

*fresh*TracksSM
CAPITAL



BUILDING EXCEPTIONAL
VERMONT BUSINESSES

Evaluating Business Plans - 9 Box

1) Management Team	2) Market Opportunity	3) Value Proposition/ Consumer Pain
4) Technology (Product/Service)	5) Business Model- Go to Market Strategy	6) Competition
7) Valuation & Capital Needs	8) Deal Dynamics	9) Exit



1) Management Team

- Completeness of team
- Domain expertise
- Growth company/early-stage expertise
- Previous successful exits?
- Previously raised investment capital?
- Interest and willingness to bring in active investors



2) Market Opportunity

- Size of Market
- Growth of Market
- Fragmentation of Market
- Is the market likely to have one, a few, or many winners?



3) Value Proposition/Consumer Pain

- What is the problem you are solving?
- How painful is the current process for your customers?
- How willing/anxious will they be to switch from their current solution?
- What is the added value of your solution?
- What does that translate into in terms of revenue dollars?



4) Technology (Product/Service)

- What is the unique technology that you are providing with your product or service?
- 10X less expensive or 10X more effective than competitors?
- How revolutionary/evolutionary is it?
- How proprietary is it?
- Can it be protected via trademark, patents, business secrets?



5) Bus. Model & Go-To-Market Strategy

- Make it once, sell many times
- Distribution strategy
- Sales process & Sales cycle
- Scalability
- Pricing? Recurring revenue? Margins?
- Financial Projections
- Regulation?
- Simple or complex?



6) Competition

- Who are your competitors?
- How are they solving this problem differently?
- What are their unique attributes?
- How well capitalized are they?
- What kinds of competitive hurdles must you overcome



7) Valuation & Capital Needs

- Pre-money valuation? Percentage of company ownership?
- Capital needed in this round of financing?
- Capital needed in future rounds of financing?
- Common Stock sufficiency/equity incentives for founders/manager
- Any balance sheet issues that need to be dealt with simultaneously?
- Capital efficiency of business model



8) Deal Dynamics

- Terms & Conditions
- Timing
- Co-investors
- Deal structure
- Governance – Board Composition
- Social dynamics of:
 - Board/management
 - Investors/board
 - Investors/management



9) Exit

- What is the likely exit: sale to financial or strategic buyer, IPO, recapitalization?
- Alternative exits? (dividend stream, Rule 147 offering, recapitalization through crowdfunding, ESOP, management buyouts)
- If acquisition, who are the likely acquirers?
- What time horizon?
- Expected multiples?
- Return on investment?
- Possible positioning needed prior to exit?



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