

Winning Conversations With Investors



INTELLIVERSITY



An eBook by

Intelliversity®

"The Leadership Academy for Entrepreneurs – Led by Investors"

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In partnership with

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**(The Weinbaum Group &
Foundation Source)**

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Facts:

- ✓ 3% of companies seeking capital receive it within a year
- ✓ About 10% receive it ever

What can you conclude from this?

You're in danger!

If you don't receive funding, you'll be left with:

- Competition that over-runs you
- A fading dream, vision and legacy
- Embittered friends and family

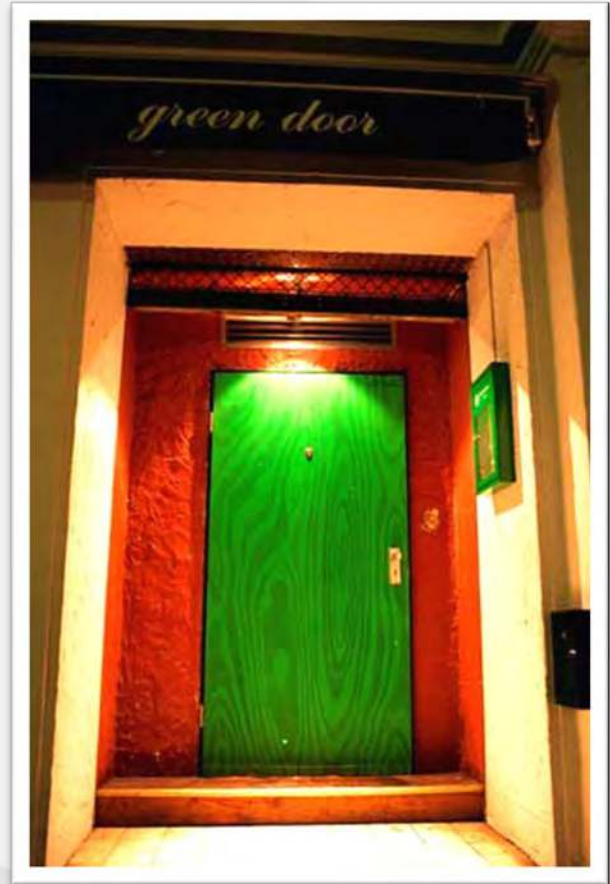
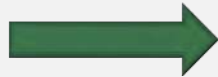
Dealing with normal angel and VC type investors, your chances of escaping this fate are just 10%.



Escape to Safety:

- Friendly patient investors
- Who share your vision and passion
- Want to promote you, and
- Have more money than angels

Open the Big Green Door



Impact Investors are behind the Big Green Door

Most significantly:

- Family foundations:
- Over 86,000 in U.S.
- And their info is public

Impact investing

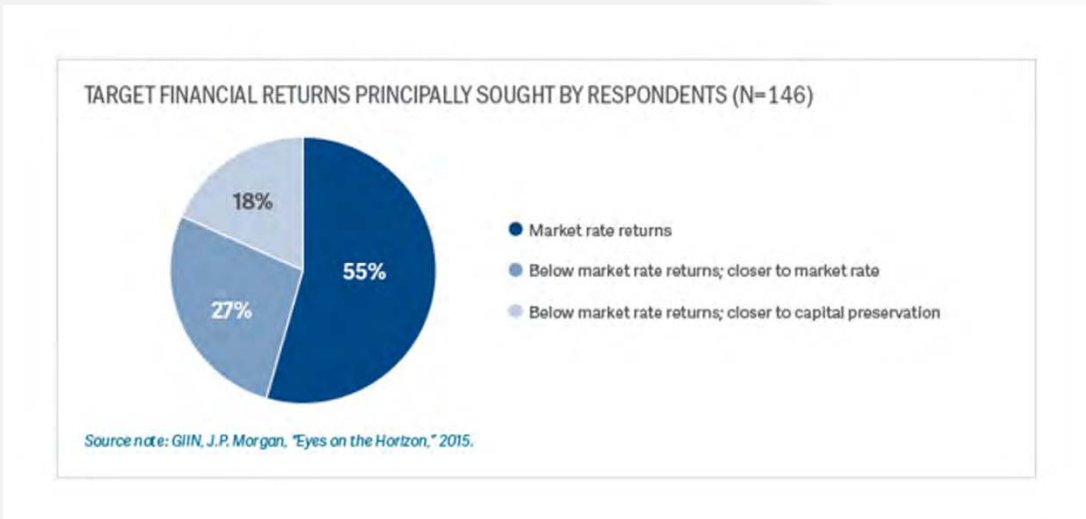
IMPACT must be:

Intentional, measurable, positive, such as:

- Environmental
- Health / medicine
- Economic development
- Social justice



Impact investor expectations



Almost half of Impact investors expect less than market-rate returns and as a rule, they are not expecting above-market returns.

Impact investing returns

Impact Investing Benchmark, from GIIN and Cambridge Associates, as of June 2015		
Level of returns reported	% of the population of general (non-impact) funds	% of the population of impact investment funds
Greater than 15% IRR	21%	12%
5% to 15% IRR	32%	33%
0% to 5% IRR	14%	20%
0% to -5% IRR	7%	19%
-5% to -15% IRR	21%	10%
Losses greater than -15%	5%	6%

Conclusion: Impact Investments DO (on the average) generate market-rate returns or better!

There are many types of impact investors, with private family foundations leading the way:

- Private family foundations
- High-net worth individuals
- Single-family family offices (SFOs)
- Multi-family family offices (MFOs)
- Registered investment advisory companies
- Educational endowments
- Religious endowments
- Insurance companies
- Community development institutions
- Select hedge funds
- Select private equity funds

The Key to the Big Green Door



Winning Conversation

Winning conversations require:

- Targeted access to just-right prospects
- Multiple interactions (no pitching)
- A win-win deal structure



To target just-right prospects:

- You need a just-right investor database
- Experience searching the database
- The way to open a conversation



To navigate multiple interactions:

You need a conversation map, so that you will:

- Know the expected protocol
- Be invited back for a second meeting
- Know how to get from one interaction to the next with increasing value perception

What is a win-win deal structure?

Revenue Royalties

Is a win-win deal structure you can use

The Balanced Vision

“Royalties are the better way of both investing in and financing of privately owned companies.”

Arthur Lipper

Revenue Royalties

- No debt
- No equity
- No crowdfunding

Just cash to grow

Revenue Royalties are perfect for impact investors

- ◉ Built-in liquidity
- ◉ Immediate payments
- ◉ Principal paid off quickly
- ◉ No conflicts over valuation or exit
- ◉ No dilution
- ◉ Calibrated to the return expected by specific investors

Quoting Arthur Lipper:

“A good transaction is one which brings a smile to the face of both parties when recollecting.”

This is always what we seek with impact investors such as family foundations, as this is the only sustainable investment relationship.

Impact investors will talk with you about any form of investment

- ◉ Revenue Royalties
- ◉ Debt
- ◉ Convertible debt
- ◉ Equity

In many cases they prefer Revenue Royalties because it matches the ideal profile of slow but steady returns that can be calibrated to meet their desired rate of return.

Family foundations can invest in profit-making private placements in two kinds of ways:

- Program-related investments (PRI's)
 - Using the 5% of assets that must be granted each year to program-related organizations
 - Requires that investments generate below-market risk-adjusted returns
- Mission-related investments (MRI's)
 - Using the 95% of assets that are retained each year
 - Can be below-market returns if mission-related

In conclusion, you can learn to engage in winning conversations with impact investors, especially family foundations, if you:

- Select your prospects with rifle-shot accuracy
- Navigate multiple interactions and influencers according to protocol
- Close with a win-win deal structure

*This is educational material not intended as legal or accounting advice.

Further information:

www.IntelliversityCampus.org

www.Royalties.Website

www.TheWeinbaumGroup.com

Or email robk@Intelliversity.info

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OR

NO

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