

Creating a Venture Capital Model for the Region – a Best-practice Approach

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Presentation Outline

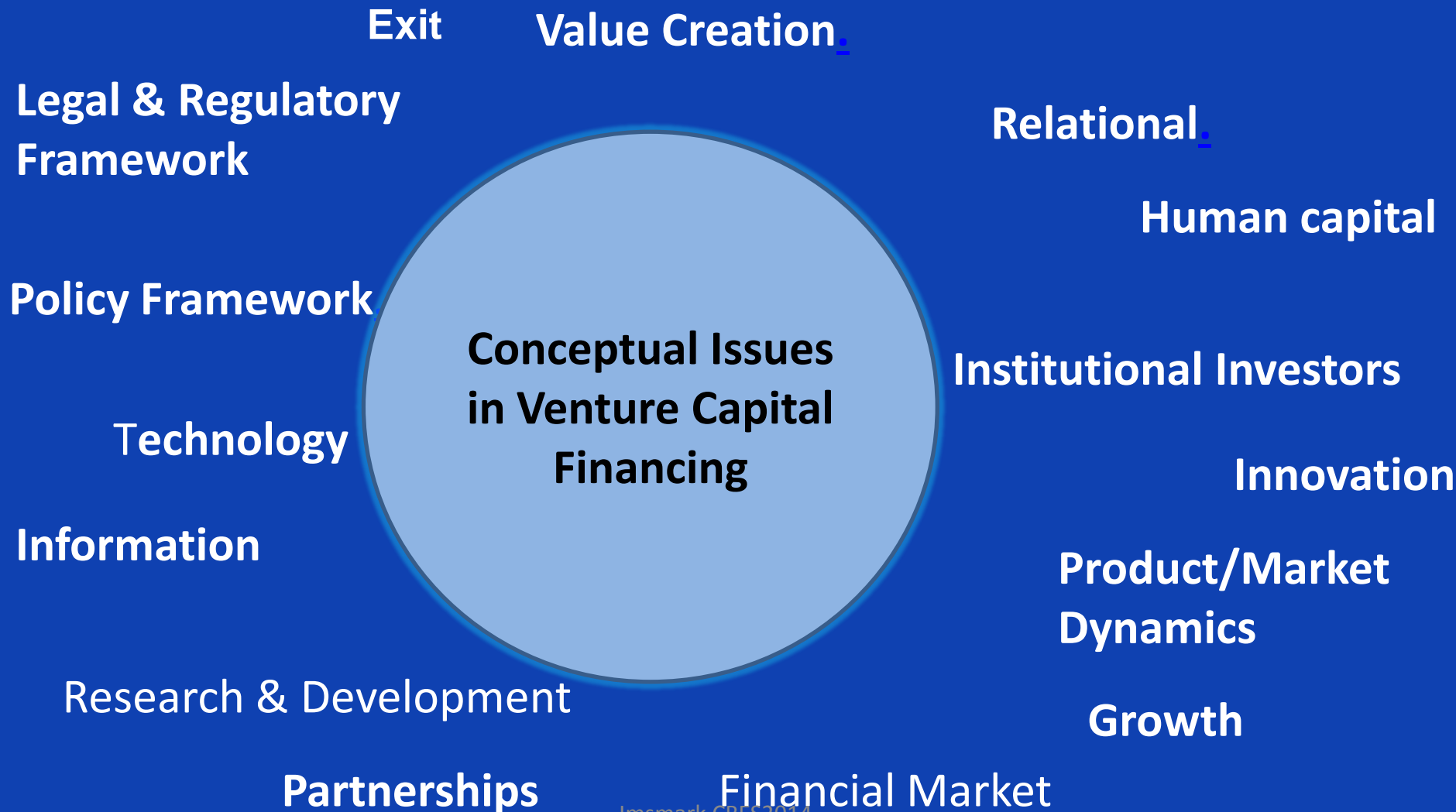
- i. Definition of venture capital
- ii. The conceptual issues of venture capital financing
 - i. Developing the model - Context and Inputs

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Key Activities

- Mobilise funds
- Seek Out Investment Opportunities
- Monitor and mentor
- Minimise risk
- Craft attractive exit strategy -Intent is growth and profitability to generate a return via exit

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Creating a Solution-based Venture Capital Model for the Region

- Current State
- Desired state identification
- Gaps
- Problem definition
- Action towards solution
- Relationship between competitiveness growth and access to capital

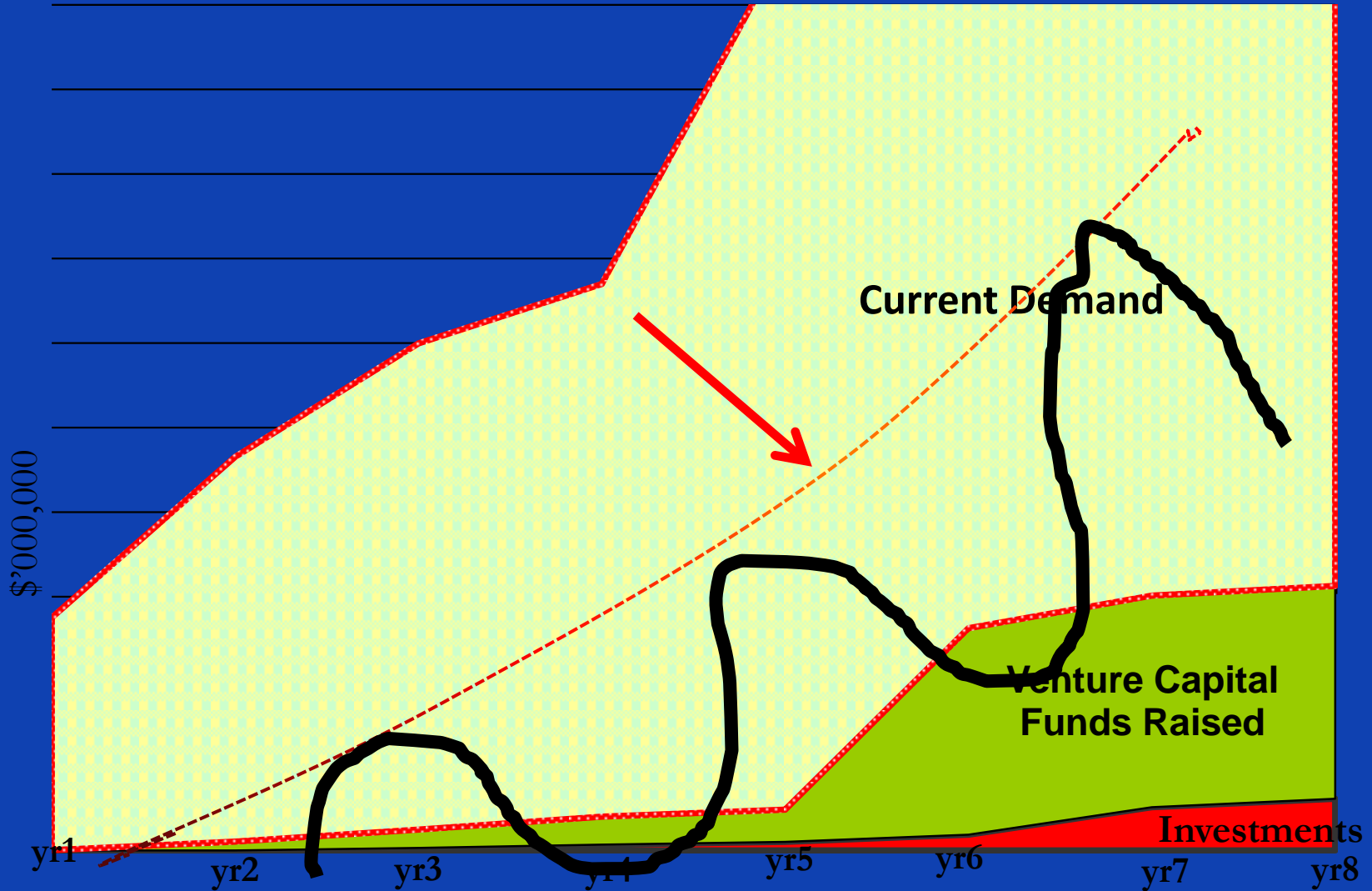
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Solution

Create economic value and national wealth through entrepreneurial activity

Need to fund entrepreneurial ventures that create value

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Creating a Model - Options

- Model must be informed by the economic cultural and legal characteristics
- Create a model in which the stimulant is an increase in institutional and private capital
- Create a model which focuses on participation of a wider stakeholder group

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Possible Approaches

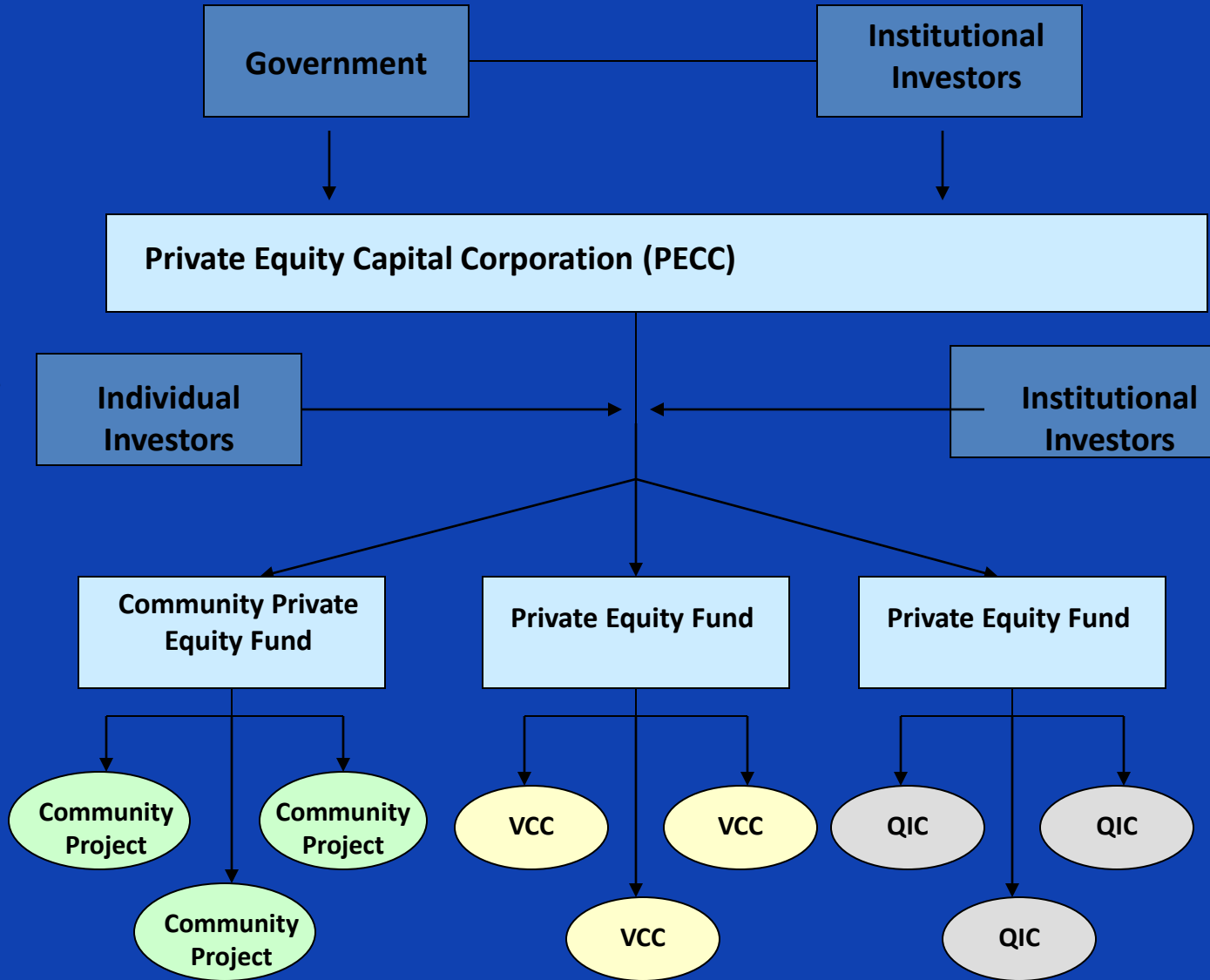
One or more of the following sources may be utilised

- Institutional and angel investors
- State
- Public/Private Partnership
- Financial VF
- Corporate VCF

Proposed "Fund of Funds" Model

Level 1
Investor
\$

Level 2
Investors
➔



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Creating a Model

- i. There is no one model applicable to the region
- ii. Several models can co-exist all tailored to meet the needs of the investor and the entrepreneurial firm
- iii. Whatever the model there should be a win-win scenario; growth and profitability for the firm and an ROI for venture capitalist commensurate with the risk taken

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Creating a model

- Adequate Supply of Funds
- Fund Structure and Management
- Adequate Deal Quantity and Quality
- Market information – Valuations, Due Diligence and exit
- Individual and Institutional Capacity
- Supporting Infrastructure

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Creating a Model

- Utilize technology in the VC Process - information, education, networking, fund formation and deal generation

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The Way Forward

- i. See VC as part of a larger socio, economic & political system
- ii. Create a financial market structure and architecture conducive to VC activity
- iii. Ensure correlation between entrepreneurship, legal & policy framework, education system and supporting institutions

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March 2014 CCN TV6 ,T&T

A man stands on the beach front near his home observing and lamenting the erosion of significant acres of beachfront

“The sea is taking our land and it happening at a rapid rate, our houses are being destroyed and crops are being wiped out, I think this has to do with climate change, global warming. What can we do”?

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The foregoing slide illustrates the nature of some of the challenges which face the region and the need to adopt a solution-oriented approach.

The statement by the resident reiterates the need to address issues of Global warming, Agriculture and Alternative energy among other areas for which the venture system and wider entrepreneurship system must play a significant role.

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Thank You!

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