.406 Ventures

ENET

Institutional Funding

PROPRIETARY AND CONFIDENTIAL

.406 Ventures: Value Add Early Stage Capital for B2B Software

- .406 Ventures

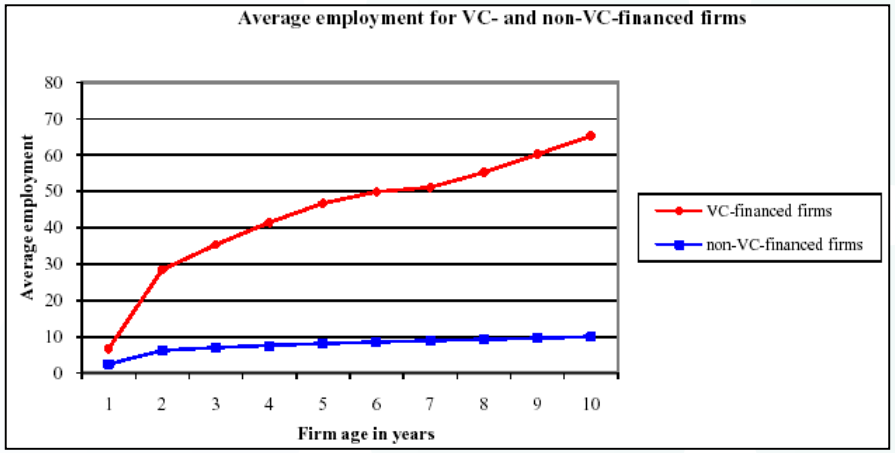
- Early stage venture fund focused on late seed and early Series A investments
- All partners were entrepreneurs, focus on areas we know, have networks and can add value:
  - Data/Analytics
  - IT Security
  - HealthIT
  - Cloud
- $650M under mgmt. across 3 funds

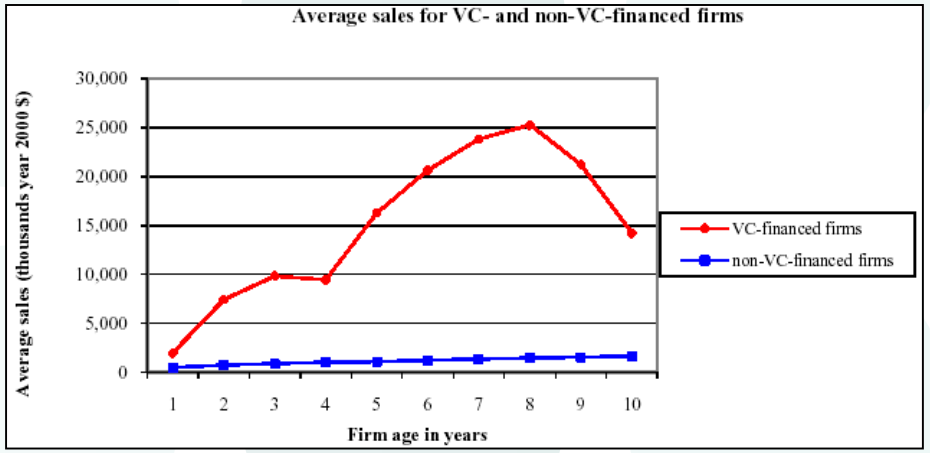
- Graham

- 18 yrs: Data analytics and infrastructure
- Engineer (DBA) → Sales → Entrepreneur → Intrepreneur → Venture
- 10yrs at .406 Ventures, lead our data/analytics practice

Is it possible to create a large business without outside capital?

Sure, but…





(Lifecycle Dynamics of Venture Capital report, Duke University)

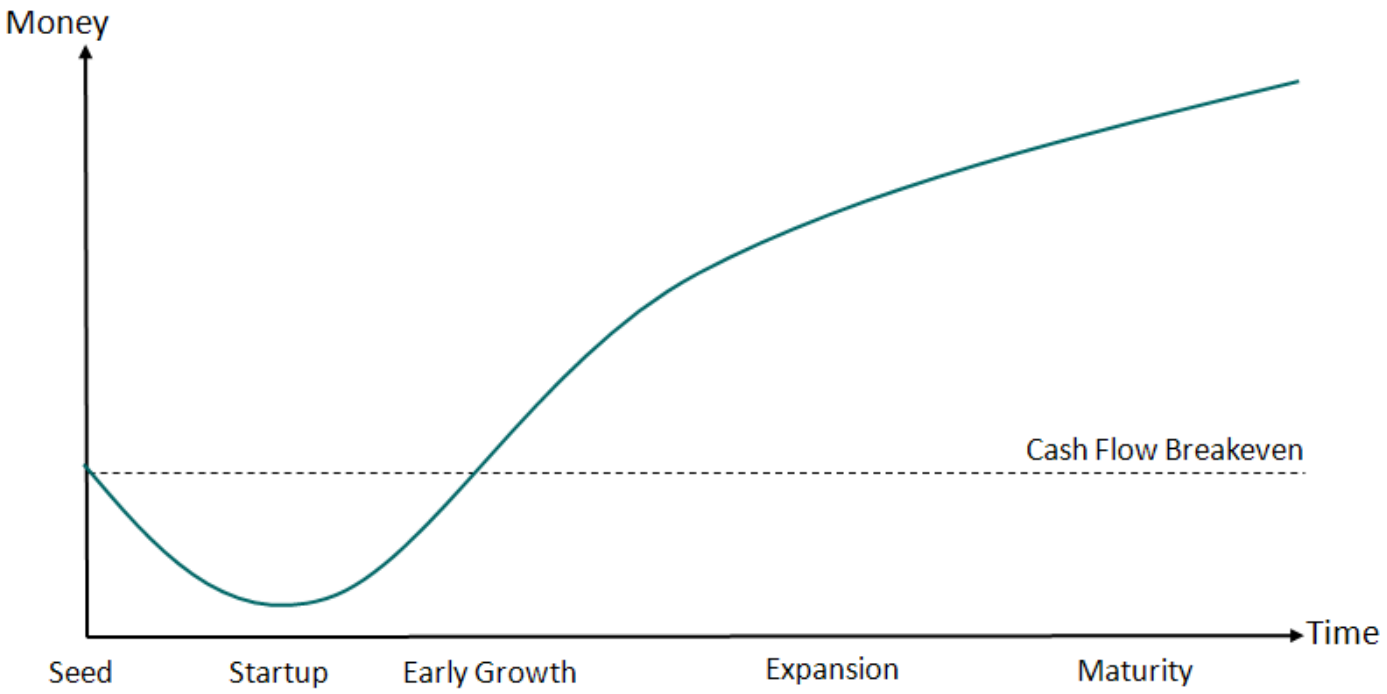
VC backed firms avg. **6X** the number of employees compared with non VC-backed firms, ten years after inception

VC backed firms avg. **5X** total sales compared with non VC-backed firms, ten years after inception

Where? When? How?

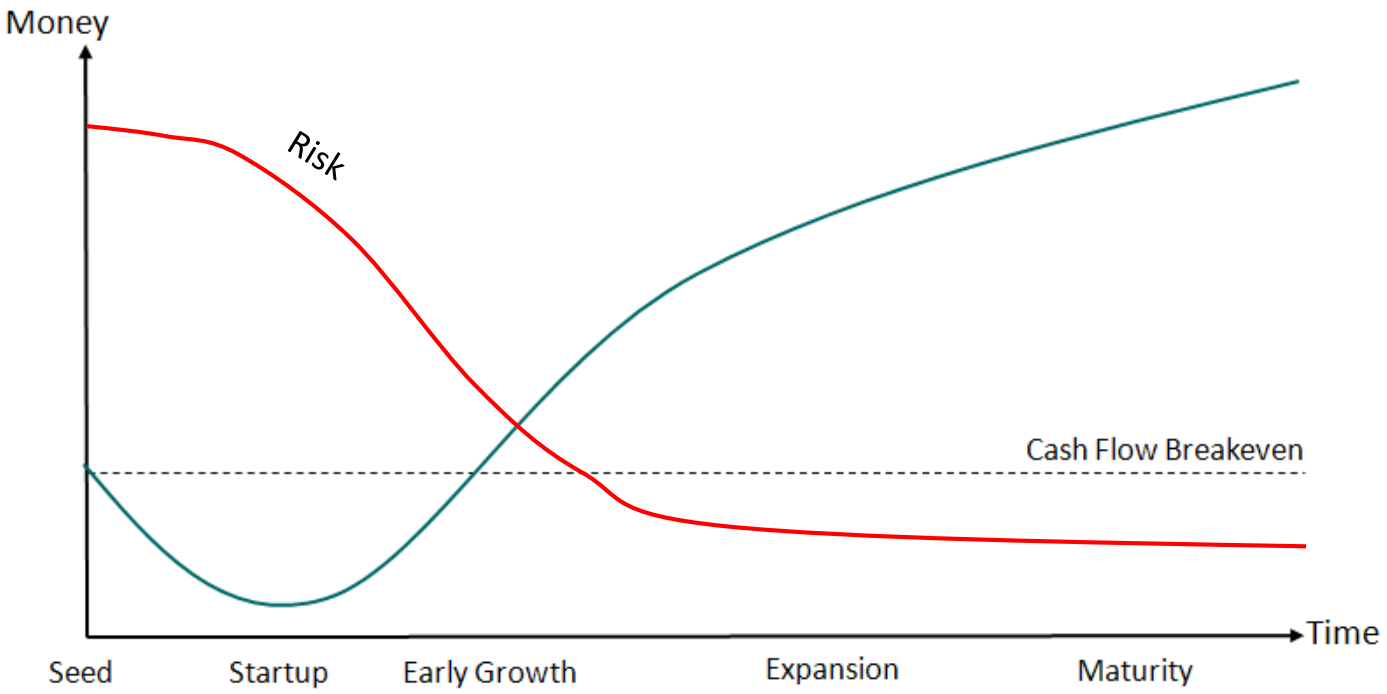
Where to get this capital, when to raise it, and how much to raise are critical in determining a new venture's success

- Like shifting gears in a car



Where? When? How?

As a company matures, risk diminishes, and the universe of potential backers increases



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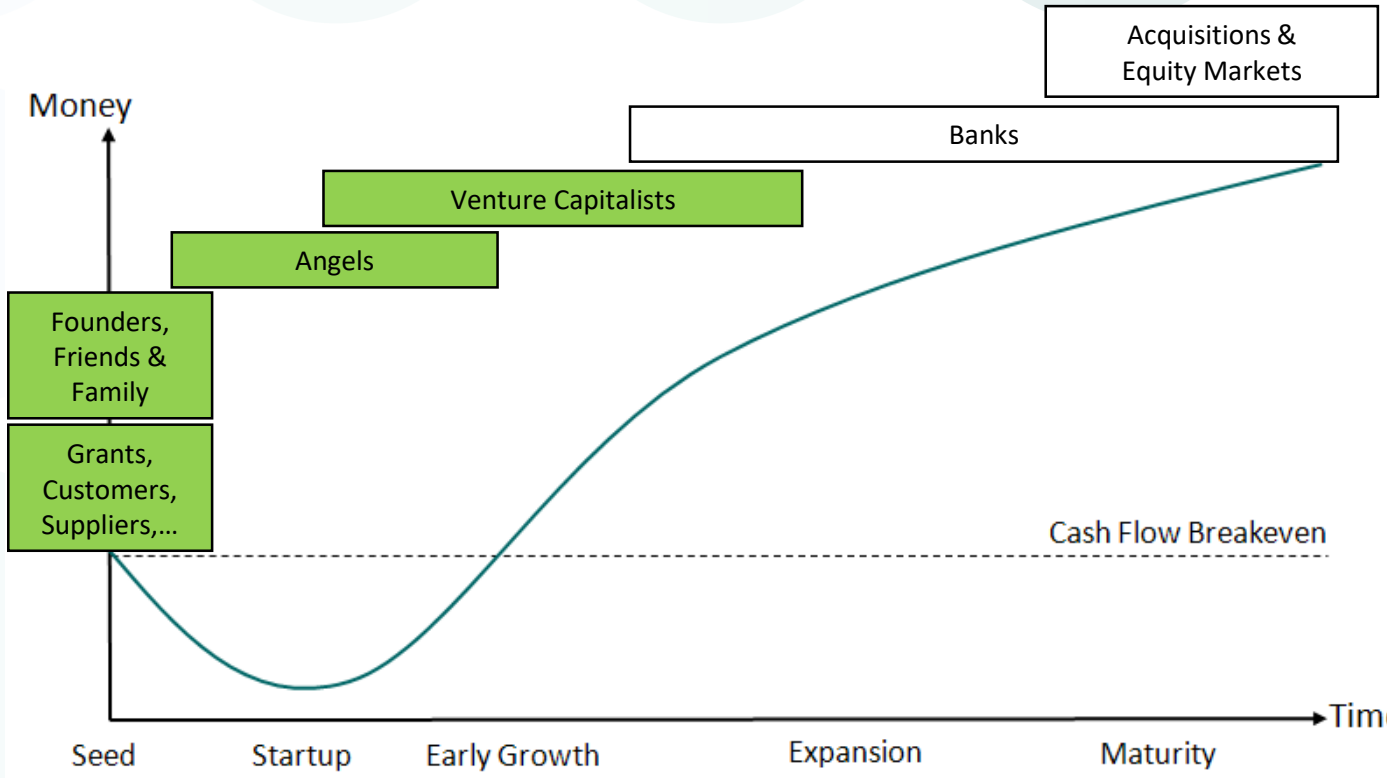
Although there is no “right” way to finance a venture, different financing sources focus on the various stages of a business’s lifecycle



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Growth & Exit	Series D+	$15M - $100M	Exit ☺

Raising Venture Capital

Prepare

Find the *Right* VC

Approach

Pitch

Due Diligence

Raising Venture Capital is a long, resource intensive process…

Make sure you're ready!!!

Per VC
1-8 weeks

Per VC
3-15 weeks

A long time…