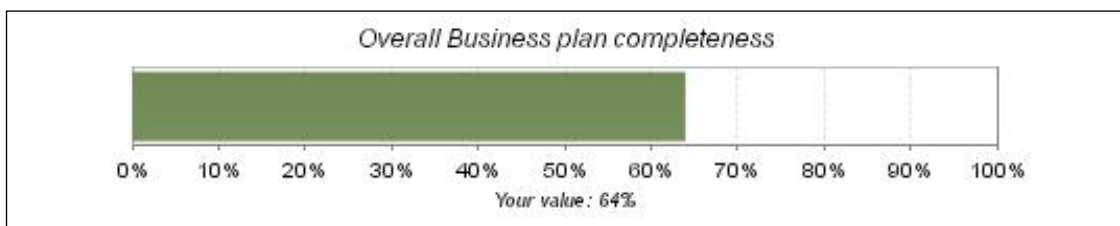
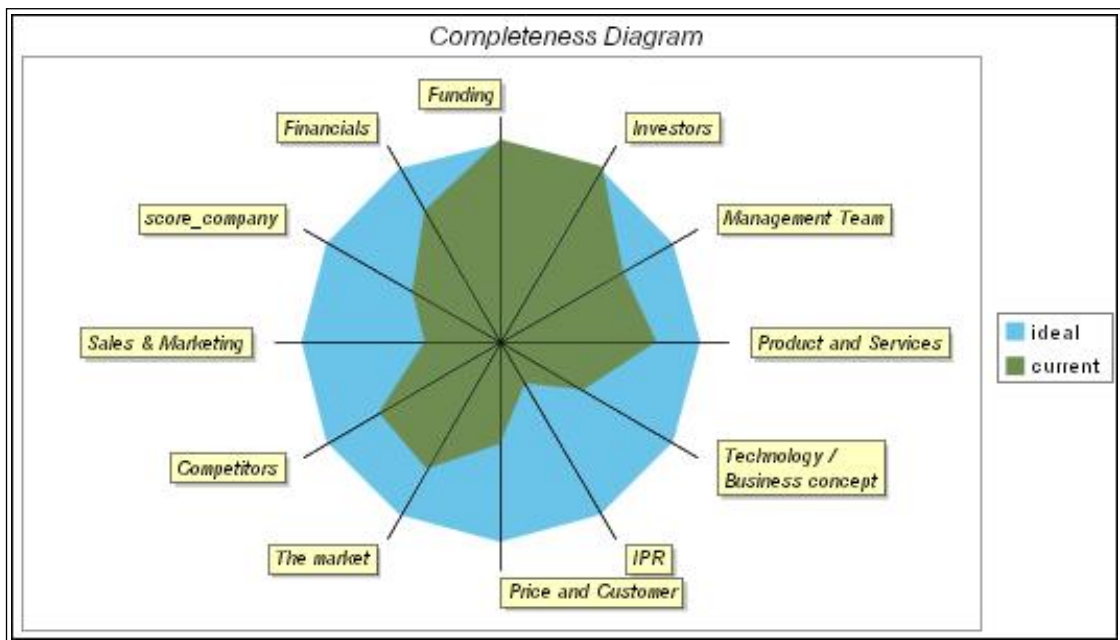


Your name: UBJ  
 Company name: NewCo  
 User e-mail address: NewCo@Newco.dk  
 Country of residence: Denmark  
 Sex of the user: female

The test you have conducted has given the results displayed below. Your answers have been given a value depending on the importance of the type of answer possibility. The final result is reflected in both the "radar" and the "completeness bar". The "radar" indicates for each group of questions how far you are from having a complete business plan. The less "blue" you see the better. As the total scoring is below 75% we recommend a completion or re-editing of the business plan. If some sections scores extremely low (see the "radar") we especially recommend revisiting these sections of the business plan – improvements might be needed. If you have answered the relevant questions, the feed back will also include financial calculations. Furthermore you will find a more elaborate text feed back connected to each of the different question sections. We recommend that you discuss the test results with someone who has also read the business plan, and that you use the feed back as a structured backbone for such a discussion.



## Summary of financial observations

Based on the input you have provided and the questions you have answered the major findings can be summarised.

(If you are not familiar with financial terminology it is recommended to consult the downloadable booklets and tools from the [www.Gate2growth.com](http://www.Gate2growth.com) - tool box. There you will find further explanation of the terminology used in the text below. In the "tool box" you will also find an elaborate Financial glossary)

Summary offinancial input:	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12
Net result		-500	100	500	900	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300
Total asset	200	0	100	600	1,500	2,800	4,100	5,400	6,700	8,000	9,300	10,600	11,900
Total debt	300	400	100	100	100	100	100	100	100	100	100	100	100

in 1000€ in 1000€ in 1000€ in 1000€ in 1000€ in 1000€ in 1000€ in 1000€ in 1000€ in 1000€ in 1000€ in 1000€ in 1000€ in 1000€

(note: if you did not fill in the Net Result in year (t), the model assumes continuation of the Net Result from year (t-1). If no other information is available the model increases assets in year (t) by the Net Result in year (t). Liabilities year (t) = liabilities year (t-1) if no other info available)

You have provided the following information as input for the calculations:		When analysing the answers you have given during the "Time preference rate" and "Uncertainty" parts of the test the following results can be calculated. These results are used in the concluding tables shown below:	
Total investment from this round of financing (in 1000 €)	€ 1.500	Implicit "pre-money" valuation calculated from the ownership % offered to the investor(s) in this round of financing (in 1000 €)	€ 4.500
Investment from new investors (in 1000 €)	€ 1.000	Personal time preference rate revealed in %	20.8%
Investment from "old" investors (in 1000 €)	€ 500	Personal uncertainty rate revealed in %	n.a.
% ownership of your company offered to investor(s)	25.0%	Realistic discount rate to be used	n.a.
Your estimate of "pre money" valuation of your company	€ 1.000		
Your proposed rate of discount to be used for NPV calculations	12.0%		
The assumed year when the investor(s) can exit from the investment	7		
Anticipated PE ratio used to calculate exit value	6		

If the foreseen investment is split into tranches to be invested over a period of more than year 1, the Net Present Value (NPV) of the committed investment is used for the financial calculations. In the calculation of the Net Present Value of the committed investment is used the proposed discount rate as discount factor. If all investment takes place in year 1, then the Net Present Value of the foreseen investment is equal to the nominal value of the investment.

Net Present Value in year 1 of the committed investment from both new and "old" investors. (in 1000 €)	Investment year 1	Investment year 2	Investment year 3	Investment year 4	Investment year 5
€ 1.446	€ 1.000	€ 500	€ 0	€ 0	€ 0

The "pre-money" valuation you indicated when you answered the questions in the test is lower than the "pre-money" valuation which the investor can calculate from the ownership % you are offering. When speaking to investors be prepared to explain the reason for this difference.

## Investor(s) view

An investor will probably make a first check of his expected return of his investment using the type of calculations illustrated below:

### IRR calculation seen with investor eyes:

If the investor(s) from this round of financing can realise a full exit from the investment in the exit year you have proposed, then his IRR will be as indicated below. The result depends on the valuation principle to be applied when determining the exit value.

	The exit value calculated based on net assets and NPV of remaining EBIT	The exit value calculated based on the PE principle	The average of the two calculations
Realised IRR for the investor(s):	10.0%	5.1%	7.5%

It is not a good basis for negotiations that the investor is offered a smaller return on his investment than 30.0% which in this test has been assumed as the minimum return expected by investor. But maybe you are lucky and the investor might see other upsides in your business case than you do! You should also consider that the IRR your project is offering to the investor is below the often used 30.0% IRR requested by many investors.

### Capital gain for the investor:

If the investor(s) from this round of financing can realise a full exit from the investment in the exit year you have proposed, then his capital gain (cash to cash) will be as indicated below. The result depends on the valuation principle to be applied when determining the exit value.

	The exit value calculated based on net assets in the year of exit and NPV of remaining result.	The exit value calculated based on the PE principle in the year of exit	The average of the two calculations
Investor capital gain (cash to cash or "not discounted") from his investment in 1000 €	€ 449	€ 504	€ 476

### Net present value of investors investment investment:

The investor(s) will also be looking at the "net present value" of his part of the exit sales price. Most investors will for this calculation use a discount rate of 30.0% or more. In this case the calculation has been done by using the discount rate is shown below :

The discounted net result has been calculated using "the required investor IRR" of.	30.0%
Net present value of the investor(s) share of exit value using the "required" IRR as the discount rate (in 1000€):	€ 711
NPV of investors investment (in 1000€)	€ 1.446
The net result as the investor(s) will see it (in 1000 €):	€ -789

The negative result is not a good sign. The calculation is based on an exit value which is the average between the two principles used in this analysis for calculating the value of a company. Many investors might find it easy to identify other investment opportunities which will give a positive net result if calculated in the same way. One solution to attract investor interest in your case is to offer the investor a bigger "slice of the cake", or make a careful reconsideration of the business model and the associated budgets.

The business case which you have presented will only give the investor a return of his investment of 30.0% if you offer the investor an ownership percent as indicated below. Which, by the way will correspond to a completely different "pre-money" valuation of your company. This new "pre-money" is also indicated below. (Note: As the result reflects an average based on two different IRR calculations, then using this ownership % in a revised calculation will not produce exactly the target IRR)

	The exit value calculated based on net assets and NPV of remaining EBIT	The exit value calculated based on the PE principle
If the investor is looking for a return measured as an IRR of 30.0% then the % ownership of the company should be	82.5%	89.5%
Corresponding pre-money valuation (in 1000 €)	€ 319	€ 176
<b>The ownership requested by the investor(s) from this round of financing might therefore be something in between the two estimates, or something like:</b>	86.0%	

You shall not draw any final conclusions from these results. The result is just a simple reflection of the budgets you have presented and is not a reflection of advanced uncertainty calculations or similar interesting manipulations with the numbers. However, it is useful to have thought through the situation before the first meeting with potential investors.

### Timepreference and uncertainty

As you have taken the part of the test called "time preference and uncertainty" you have been asked a number of questions regarding time preference and uncertainty. In the following the results from this exercise is compared with the answers you have given during the first part of the test. The feed back you get is intended to illustrate how the value of the investment proposal would look if everything was calculated using your own revealed time preferences and attitude to uncertainty. We hope the results provide input for reflection. A good advice is to discuss the results with someone who is very familiar with uncertainty and time preference calculation. The better you understand these matters, the better you are equipped to negotiate with investors.

The discount rate you have proposed to be used for the "net present value" calculations is lower than the "time preference rate" you have revealed when you answered the "time preference" test. You should think about why you put less value to future income in the "time preference" test than will be the case when using the discount rate you have proposed. Investors might also value future income much lower than your proposed discount rate.

To sum up, the realistic discount rate to be used to calculate the "net present value" of the future income stream from your company should be the sum of your "personal time preference rate" plus your revealed "uncertainty/risk perception rate". This rate can be argued to be your personal and "realistic discount rate". A calculation based on this "realistic discount" rate has been done below. You may experience, that investors see the same risks associated to your budgets as you do, and they will therefore apply a similar way of calculating the net present value of future income from your business activity.

If we combine the results above, we can calculate a few interesting results and draw some conclusions. The net present value (NPV) of the business case ( your budgets) shall namely, if an exit takes place as foreseen, be equal to or higher than the value of the company right after the new investment has taken place (= sum of the new investment + "pre money" valuation). If not, then the "pre-money" valuation has been too high!

Implicit "pre-money" valuation in 1000 €	€ 4.500
Investor nominal investment in 1000 €	€ 1.500
The implicit value of the company right after the new investment has taken place or has been committed (in 1000 €)	€ 6.000

Results regarding the value of the company after the investment has been committed. The results are calculated based on the budget you have provided, using your own revealed time preference rate and uncertainty/risk rate.	Calculated without uncertainty	Calculated with risk/uncertainty	Assumed exit in year
In this analysis "net present value" of the company has been calculated as the average of two valuation principles A) valuation based on indicated PE ratio and B) the value of the company calculated based on net assets in the year of exit plus remaining expected income. The result is expressed in 1000€:	€ 2.249	n.a.	7
<p>Without taking uncertainty into consideration the calculated the "net present value" of the company is lower than the value of the company right after the new investment. The "pre-money" valuation is properly too high. Or with other words a higher % of the company should be offered to the investor as compensation for his investment.</p>			

## Your answers

## According to your answers we can give you following personal feedback:

### The Business plan

<p>Business plan readiness</p> <p>Yes</p>	<p>According to our evaluation criteria we find that the business plan is not complete, and based on the answers received, it is a good idea to complete the business plan before submitting it to investors. Inspiration for improvement might be found in the feedback. Furthermore, you have to remember that the test does NOT provide an answer as to whether the business idea is good - or that the valuation of the company can be sustained by evidence and good arguments. Even though your average scoring is above 75% the business plan might still be considered incomplete if some sections scores below 75%. "Better safe than sorry" , so do not leave any sections imcomplete!</p>
<p>Easy to understand how money is made?</p> <p>Not yet finalized</p>	<p>The business model has to be easy to understand from the information given in the business plan. It is important for the investors intuitively to understand how the company is going to make money. Therefore this important section should be completed before it is submitted to any investor.</p>
<p>Ready to speak with investors?</p> <p>Yes</p>	<p>If the business plan is found interesting by an investor(s), the management team will most likely be invited to a meeting with the investor. If the team has not been to such meetings before, it may be a good idea to practice the investor presentation before the first meeting.</p>
<p>Elevator pitch experience?</p> <p>Never tried it before</p>	<p>In many cases it can be relevant to contact investors before sending the business plan. In that case it is important to be able to give a short, precise, and convincing "sales pitch" of one - two minutes which captures the essentials of the business idea and makes the investor interested in reading the full business plan. If you have not tried it before, it is advisable to practice the so-called "elevator pitch". Even if you have tried it, a brush up of your skills might be relevant.</p>
<p>Business model well described?</p> <p>Yes</p>	<p>Have you asked someone to whom you have explained the business model, if he thinks it will be succesfull? It is good if you hear confirmation of your own opinion - otherwise you should reconsider before presenting to investors!</p>

### Product and Services

<p>Well described products/services?</p> <p>Yes</p>	<p>It is important that investors, after reading the business plan, find it easy to understand the type of products/services the company is offering and the terms/price at which these products and services are offered to the end-customers/clients. You seem to be</p>
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	<p>sure that this is well described; however, it might still be wise to get this point of view confirmed by an independent outside reader.</p>
<p>Described functions of products/services? Yes</p>	<p>It is important that investors after reading the business plan find it easy to understand the type of products/services the company is offering and how the products/services creates value for the customers/clients. You seem to be sure that this is easy to understand, however, it might still be a good idea to get this point of view confirmed by an independent outside reader.</p>
<p>Fit to industry standards? No</p>	<p>Investors will need to know how the products/services of the company fit into the current industry standard or how new standards are to be implemented in order to be able to assess the risk connected to an investment in the company. If the market is dominated by one standard, it requires a substantial effort- and product superiority to get a strong foothold on the market. Therefore an analysis of alignment or non-alignment to current standards is as important as an analysis of competitors and description of the product/services.</p>
<p>Development level described? Yes</p>	<p>It is important that investors, after reading the business plan, understand clearly the current stage of development of the company's products/services. And if the products are not fully developed, when the final and well-tested version can be offered to the market - including what it takes to get there. You seem to be sure that this is well described and easy to understand; however, it might still be a good idea to get this point of view confirmed by an independent outside reader.</p>
<p>Requirement of further development described? No further development is needed</p>	<p>Any investor will expect the business plan to demonstrate clearly that no further development is needed and why. At the same time, many investors may not believe this statement, as very few products/services do not need further development/adaptation before new versions can be launched into the market. It is also important that the financial impact from any further development activity is properly reflected in the budgets of the company.</p>
<p>Production facilities described? No special facilities are needed</p>	<p>Any investor will request that production facility requirements are described in the business plan, or an explanation for why such facilities are not needed. Even though no special production facilities are needed, an investor will consider the business plan as incomplete if a proper explanation is not given.</p>
<p>Existing standards to be changed? Not yet fully completed</p>	<p>Before presenting the business plan to an investor we strongly recommend that this important section of a well written business plan becomes completed and well illustrated.</p>

Customer and enduser of product different?	It is important to describe clearly "who makes the purchase decision" and who "benefits from the product/service". If this is not the same person, then it should also be made clear why the "decision maker" will chose your product/service.
Yes	

### Technology / Business concept

Technology/service concept described?	No matter whether it is a new technology or service concept the business model is based on, it is important that the investors easily understand how it works, and how it differentiates from other technologies/service concepts available. You seem to be sure that this is well described and easy to understand; however, in this case it might still be a good idea to get this point of view confirmed by an independent outside reader. Do not forget that it is often difficult to understand an explanation which seems simple to the "insider" to understand, but hard to understand for an "outsider".
Yes	
How does technology/service differ?	It is important for the investors easily to understand how the new technology/service concept differs from already existing solutions. You seem to be sure that it is well described and easy to understand; however, it might be a good idea to get this point of view confirmed by an independent outside reader. Do not forget that it is often difficult to understand an explanation which seems simple to the "insider" to understand, but hard to understand for an "outsider".
Yes	
Adaptation at customer site required?	Investors are often reluctant to invest in companies whose products require substantial technical and/or organizational adaptations at the level of the end users, particularly if the handling of these special additional barriers for the introduction of the new product/service is not well described in the business plan.
Yes	
Required adaptation described?	You have indicated that certain adaptation at client/customer site is required. It is therefore necessary also to include a description of how this problem will be handled and how it will affect the sales forecasts.
No	
Proven technology or not?	Unless it is obvious that no such problems might exist, this issue has to be properly described. If the technology/products or services have not yet been tested or proven at a customer site, then the business plan needs to include convincing arguments (and proofs to the extent possible) that it will actually work! There is an old saying "seeing is believing", so it is important to assure that the description of the products or services is so good that the investor can visualize their functioning.
No	

Authorization required? No	Unless it is obvious that no such problems might exist, this issue has to be properly described. Investors are often reluctant to invest in companies whose products require authorizations or approvals before they can be sold to customers/clients. Make sure that such approvals are not needed. It is wise to have this well documented in the business plan.
Replacement of existing solutions or unmet needs? Replacing existing solutions	Be sure that the business plan properly explains how and why the products/services of the company provides better, cheaper or more cost effective solutions/services than the existing solutions/services available.

### IPR

IPR status described? Yes	In today's world business activity depends on the strength of the IPR of the company. Do not forget that IPR is not only patents, but also trademarks, special designs, logos, domain names. Some of this needs formal protection. In other cases it is more relevant to keep it as trade secrets. But the company IPR policy needs to be described. So check if all relevant aspects are included in the current section on IPR.
"Freedom to operate" analysed? No	Unless it is obvious that no such problems might exist, this issue has to be properly described. Normally it is good that a thorough "Freedom to operate" analysis has been carried out. Many companies have encountered problems from even rather banal IPR infringement, e.g. logos, trade names, trademarks or domain names infringement. IPR problems do not always stem from patent infringement!
Conditions for permission described? n.A.	It is important for investors to know the exact status for the granting of such permissions/registrations. The absence of such information increases the perception of uncertainty connected to the investment opportunity.
Protected IPR? The process has been initiated	It is normally appreciated that you are honest about how far you are in the process. But it would have been better if the process had been completed before talking to investors. Not having completed the process might adversely impact the valuation of the investment opportunity.

### Price and Customer

Target customers described? Yes	A well formulated business plan also includes a good description of the target customers. Remember in your customer analysis, that the purchasers who pay for the product or service may differ from the actual users, and in some cases there are important influencers as well.
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	<p>Although these three groups may overlap, they often differ. When they do, they frequently hold different definitions of value. E.g. a corporate purchasing agent may be more concerned with cost than the corporate user, who is likely to be far more concerned with ease of use. Similarly, a retailer may value a manufacturer's just in time stock replenishment and innovative financing. But consumer purchasers, although strongly influenced by the sales channel, do not value these things.</p>
<p>Easy to understand why they will buy?</p> <p>No</p>	<p>It will be difficult for an investor to understand why target customers will buy the company's product/services if the use of the products/services is not described.</p>
<p>Special user qualifications required?</p> <p>No</p>	<p>It is not a good sign to say no to this question. Investors are often reluctant to invest in companies where the use of their product requires special customer/client qualification/training beyond what is normal in the sector/industry. If such special qualification/training is required, it is important that the business plan give a good description about how such qualifications/training can be obtained. If no special qualification/training is needed, it should be obvious from reading the business plan.</p>
<p>Value for customers described ?</p> <p>Yes</p>	<p>Investor confidence in a business plan is increased if it is easy to understand which type of customer/client needs are being fulfilled by the product and services of the company.</p>

### The Market

<p>Which markets?</p> <p>Yes</p>	<p>A detailed description of the markets, the size of the markets, the culture, the barriers, the players in the market and the trade pattern is essential for the investors to assess risks and opportunities. A good description of the markets also gives the investors a good impression that the management team has done its homework.</p>
<p>Market value and volume.</p> <p>Not fully completed</p>	<p>A good description of the size of the markets is essential for the investors' possibility to assess risks and opportunities. The absence of such information gives the investors an impression that the management team has not done its homework. We will therefore recommend that this section of the business plan be completed before it is submitted to an investor.</p>

<p>International sales? Yes</p>	<p>Many investors will be looking for companies with international aspirations. However, in order to have realistic international aspirations, the quality of the product /services shall meet international standards, the budget shall reflect the increased cost of international operation, and the management team shall have an adequate background to support such plans.</p>
<p>Expected market share described? 2%-10%</p>	<p>If the market is big enough, many people think that it is possible to gain a small market share. However, a close examination of any markets will reveal that most markets consists of a number of small market segments, each with its own characteristics. In order to secure a strong and sustainable market position, many investors will be looking for companies that are aiming at a significant market share within the relevant segments. Expectations for a small market share will therefore discourage many investors.</p>
<p>Expected longterm market share ? 2%-10%</p>	<p>Investors are normally interested in companies which plays a significant role in their target market and influence market conditions. The indicated target market share does not signify an aggressive sales and marketing strategy - of you have defined you market too broadly.</p>
<p>Export Market growth rates. 5–10% p.a.</p>	<p>Most investors will most probably find that introducing a new product or service to a market with a low growth rate will not provide enough growth potential for the company, unless the new product/service concept is really bringing new value for the customer/clients so that the company can gain a large marketshare even in a stagnant market.</p>

### Competitors

<p>Which previous solutions? Yes</p>	<p>It is only in very rare occasions that a new product/service does not in one or the other way replace other previously used solutions. By being realistic about alternative already existing ways of fulfilling customer/client needs, investors are provided a better understanding about how and why the new product/service might be able to gain a strong market position.</p>
<p>Description of competitive environment? Yes</p>	<p>A detailed description of the competitive environment is an important indication for an investor that the author of the business plan has done his homework. It also gives the investor the possibility to check this analysis against his own sources. An analysis of the competitive environment also provides a possibility to assess the risk associated with the business the company is facing.</p>

<p>Overview of competitors? Yes</p>	<p>A detailed overview of the individual competitors is an significant indication that a thorough analysis of the competition the company will be facing has been conducted. A company competes not only with other firms in its own industry, but also with companies in those other industries that produce alternative products and services. Alternatives are broader than substitutes. Products or services that have different forms but offer the same functionality or core utility are often substitutes for each other. On the other hand, alternatives include products or services that have different functions and forms but the same purpose. For example, to sort out their personal finances, people can buy and install a financial software package, hire a CPA or simply use pen and paper! The software, the CPA and the pencil are largely substitutes for each other. They have different forms but serve the same function: helping people manage their financial affairs!!</p>
<p>How many competitors? 2 - 5</p>	<p>Has the analysis been thorough so that all competitors are identified? It is important to continue monitoring all relevant competitors, and to understand fully their products, sales channels and business models.</p>
<p>Competitors' products described? Not fully completed</p>	<p>It is highly advisable to complete this section of the business plan before presenting it to investors. Investors will normally be looking for a comprehensive overview of the products/services of the competitor(s) including an analysis of the marketing, sales and price policy used by the competitors.</p>
<p>Competitor reaction described? No</p>	<p>It is a big problem not to have considered the reaction from competitors when the company introduces a new product/service into the market. Investors will be asking into this problem area, therefore it is important to have it thoroughly considered, and well described in the business plan.</p>
<p>Competitor business concepts described? No</p>	<p>It does not bring much value to the business plan to identify the number of competitors without a comprehensive overview of the competitor(s), their size and financial strength including an analysis of the most significant and successful business models used by these competitors.</p>
<p>Marketing strategy described? Yes</p>	<p>Neither products nor services sell themselves, and seldom do they exist in a competitive vacuum. Therefore a well structured sales and marketing strategy and sales and marketing plan are important elements of a well-composed business plan. Investors normally conduct a very thorough analysis to determine the level of realism behind the sales and marketing plan. And the management team should be able to explain and defend the reasoning behind the plan.</p>

## Sales & Marketing

Marketing phases described?	A marketing strategy is not a theoretical exercise, but something which is developed in phases in close contact with the market and customer/client which the plan is targeting. It is advisable to complete also this part of the business plan before it is submitted to an investor.
Not yet finished	
How are products brought to market?	It is not very convincing that the sales strategy has not yet been decided. However, by being open about uncertainties regarding the sales strategy and sales channel strategy, at least it leaves room for some important areas of discussion with investors. So before meeting investors, this issue should at least be thought through.
Not yet decided	
Sales channels described?	A business plan without a good description of the planned sales channels is not complete, and our advice is to wait sending it to investors until also this chapter has been well described.
Not yet finalized	

## The company

How many years in operation?	A company which has been in operation for a few years should have some sort of track record. This should be well described in the business plan. It is also advisable to be prepared to show a good description of past achievements including P & L accounts from previous years.
between 1-3 years	
Company history?	Investors often want to fully understand the company history, including those ideas and results which have brought the company to where it is today. If the company is being formed, investors should be able to understand why it is going to be created, what the ideas are behind the company, and why it should be of interest to investors. If this information is missing, the investors may feel uncomfortable with the situation, and choose to pursue other investment opportunities.
No	
Company premises described?	In some cases location and quality/cost of renting/owning the premises of the investee company play a role in the investment decision. So it is important to have such information available, maybe as an annex to the business plan. If this information is missing, the investors may feel uncomfortable with the situation, and choose to pursue other investment opportunities.
No	
P & L and Balance sheet included?	A professional business plan should include financial figures from the last few years. It is alright to have such figures in an annex, but they should be included.
No	

Years in operation described? Yes	It is important for the investor to easily understand the "history" of the company, and if a completely new company, why it is going to be created, and if the partners have a proven track record.
Why is company looking for financing? Yes	It is good that this issue is well explained, as it is important for the investor to easily understand why the company is looking for financing. Unfortunately this is not entirely clear in many business plans. The "why" does NOT mean "need for money" but "what the money are going to be used for"!
Why was/is the company established? Not yet finished	It is good that you are working on this issue, however you must be able at least verbally to explain you ideas if invited to an investor meeting.

### Financials

Budgeted P&L included? Yes	The P&L and cash projections are central for the investors' ability to evaluate the business opportunity and the cash requirements.
Budgeted Balance sheet included? No	Without a projection of the balance sheets for the coming years, the business plan does not provide the investor adequate information to evaluate the business opportunity and the cash requirements.
Budget for how many years? 3 years	A three year projection of the P & L and the balance sheet is not as long as some investors would like; however, it may be credible particularly if it is not possible to provide reliable information for a longer period.
Cash for how many months? About 3 months	If the company cannot survive more than 3 months with the current cash position you are very late in your search for investors. It is not often that investors can react to an investment opportunity within such a short notice. Moreover, it is an indication that the management has not been diligent in its management of the company.

### Funding

How much funding needed? Yes	If you have not done it yet, remember that it is important also in the executive summary to highlight how much funding is required, and how much is expected to come from new investors.
Funding requirements in executive summary? Yes	Your business plan is already ahead of many other business plans. It is strange so many business plans seems to try to hide the amount of funding for which the company is looking.

<p>Funding (in percent) provided by new investors</p> <p>500k to 1500k €</p>	<p>The amount of funding you are looking for is within the "radar screen" of many professional Venture Capital investors.</p>
<p>Funding (in percent) provided by current investors</p> <p>25 to 50 percent</p>	<p>It is fine that you and/or your current backers and investors will participate in an active way in this round of financing.</p>
<p>Needed additional funding until cash positive?</p> <p>1-5 million €</p>	<p>It is perfectly alright to be looking for only part of the total funding needed to get your company going, and indeed important to have total expected capital requirements described.</p>

### Investors

<p>% ownership of your company offered to investor(s)</p> <p>25</p>	<p>When you know what the % ownership the new investor can get for his investment, and you know how much he will invest, then the implicit pre-money valuation is defined. In this case the pre-money value was calculated to 1000 (in 1000 €) , for simplicity assuming no follow-up investment from current investors. This can be compared to your own estimate of pre-money value of 4500.0 (in 1000 €) which you indicated as an answer to a previous question.</p>
<p>More than one investor?</p> <p>Yes</p>	<p>The deal size is in the lower end for syndication between more investors unless you are trying also to attract business angels.</p>
<p>International investors?</p> <p>Yes</p>	<p>The deal size in itself might have the size relevant for international investors; however, in order to justify their involvement, the company must have strong international aspirations, as you have previously indicated.</p>
<p>Exit possibilities described?</p> <p>Yes - I think so</p>	<p>A good description of exit possibilities is an important element of a complete business plan</p>

### Management team

<p>Management team described?</p> <p>Yes</p>	<p>Remember that "BETTER FIRST RATE MANAGEMENT AND SECOND RATE SCIENCE THAN FIRST RATE SCIENCE AND SECOND RATE MANAGEMENT". Therefore this section of the business plan shall not only provide facts but also an impression of quality and professionalism. It must be evident that THIS MANAGEMENT TEAM wrote this business plan, believes in it, and can execute it!</p>
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<p>How many years of experience? Yes</p>	<p>Remember that "BETTER FIRST RATE MANAGEMENT AND SECOND RATE SCIENCE THAN FIRST RATE SCIENCE AND SECOND RATE MANAGEMENT". But qualification is also often related to experience. Therefore this section of the business plan shall not only provide facts about the professional qualifications of the team, but also information about the length of time that it has taken for members of the team to acquire their skills and qualifications.</p>
<p>Technological experience? Strong expertise</p>	<p>The importance of technical competence varies from project to project. However if this business concept is of a technical nature, then the importance of the presence of technical competence in the management team can not be emphasized enough. Therefore, strong technical competency strengthens the project in the eyes of investors, if it is relevant to have this competency reflected on the management team.</p>
<p>Commercial experience? Existing</p>	<p>The importance of commercial competence varies from project to project, but in general is always required. However if the business concept is of a pure technical nature, then commercial competence in the management team can be added later in the process.</p>
<p>Financial competence? Very limited</p>	<p>The importance of financial competence varies from project to project, but in general is always required. However if the business concept is of a pure technical nature, then financial competence in the management team can be added later in the process.</p>
<p>General management competence? Existing</p>	<p>The importance of general management competence does not vary from project to project. No matter whether the business concept is of a technical or purely commercial nature, the importance of the presence of general management competence in the management team can not be emphasized enough. Therefore the absence of strong management experience will weaken the investment opportunity in the eyes of investors.</p>
<p>Familiar with business culture? Existing experience</p>	<p>The importance of general knowledge and understanding of the terms, business culture and language of the target markets is essential to achieve success in any market. No matter whether the business concept is of a technical or purely commercial nature, the importance of the presence of such knowledge in the management team can not be emphasized enough.</p>
<p>Years of combined experience. 4-10 years</p>	<p>The team seem to have some combined practical management competence, which in itself creates confidence among investors.</p>

Accept to become  
 minority shareholder?  
 No

Many investors will not accept the management team's retaining majority control of the company after new investors become co-shareholders.

If you should like to discuss the results above with the InvestorNet experts, you can contact us at [ubj@gate2growth.com](mailto:ubj@gate2growth.com). We might be able to offer you limited direct consultations via the internet, provided you have an ADSL/broad band internet connection. We can also give you contact coordinates to professional advisers, who can provide you with more personalized support.

InvestorNet can be contacted :	
Contact Person:	<a href="#">Uffe Bundgaard-Joergensen</a>
Contact Address:	<a href="#">Scion - DTU</a> <a href="#">Diplomvej 381</a> <a href="#">DK - 2800</a> <a href="#">Kongens Lyngby</a> <a href="#">Denmark</a>
Phone:	<a href="#">+45 3930 7307</a>
Fax:	<a href="#">+45 3964 2396</a>
Email:	<a href="mailto:ubj@gate2growth.com">ubj@gate2growth.com</a>
<b><a href="http://www.gate2growth.com">www.gate2growth.com</a></b>	