



Gate 2 Growth

The European Portal for Growth Businesses

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By

Jean-Christophe de Tausia

Lisbon, 3-4 April 2003



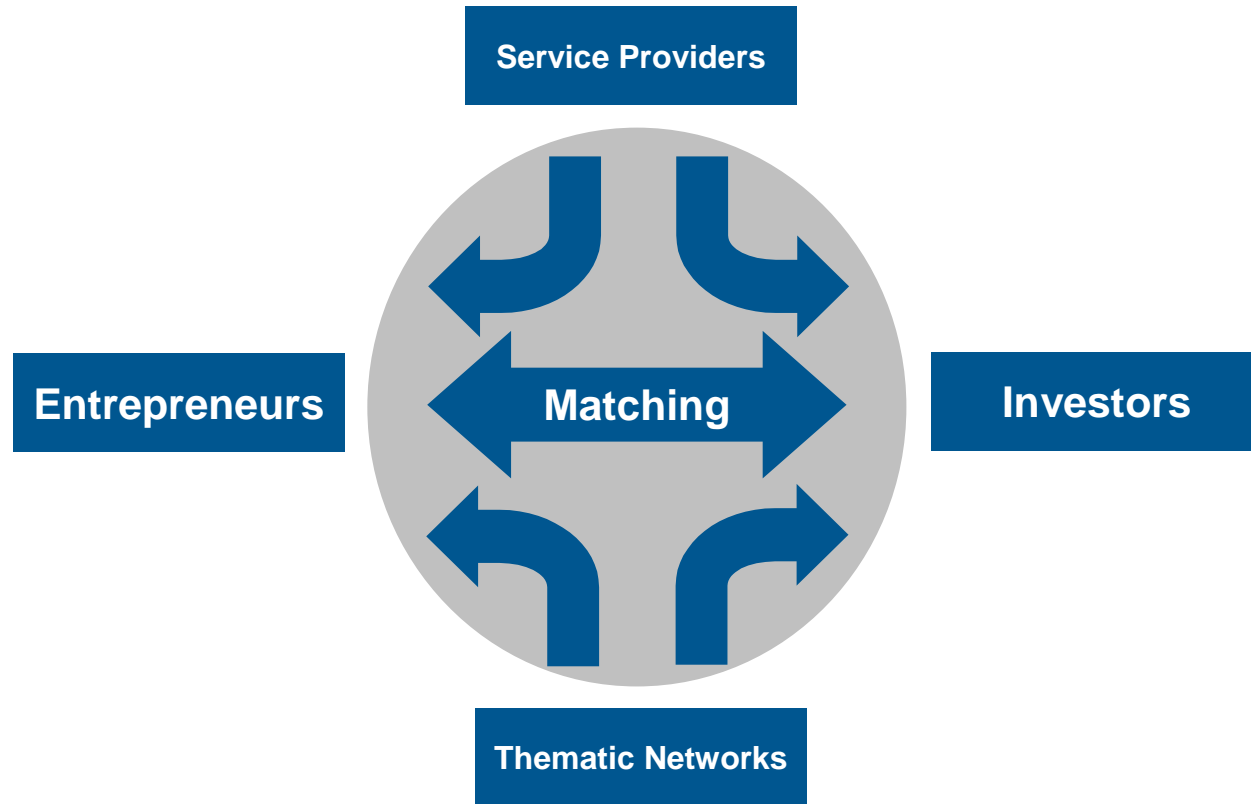
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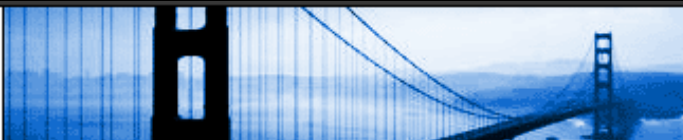


- **The goal of the Union formulated during the March 2000 Lisbon European Council is:**
 - To become the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more jobs and greater social cohesion by 2010
- **Reformulated at the Barcelona European Council in 2002:**
 - R&D investments must be increased from present level of 1,9% to 3% of GDP in 2010
 - Business funding should take a greater part from 56% to 75% of total R&D Investments



Gate2Growth.com is a **portal** to networks of **Entrepreneurs, Investors, Service Providers** and **Thematic Networks** backed by the **European Commission**.





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Welcome to Gate2Growth

Where business ideas become reality

Gate2Growth.com is THE gateway to find relevant investors for your project or company! We also provide investors with efficient tools to identify relevant investment opportunities.



Entrepreneurs

[Register](#) to get access to our investor matching services. You will also get a private data-room that allows you to fine-tune your business plan before presenting it to selected investors. Free access to guidelines, templates, tips, info and contacts helps you start your business. [More...](#)

[Register your company or business plan with the largest European database of investment opportunities for free!](#)



Investors

[Register](#) for access qualified investment opportunities matching your profile, pre-screened by industry experts. [More...](#)



Innovation Professionals and Service Providers

[Register](#) in a pan-European directory, allowing entrepreneurs and investors to identify you as a qualified partner. [More...](#)

Thematic Networks

supported by the European Commission for Innovation Professionals and Service Providers:

▶ I-TecNet

the meeting place for early stage technology venture capital investors.

[More ...](#)

▶ ProTon Europe

European network of technology offices linked to research institutes and universities.

[More ...](#)

▶ Gate2Growth Incubator Forum

for managers of technology incubators linked to universities and research institutes.

[More ...](#)

▶ Gate2Growth Finance Academia

for academics and researchers in entrepreneurial innovation and finance.

[More ...](#)



Bridge the gap

- Entrepreneurs are looking for funds to grow their businesses, and see their project as a sure thing, with huge upside potential. The Entrepreneur often has a very **good professional network**, but a **weak financial network**.
- Investors are looking for high profits and mid-term liquidity and see a new project as a potential with a huge risk. **They will first try to find a reason why NOT to invest before they start helping an entrepreneur to build a company.**
- The Gate2Growth initiative aims to bridge this gap (**language, attitude, network**) between entrepreneurs and investors.



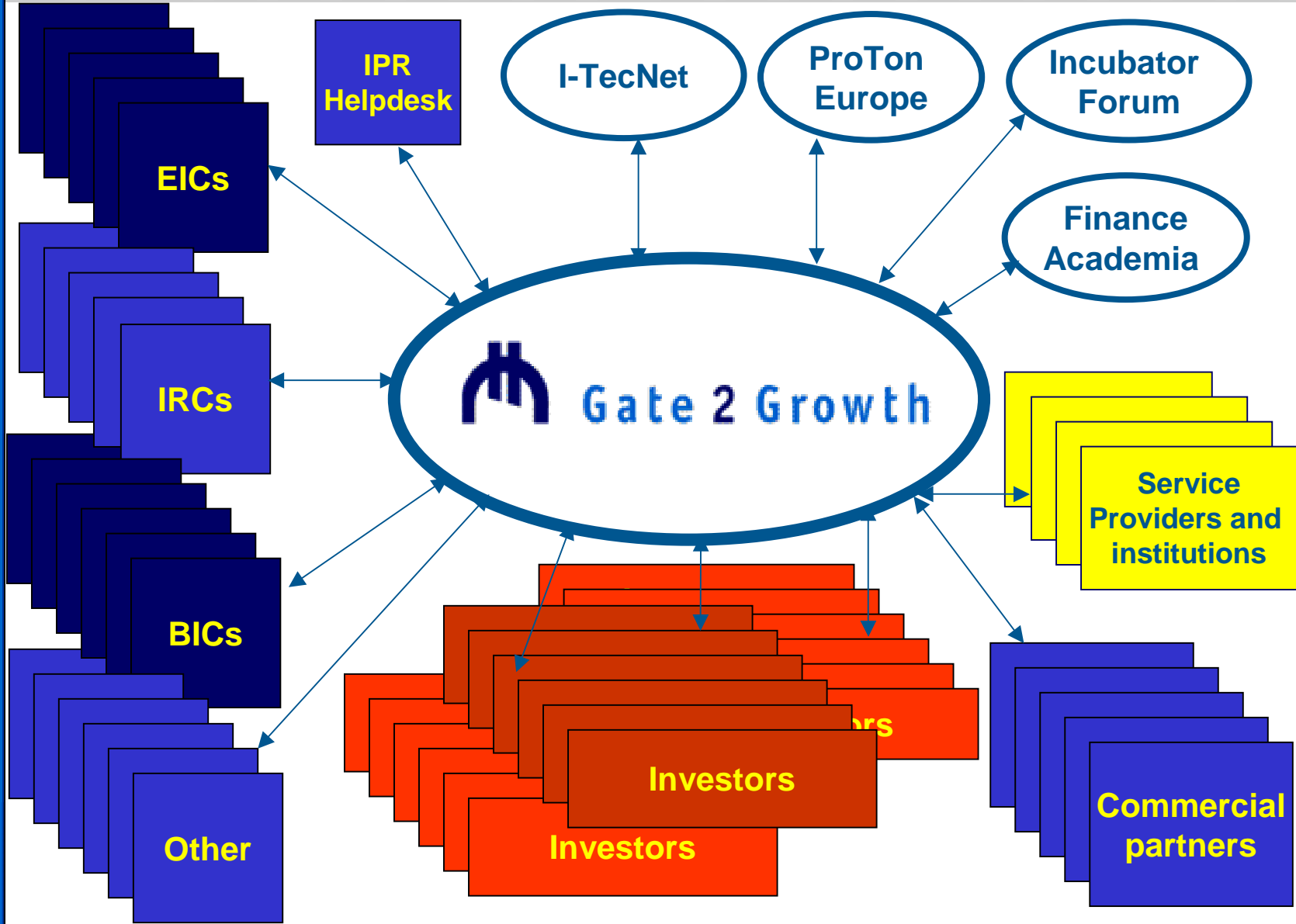
Networking and awareness creation through:

- **Out bound activities**
 - Entrepreneurship training workshops
 - Entrepreneur boot-camps (venture academy)
 - Annual partnering events / conference
 - On-line business plan contests

- **Networks of financiers, experts and service providers**
 - I-TecNet (Eurotech data)
 - Incubator Forum (EVCA entrepreneurship toolkit)
 - ProTon Europe
 - Finance Academia



A large contact network

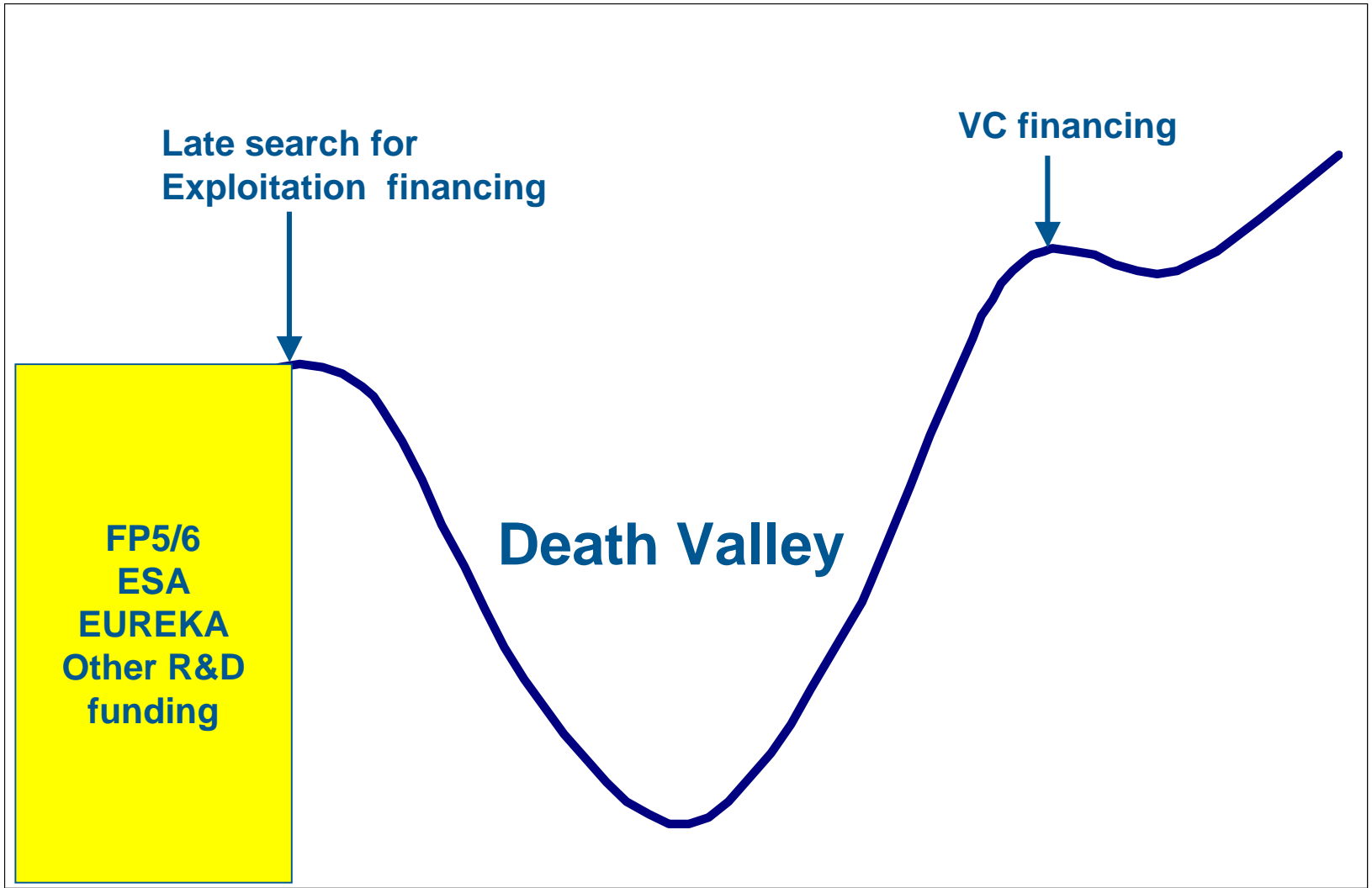




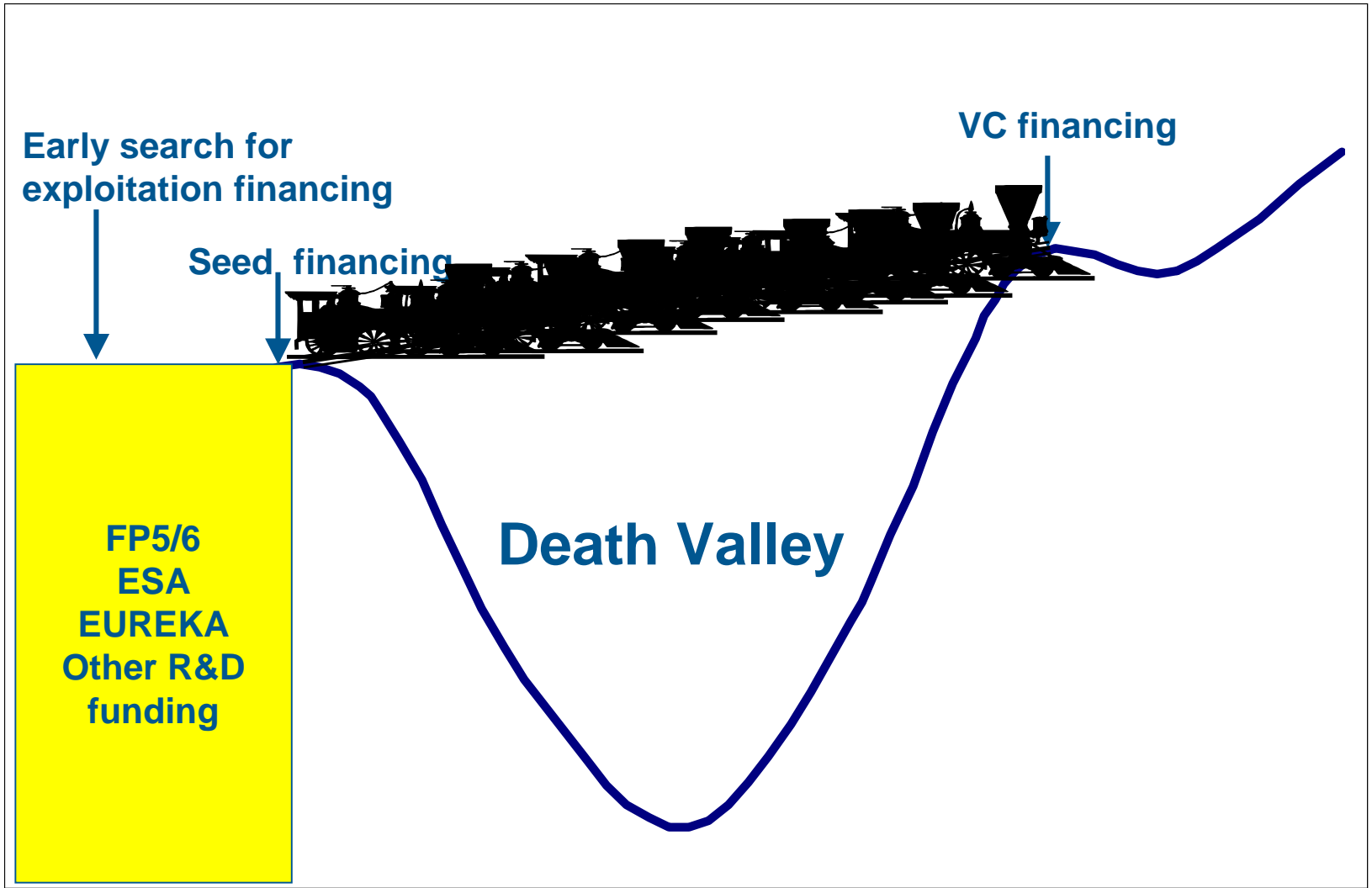
- **For Entrepreneurs**
 - Identification of relevant investors with the right "profile"
 - Identification of co-investors
 - Business Plan diagnostics
 - Preparation of contacts and meetings with investors
- **For Investors**
 - Access to deal-flow which match preferences
 - Pre-screening / "gatekeeper" services
 - Investment services for portfolio companies
 - Syndication partners



The financing death valley



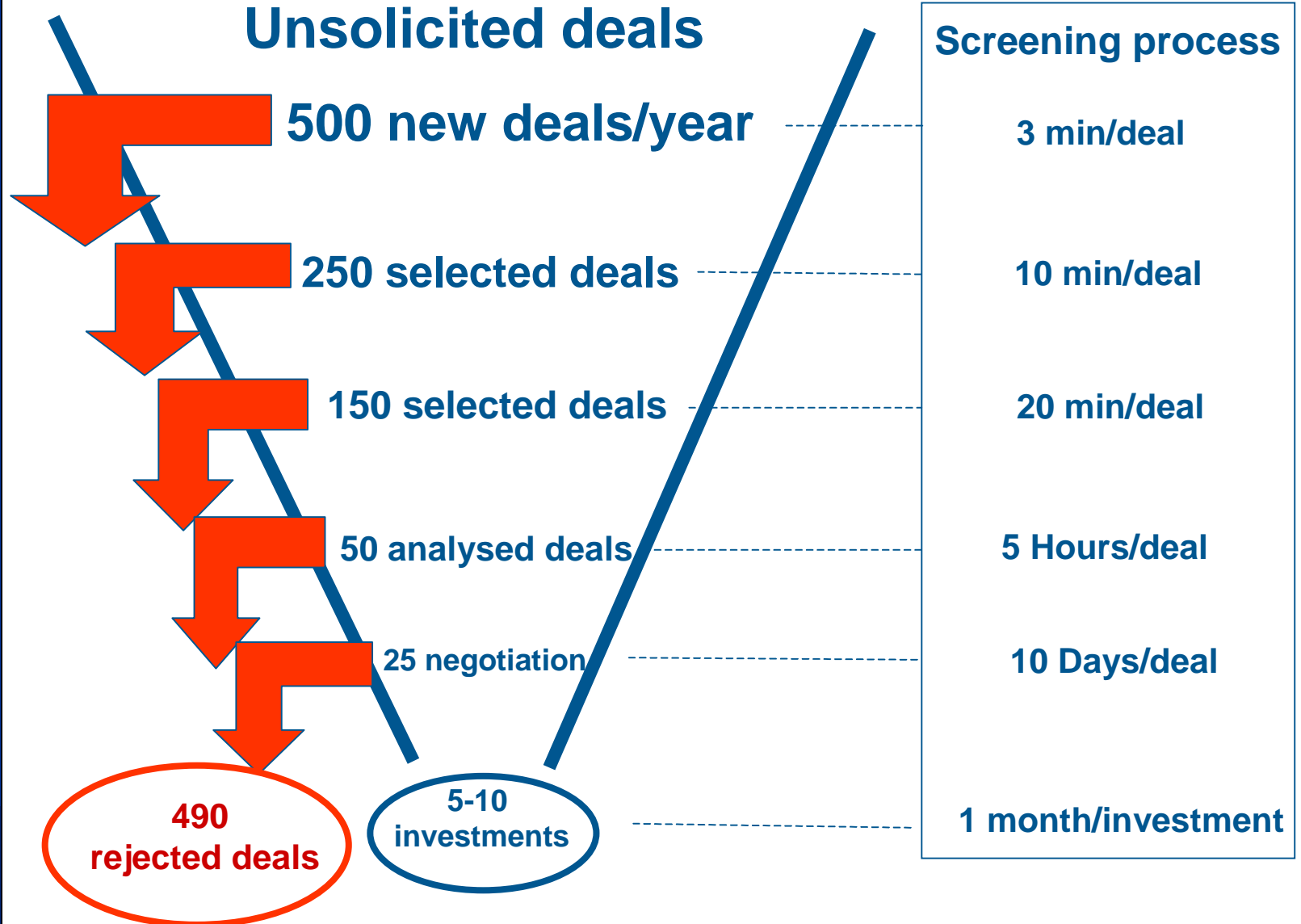
Bridge over the Death Valley



- **Business plan development guides**
- **”How-to” guides on IF and where to find it**
- **Directory of public schemes for financing innovation**
- **Glossary on financial terms**
- **Useful links for entrepreneurs and investors**
- **Gate 2 Growth userguide**



The VC selection process



• **Entrepreneurs can do it themselves**

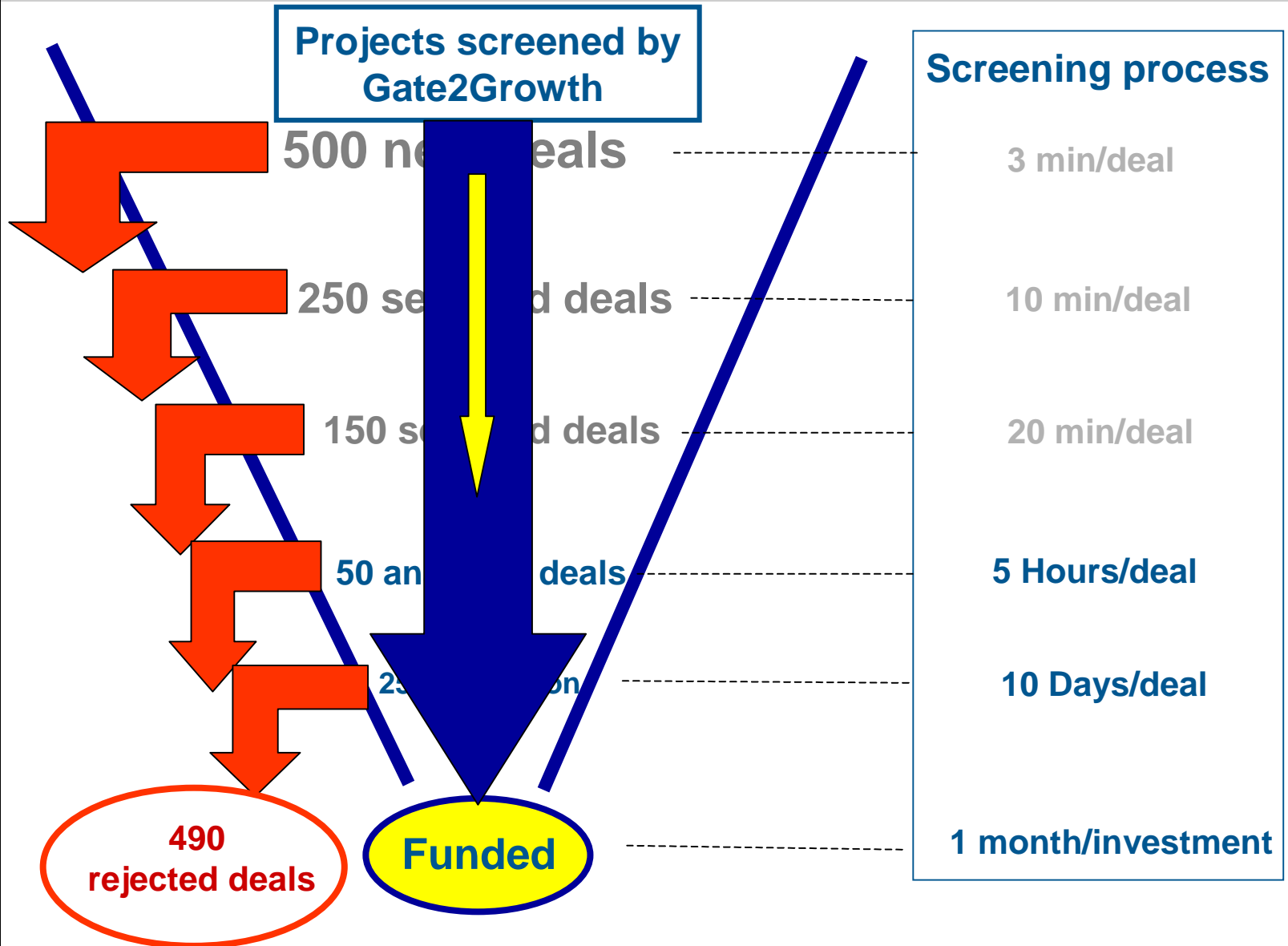
- Use or develop their own network and contacts, BUT
 - ☒ is it adequate for this purpose?
 - ☒ "first timers" meet people who do this as a profession

• **Work together with Gate2Growth**

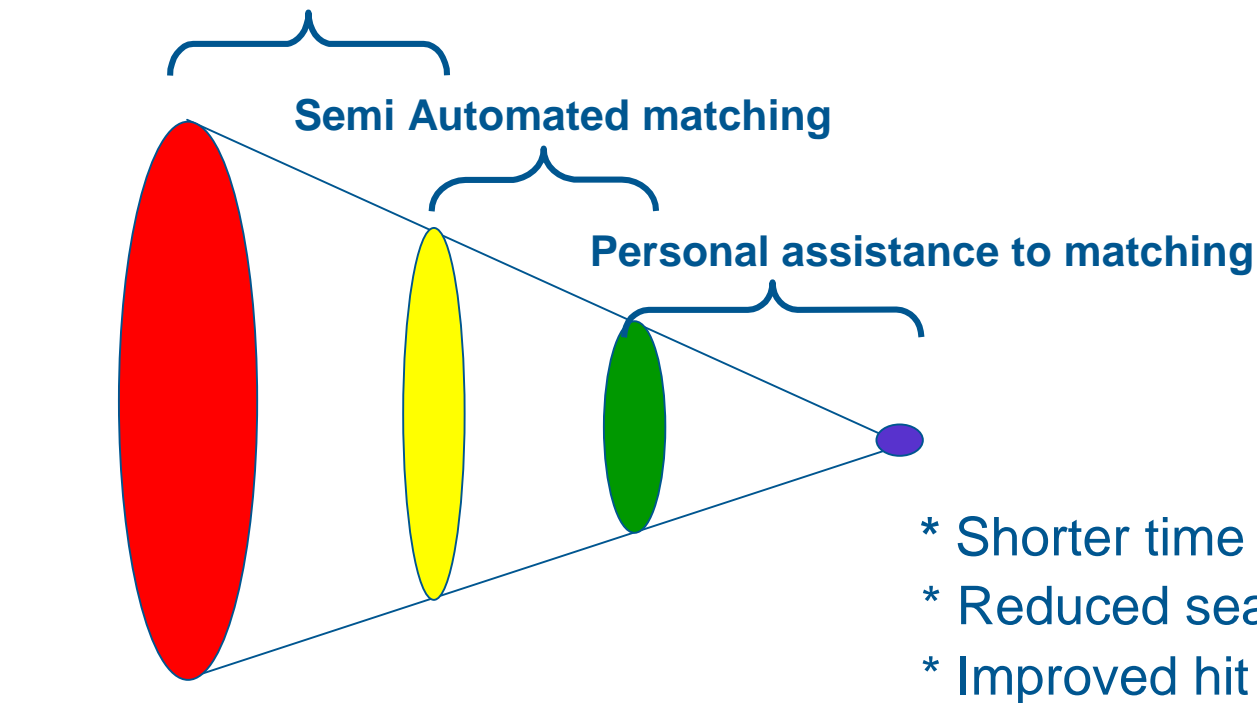
- We concentrate on this, and do it on a daily basis
- It is our core business to develop our network
- We know the investor's language and preferences



The VC selection process



Online screening and matching



- * Shorter time to investment
- * Reduced search cost
- * Improved hit ratio

50 – 70
Potential
investors

20 – 25
Relevant
investors

4 – 6
Interested
investors

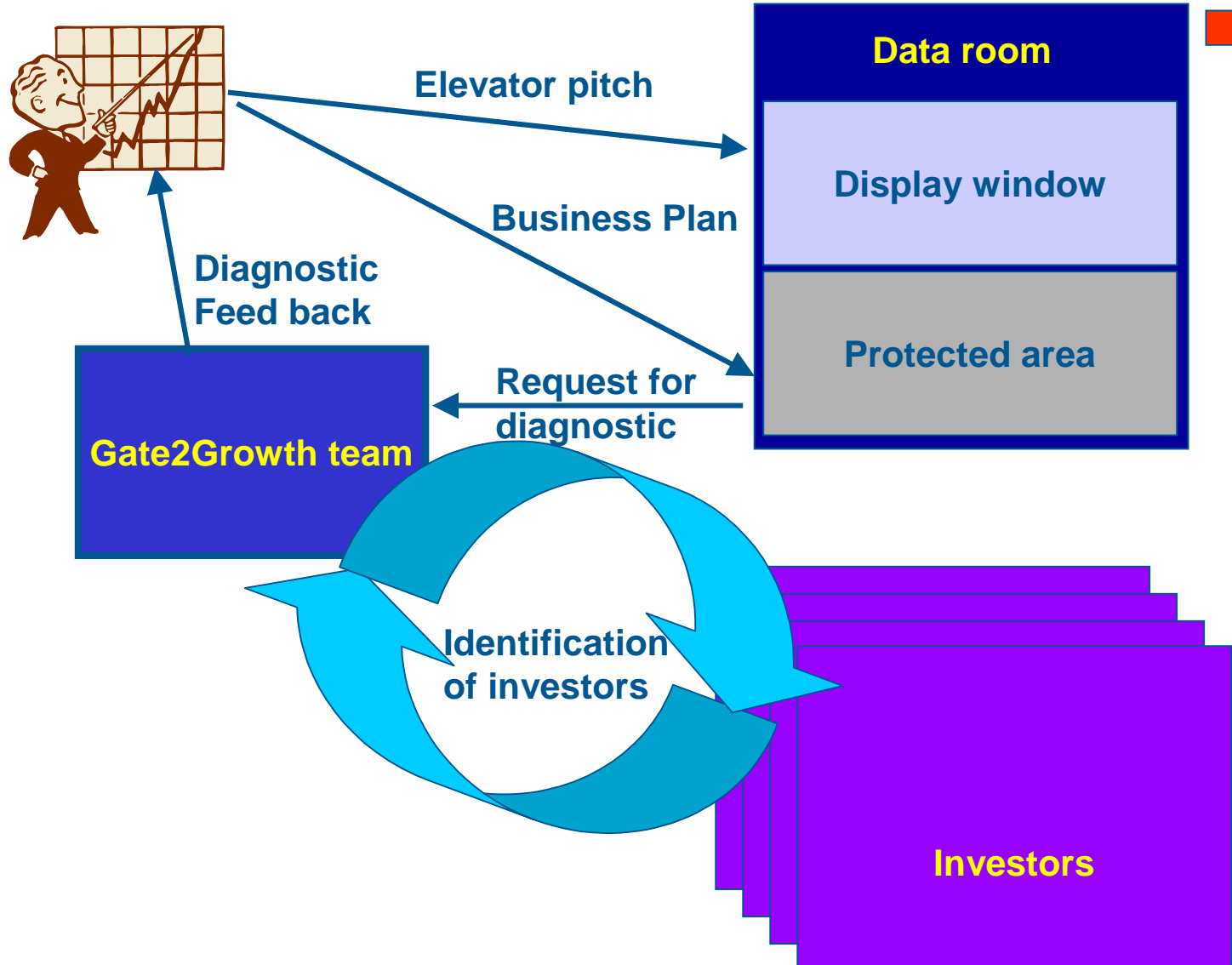
Investment

Month 1

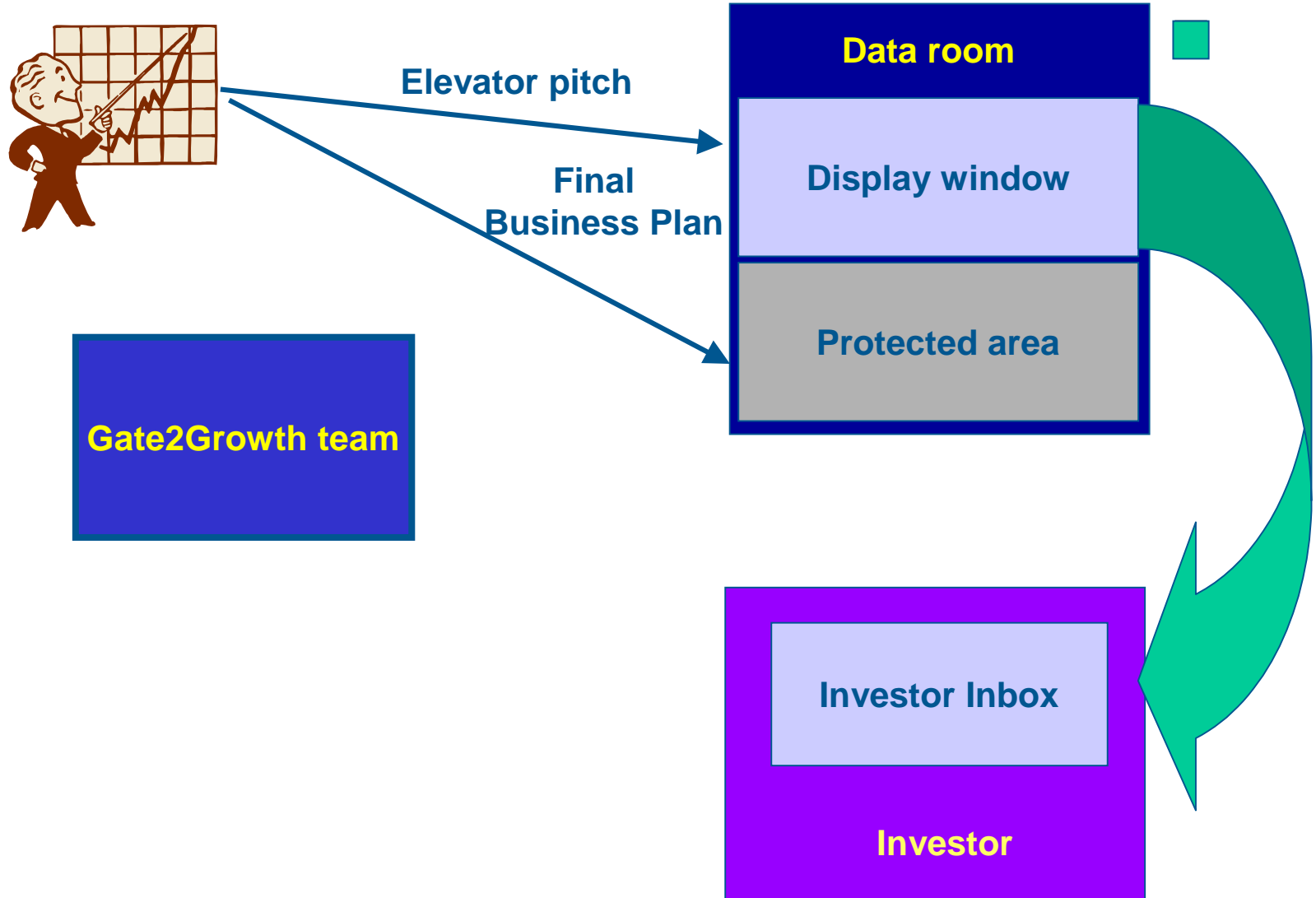
Month 2 - 4

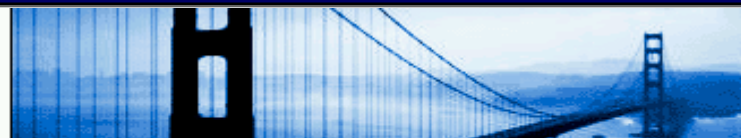


How the Data room works (1)



How the Data room works (2)





Get2growth

Mar 5, 2002

Management Team

Marc de Fré, Full time employee

Uffe Bundgaard-Jørgensen, Founder, Full time employee
CEO Danish Venture Finance

Key existing customers

For confidential reasons their information can not be disclosed.

Key existing competitors

Garage.com, Venturedome.com, Venturenetwork.com,
MyVenturelab.com,

Previous investment rounds

Round Number	Year	Stage	Investor	Amount in 000 EUR (€)	Cy valuation in 000 EUR (€)
1	03/03/2000		4	20000	20000
2					
3					
4					
5					

Elevator Pitch

Get2Growth is a pan European Internet based matching service for entrepreneurs looking for financing and investors looking for investment opportunities. It is expected that the business activities will reach brake-even second half 2003.

Market

Removing the obstacles for the search process of both investors and entrepreneurs, and reducing time to investment.

Strategy

The services provided, are fee based. For matching is requested a success fee, which is negotiated on a case by case basis.

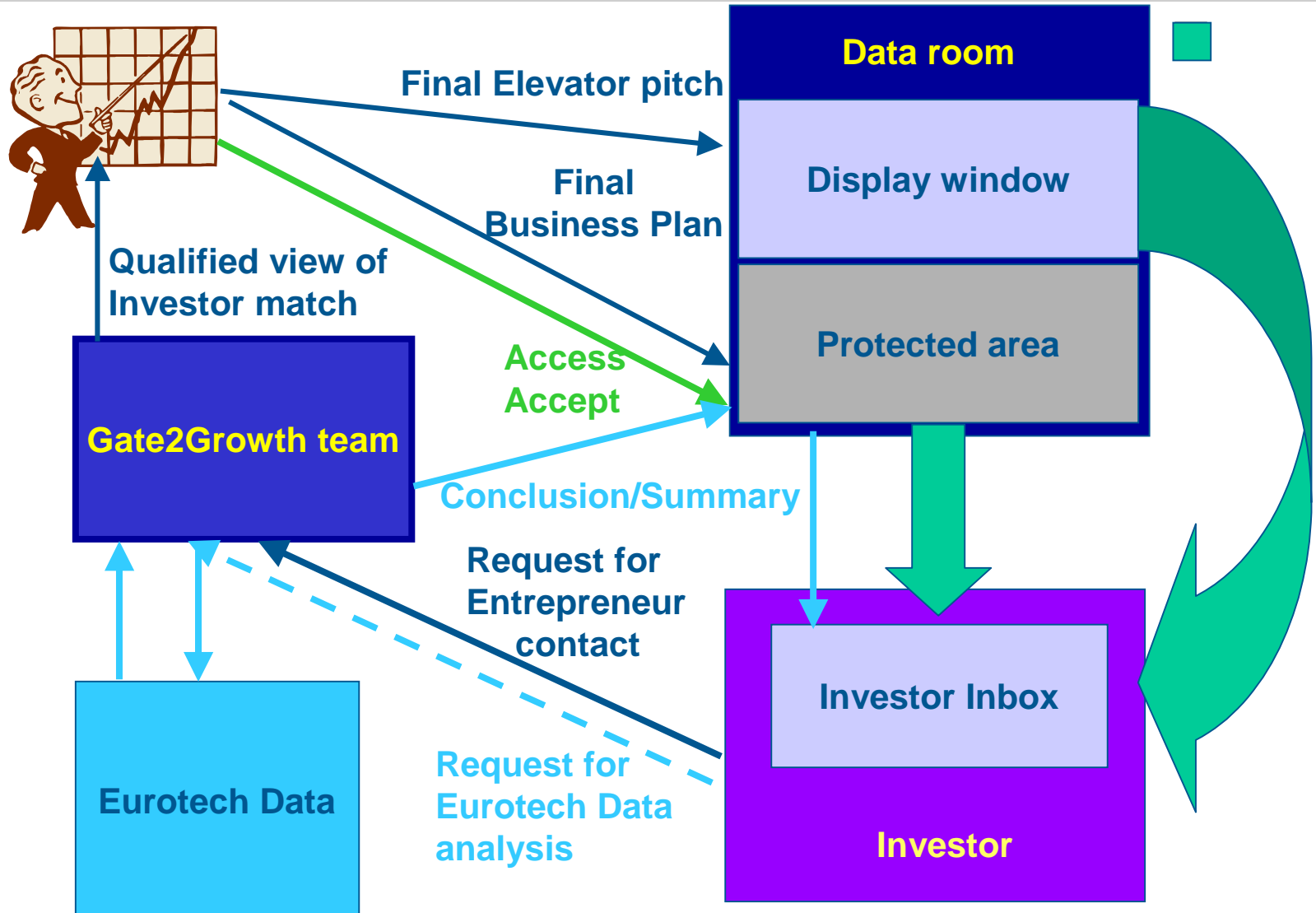
Key financials

	2000	2001	2002	2003	2004
Turnover/revenue in 000 EUR (€)	0	0			
EBIT* in 000 EUR					
Equity in 000 EUR (€)		20000	12000	12000	12000
Employees	0	0	5	10	12

Stock holder



How the Data room works (3)





- **Checking and scoring the completeness of a BP against a number of preset criteria:**
 - Business model
 - Market
 - Partners
 - Competition/Competitors
 - Product
 - Intellectual Property Right (IPR)
 - Costs
 - Price, including product end user price
 - Sales and Marketing
 - Budget and financials
 - Management and organization
 - Investor considerations
 - Valuation



Gate2Growth.com	
Office in Belgium: St.Jacobsmarkt 9 - 13, B 2000 Antwerpen For more information contact Gate2Growth: uffe.bundgaard@gate2growth.com	
Industry:	Telecommunication
Scored by:	Uffe Bundgaard-Jørgensen
Project number	2345
Date	06.04.2002
Gate2Growth Business plan completeness check	
Telecom INC	
The Gate2Growth diagnostic and scoring table check if normally required information is available in a Business Plan (is the business plan complete?). The scoring does NOT represent any value judgement about the commercial, technical, financial or operational viability of the proposed business/project. The scoring weights used in the analysis and the analytic questions expected to be "answerd" are adjusted to industry field and stage of business development. The scoring principles are based on Gate2Growth experience in Investor - Entrepreneur matching.	
Sections in business plan	
Basic information Observation: Telecom INC is owned by INVESTPOR and the management. It focuses on telecommunication wholesale amarket, delivering products and services to telecommunication and mobile operators, service providers and IT business partners.	
Business model/nature of business Observation: Telecom INC builds on addressing an existing market with a new proven technology and to obtain recurring revenues and long -term customer contacts, secured by a unique delivery organization. Recommendation: Better explain why the delivery organization is unique, what does it have the others do not have, highlight how infrastructure is build together with customer bases development? Describe in greater details how the company will penetrate "Scandianvia" and later the "Central European Market".	
Industry/Market and customers Observation: Market and customers well described, however there are no info regarding typical contract size and length of contract. Recommendation: Better explain what will be the typical value of a contract (start + recurring revenue) - and why! , and how many of these type of customers are there in the technically feasible catchment area.	
Scoring	
Maximum possible score	90
Actual score	72
Index of completeness	80
Maximum possible score	102
Actual score	73
Index of completeness	72
Maximum possible score	228
Actual score	174
Index of completeness	76



Business Plan Diagnostic

SWOT/Risk Analysis

Observation: Some of the strength of the project could be better highlighted, and some of the potential weaknesses/risks of the project could likewise be highlighted, including which measures the management can put in place to restore the situation.

Maximal possible score	48
Actual score	24
Index of completeness	50

The Index of scores compares the actual scores of the diagnosed business plan with the maximal scores of an "ideal and complete business plan"

Index	Max possible score	Sum of score
69	1914	1312

Readiness for investor presentation

yes	no	perhaps
0	X	0

Financing sought

7,3 Mio EUR

Pre money valuation

21 Mio EUR

IRR to investor

n.a.

Estimated route to exit

Trade/ IPO

Estimated time to exit

n.a.

No round of financing

First external

Conclusive observations:

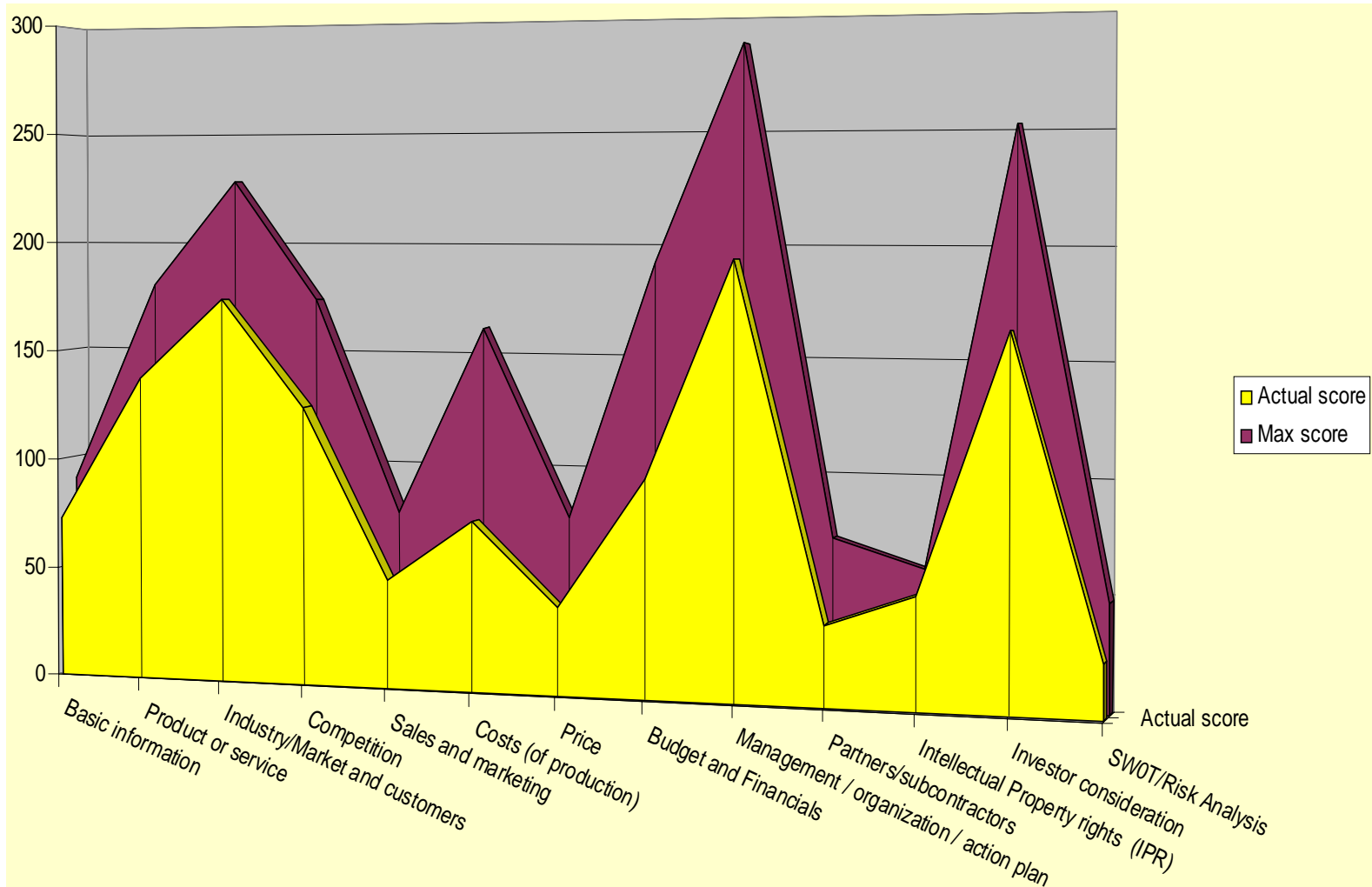
The project is well described, but financial information are very limited, which makes it difficult for an investor to see where his money is going. There is not need for long description of financial detail, but a few tables with highlights, would help to fully grasp the potential in the company.

Provide additional financial and price information, and close some of the "logical" problems identified above. In forwarding material it could be spelled out that INVESTPOR is ready to invest 2,6 mio EUR and the the company is looking for one to two investors to invest teh remaining 4,7 mio EUR



Profile of Completeness

Completeness profile





Contact details

<http://www.Gate2Growth.com>

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