

Get funding and get along with your investors with success

From understanding your investors to your own homework

Yichen Lee
TGN Advisor
2020/07/08

Fund raising activity 2020 Health sector

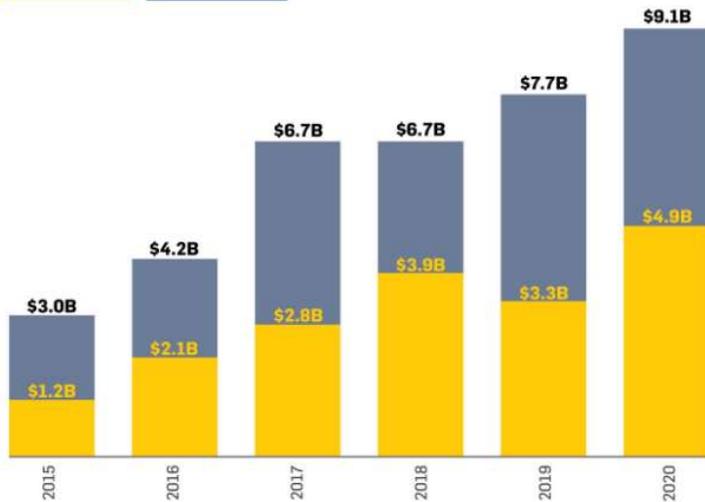
STARTUP HEALTH INSIGHTS™



2020 Midyear Report / Total Health Innovation Funding

Q1 2020

Q2 2020



Source: StartUp Health Insights | startuphealth.com/insights. Note: Report based on publicly available data through 6/30/20 on seed (incl. accelerator), venture, corporate venture, and private equity funding only. Companies tracked in StartUp Health Insights may fall under multiple moonshots and therefore will be represented throughout the report.

STARTUP HEALTH INSIGHTS™

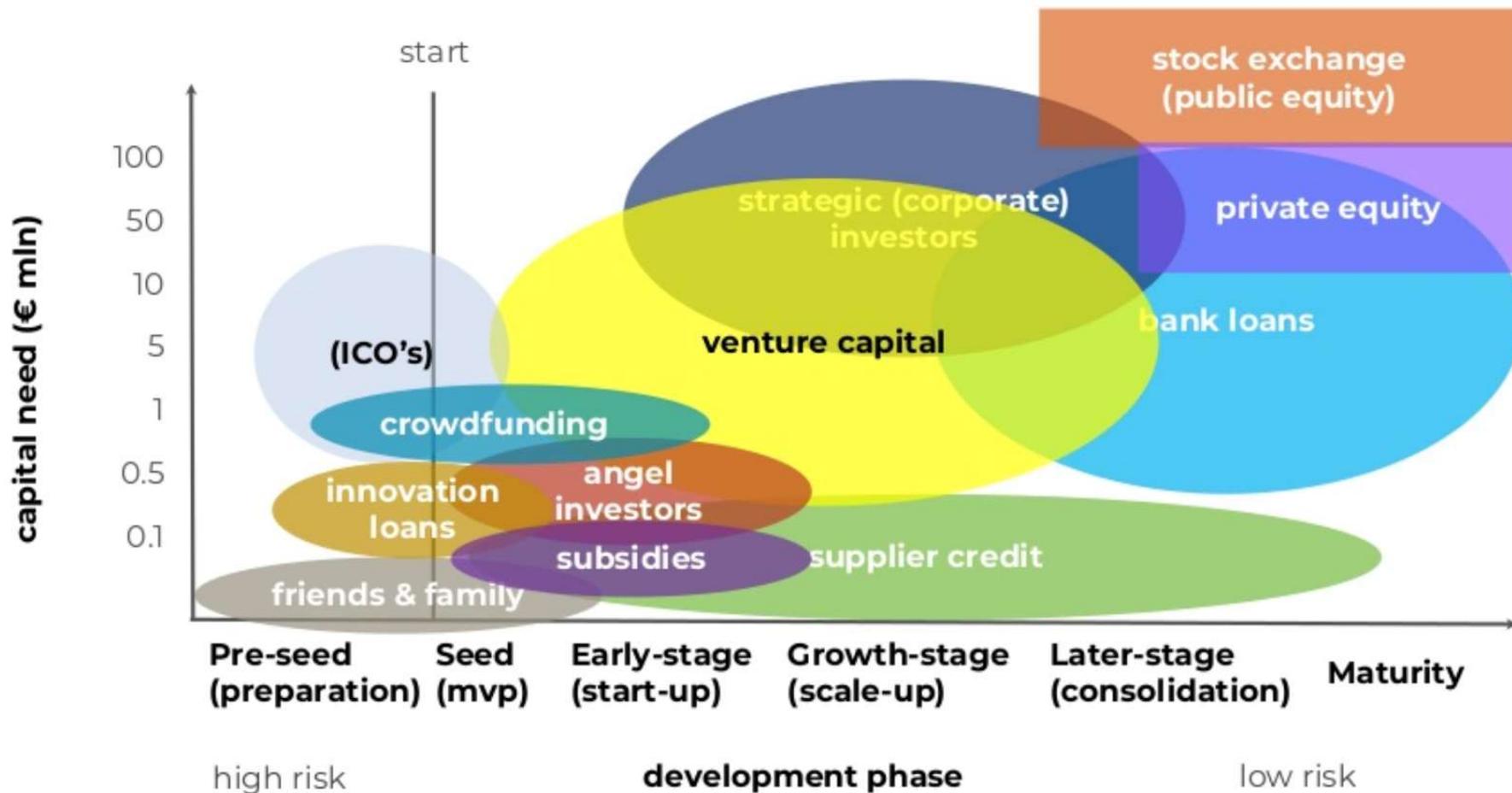


2020 Midyear / Top Deals

Company	Amount Raised	Series	Function/Top Tier
Grail	\$390,000,000	Series D	Biometric Data Acquisition
ClassPass	\$285,000,000	Series E	Wellness
Alto Pharmacy	\$250,000,000	Series D	Patient Empowerment
Oscar	\$225,000,000	Venture Round	Insurance
Erasca	\$200,000,000	Series B	Biometric Data Acquisition
American Well	\$194,000,000	Series C	Patient Empowerment
Karius	\$165,000,000	Series B	Clinical Workflow
KRY	\$155,000,000	Series C	Admin Workflow
Concerto HealthAI	\$150,000,000	Series B	Clinical Workflow
Element Science	\$145,600,000	Series C	Patient Empowerment

Source: StartUp Health Insights | startuphealth.com/insights. Note: Report based on publicly available data through 6/30/20 on seed (incl. accelerator), venture, corporate venture, and private equity funding only. Companies tracked in StartUp Health Insights may fall under multiple moonshots and therefore will be represented throughout the report.

Sources of startup and scale-up funding



Cr.: Workshop fundraising at antler (herman kienhuis)

How startup funding works



Idea-stage



Co-founder stage



<€50k

FFF stage



€50-100k

Seed round



€100k-€1m

Series A round



€1-€10m

Series B round



€10-20m

...more rounds...

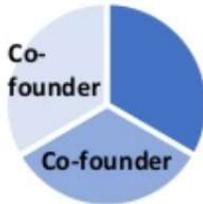
IPO



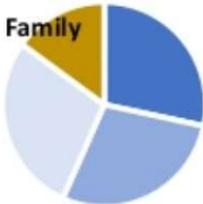
€50m+



Your stake's value



€50k
33% of €150k



€140k
28% of €500k



€500k
22% of €2.3m



€2.5m
13% of €20m



€5m
10% of €50m



€50m
9% of €575m

https://www.slideshare.net/signup?login_source=slideview.clip.like&from=clip&layout=foundation&from_source=https%3A%2F%2Fwww.slideshare.net%2Fkienhuis%2Fworkshop-fundraising-at-antler-herman-kienhuis%2F10

Cr.: Workshop fundraising at antler (herman kienhuis)

What could/should investors bring?

- Access to (follow-on) capital
- Advisory / supervisory boardmembers
- Advice on company strategy, governance, organization, sales & marketing, finance, exits
- Network introductions:
 - Access to industry/topical experts
 - Access to customers, partners
 - Access to talent (leadership, board)
 - Access to peers (entrepreneurs)
 - Access to potential buyers (and M&A advisors)
- Coaching on personal & leadership development
- Friendship

鼎泰豐倫敦開歐洲首間分店 尖峰時段 起碼排4小時

2018-12-10 18:12



Game Rules

Business Structures

Ex: Joint venture (JV)

VC investment

convertible notes (bonds)

Governance Law

Ex: Taiwan: Civil Law System

USA: Common Law System

Jurisdiction Court System

Ex: Taipei, Delaware USA, NY USA, CA USA



SpaceX's First Crewed Flight: [What you need to know](#) | [NEW Follow this Story](#)

Nasa's first crewed mission in 9 years

Hyperdrive

SpaceX Astronauts Reach Space Station After Milestone Voyage



SpaceX lightweight one-piece suit

Crew Dragon capsule

3D-printed helmet

Touchscreen compatible gloves

2.9m

FALCON 9 ROCKET

Height **70m**

Diameter **3.7m**

Mass **549 tonnes**

- Flame-resistant outer layer
- Can pressurise in emergency situations
- Not designed for spacewalks

- Volume: **9.3m³**
- Launch payload mass: **6 tonnes**
- No private areas to sleep, wash or use the bathroom

About the Author

Elon Musk, a serial entrepreneur, played key roles in starting up Tesla Motors and PayPal. He founded the rocket company Space Exploration Technologies Corp. to develop cheap, reusable launch vehicles and to help fulfill his personal quest to land a human on Mars.



- Engineering Topics ▾
- Special Reports ▾
- Blogs ▾
- Multimedia ▾
- The Magazine ▾
- Professional Resources ▾
- Search ▾

I gathered a group of engineers from the space industry to find a way to get the launch cost down. We determined that we could do it by optimizing the design for cost and by making the rocket reusable. Of course, we also had to ensure that it performed at least as well as other available rockets. I dropped the greenhouse idea; my goal now was to make it technically and financially possible to extend life to Mars. In 2002 I founded Space Exploration Technologies.

The question was whether I could finance SpaceX myself. I didn't expect anyone to invest with me until I had demonstrated success. Ironically, with my track record, I could have gotten funding for almost any business except rockets.

We launched our first Falcon 1 rocket in 2006 from the Kwajalein Atoll in the Marshall Islands. Unfortunately, an engine fire started on liftoff, and the engine lost power after 30 seconds in the air. It really hurt seeing four years of work come crashing down.

I had realized going in that we faced steep odds. We had built an entire rocket from the ground up, with almost no legacy hardware. The reason was simple: If you use legacy parts, you'll limit opportunities to reduce costs; if you don't use them, the risk of failure goes up. We traced the engine fire to fuel leaking

The UP & Down of an Entrepreneur

Forbes EDITORS' PICK | 88,923 views | May 29, 2020, 02:23pm EDT

Elon Musk Calls California's Bluff And Wins A \$700 Million Payday

 **Jack Kelly** Senior Contributor @ Careers
I write actionable interview, career and salary advice.

f
t
in



(AP Photo/Jae C. Hong) ASSOCIATED PRESS

CNN Money Markets Economy Companies

Tesla's Elon Musk runs out of cash

By Blake Ellis, staff reporter May 28, 2010: 6:17 PM ET

NEW YORK (CNNMoney.com) -- Silicon Valley icon and Tesla Motors CEO Elon Musk's bank account has run dry and he's been living off his friends' money, according to court documents.

"About four months ago, I ran out of cash," Musk wrote in a court filing with the Superior Court of Los Angeles on Feb. 23, released by VentureBeat.com on Friday. "I had to obtain emergency loans from personal friends. These loans are the exclusive source of cash I have. If I did not take these loans, I would have no liquid assets left."

2008 : Worst year until Christmas

THE VERGE Elon Musk almost had to choose between saving SpaceX or Tesla

By [Jacob Kastrenakes](#) | [@jake_k](#) | May 14, 2015, 10:08am EDT

Source [Bloomberg](#)

"I could either pick SpaceX or Tesla or split the money I had left between them," says Musk, founder of both companies. "That was a tough decision. If I split the money, maybe both of them would die. If I gave the money to just one company, the probability of it surviving was greater, but then it would mean certain death for the other company. I debated that over and over."

"IF I SPLIT THE MONEY, MAYBE BOTH OF THEM WOULD DIE."

Musk began knocking on every door he could, trying to chase down extra money for his two companies, according to [Bloomberg](#). The excerpt makes it sound as though funding really came down to the wire, with SpaceX landing a NASA contract, Musk selling off some investments, and Tesla investors agreeing to give the company enough to keep moving. A \$1.6 billion contract from NASA put SpaceX in the clear, while a new round of \$40 million in funding is said to have saved Tesla on Christmas Eve, hours from burning through its last few hundred thousand dollars.



Bill Pugliano/Getty Images

Full time job of an Entrepreneur

Not only hard working but also smart working

TECH

Elon Musk: 'Too many smart people go into finance and law'

PUBLISHED THU, MAY 7 2020-12:41 PM EDT | UPDATED THU, MAY 7 2020-2:57 PM EDT

Jessica Bursztynsky @JBURSZ

SHARE f t in e

KEY POINTS

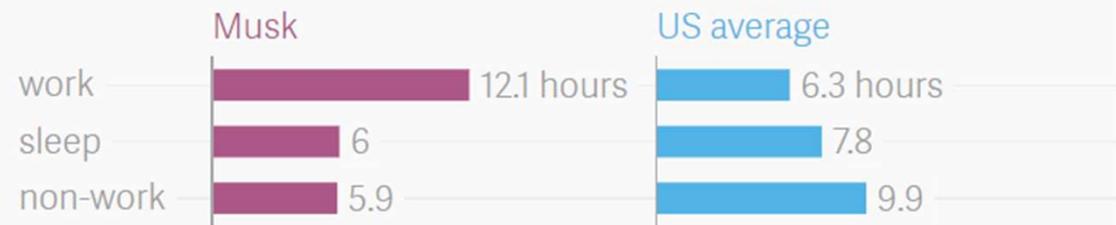
- Tesla CEO Elon Musk told podcast host Joe Rogan that fewer people should start careers in finance and law and instead focus on innovation.
- He also addressed his recent vow on Twitter to get rid of most of his possessions.



TRENDING NOW

- More \$1,200 checks? Maybe \$2,000? These stimulus proposals could put more money in your wallet
- Dr. Anthony Fauci says there's a chance coronavirus vaccine may not provide immunity for very long
- Former Defense official resigns from Pentagon post, slams

How Elon Musk divides his days between work, sleep and personal



Elon Musk's average weekly work schedule at affiliated companies



TECH & SCIENCE

Is Tesla Better Off Without Elon Musk? Fraud Charge Brings Uncertain Future

BY JASON MURDOCK ON 9/28/18 AT 11:51 AM EDT

N Tesla's Turbulent Stock Market Run
Tesla's stock movement from August 1 to September 27, 2018 (closing prices)



@StatistaCharts Source: Yahoo Finance

statista The Statistics Portal www.statista.com



not long time ago.....

Valuation Adjustment Mechanism, VAM

Operating milestones

REVENUE-BASED MILESTONES	ADJUSTED EBITDA-BASED MILESTONES
\$20 billion	\$1.5 billion
\$35 billion	\$3 billion
\$55 billion	\$4.5 billion
\$75 billion	\$6 billion
\$100 billion	\$8 billion
\$125 billion	\$10 billion
\$150 billion	\$12 billion
\$175 billion	\$14 billion

Source: Tesla corporate filings. Milestones in green have been achieved, according to Tesla's board.

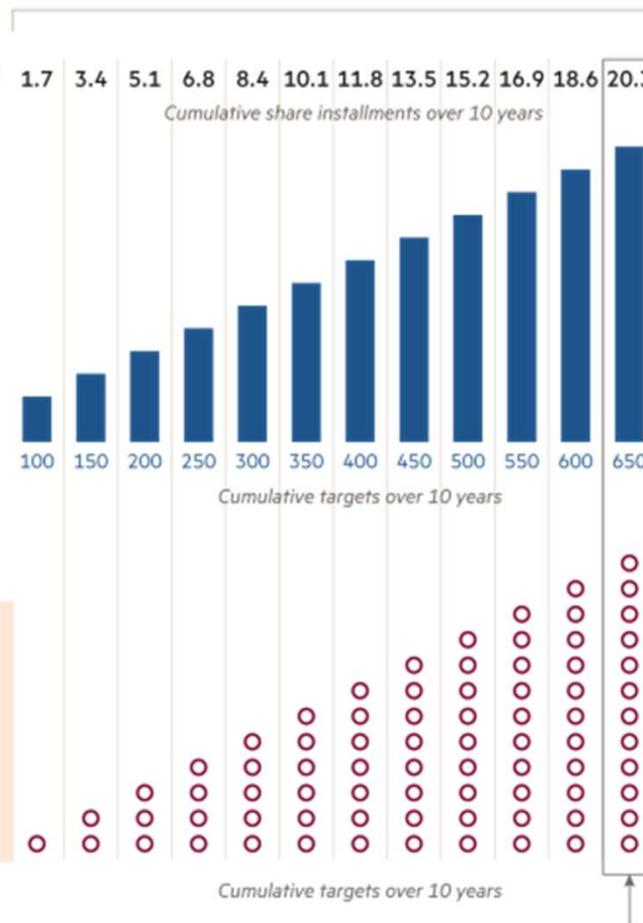
BUSINESS INSIDER

Elon Musk's new incentive plan

Elon Musk's new pay deal is built around 12 share installments, each one gained when targets are met on the company's market capitalisation, revenue and earnings

Each tranche of shares (m) is worth 1% of the company's total value, or about 1.7m shares ...

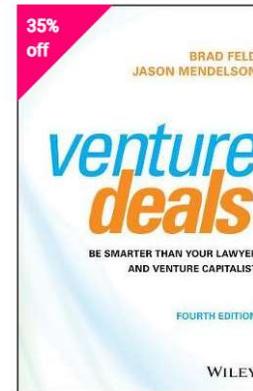
Full vesting requires achieving all these market capitalisation milestones (\$bn) ...



To hit the final installment and the maximum payout, the company's value would have to reach \$650bn and meet 12 out of the 16 financial targets

Source: company © FT

01 Understand Your investors Speak their language



Venture Deals : Be Smarter Than Your Lawyer and Venture Capitalist

★★★★★ 4.45 (260 ratings by Goodreads)

Hardback | English

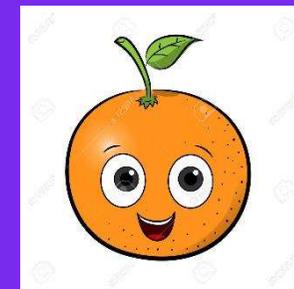
By (author) Brad Feld , By (author) Jason Mendelson

Share    

Help take your startup to the next step with the new and revised edition of the popular book on the VC deal process—from the co-founders of the Foundry Group

How do venture capital deals come together? This is one of the most frequent questions asked by each generation of new entrepreneurs. Surprisingly, there is little reliable information on the subject. No one understands this better than Brad Feld and Jason Mendelson. The founders and driving force behind the Foundry Group—a venture capital firm focused on investing in early-stage information technology companies—Brad and Jason have been involved in hundreds of venture capital financings. Their investments range from small startups to large Series A venture financing rounds. The new edition of Venture Deals continues to show fledgling entrepreneurs the inner-workings of the VC process, from the venture capital term sheet and effective negotiating strategies to the initial seed and the later stages of development. [show more](#)

What are in your investors mind?



Venture Capital firm

Taiwan

Management Company

Limited Partners, LPs

General Partners, GPs

Non-Taiwan

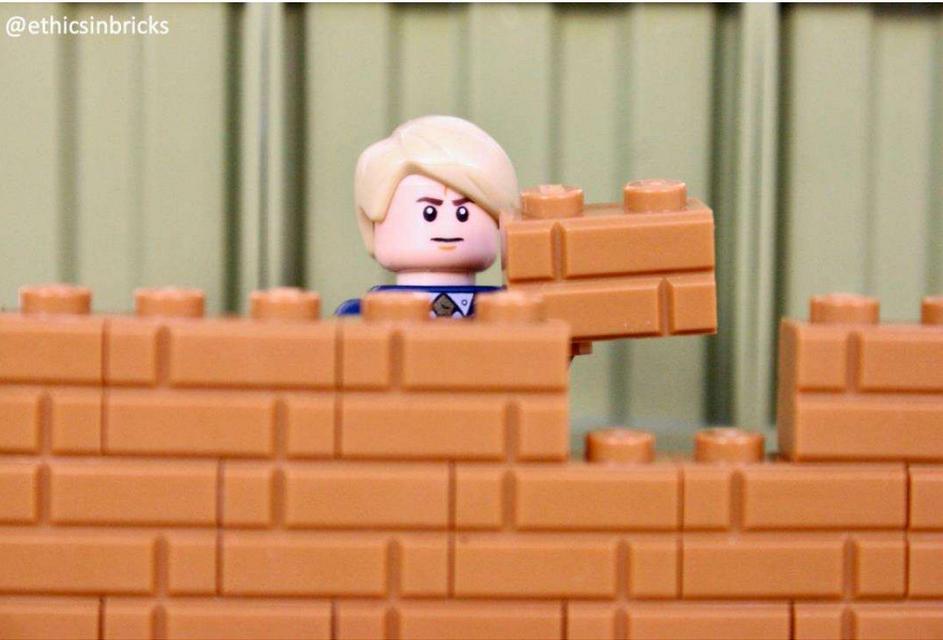
Management Company

Limited Partners, LPs

General Partners, GPs

Equity stake

Taiwan

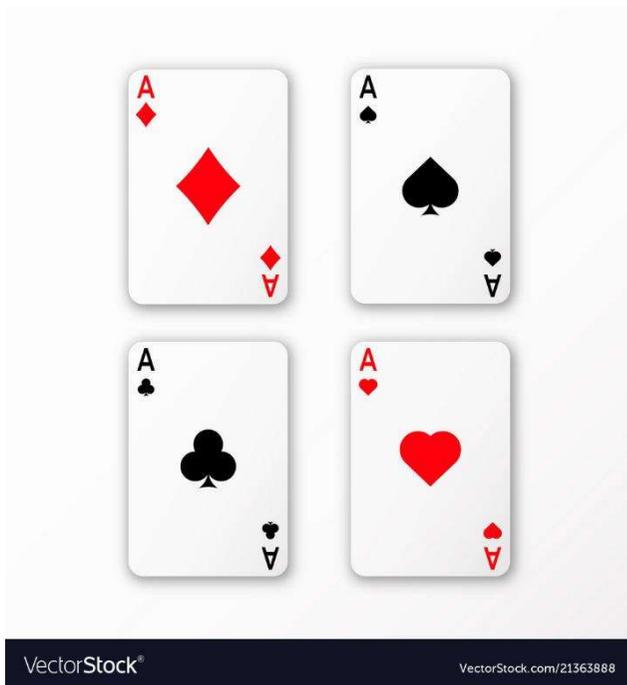


USA



Shares: common vs. preferred

Taiwan: only common

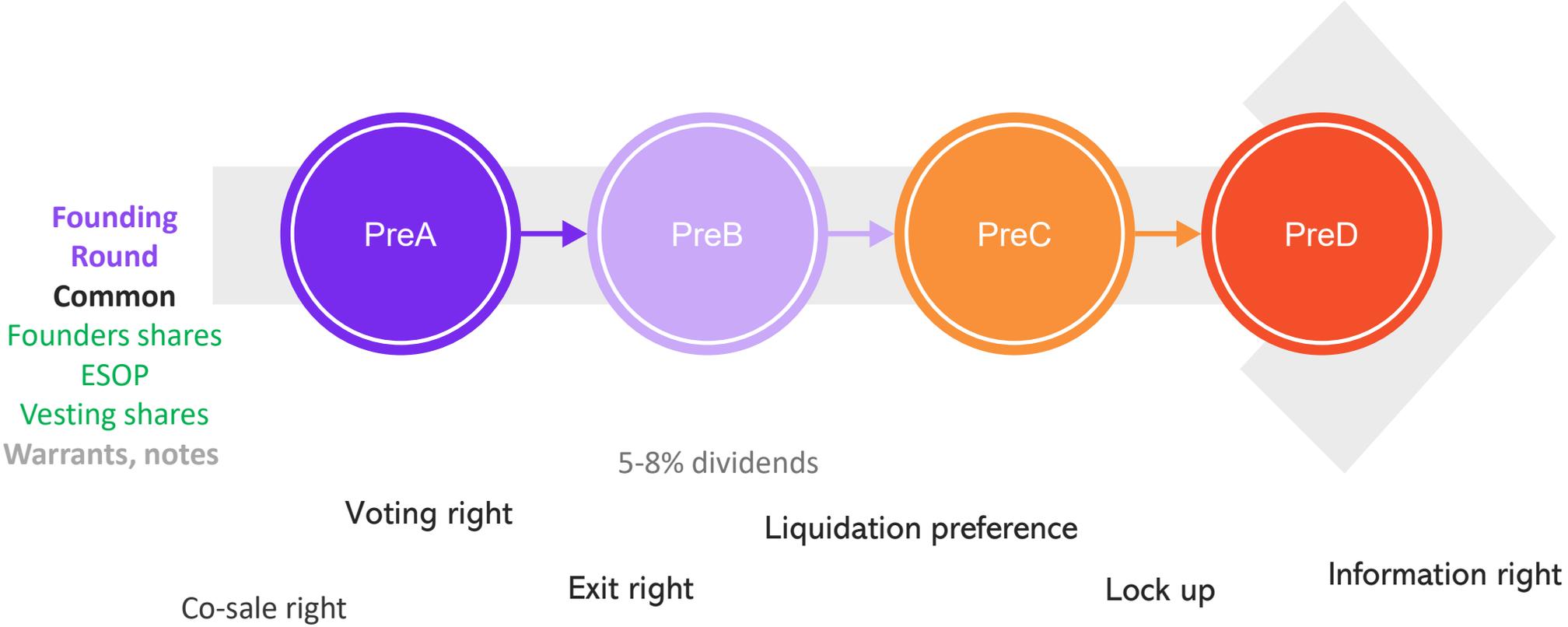


USA: common & preferred

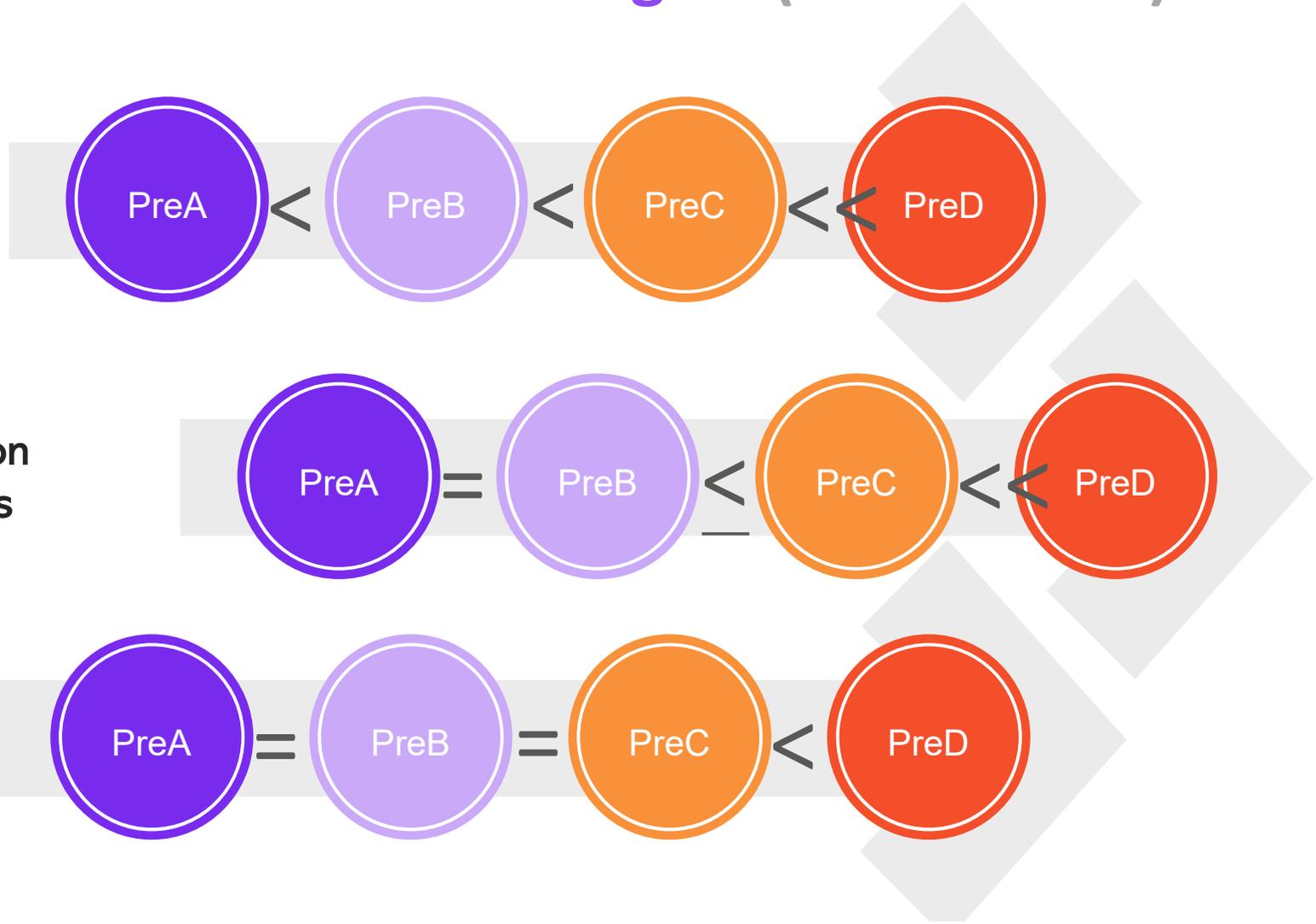


- Founding Round
- Common
- Founders shares
- ESOP
- Vesting shares
- Warrants?
- Bonds?

Financing rounds



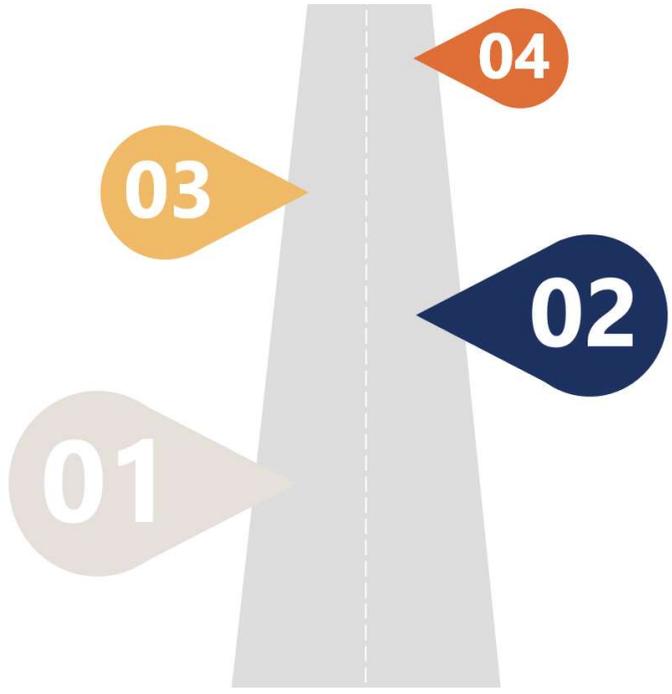
Preferred Share: Preference Rights (+-warrants?)



Common shares

Corporate Governance Law

Taiwan: simple but rigid



ANTI-DILUTION RIGHT

USA: complex but flexible



No for common shares

Company Governance

Taiwan

Board meeting

- NO or Accounting firm/ law firm in charge

Board:

- Board Directors & Supervisor? 監察人

Shareholder meeting

- personal attendance

USA

Board meeting

- law firm in charge

Board:

- Board Directors: intensive involvement
- Scientific Board, Advisory Board

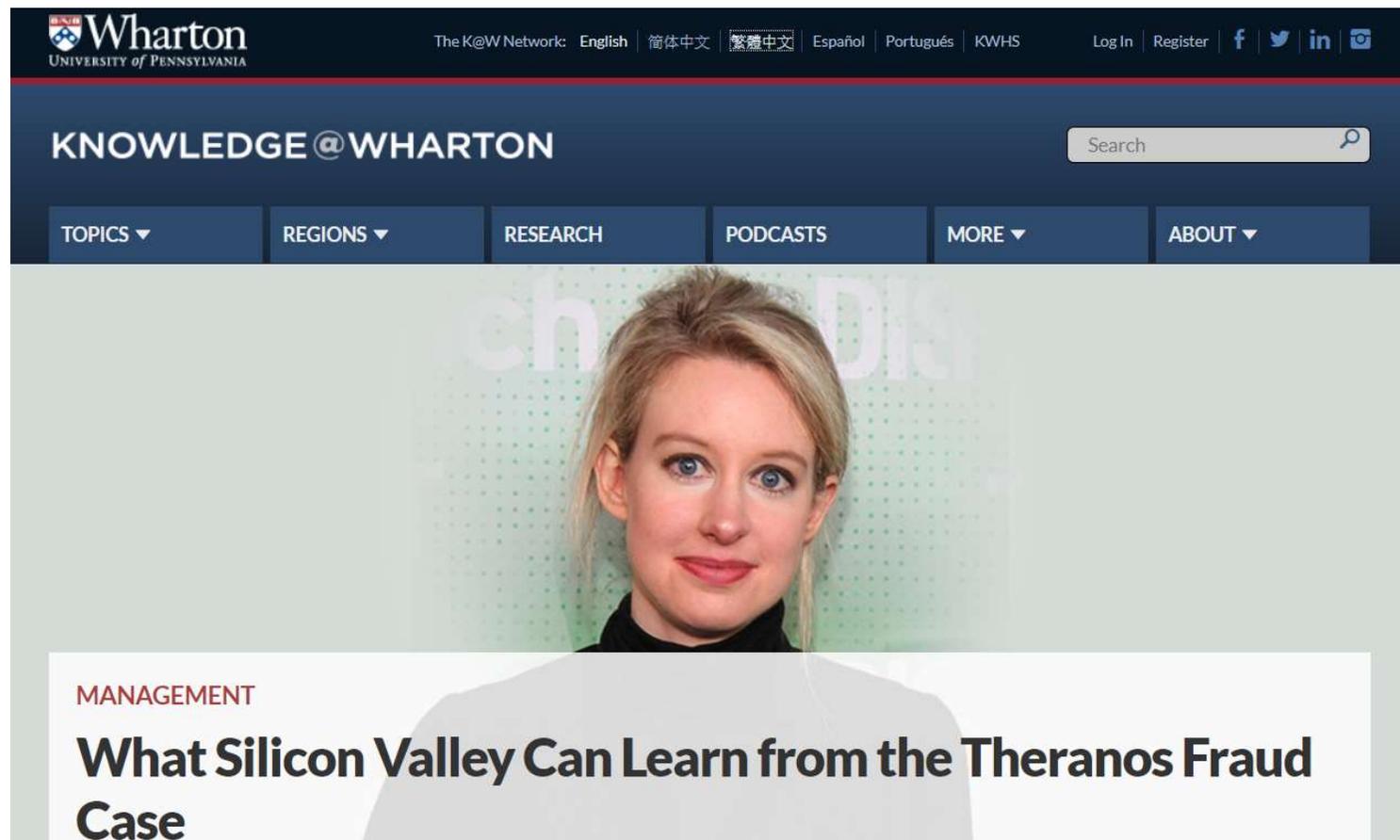
Shareholder meeting

- Proxy & consent letters

Case Study: Theranos

The Founders & CEO
Owns over 90%
Voting right before
She is charged for
Fraud!

NDA clause !!!



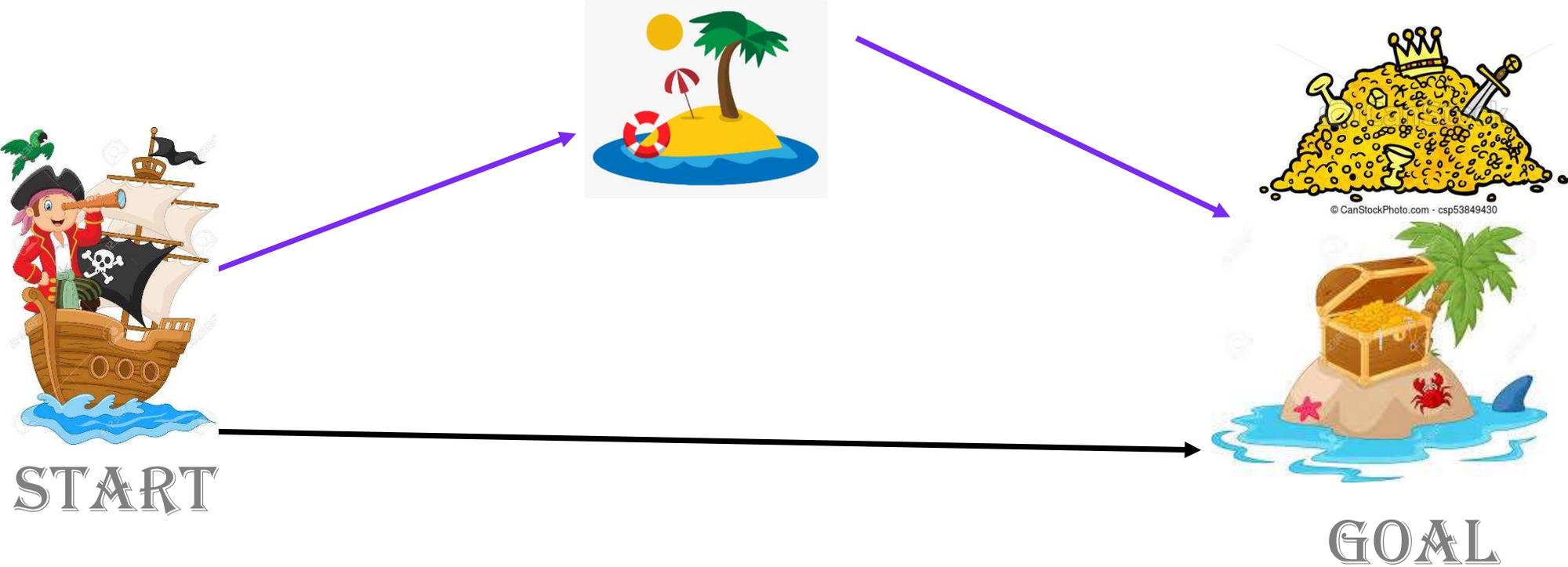
The screenshot shows the Wharton Knowledge@Wharton website. The header includes the Wharton University of Pennsylvania logo, navigation links for 'The K@W Network' in English, 简体中文, 繁體中文, Español, and Português, and options for 'Log In' and 'Register'. Social media icons for Facebook, Twitter, LinkedIn, and YouTube are also present. Below the header is a search bar and a navigation menu with categories: TOPICS, REGIONS, RESEARCH, PODCASTS, MORE, and ABOUT. The main content area features a large image of a woman with blonde hair, likely the CEO of Theranos, Elizabeth Holmes. Below the image, the text reads 'MANAGEMENT' in red, followed by the article title 'What Silicon Valley Can Learn from the Theranos Fraud Case' in bold black font.

Trump Card

PAY TO PLAY !!



Fund raising size ? ? ?



Valuation? ? ?

Taiwan

Price per share

NO Valuation Adjustment
Mechanism, NO VAM



USA

Pre-money
+fund size raised
= after-money

**Valuation Adjustment
Mechanism, VAM**

Flat or down round

Term sheet & investment agreement ? ? ?

Taiwan

Term sheet is only in few cases
Price per share
Here below is blank.....

USA

Pre-money Valuation
VAM
Voting rights
Information rights
Anti-dilution right
Exit right or qualification
1X Liquidation preference participation up to 3 X
return
Right of first refusal, Co-sale right, drag-along
Automatic conversion qualification
Redemption right & other Protection clause
.....etc.

Liquidation case study: Company A value \$100M

Founders invest \$50M+ Investors invest \$50M = Founders 50% + Investors 50%

Scenario 1: Company B offers \$100M to acquire Company A, how much founders and investors can get?

Scenario 2: Company C offers \$200M to acquire Company A, how much founders and investors can get?

Scenario 3: Company D offers \$500M to acquire Company A, how much founders and investors can get?

Taiwan

Scenario 1:

Founders \$50M

Investors \$50M

Scenario 2:

Founders \$100M

Investors \$100M

Scenario 3:

Founders \$250M

Investors \$250M

USA

Scenario 1: 1X Liquidation preference participation up to 3X return

Investors get \$50M, then $\$50M \times 0.5 = \$25M$

= investors \$75M, Founders \$25M

Scenario 2: 2X Liquidation preference participation up to 3X return

Investors get $\$50 \times 2M$, then $\$100M \times 0.5 = \$50M$

= investors \$150M, Founders \$50M

Scenario 3: 2X Liquidation preference participation up to 3X return

Investors get $\$50 \times 2M$, then $\$400M \times 0.5 = \$200M$

~~Investors get \$300M, Founders \$200M~~

Investors get \$200M, Founders \$300M

[CORPORATE FINANCE & ACCOUNTING](#) > [FINANCIAL STATEMENTS](#)

Corporate Finance & Accounting

[FINANCIAL ANALYSIS](#)[CORPORATE FINANCE](#)[FINANCIAL STATEMENTS](#)[FINANCIAL RATIOS](#)[ACCOUNTING](#)[DEBT](#)[MERGERS & ACQUISITIONS](#)[CORPORATE INSURANCE](#)

Financial Statements

Financial statements are essentially the report cards for businesses. They tell the story, in numbers, about the financial health of the business.

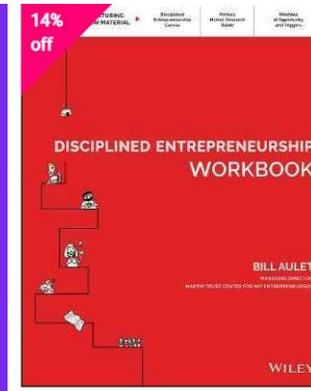
[FINANCIAL STATEMENTS](#)

Asset Definition

An asset is a resource with economic value that an individual or corporation owns or controls with the expectation that it will provide a fu...

[FINANCIAL STATEMENTS](#)[Current Assets Definition](#)[FINANCIAL STATEMENTS](#)[Operating Margin Definition](#)[FINANCIAL STATEMENTS](#)[Shareholder Equity – SE Definition](#)

02 Your own Homework



Disciplined Entrepreneurship Workbook

★★★★★ 4.35 (14 ratings by Goodreads)

Paperback | English

By (author) Bill Aulet

Share    

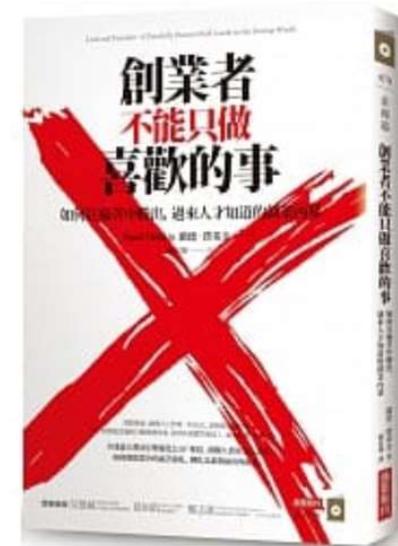
The essential companion to the book that revolutionized entrepreneurship *Disciplined Entrepreneurship*. *Disciplined Entrepreneurship Workbook* provides a practical manual for working the 24-step framework presented in *Disciplined Entrepreneurship*. Unlocking key lessons and breaking down the steps, this book helps you delve deeper into the framework to get your business up and running with a greater chance for success. You'll find the tools you need to sharpen your instinct, engage your creativity, work through hardship, and give the people what they want even if they don't yet know that they want it. Real-world examples illustrate the framework in action, and case studies highlight critical points that can make or break you when your goal is on the line. Exercises and assessments help you nail down your strengths, while pointing out areas that could benefit from reinforcement because when it comes to your business, "good enough" isn't good enough better is always better. *Disciplined Entrepreneurship* transformed the way that professionals think about starting a company, and this book helps you dig into the proven framework to make... [show more](#)

What should you prepare for Your investors?



Reset your mindset

- .秘密和謊言會撕裂新創公司，透明是唯一之道
- .要陌生人出巨資，你必須付出代價
- .追求價值，短期內將無法幫你賺錢
- .把顧客當作真正的人，不只是銷售目標
- .頂尖領導者懂得何時該領導，何時該放手



[中文書](#) > [商業理財](#) > [管理與領導](#) > [創業開店](#)

創業者不能只做喜歡的事：如何在痛苦中勝出，過來人才知道的創業內幕

Lost and Founder: A Painfully Honest Field Guide to the Startup World

★★★★★ 5分， | [共1位評鑑](#)

FASTCOMPANY website

BY MARK WILSON

Steve Jobs said it would be bigger than the PC. Some dubbed it the most hyped product since the Apple Macintosh. An era of secrecy bubbled up in the year 2000 about an invention that would change the world as people knew it. People speculated it was a hydrogen-powered hovercraft, or a device that would break the rules of gravity itself.

06-23-20

Exclusive: Segway, the most hyped invention since the Macintosh, ends production

The Segway brand will no longer make its two-wheeled, self-balancing namesake.



[Photo: David LeFranc/Gamma-Rapho/Getty Images]

The Disciplined Entrepreneurship Canvas

PRODUCT _____ REVISION _____ DATE _____

<p>1 Raison d'Être <i>Why are you in business?</i></p> <p>Mission:</p> <p>Passion:</p> <p>Values:</p> <p>Initial Assets:</p> <p>Initial Idea:</p>	<p>4 Competitive Advantage <i>Why you?</i></p> <p>Moats:</p> <p>Core:</p> <p>Competitive Positioning:</p>	<p>5 Customer Acquisition <i>How does your customer acquire your product?</i></p> <p>DMU:</p> <p>Process to Acquire Customer:</p> <p>Windows of Opportunity:</p> <p>Possible Triggers:</p>	<p>8 Overall Economics <i>Does your product make money?</i></p> <p>Estimated R&D Expenses:</p> <p>Estimated G&A Expenses:</p> <p>LTV/COCA Ratio High Enough:</p>	<p>9 Design & Build <i>How do you produce the product?</i></p> <p>Identify Key Assumptions:</p> <p>Test Key Assumptions:</p> <p>MVBP:</p> <p>Tracking Metrics:</p>
<p>2 Initial Market <i>Who is your customer?</i></p> <p>Beachhead:</p> <p>End User Profile:</p> <p>TAM:</p> <p>Persons:</p> <p>First 10 Customers:</p>	<p>3 Value Creation <i>What can you do for your customer?</i></p> <p>Use Case:</p> <p>Product Description:</p> <p>Problem Being Solved:</p> <p>Quantified Value Proposition:</p>	<p>6 Product Unit Economics <i>Can you make money?</i></p> <p>Business Model:</p> <p>Estimated Pricing:</p> <p>Short Term LTV: Short Term COCA: Medium Term LTV: Medium Term COCA: Long Term LTV: Long Term COCA:</p>	<p>7 Sales <i>How do you sell your product</i></p> <p>Preferred Sales Channel:</p> <p>Sales Funnel:</p> <p>Short Term Mix:</p> <p>Medium Term Mix:</p> <p>Long Term Mix:</p>	<p>10 Scaling <i>How do you scale your business?</i></p> <p>Product Plan for Beachhead:</p> <p>Next Market:</p> <p>Product Plan beyond Beachhead:</p> <p>Follow-on TAM:</p>

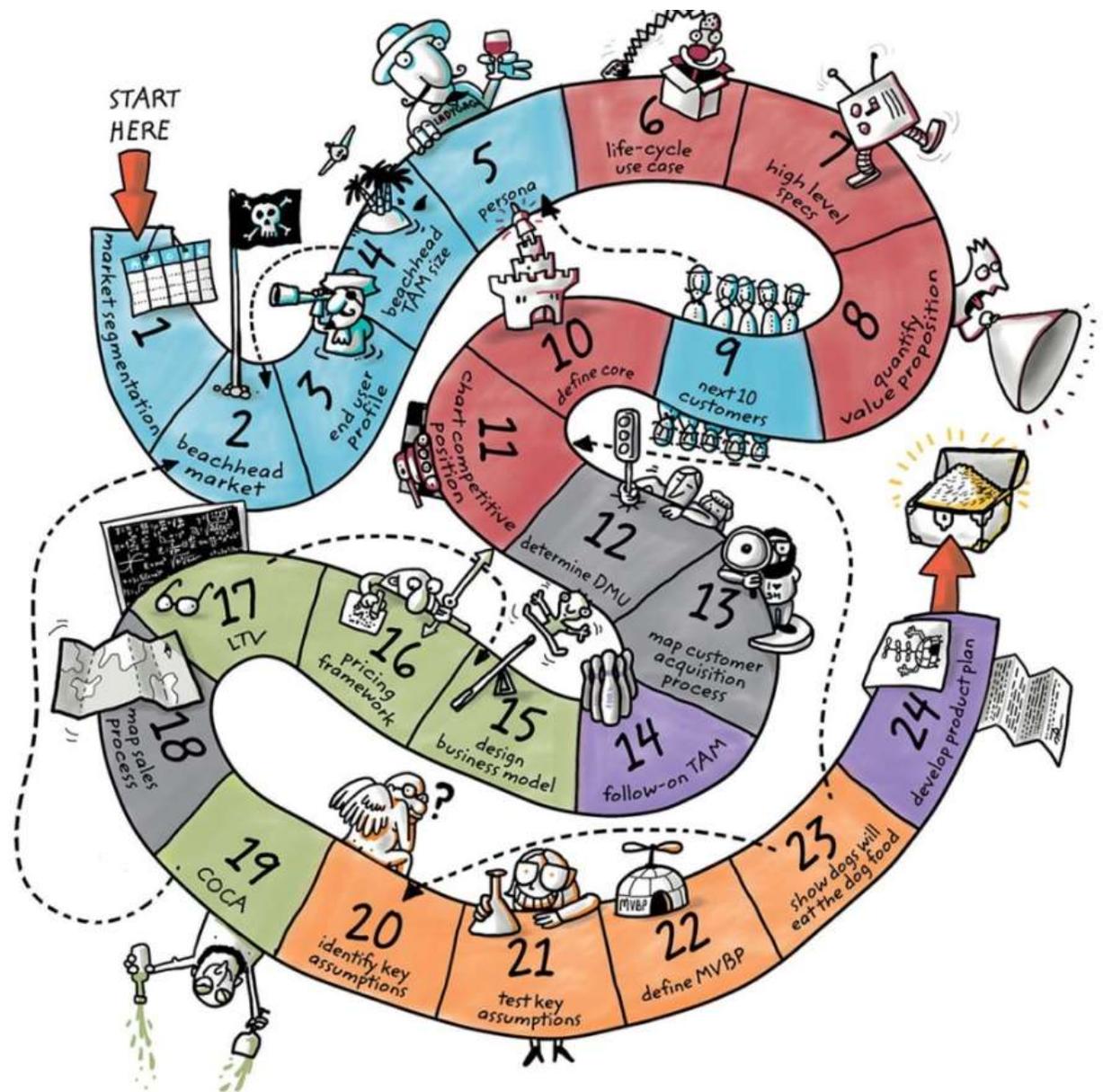
Cr.: MIT Disciplined Entrepreneurship Workbook/ Bill Aulet

Disciplined Entrepreneurship is a systematic and rigorous 24 step to build new innovation-based ventures, created at MIT.

It has proven extremely valuable for hundreds of thousands of entrepreneurs globally at all experience levels. Rather than invent new concepts, Disciplined Entrepreneurship assembles the tools that have already established track records of success in practice from many different sources. It then integrates them together in an easy to access and prescriptive road map.

<https://www.d-eship.com/en/framework/>

<https://www.detoolbox.com/>



Fund raising information deck

Data Room

Business plan

Capitalization table (cap table)

Financial package

IP asset report

.....

.....

Legal documents

Business Plan

Guide book of a start up



1

Product development plan

- Basic technology & mechanism
- Product design & MVP
- Value proposition
- Business & revenue model
- Competitor analysis
- Manufacturing & cost structure

2

Market definition and accessible plan (incl. regulations)

- Total accessible market
- Time to market
- Sales & marketing

3

Financial statement summary

- Financial projection
- Balance sheet
- Income statement
- Cashflow statement

4

Mission & Goal Exit strategy

- M&A
- IPO



Red Flags

- Lack of ambition
- Founders not dedicated
- Not enough skin in the game, too much founder dilution
- Not open to feedback
- Tech solution looking for a problem
- ‘We have no competition’
- Bad unit economics
- Not sharing all information
- Inconsistent financial model
- Too much money raised too early
- Messed up captable **Cap table**
- Non-standard terms

Cr.: Workshop fundraising at antler (herman kienhuis)

When/how to approach investors

Research investors

- Right scope, right stage, right ticket size?
- Similar investments?
- What can they bring?
- Which partner do you want to work with?

MAKE
LONGLIST
WITH
RELEVANT
INVESTORS

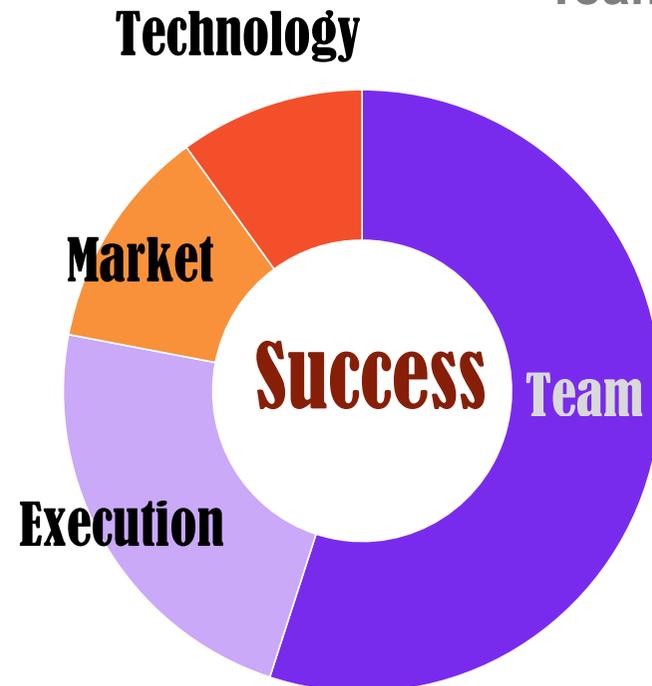
Reach out

- Preferably through personal intro
- Send clear teaser deck with ask (feedback, network connections, meeting to explain/demo)
- Propose 30 min. video call or to meet at event or open office hours
- gentle reminder mail/call

START
WITH
SECOND
TIER AS
TRY-OUT

Right people is the cornerstone

In silicon valley
Team should have “AI” characteristics



Never give up

Mission targeted

Self-learning, Deep learning

No comfort zone

Your Takeaway

Before you knock at investors door.....



Confirm your road map

The disease causes respiratory illness with symptoms such as a cough, fever, and in more severe cases.



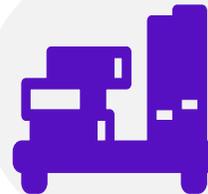
Reset your mindset

The disease causes respiratory illness with symptoms such as a cough, fever, and in more severe cases.



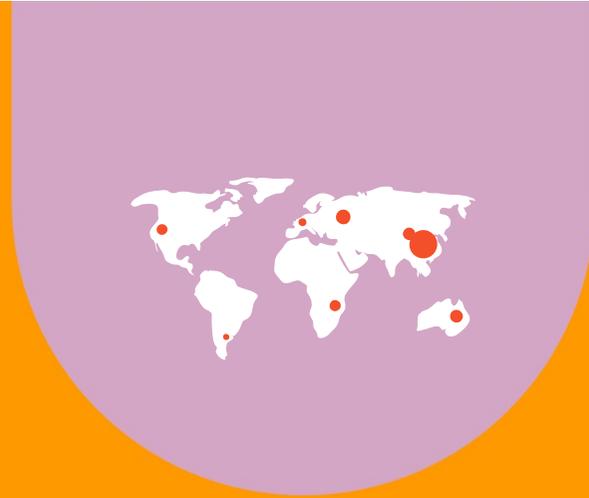
Team building

The disease causes respiratory illness with symptoms such as a cough, fever, and in more severe cases.



Disciplined homework

The disease causes respiratory illness with symptoms such as a cough, fever, and in more severe cases.



THANKS