

Paul Hoyt's "Office Hours" Series



THE **Awakened** CEO System

Office Hours

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Welcome to Office Hours

- A relaxed, informal mentoring program
- Held every Monday at Noon Pacific Time
- All recordings, slides, and exercises are archived in our member's area
- All recordings are available on my YouTube channel:

www.YouTube.com/user/PaulHoyt

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The Reasons

- Being a successful small business owner can be a great experience!
- It's tough - you need Education, Training, Tools, and Team to be successful
- We want you to get to know us

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The Reasons

- First and most importantly, we want you to know that we care about you.
- We want you to succeed in every area of your life, whatever that means to you.
- We want you to find the **greatness**, the **happiness**, the **divinity** within yourself, and then remember it, embrace it, and live it every day.



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Our Passion

To increase the survival rate...

Accelerate the growth rate...

And reduce the struggle rate
of businesses in America

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Our Vision...

To help millions of CEOs and
Entrepreneurs accelerate their business
growth and enjoy greater harmony and
balance in their lives

Please Pass the Word!

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Office Hours Agenda

- In depth discussion of a business success principle
- Closing remarks, special offers, and invitation for next weeks session
- Open Q&A and coaching

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Join Us!

- The Awakened CEO Communities on both LinkedIn and Facebook
- Business Success Principle of the Day postings on both Facebook and LinkedIn
- Energy of the Day posting on Facebook

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Today's Topic:

The Six Stages of Raising Capital

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The Key Performance Areas



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The Key Performance Areas



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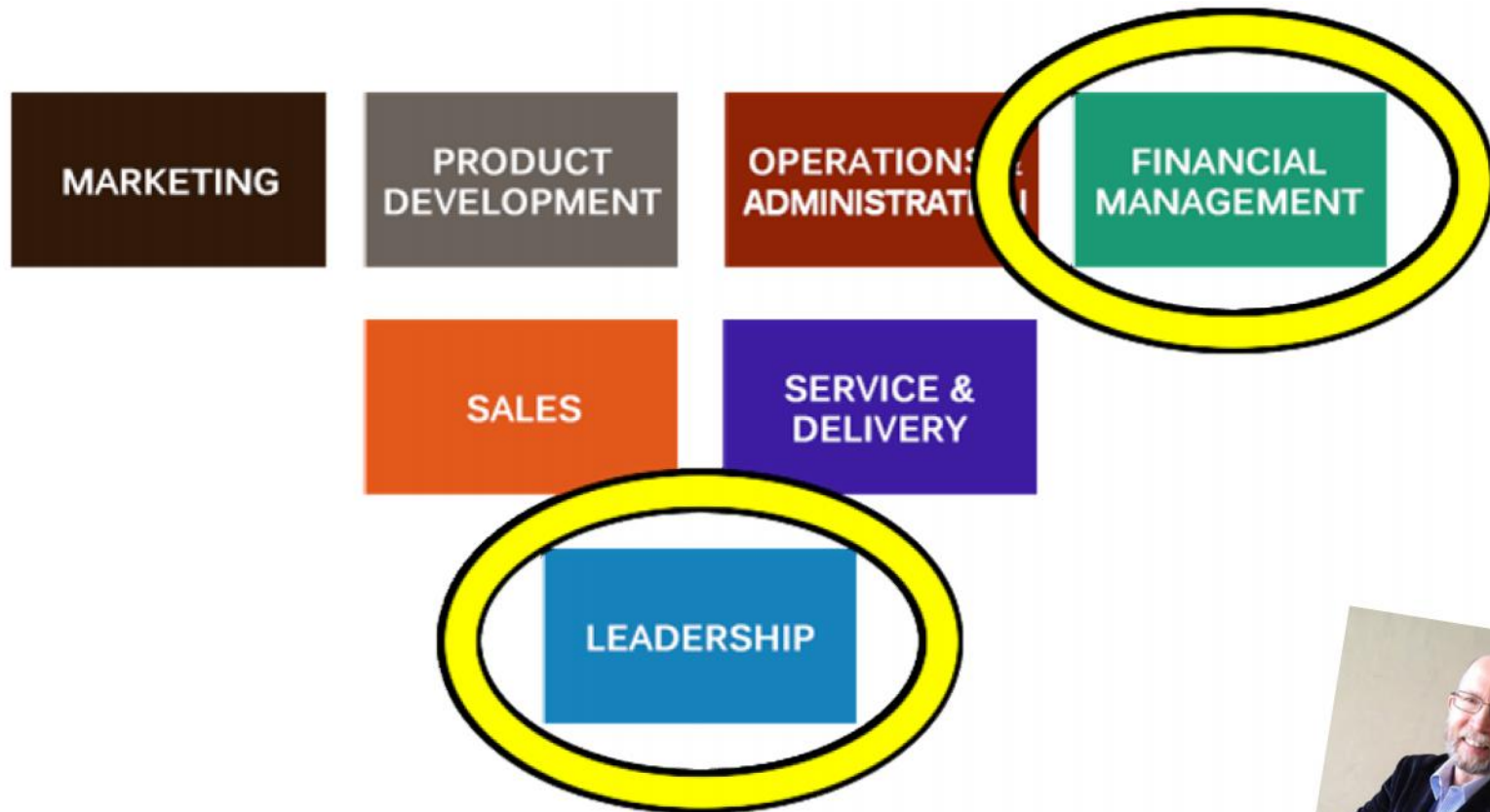
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The Key Performance Areas



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The Key Performance Areas



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THE **Awakened** CEO
System



A Balanced and Comprehensive Approach
to Business Growth, on multiple levels



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The Awakened CEO System



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Agenda

- Stage 1: Founders
- Stage 2: Family and Friends
- Stage 3: Friendly Angels
- Stage 4: Other Angels
- Stage 5: Angel Groups
- Stage 6: Funds and Institutional Investors
- Rounds of Funding
- The Bottom Line

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Disclaimer

- Not legal advice – always work with a securities attorney when you raise capital
- Some people break down the stages differently
- Your experience WILL be different
- Focus is on traditional methods (504, 506B) and we'll talk a little about crowdfunding



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Stage 1: Founders

- Founders put in time (sweat equity) and may also bring capital and credit
- If they are truly founders, their investments are not regulated by the SEC!
- Agreements are critical

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Stage 2: Friends and Family

- Primarily donate to the founders dream
- Typically don't require progress or sophistication
- The highest risk, so sometimes we add the word "Fools"
- For some ventures, no other stages are required

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Stage 3: Friendly Angels

- Typically the professionals in your life:
 - Doctors, dentists, lawyers, CPAs, local business people
 - With whom you have a relationship
- May overlook a lack of progress or sophistication
- Your relationship is a big component of the decision



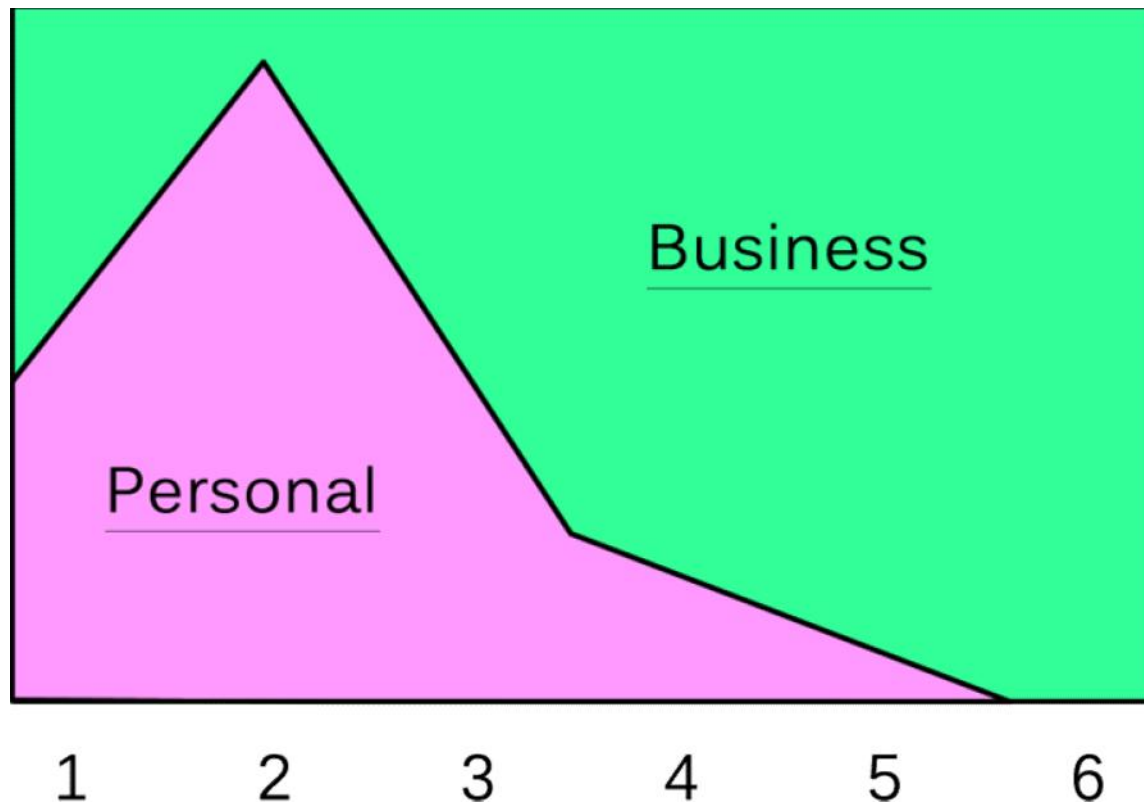
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Business and Personal



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Stage 4: Other Angels

- New relationships - 30 day waiting period
- Likely to be more sophisticated and require much more progress, especially if they are more experienced
- May be “Super Angels” and able to take out an entire round
- Introductions from founders, family, friends, and friendly angels
- Online services are available



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Progress and Sophistication

- Document and presentation quality
- Team
- Market traction
- Your plan to make money and grow a valuable business
- Other investors

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A Word about Crowdfunding

- Generally, Angel Groups, Venture Funds, and Institutional investors are not interested in equity Crowdfunding
- They don't want to invest in companies where there are hundreds or thousands of unsophisticated investors
- But... they LOVE successful reward-based crowdfunding campaigns!



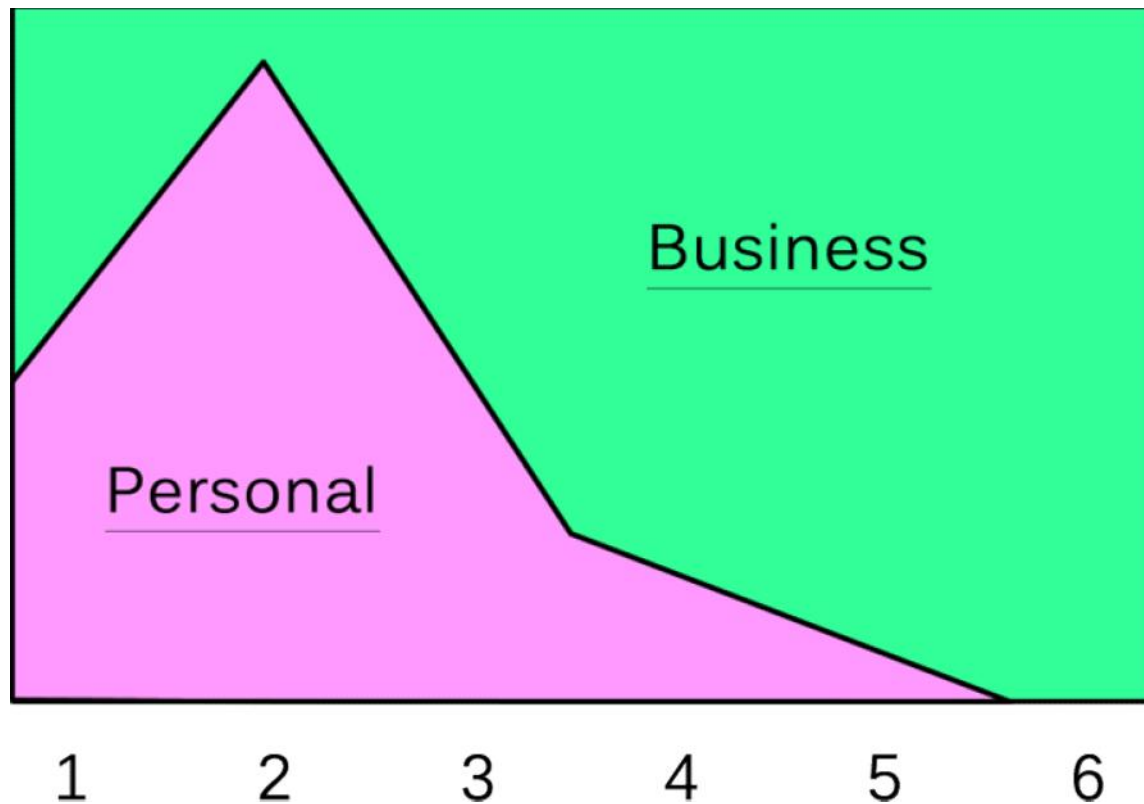
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Business and Personal



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Stage 5: Angel Groups

- Requires considerable progress and sophistication
- Often a triage process
- Formal presentations, with strict guidelines
- Members invest individually, but evaluate collectively
- Due diligence teams are often formed
- They may want you to restructure the offering



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Stage 5: Angel Groups

- Most require a fee
 - Sometimes many \$thousands
- Many have a preferred “pitch deck”
- Some have weekend / workshop formats with speakers, booths, and public and private presentations
- May require a seat on the board
- Recommendation: attend first

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Stage 6: Venture Funds and Institutional Investors

- The most sophisticated of all
 - Some Angel Groups are equally sophisticated
- Decisions are made by professionals with a lot on the line
 - Their money
 - Their reputations
 - Their careers

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Stage 6: Venture Funds and Institutional Investors

- Not a game, not a hobby, and they are not playing around!
- Expect a LOT of due diligence
- Funds usually focused on specific industries and markets
- May take a seat on the board and an operational role



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The Six Stages

- Stage 1: Founders
- Stage 2: Family and Friends
- Stage 3: Friendly Angels
- Stage 4: Other Angels
- Stage 5: Angel Groups
- Stage 6: Funds and Institutional Investors

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Rounds of Funding

- Some companies will only have a single round, others will have many
- Rounds overlap the stages of raising capital
- Some companies may be able to raise their first round (or two!) without presenting to Angel Groups
- Some may have to go to Funds for the first round



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The Bottom Line

- Think about raising the capital you need in stages
- You have to increase sophistication and demonstrate progress as you go
- Think of raising capital as a new profession – something you would study and practice for many months

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- Rounds of Funding
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Homework / Exercise

- Get a securities attorney!
- Understand where you are in the stages, and what you need to do to be successful at the current and future levels
- Talk with many people who are raising capital – especially those who have been successful!

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Homework / Exercise

- Watch other capital presentations
- Study sales!
- Get coaching and support – you need it!

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Open Q & A and Coaching – in a minute

- Comments and questions on the topic of the day, then any other issues
- Tell me what your biggest “take-aways” are and what insights you gained from this presentation
- Tell me what you are going to focus on

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Our Support Services

Service	Teach You	Do It With You	Do it For You
Education	X		
Training	X		
Coaching	X		
Advising / Mentoring	X	X	
Consulting		X	X
Growth Management		X	X



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Next Office Hours: Dec. 21st

- Topic is: Live Group Coaching!
- Let me know what topics you would like for me to address: www.PaulsSurvey.com
- Do your homework!

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Open Q & A and Coaching

- Comments & questions on the topic of the day, then any other issues
- Contact Me at paul@paulhoyt.com
call or text: 415.997.8001
- www.SchedulePaul.com



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