

Your Company

Regardless of where a company is on the commercialization path, when contact is initiated with VentureNet Iowa, the company's interest is in connections to the resources appropriate to their needs. The right resources will vary from company to company. While VentureNet Iowa maintains and continues to build its resource database, a key factor in making the right connections, especially where it involves acquisition of capital, is where the company is positioned along the capital lifecycle continuum. In that regard, below is a matrix that illustrates this and help you assess your company's progress:

Stage:	Proof-of Concept:	Seed:	Start-up:	Early (1st/2nd):
Management in Place	Founders, possibly some advisors	Management team incomplete (founder, inventor, technologist & advisors)	Key employees with open mgmt positions, board of directors, advisors	Management team, board of directors & high level advisors
Milestones	Idea formation stage; product technology or service not fully developed; IP or trade secrets not realized	Demonstration of technology & working prototype; IP filed; legal structure in place; business plan & model articulated; marketing research conducted	Product or service market introduction; building of key mgmt; initial income & scale-up of business underway	Initial market traction with break-even point achieved; increase in productivity with secured corporate infrastructure and distribution system
Time to Achieve Milestones	Variable; 1 year typical	6 – 18 months	12 – 18 months	18 – 36 months
Typical Average Valuation (before funding)	Negligible; < \$50K	< \$500K	\$500K - \$2MM	\$2MM - \$5MM
Funding Sources	Founders, Friends & Family (FFF)	FFF, Angels, Public Sector Grants/Loans	Angels (individual, groups, organized funds); Public Sector Grants/Loans; Bootstrap	Angel groups/funds; Venture Capital; Bootstrap from operations; Public Sector Loans

The connection between a company's progress and the point at which funding opportunities might come into play is further illustrated in each of the following exhibits: the Capital Lifecycle & the Business Lifecycle. This is a reflection of the calculation of the risk/reward that is made by prospective investors at each step along the way.