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ENABLING ENTREPRENEURS

## Agenda

1. Debt vs Equity
2. Funding options
3. What do investors look for in a startup?
4. Pitch decks

# 1: Debt vs Equity

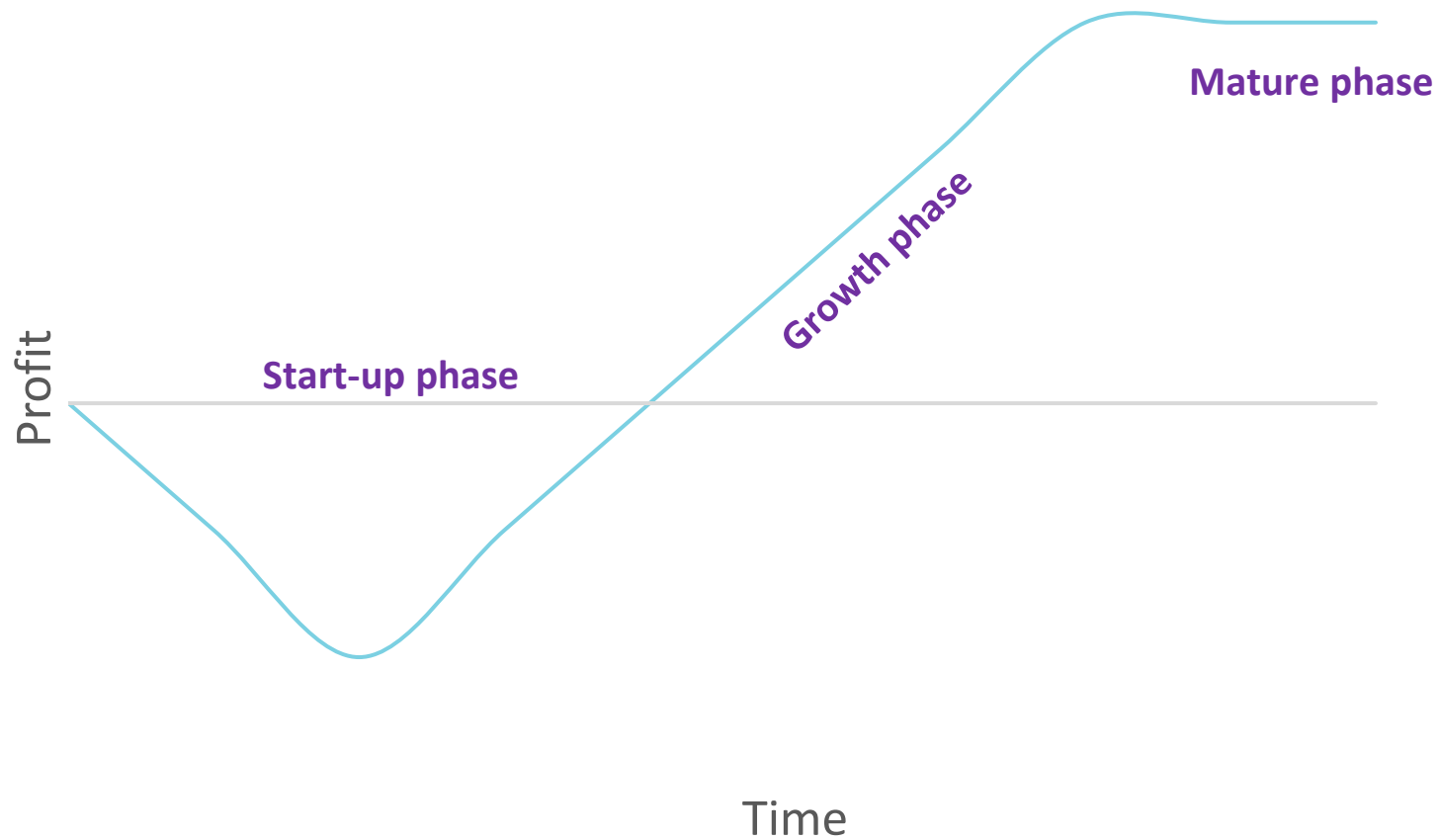
Debt	Equity
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# 1: Debt vs Equity

	Debt	Equity
<b>Stake in company?</b>	No	Yes
<b>Payments</b>	Fixed contractual payments	Dividends are discretionary
<b>Tax deductibility</b>	Yes	No
<b>Control</b>	Only in default	Yes, depends on % ownership
<b>Claim over assets</b>	First claim on default	Residual claim after creditors are paid
<b>Advantages</b>	Keep full ownership	Less risk than debt
	No obligations after paying debt	No paying back of funds
	Short & long term option	Investors don't expect immediate ROI
<b>Disadvantages</b>	Must pay back	Investor returns could exceed debt repayments
	Could cause cashflow issues	Investor takes a share of the business
	Usually need collateral	Must consult investor for decisions

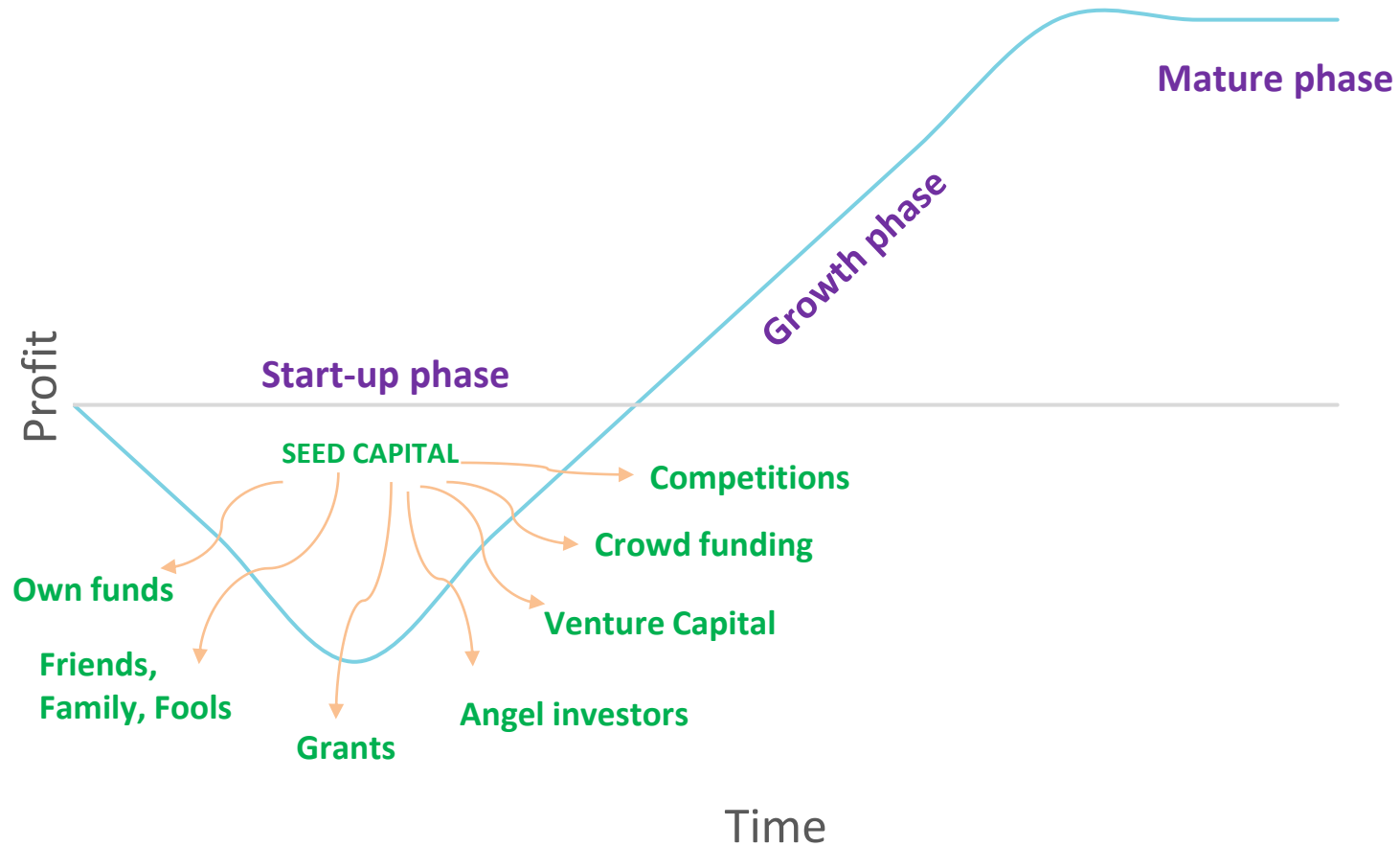
# 2: Funding Options

Life cycle of a business



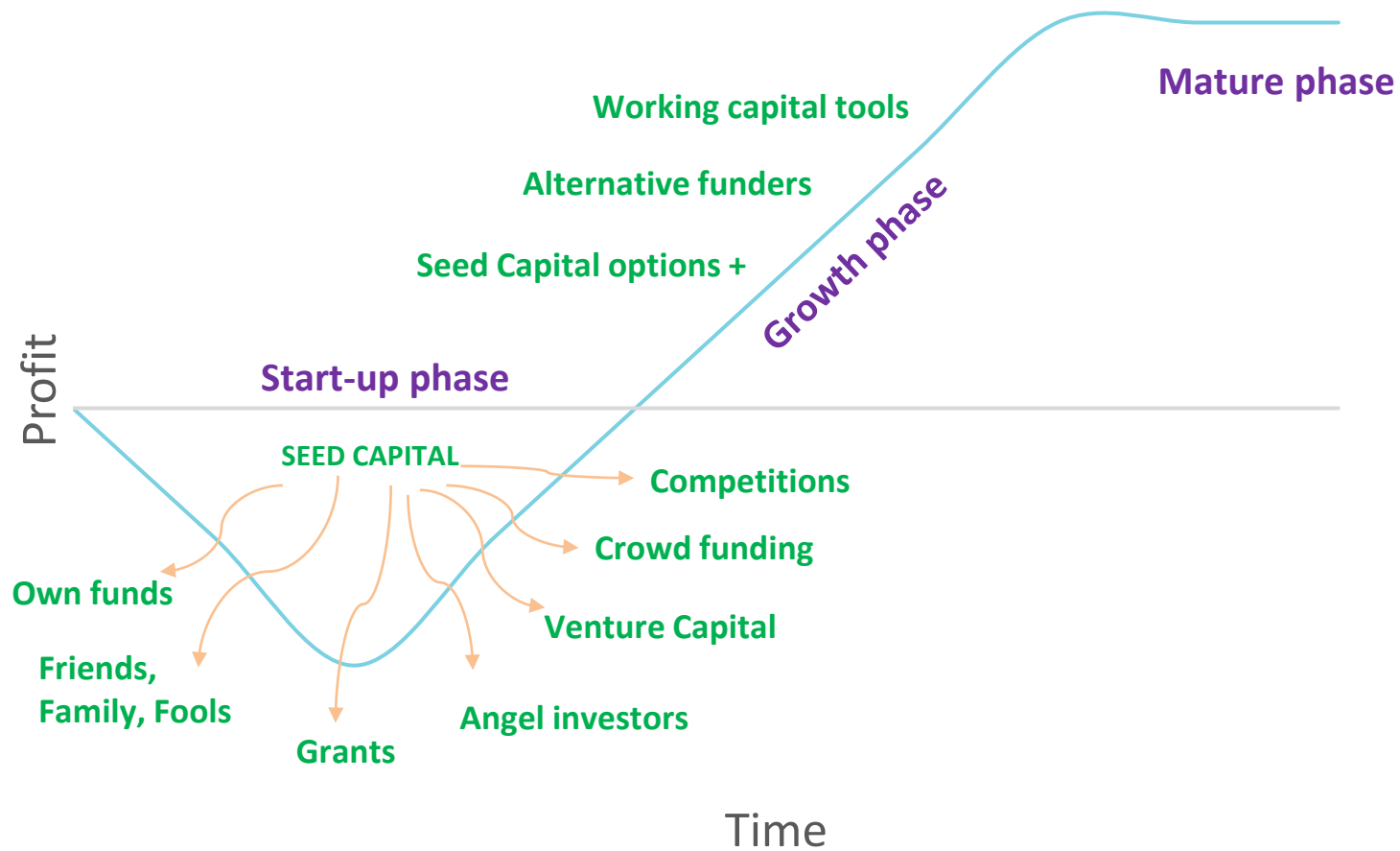
# 2: Funding Options

Life cycle of a business

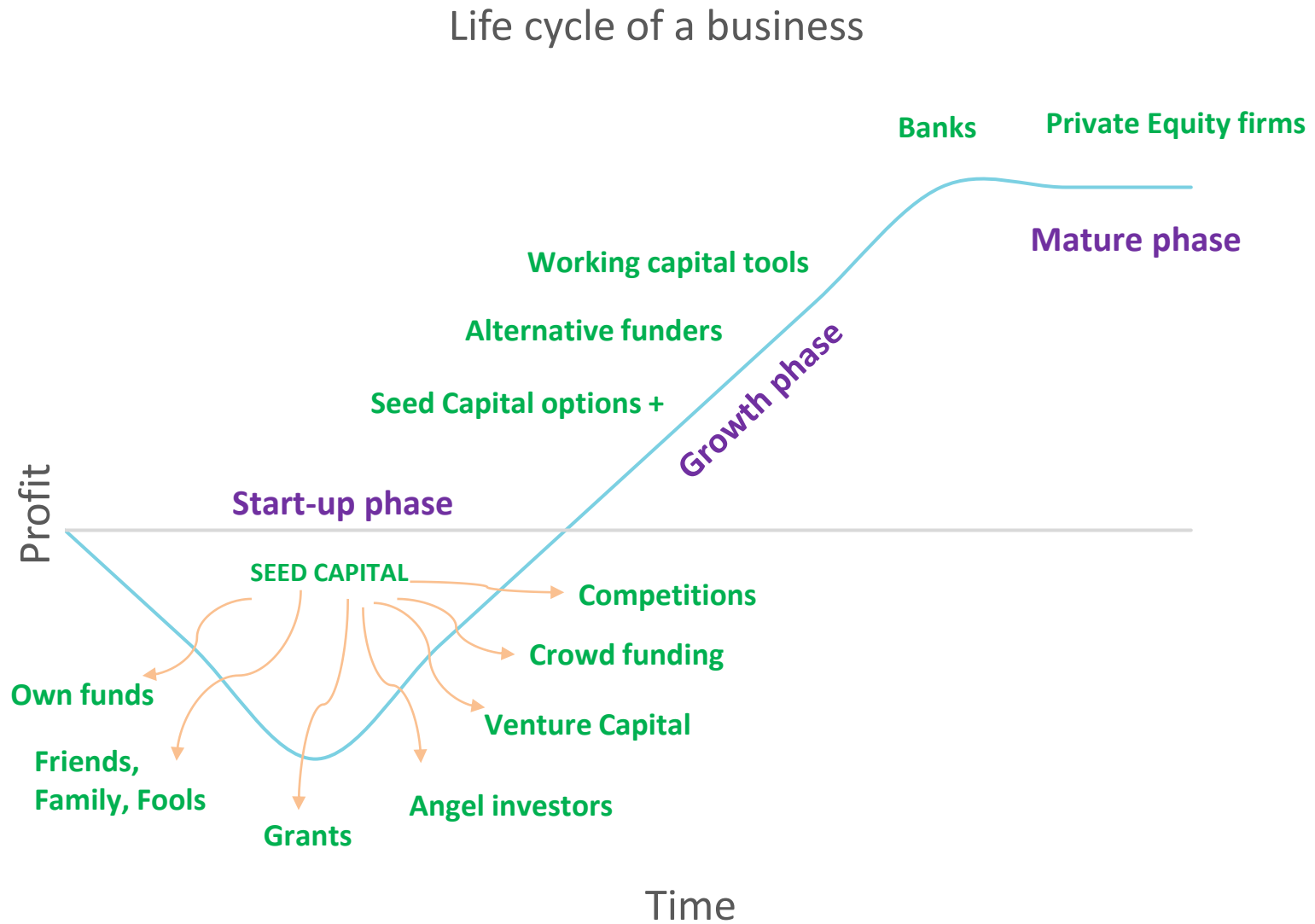


# 2: Funding Options

Life cycle of a business



# 2: Funding Options





# 3: What do investors look for in a startup?

## The Jockey (the business owner)

- Experience and expertise of the owner
- Skin in the game
- Sweat Capital
- Credit record and security

## The Horse (the business)

- Profitability
- Cash Flow (very NB)
- Levels of debt
- Operational efficiencies
- Forecasts and potential
- Industry specific KPIs
- Track record
- Resources (people, processes and systems)
- Assets (tangible and intangible (trademarks, patents etc))
- Collateral



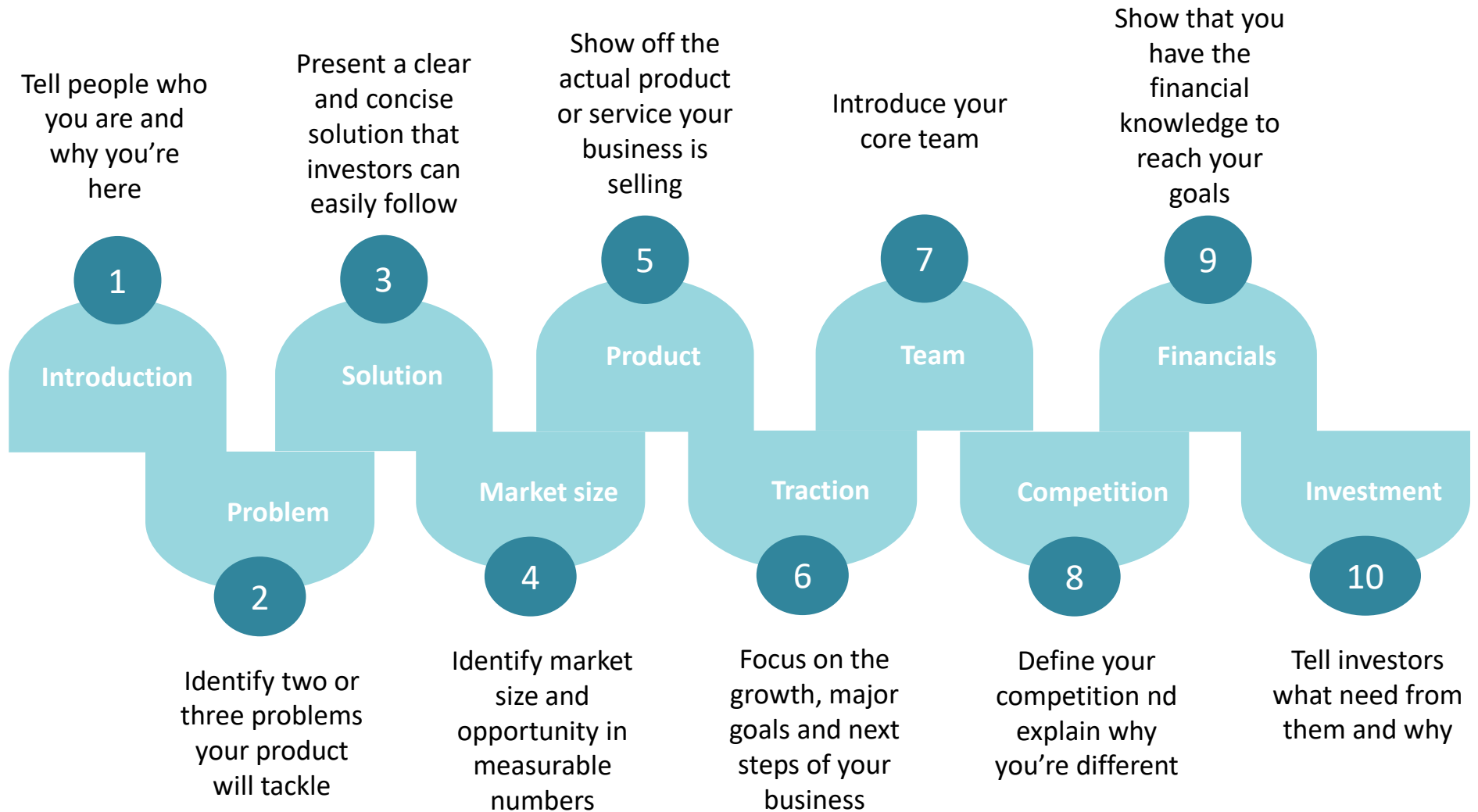
# 4: Pitch Decks

A pitch deck is a brief presentation used to provide your audience with a quick overview of your business plan.

You will usually use your pitch deck during face-to-face or online meetings with potential investors, customers, partners, and co-founders.

# 4: Pitch Decks

## What to include in pitch deck



Free online tools e.g. [Canva.com](https://www.canva.com)

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