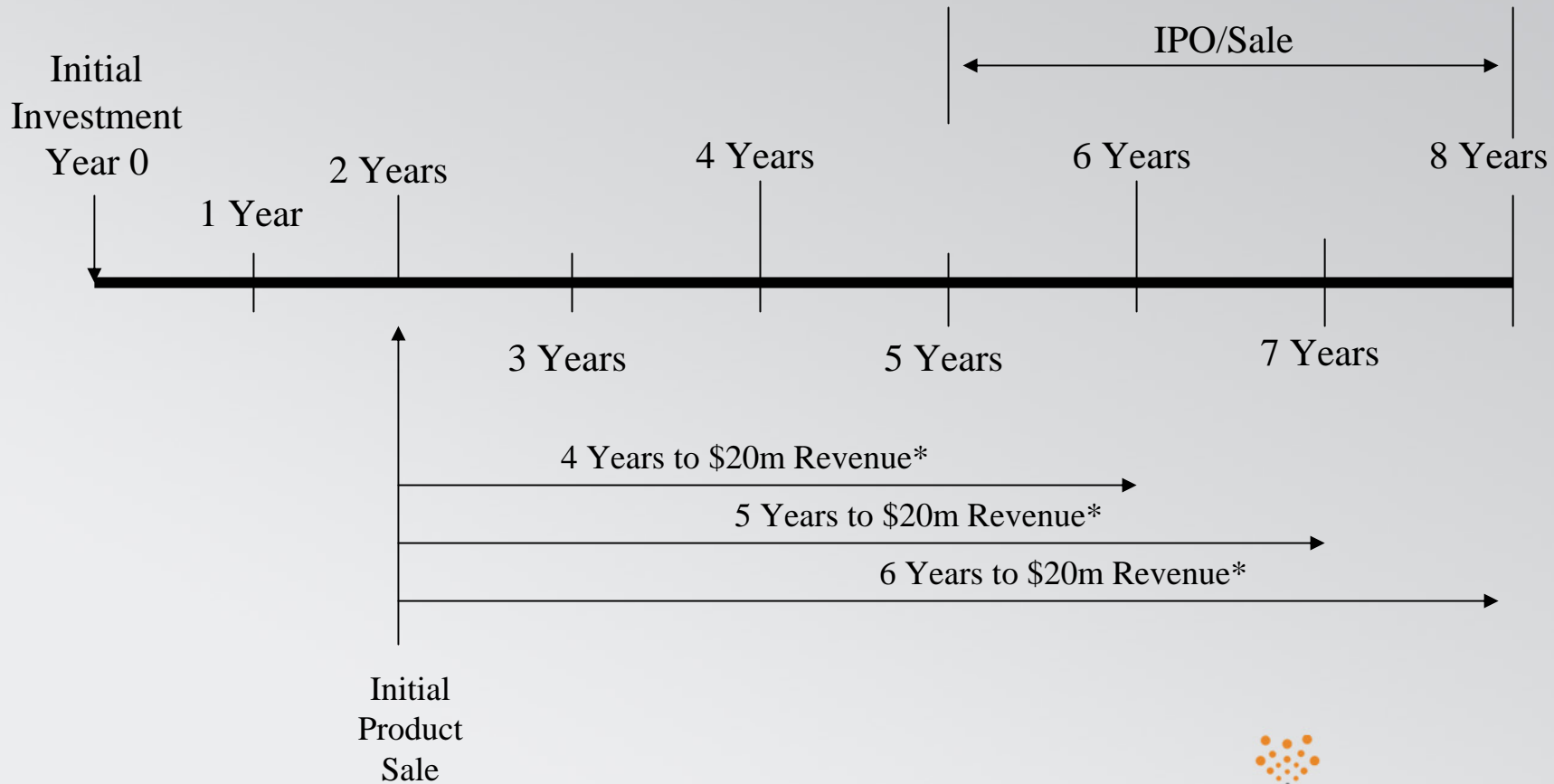
# Deal Flow & Investment Timeline



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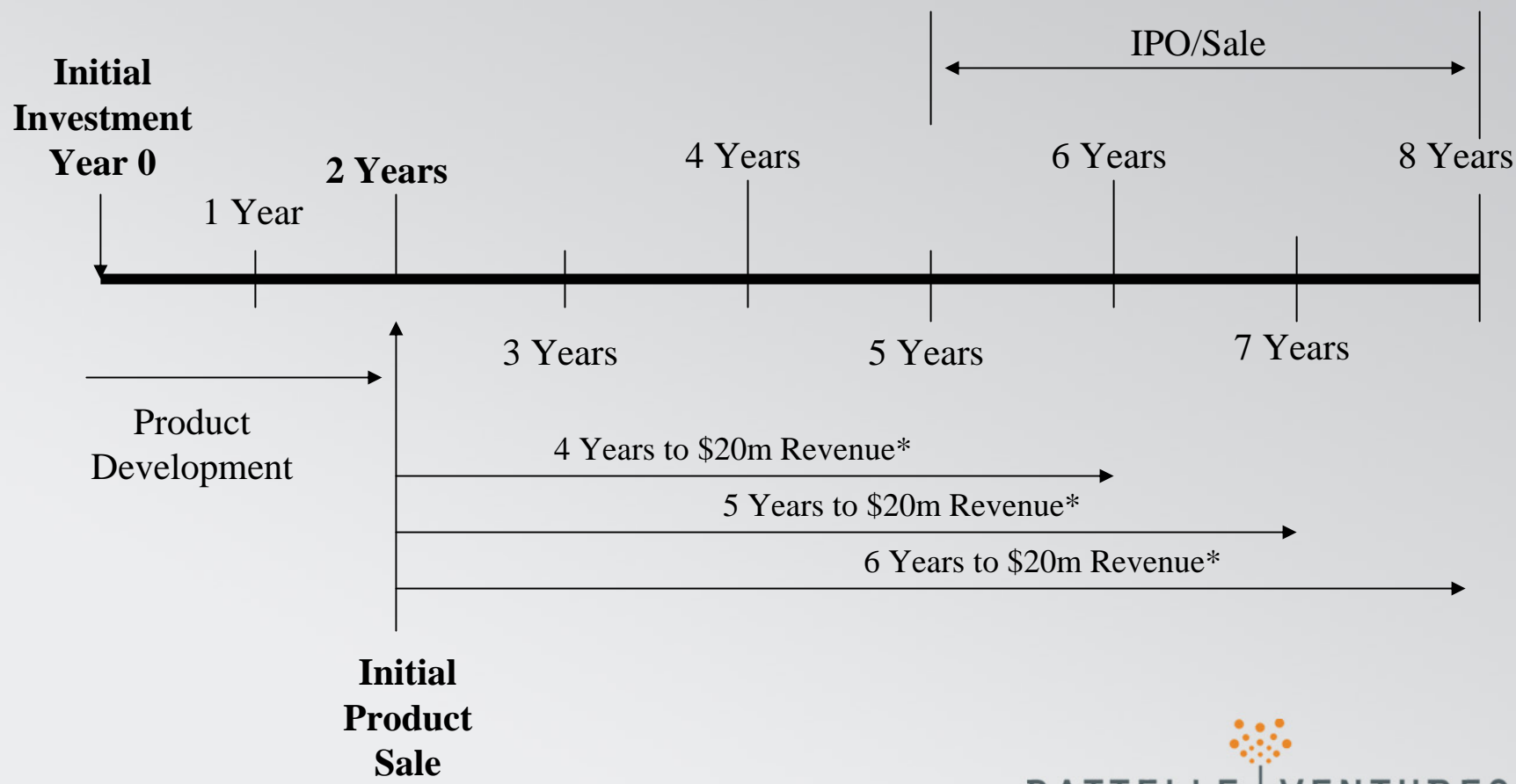


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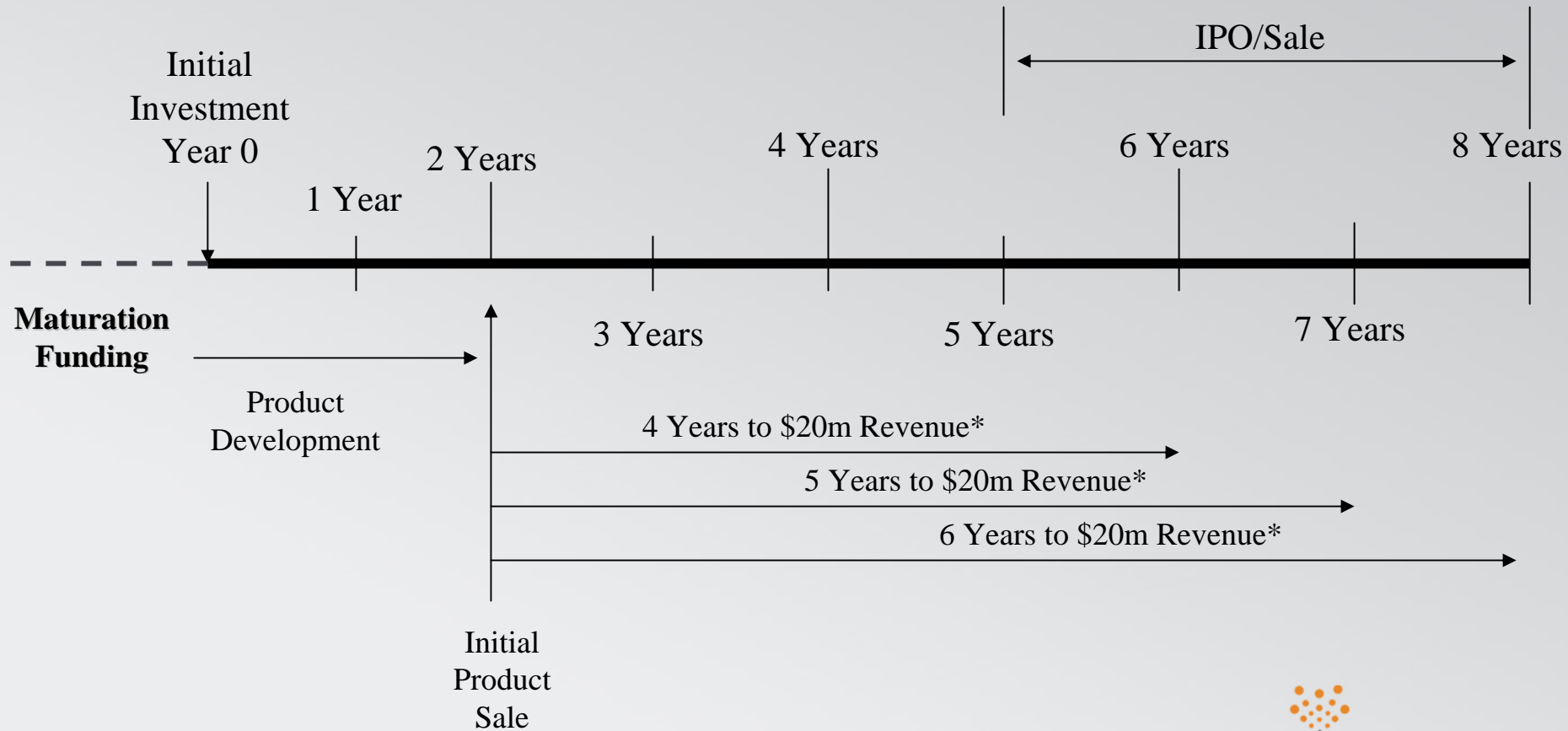
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