

Defining Your Venture

INNOVATE • PARTNER • NETWORK • INVEST

Prototype – prove a concept/qualify for start-up capital	Pre-Commercial – complete product development and initial marketing	Later Stage – expansion capital to achieve breakeven
<ul style="list-style-type: none"> • Pre-revenue, negative cash flow, minimal assets • Initial capitalization includes founder investments and R&D grants • Ground breaking technology with great technical promise; in R&D stage (demo / prototype) but no significant performance data available • Initial IP position developed; downstream IP development strategy defined • Strong / verifiable market arguments (description of the pain in the market, position against the current or likely competition, etc) • Sound and credible strategy defined for commercialization • Outstanding initial management team qualifications identified; list of initial potential candidates 	<ul style="list-style-type: none"> • Seed investment already obtained and successfully put to work • Pursuing first or second round of institutional investment • Negative cash flows. Less than 30 months to get product into market • Market driven prototypes developed and operational, and approaching a pilot demonstration; strong market assessment available. The product generally has a pronounced cost curve requiring both R&D and volume to reach target prices • Detailed market expansion and commercialization strategy developed including: ways of dealing with competition, strategic partner alliances, etc. • A list of target customers identified; supported with letters of intent to purchase • Strong IP position already established with plans to expand / make more robust as necessary • Outstanding start-up management team and board in place (or currently being rapidly implemented) 	<ul style="list-style-type: none"> • Proven technology with significant performance data available; cost curve improvement, if any, comes from volume; no credible threats from market-ready leapfrog technologies expected in 3 to 5 years • Market credibility derived from realized sales to key costumers • Strong, credible sales channels • Rapidly growing assets, revenues and markets. Expansion capital needed to sustain growth and address / capture verified opportunities • Negative to slightly positive cash flows. R&D is now a reduced % of total expenses. Investment will accelerate development of positive cash flows and profitability • Supplier and customer relationships well established • Sophisticated management team in place and operational; so are key strategic alliances • Possible preparation for introduction of new and / or next generation products