



CTI Entrepreneurship

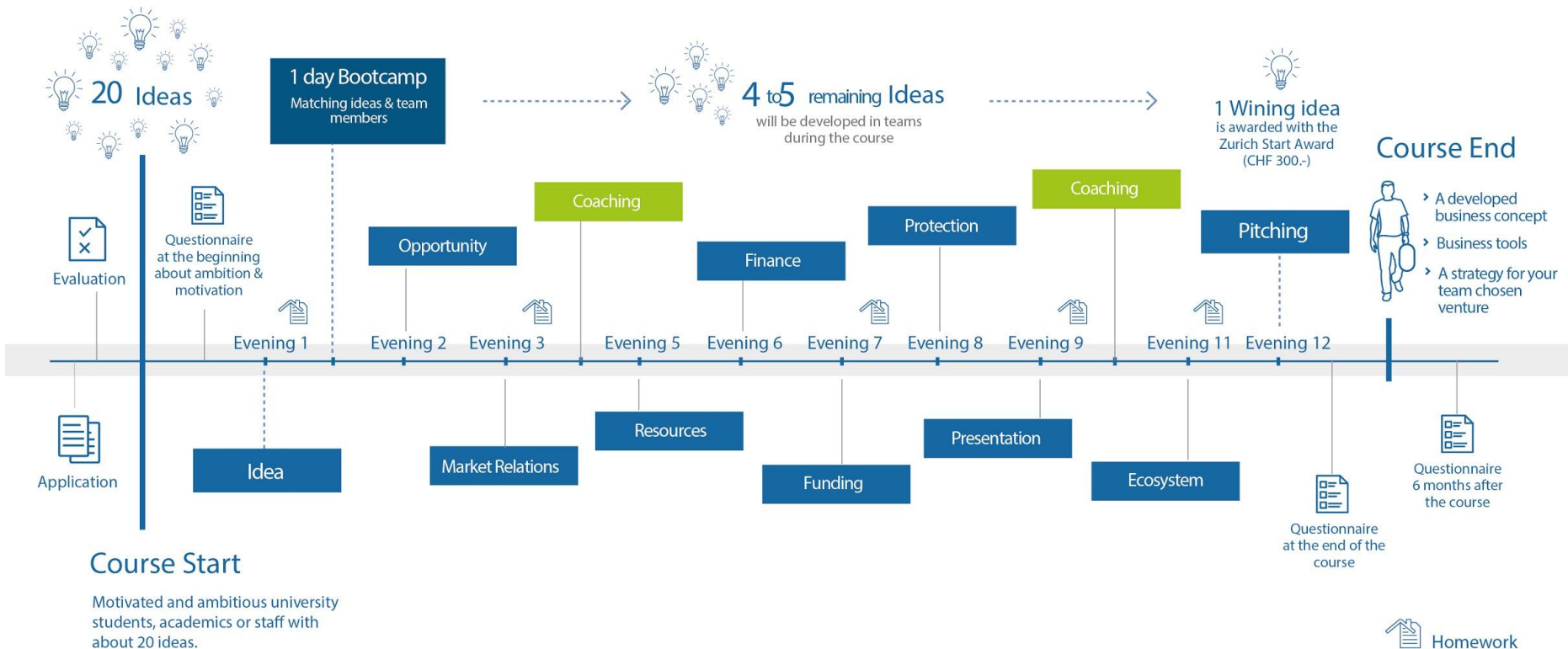
Business Conception

Week 7: Funding

Module 2 - Business Concept

CTI Entrepreneurship Training Business Concept

Course Schedule

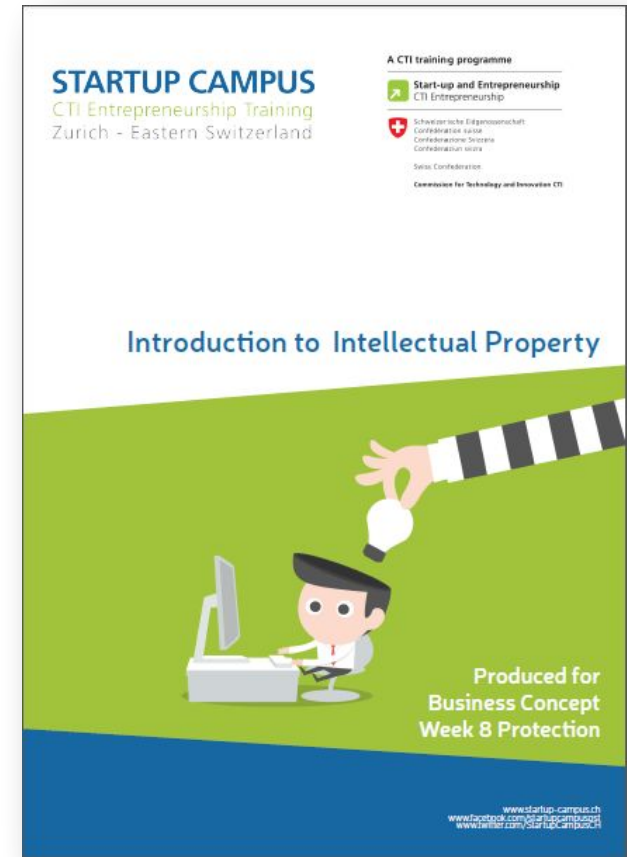


Course Structure

Week / Time	Hour 1		Hour 2		Hour 3		Hour 4		Deliverables	
1 Idea	Welcome, Introduction		Entrepreneurial Acting and Thinking		Get to Know Each Other		Elevator Pitch Training, Wrap-Up		Elevator Pitch	
1 Bootcamp	STARTUP CAMPUS Bootcamp								Ideas & Teams Chosen	
2 Opportunity	From Idea to Opportunity		Work on Business Value Concept		Value Proposition Development		Group Presentations, Discussion, Wrap-Up		Business Value Concept, Value Proposition	
3 Market Relations	Understanding your market	Market Positioning		Value Chain Analysis & Market Entry Strategy			Update Business Value Concept, Wrap-Up		Customer Segment, Positioning Map, Value Chain, Entry Strategy	
4 Coaching (I)	Individual Coaching Sessions in Teams: Status Quo, Q&A, Roadmap								Review of Progress	
5 Resources	Managing Yourself		Human Resources and Skills Matrix		Founding Your Business		Roadmap, Wrap-Up		Motivation & Expectation, Skill Matrix, Roadmap	
6 Finance	Financial Planning	Forecasting Sales and Costs			Income Statement	Free Cash Flow / Liquidity / Break Even, Wrap-Up			Definition of Key Financial Forecasts and Statements	
7 Funding	Introduction to funding		Types and Sources of Funding and How to Secure Investment		Funding Strategy and Funding Battleplan, Wrap-Up				Funding strategy and battleplan	
8 Protection	Introduction to IP Protection		Identifying IP Needs		IP Strategy and Management		Checking Operating Freedom		Discussion and Wrap-Up	IP Canvas
9 Presentation	Introduction & review of online training		Standing in the shoes of your audience		How to structure an investor pitch		Developing a your final pitch, Wrap-Up			A Start-Up Pitch (presentation)
10 Coaching (II)	Individual Coaching Sessions in Teams: Status Quo, Q&A, Roadmap								Review of Progress	
11 Ecosystem	STARTUP CAMPUS CONNECT EVENT								Contacts to Ecosystem	
12 Pitching	Final Pitches & Jury Feedback						Course Evaluation & Closing		Jury Feedback and Certificates	

Please prepare for next week (Protection)

- Next week is Protection week – covering intellectual property (IP)
- It is a big topic, so the IP trainers have prepared a handbook for you and would like you to do some preparation
- To make the most of the week you should read the handbook and **complete the IP Canvas** (centre pages of the booklet) **on Podio by 13th April** (so that the trainers can review your case)



Week 7: Funding

WK	Topic	Trainer
1	Ideas	Lead Trainer
2	Opportunity	Lead Trainer
3	Market Relations	Lead Trainer
4	Coaching I	Lead Trainer
5	Resources	Lead Trainer
6	Finance	Lead Trainer
7	Funding	Lead Trainer
8	Protection	IP Trainer
9	Presentation	Lead Trainer
10	Coaching II	Lead Trainer
11	Ecosystem	TBC
12	Pitching	TBC



Learning Goals

The participants are able to:

1. Explain the types and sources of financing for an early stage company
2. Understand the expectations of various types of investors
3. Understand how to minimize initial costs using bootstrapping principles
4. Be able to understand and apply basic valuation methods, including the Discounted Cash Flow (DCF) method

Deliverables

1. Funding strategy and battleplan

(Usual Start Time: 17:00)

Week 7: Funding - Agenda

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Part Six	Wrap-Up

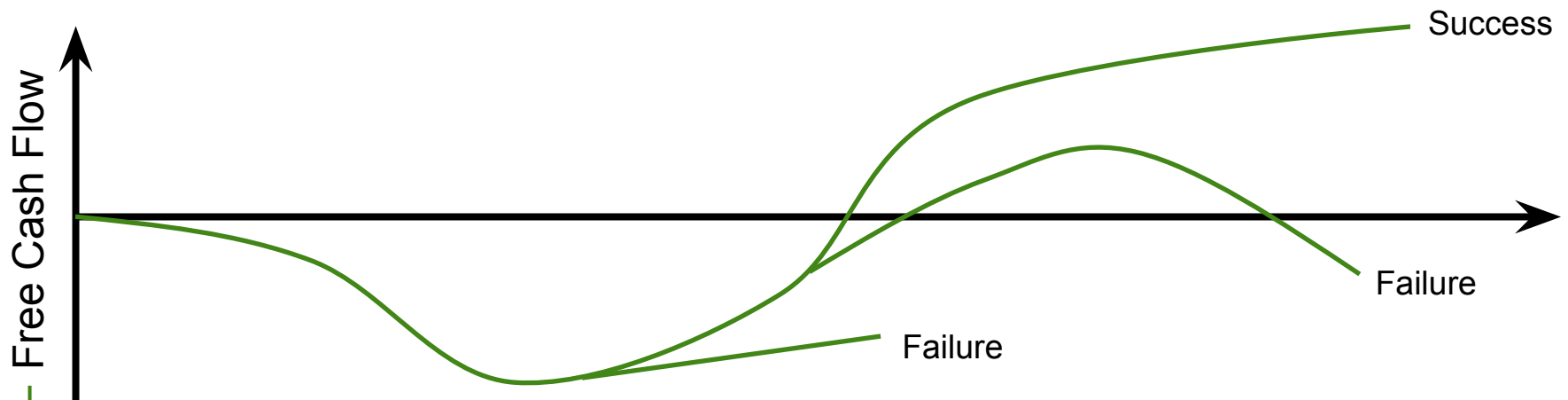
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Why is funding needed?

Positive view: tap the max potential of your idea in shortest time possible

Negative view: pay the bills until you are Free Cash Flow (FCF) positive



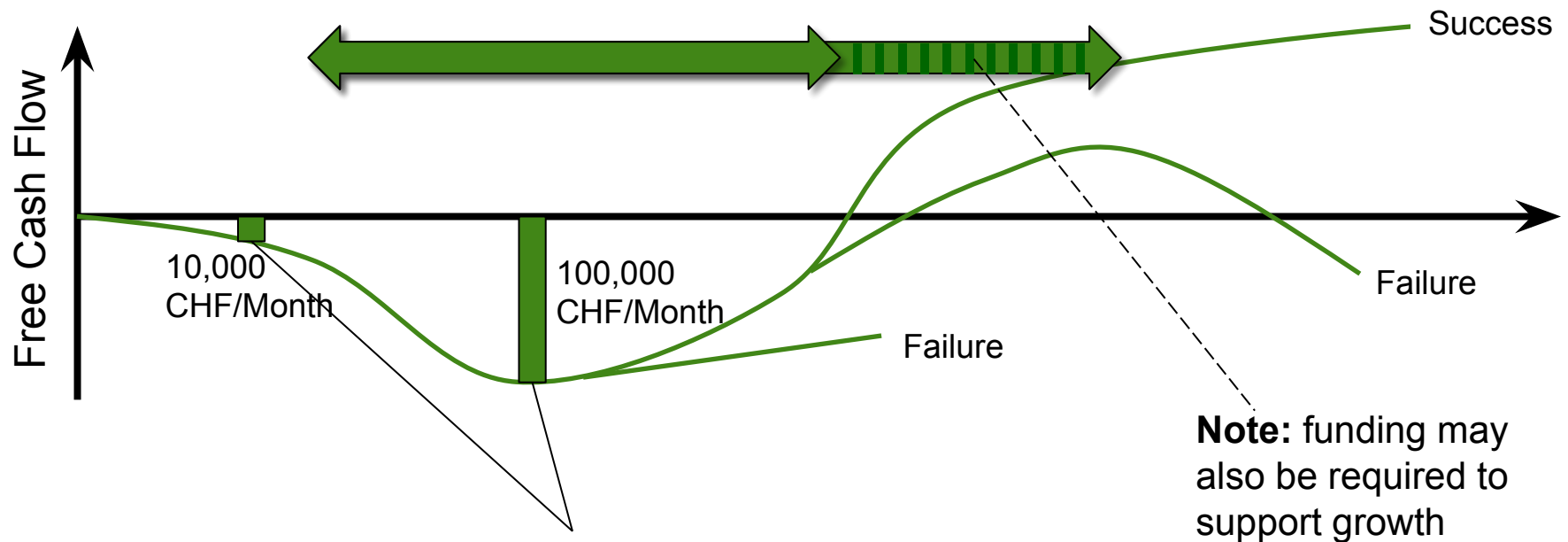
Free Cash Flow (FCF)

The difference between what you earn and what you spend in a given period. It is called 'Free' because it is available to all investors. See also Week 6 (Finance).

Some commonly used terminology

Valley of Death

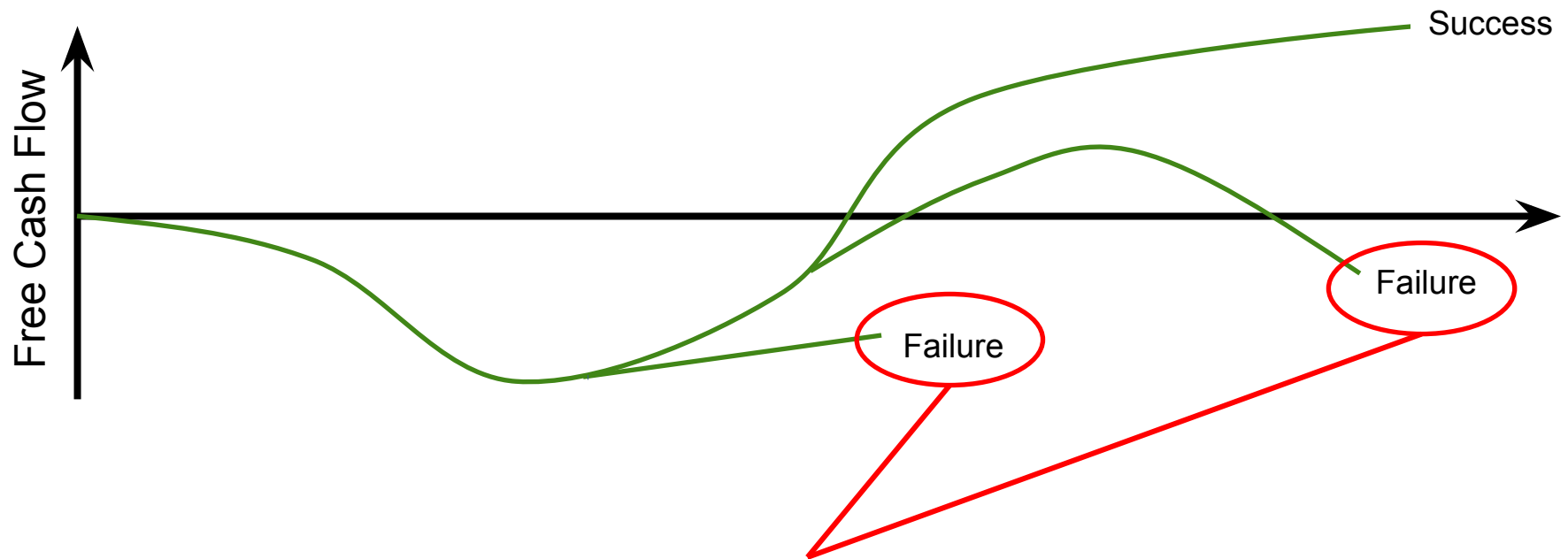
Stage of development where burn rate (funding need) is high and risks are still very high (so few sources of finance exist). Less of a problem for startups with a low burn rate (e.g. services/apps).



Burn Rate

Cash loss that must be funded to keep the business on track (i.e. funding need).

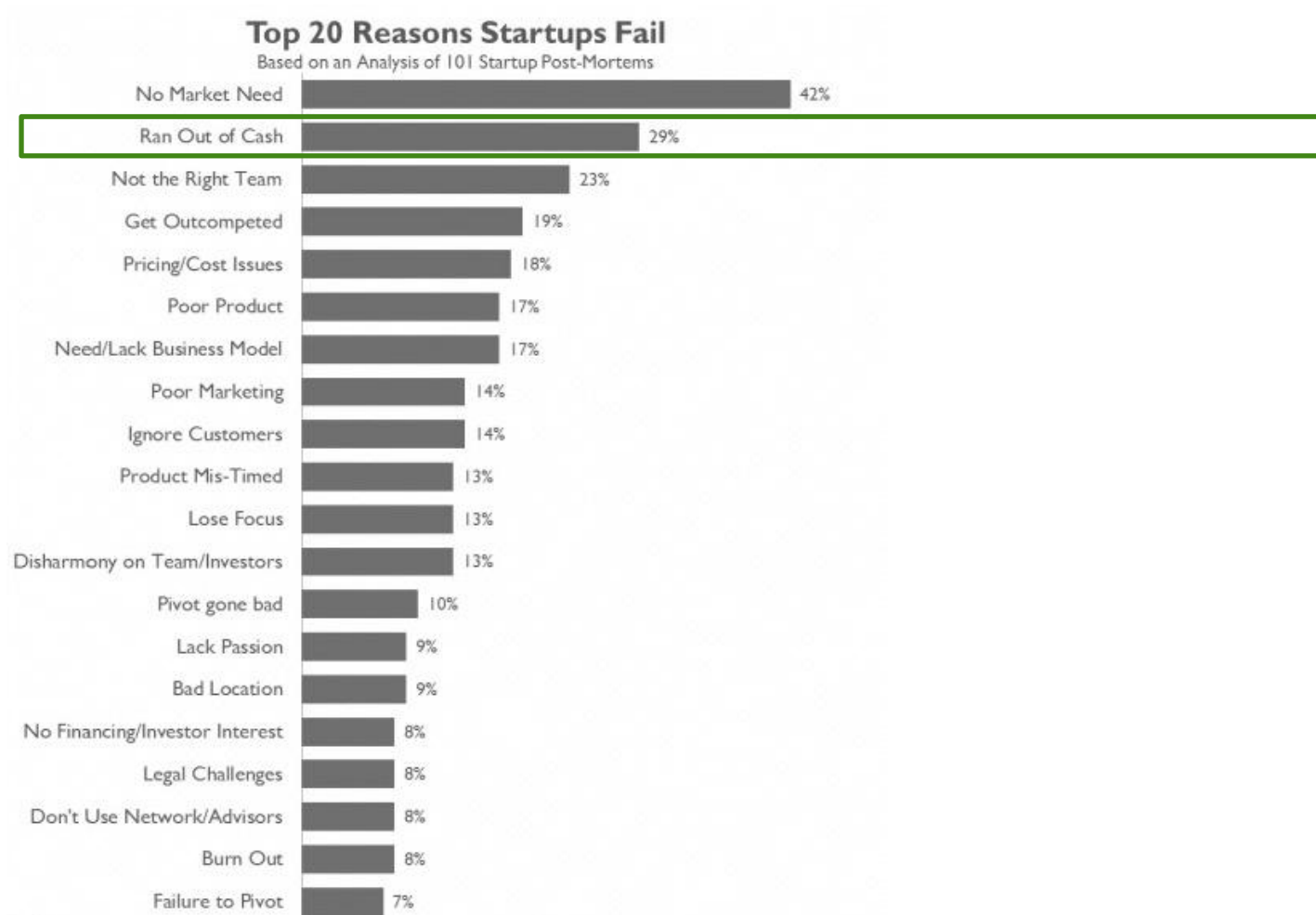
The high-risk nature of start-ups affects the type of funds available



30-50% of Swiss innovative start-ups fail* so anyone expecting a return is making a bet. They hope to win big, but must also be prepared to lose all their money.

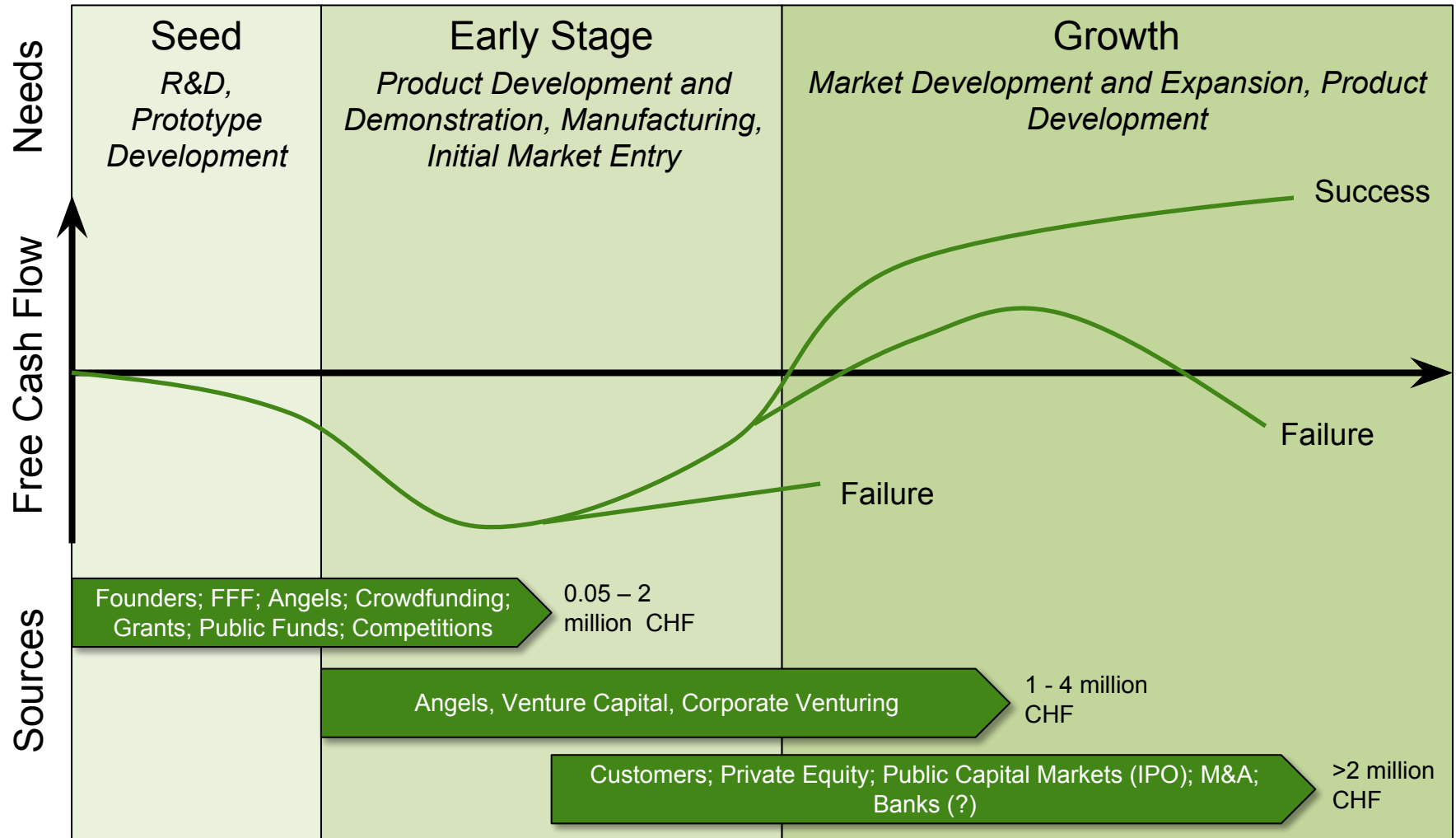
Source: * Nicolas Berg, Co-founder Redalpine Venture Partners

Funding helps bridge cash bottleneck

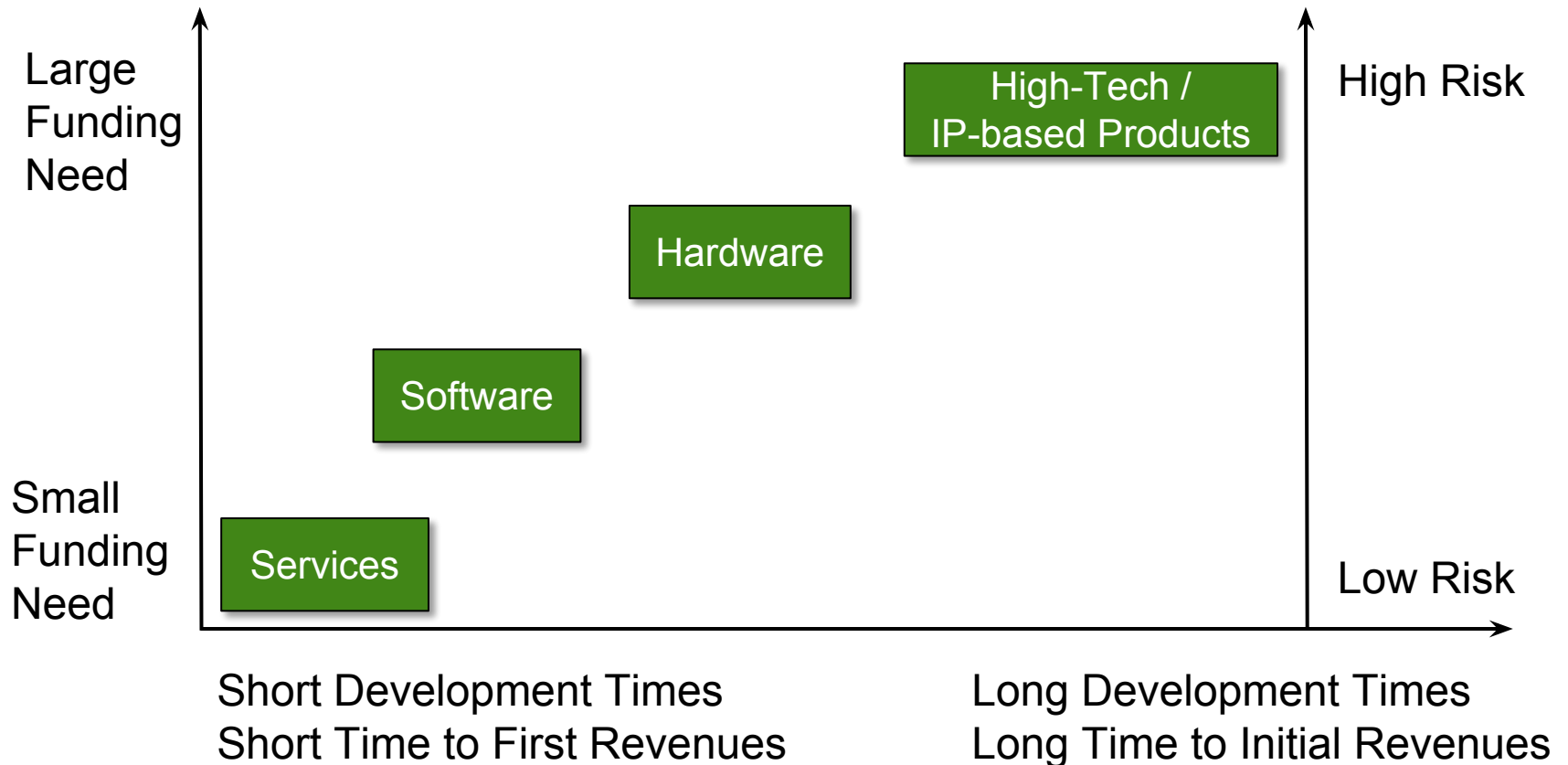


Source: * Nicolas Berg, Co-founder Redalpine Venture Partners

Funding needs and sources depend on stage of development



Funding needs vary widely from business to business



Source: Adapted from content provided by Silvano Cometta

Raise money only if you really need to. Until then, try bootstrapping.

- Do not plan to spend money on luxury (e.g. high salaries)
- Plan to spend wisely instead:
 - economy fares
 - 2nd hand furniture and equipment
 - lease instead of buy
 - mandates with success clause
 - use freelancers instead of hires
 - use students for small projects
 - salary + commission for sales
 - negotiate payment terms
 - ..., etc.)

Bootstrapping

Foregoing external funding in favor of self-financing and/or revenue driven growth is known as bootstrapping



Source: Adapted from content provided by Silvano Cometta

Bootstrapping - Pros and Cons



- Flexibility
- Maintain ownership
- Operational control by founders
- Lose less time on fundraising



- Not sufficient for growth stage
- No strategic / long-term perspective
- No or little support (network, connections, etc)

Why should you go for investment?

- Secure your first mover advantage (in many markets)
- Secure innovation lead/USP
- Unlock maximum market potential
- Gain experience & network
- Probably better exit
- Share risk (upside & downside)
 - Best startups are sourced by best investors
 - Best startups approach best investors

Alternatives

- Grow slower → loose lead
- Self financed → independent

Source: Nicolas Berg, Co-founder Redalpine Venture Partners

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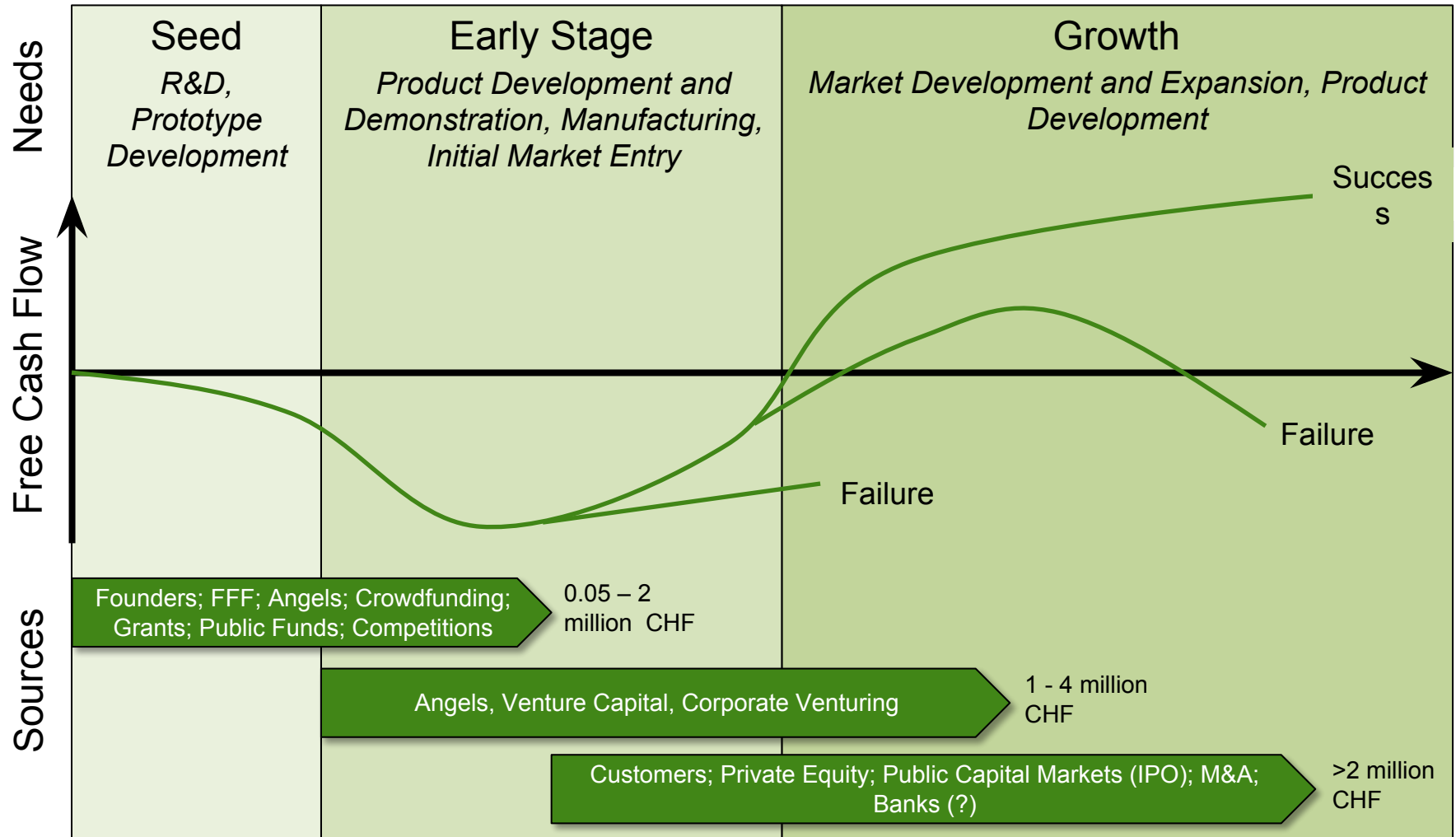
The three main classes of funding

Funding class	Return expected?	Characteristics	Pros	Cons
Equity (investment)	Yes	<ul style="list-style-type: none"> • Money is obtained in exchange for shares • A new co-owner is taken into the company 	<ul style="list-style-type: none"> • Similar interest of both parties • Top investors have more experience & network than founders 	<ul style="list-style-type: none"> • Others own part of the company • Dilutive money
Debt (loans)	Yes	<ul style="list-style-type: none"> • Borrowed money • Interest must be paid • Money needs to be repaid 	<ul style="list-style-type: none"> • Non-dilutive* money • Not very expensive for the start-up 	<ul style="list-style-type: none"> • Guarantee required in most cases • Next equity round participants asks for net debt free situation
Other (grants, competition winnings)	No	<ul style="list-style-type: none"> • Money is given to the company in exchange for achieving a specific aim 	<ul style="list-style-type: none"> • Non-dilutive money 	<ul style="list-style-type: none"> • No financial cost to the start-up (except match funding need) • Can be high reporting requirements

* Dilution see Appendix

Source: Adapted from content provided by Silvano Cometta

Funding needs and sources depend on stage of development



Types and sources of funding

1. Seed – and early stage
2. Growth stage

Seed – & Early-Stage Funding

Founders

**Friends, Fools
and Family (FFF)**

**Business plan
competitions**

Foundations

Grants

**Bank funds for
startups**

Business Angels

You can find a comprehensive list of Swiss funding sources in the Appendix of this slide deck.



Business Angels - Characteristics

- Most BAs are retired executives, successful entrepreneurs (70%), or people in transition looking for a challenge
- BAs typically are 40-50 years old with a median net worth of about CHF 4m investing up to 25% of that amount as BA
- Most BAs have an IT or financial services background
- BA's motivation is to make money, to be mentor, to socialize, to learn, to make a difference, ...
- BAs do not give away money, they invest. Therefore, they expect financial success
- BAs want to protect their investments from bad management decisions, decreasing value of the start-up, and future rounds of financing

Source: Adapted from content provided by Silvano Cometta and PhD thesis of Martin Riffelmacher, „Erfolgreiche Zusammenarbeit von Business Angels und Start-Ups in der Schweiz“, 2006 (<http://e-collection.library.ethz.ch/eserv/eth:28420/eth-28420-02.pdf>)

Motivation of Business Angels

Motivation	importance		
	Very import.	Important	Not import.
▪ Fun	81 %	17 %	2 %
▪ To support young companies	50 %	42 %	8 %
▪ To earn large returns on capital	46 %	37 %	17 %
▪ To play a role in the entrepreneurial process	40 %	23 %	37 %
▪ To be able to influence my investments	21 %	37 %	42 %
▪ To support socially beneficial products	17 %	29 %	54 %
▪ To help friends and family members	10 %	17 %	73 %
▪ For tax reasons	6 %	15 %	79 %
▪ To earn large dividends	4 %	25 %	71 %
▪ To be highly regarded in society	4 %	15 %	81 %

Source: Brettel et al. (2005)

Why Business Angels should go for Startups

- Profit opportunity
 - High-innovation startups as an asset class provide 27% IRR, but majority of investors (median) lose money!
- Adrenaline
- Being active & useful
 - Network
 - Knowledge

Alternatives

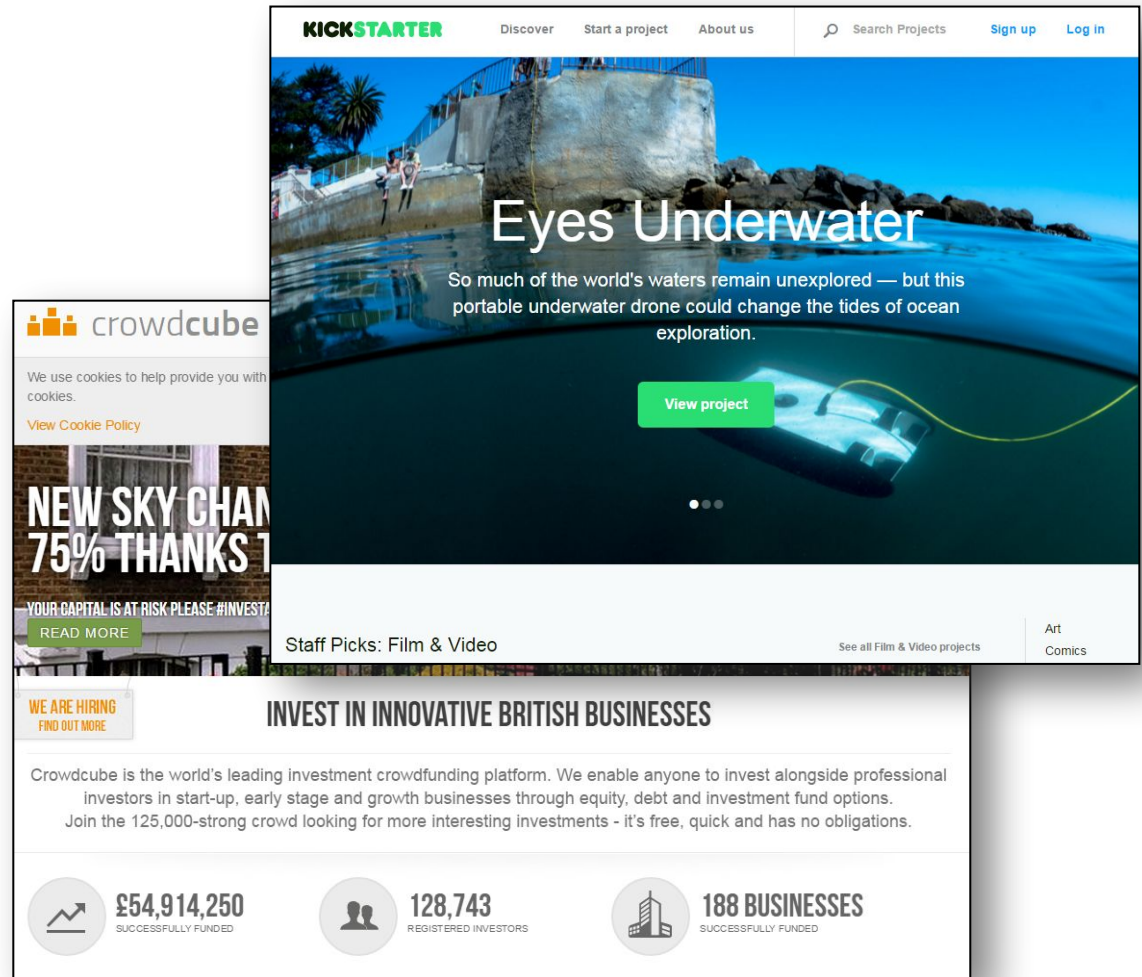
- Consume (Villa, yacht, golf, hotels, private jet)
- Classic assets (Listed equity, funds, bonds, money market)
- Alternative assets (real estate, commodities, gold, hedge fund)

Source: Nicolas Berg, Co-founder Redalpine Venture Partners

Crowdfunding as an alternative

Funds are offered by many individuals and/or organisations in exchange for:

- Equity
- Rewards (e.g. products or experiences)
- Social impact (charitable donation)



Crowdfunding: Things to consider

- Your project and/or business will be public
 - Your success will be public
 - Any failure will be too, e.g.
 - Failure to raise your target amount
 - Business and/or project failure
- What will be the implications for your existing stakeholders?
- How will you manage your new group – of possibly thousands – of stakeholders?
- You may put off some future investors
- Contract terms are usually fixed by crowd funding sites - you can't negotiate!



Types and sources of funding

1. Seed- and early stage

2. Growth stage

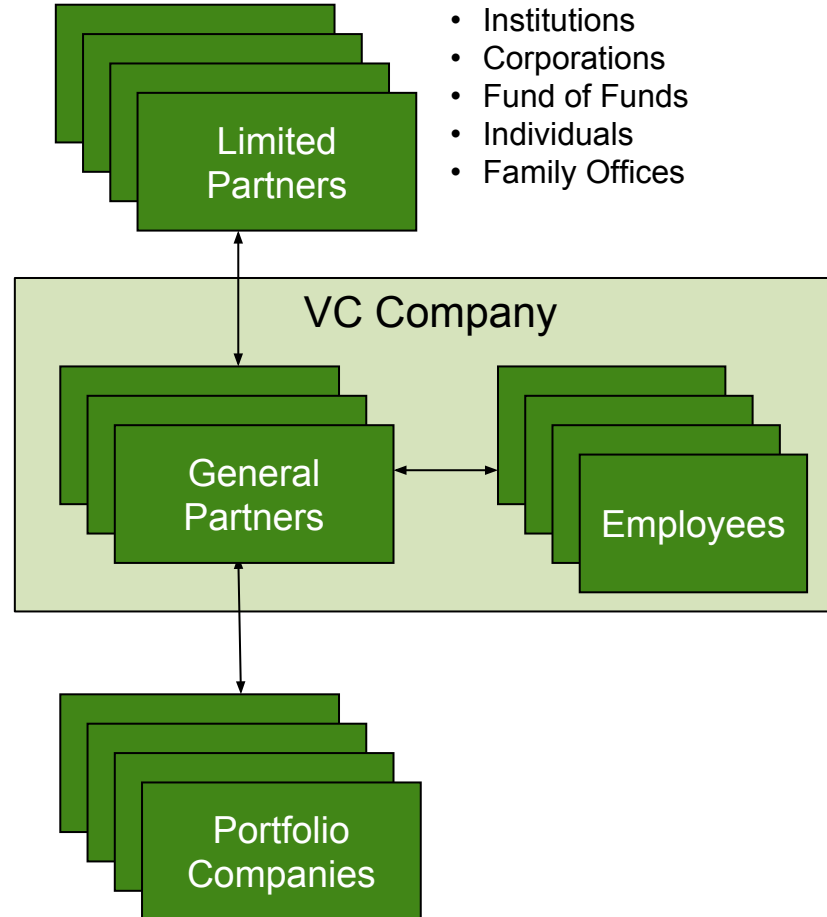
- Venture Capitalists
- Strategic Partnerships

Types and sources of funding

1. Seed- and early stage
2. Growth stage
 - Venture Capitalists
 - Strategic Investors

Understanding Venture Capital

- A Venture Capital (VC) company raises money for its fund from investors (Limited Partners)
- The fund will typically have a 10 year lifespan
- The VC company must invest and exit from its portfolio companies within 10 years and provide returns to Limited Partners
- Limited Partners typically expect 15% IRR



How VCs make money

- Limited Partners invest 50m CHF for 10 years
- VC company charges 2% management fee per year ($0.02 \times 50 \times 10 = \mathbf{10m\ CHF}$) to cover the cost of fund administration, expenses and team (e.g. 4 General Partners, 2 analysts, 1 CFO and 1 assistant)
- Of the remaining 40m CHF, 20m CHF is invested in the first few years and 20m CHF is kept for follow-on investments in the top performing portfolio companies
- After 5 to 7 years, most portfolio companies are exited and the initial investment plus profit is returned to the fund
- 80% of profit is returned to Limited Partners and 20% is retained by General Partners (this is known as the “carried interest” or “carry”)
- Since Limited Partners expect 15% IRR, the fund must be worth 200m CHF after 10 years!
- If this is achieved, the 3-4 General Partners share **30m CHF**

Implications for VC investments

- In order for the VC company to make a return for itself, it must turn 40m CHF into 200m CHF over 5 - 7 yrs and this requires an IRR of over 30%
- Out of a portfolio of 10-20 investments, typically only 1-2 will succeed
- These top-performing investments must achieve around 50% - 75% IRR, or x10 to x30 multiples within 5 - 7 yrs
- i.e. if they invest 5 m in your business for a 40% stake, they need your business to be worth at least $(5 \times 10) / 0.4 = 125\text{m}$ in 7 years!

Portfolio Return Expected

Year 1	-40
Year 2	0
Year 3	0
Year 4	0
Year 5	0
Year 6	0
Year 7	200
IRR	31%

Individual Investment Performance Needed

x30	x5	x3	X2	0
0	0	0	0	0

VC financing – key points for startups

- Founders may have to accept losing total control over their company once VCs are on board
- Founders:
 - Will give up the majority of the company at some point in time (usually in the second round of financing)
 - Will find that key decisions will be taken by the board (After a later stage large investment round the Board is usually controlled by representatives of the VCs (2), angels (1), independent industry experts (1) and founders (1))
 - Will have to sell the company at some point in time (to enable the investors' exit and ROI)
 - May find that some team members will have to leave the company in case of missed milestones or extreme growth
 - Might get an external CEO

Source: Adapted from content provided by Silvano Cometta

Types and sources of funding

1. Seed- and early stage
2. Growth stage
 - Venture Capitalists
 - Strategic Investors

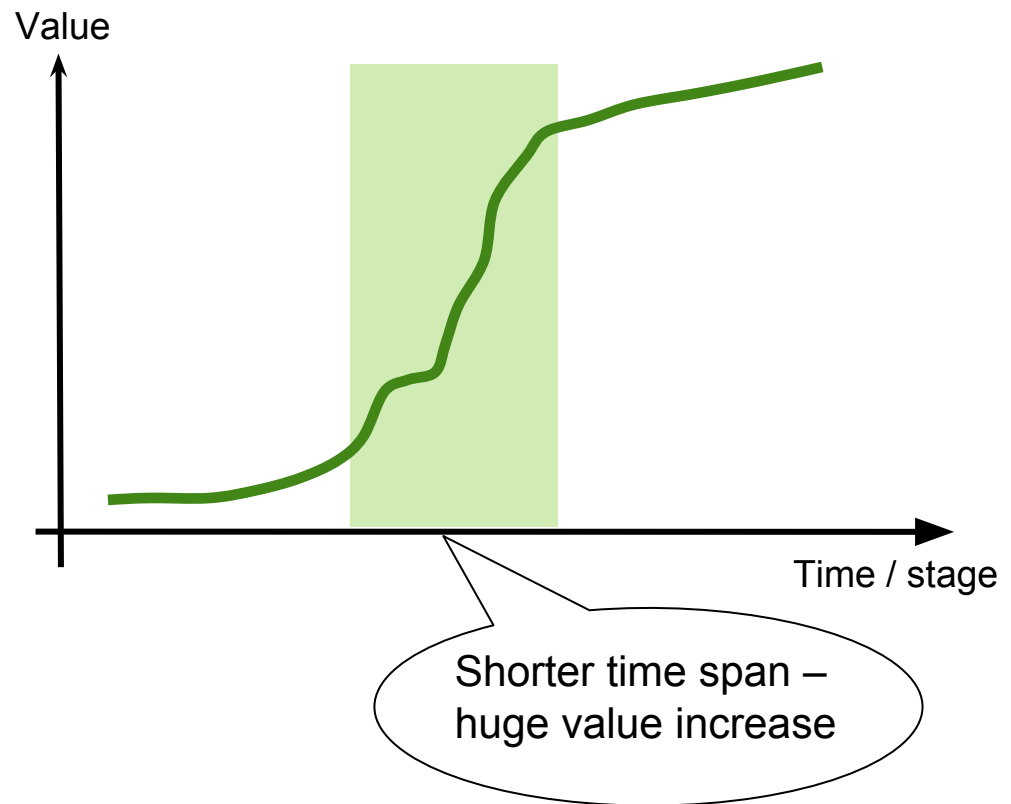
Benefit of a strategic investor:

(1) Market access

Strategic partners such as telcos, media, railway, financial services or retailers:

- Suffer from structural changes & lower pace of innovation
- Have market reach – a currency that has the potential to hugely increase value
- May be open for Media for Revenue (M4R) or Media for Equity (M4E)

Typical value development of tech companies



Source: Adapted from content provided by Michael Sidler, General Partner at Redalpine Venture Partners

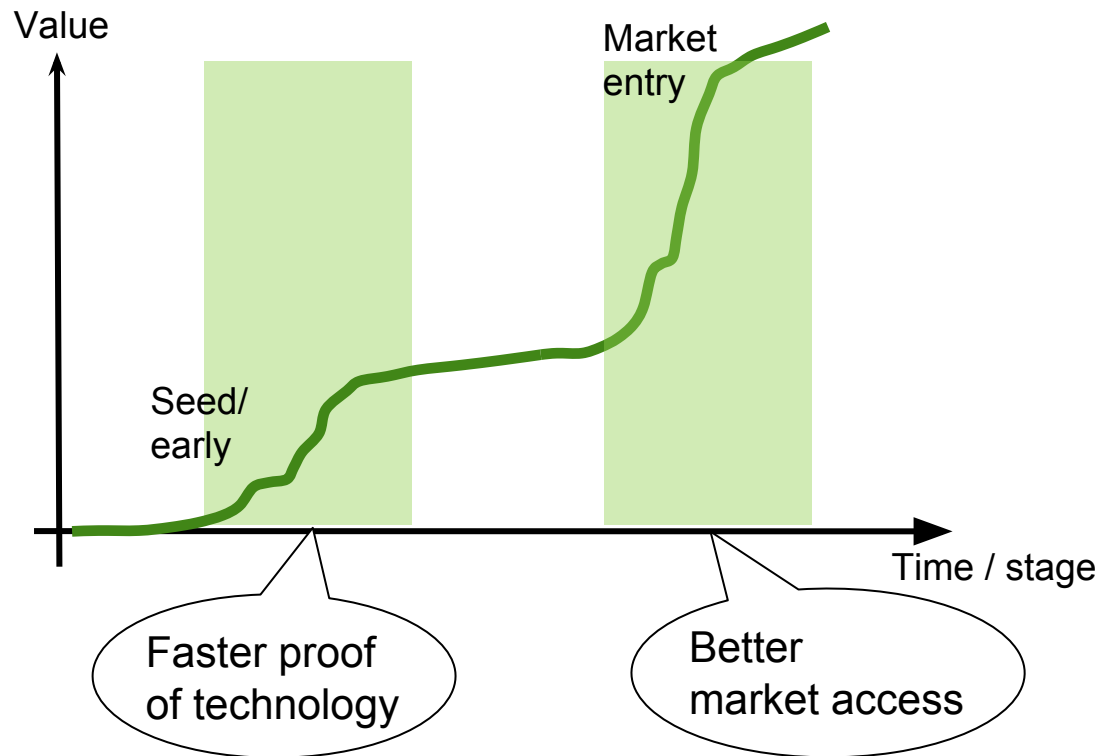
Benefit of a strategic investor:

(2) Joint R,D&D

Strategic partners such as big pharma or biotech:

- Have lower internal innovation pace
- Have big R,D&D resources, but low risk appetite
- Have big production capacity & market reach
- Provide milestone and license payments (e.g. \$1 m upfront, \$xx m for reaching stage x, later co-licensing fees or acquisition)

Typical value development of tech companies



Source: Adapted from content provided by Nicolas Berg, co-founder of Redalpine Venture Partners

How do strategic partnerships work?

- A partner company may offer funding/royalties in exchange for:
 - Revenue-share or equity (“M4R”, “M4E”)
 - Licenses
 - Co-development
 - Technology transfer
- If the partner requires equity, this could be of interest:
 - Provides initial funds to initiate operations or a particular strategic project
 - Provides a source of valuable contacts (experts, global networking)
 - But; it may limit your exit value and exit opportunities!

Source: Adapted from content provided by Silvano Cometta

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Develop a funding strategy (45 mins)

Objective:

- Develop a funding strategy for your business and identify potential funder/investor types

Tasks:

1. Examine your business roadmap and financial forecast and identify your key milestones (value inflexion points)
2. Consider how you could apply bootstrapping/lean startup principles
3. Consider your appetite for investment versus other forms of funding
4. Identify the key types of funding that you will target

Activity Guide

Tips for identifying the right funder/investor:

1. What types of funders/investors should you consider?
2. Where should you look for them?
3. How should you approach him/her/them and through whom? (door opener)
4. Why should these funders/investors be interested in you?
5. What need are you meeting for them?

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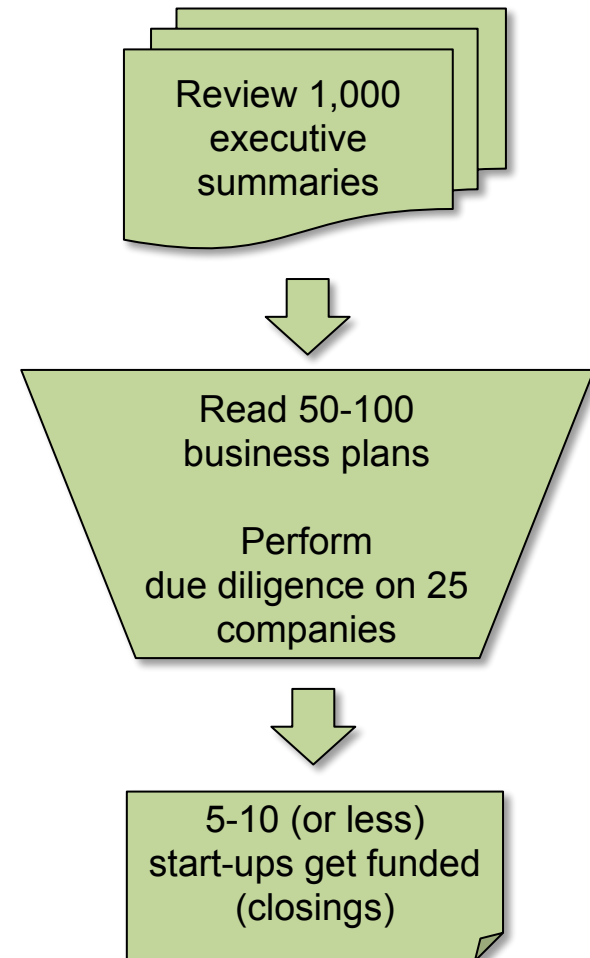
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How to secure investment

1. Understand investors
2. Do your sums
3. Identify and approach the right investors
4. Understand dilution
5. Structure the deal

What investors are looking for

- 10% probability of 30x exit multiple
- Team, team, team
 - At least 2 extraordinary personalities that can implement the milestones in the next 2 years
- Disruptive idea, technology or business model
- Attractive market



Source: Adapted from content provided by Nicolas Berg, Co-founder Redalpine Venture Partners and Silvano Cometta

A deal will often involve more than one investor

- Typically, there is a lead investor or two co-lead investors and a number of co-investors
- The lead investor's/co-lead investors' role(s) is/are:
 - Organizing the financial round
 - Structuring and negotiating the deal
 - Organizing the due diligence
 - Supporting the company (e.g. as Board Member)
 - Informing co-investors on a regular basis
- The co-investors role is:
 - Putting some money into the venture
 - Passive role (typically limited or no interaction with the start-up)

Source: Adapted from content provided by Silvano Cometta

What investors like/dislike and how they act

Most investors:

- Follow the lead wolf (brand name) in their investor network
- Avoid startups who have been fundraising over 9 months
- Focus on the fittest & strongest companies in their portfolio
- Will go for the hockey stick, but will do everything possible not to lose their investment
- Will quit if there is a big gap in the plan, but will invest more if there is good news
- Feel more confident if they get good & bad news instantly
- Think that founders that follow all their advice have no clue and founders that never listen are impossible to work with

Source: Nicolas Berg, Co-founder Redalpine Venture Partners

How to secure investment

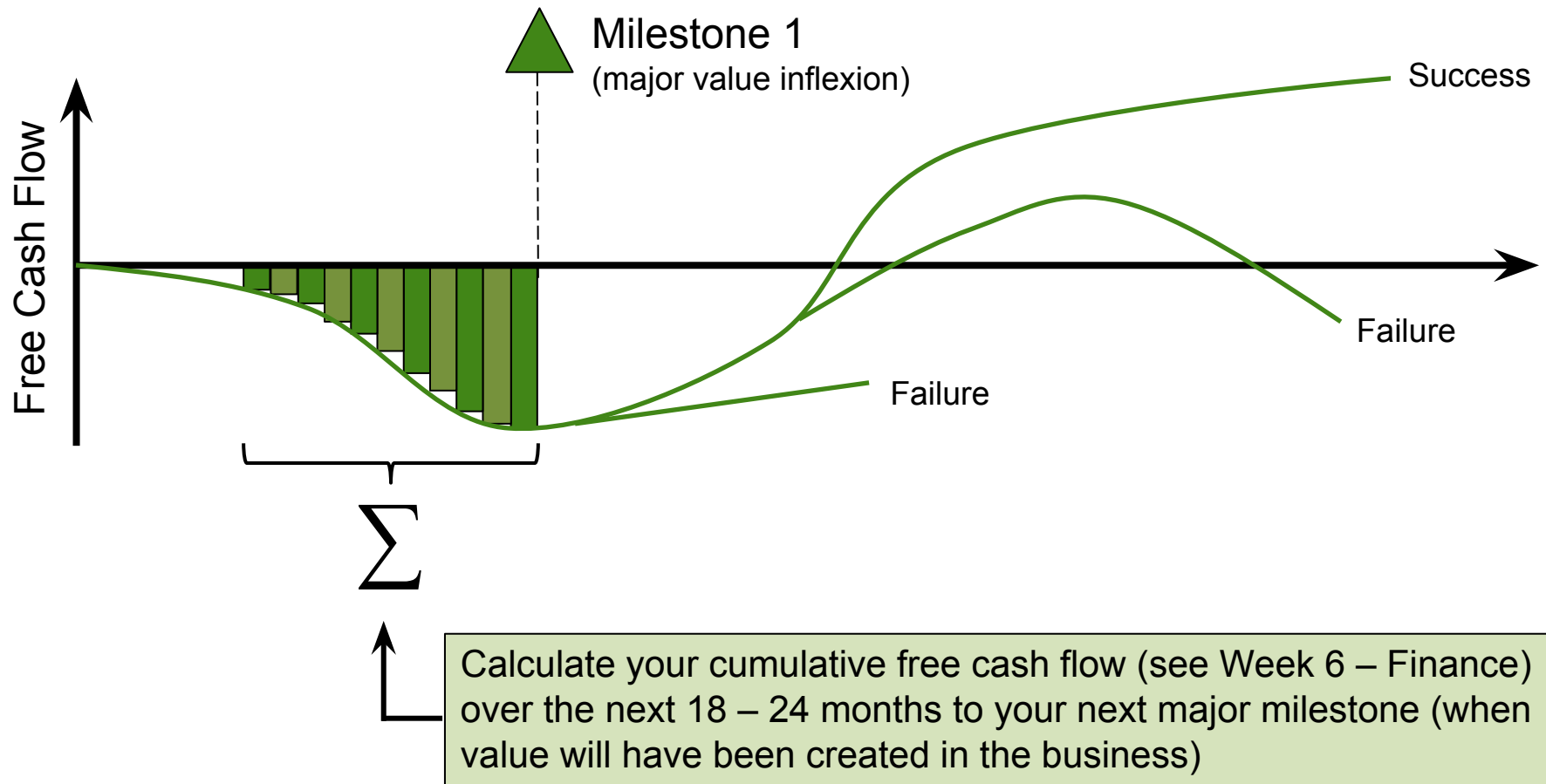
1. Understand investors
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Overview

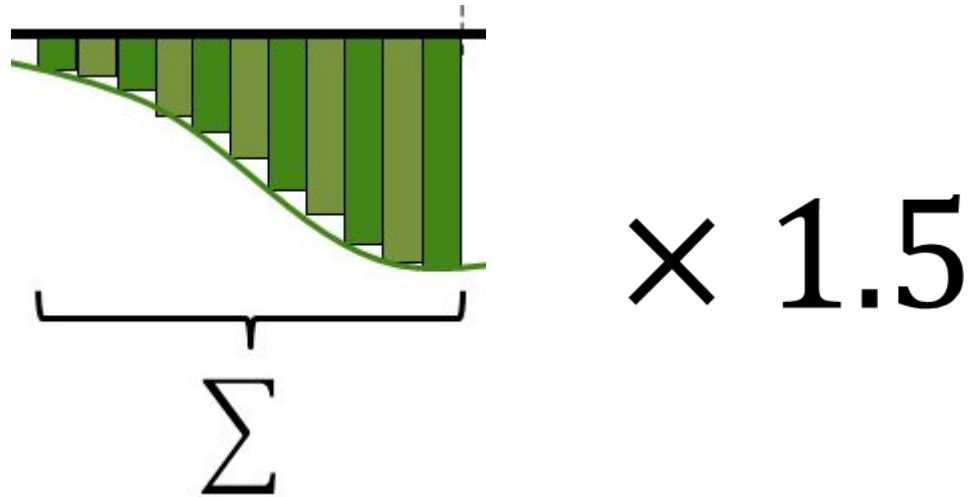
$$A \neq B \neq C \neq D$$

What you think you need, what you actually need, what you should attempt to raise and what you eventually get may all be different amounts!

A: how much money do you think you need?



B: how much will you actually need?



If you have not done so already, you will need to add a significant amount of contingency. Depending on the nature of your business, this could be as much as 50%.

C: how much should you attempt to raise?

- **Rule 1: as much as possible!***
Forget about dilution – think maximum success and liquidity!
- Why as much as possible?
 - **Most startups will partly miss milestones**
(it will takes longer, it will cost more and it will be more difficult to secure a 2nd round)
 - **Each fundraising round will eat about 50% of the CEO's attention and time for the next 6-12 months**

* The downside of raising too much is that either the **investors** stake must go up (greater dilution) and/or the pre-money valuation must go up, either way this means:

- More pressure
- More due diligence
- More investor control terms
- Higher monthly burn-rate

Key Messages:

- *Ask for 50% more than planned*
- *Try to get funded for next 24 months*
- *The more value you create before a raise the better*

Source: Nicolas Berg, Co-founder Redalpine Venture Partners

B: what will you eventually get?

Depends primarily on:

1. The investors' assessment of:
 - your funding need
 - the amount they are prepared to risk and their expected return
 - the value of your business
2. Your assessment of:
 - your funding need
 - how much of your business you are willing to give up
 - the value of your business
3. Negotiation

Key equations to keep in mind when negotiating:

$$\begin{aligned} 1. \quad V_{\text{pre}} + IA &= V_{\text{post}} \\ 2. \quad IS &= IA/V_{\text{post}} \\ \rightarrow V_{\text{pre}} &= IA/IS - IA \end{aligned}$$

V_{pre} – Pre-Money Value
 V_{post} – Post-Money Value
 IA – Investment Amount
 IS – Investors' Stake

Example:

If you are offered CHF 2 m for a 40% stake of your business, your business is being valued at:

$$V_{\text{pre}} = IA/IS - IA = 2/0.4 - 2 = \text{CHF } 3 \text{ m}$$



You need to develop your own estimate of the value of your business before you talk to an investor

Startup valuation key points

All valuation methods are **forward looking**: they assess the **future cash returns** the business could provide

What founders or former investors have invested to date, or **“sunk cost” is of less interest**

(when it comes to valuation, they don't care if you spent 100,000 CHF on a prototype and worked every weekend for a year if it didn't create any value)

Startup valuation methods

1. **Market comparables, e.g.:**

- Analyse the market value of companies that are similar and compare transactions (M&A, valuation at last financial round), revenue, EBIT, number of clients/employees

2. **Present value of future value, e.g.:**

- **Discounted Cash Flow (DCF):** investor estimates the Net Present Value (NPV) of the business's future cash flows (if business goals are reached)
- **Internal Rate of Return (IRR):** investor estimates exit value & calculates backwards to determine what would provide 10x - 30x exit multiple

3. **Rules of thumb, e.g.:**

- **Berkus method:** a winning team/board, a great & unique business idea, a finished prototype or unique (IP-protected) technology, and great pilot customers are valued at \$1m each (= \$1-5m pre-money)
- **Rule of thirds:** 1/3 for seed investor

Source: Adapted from Lukas André, Bewertung und Selektion von Hightech-Start-ups durch Venture-Capital-Gesellschaften und Business Angel, SECA, 2006, <http://www.ifm.unibe.ch/content/e2363/e2442/e2363/e2379/MasterarbeitIFMAAndre2007.pdf> and David Amis & H. Stevenson, Winning Angels, 2001

How do early stage investors value startups? (1 of 2)

1. Typically, valuations of start-ups are in the range of CHF 0.7 - 5m
2. Many investors rely on experience and apply a rule of thumb, such as:

- Winning team: Value = CHF 1m
- Excellent product, business model market opportunity, and trade sale outlook: Value = CHF 1m
- Good patent portfolio: Value = CHF 1m
- Excellent brand name pilot customers: Value CHF 1m
- Top brand names in board of directors/ advisory board: Value CHF 1m



Total: CHF 1 - 5m
pre-money valuation

Source: Adapted by Nicolas Berg based on content from David Amis et al.: Winning Angels, 2001

How do early stage investors value startups? (2 of 2)

3. They also check that the future expected value of the company matches their expected return. E.g.
 - If they value the business at 3m and invest 2 m (a 40% stake), the post money value is 5m
 - For a x30 return the business would need to be worth 150m (5x30) in 7 years

They may apply all 3 methods (“Market”, “IRR/DCF” or “rules of thumb”) as a check (today and at exit) and “triangulate” towards a final valuation

The principle of the DCF method is important to understand

- Basic principle: **cash today is worth more than cash tomorrow**
- If you put 100 CHF in the bank for 10 years at an Interest Rate of 3% the Future Value (FV) would be $100 \times (1.03)^{10} = \text{CHF } 134.39$
- Or, you could say that the Present Value (PV) of CHF 134.39 at a Discount Rate of 3% is CHF 100!
- For a very capital-intensive long-time-to-market business (e.g. a drug development company), DCF is rarely used as the DCF would be 0...

The DCF equation

$$PV = FV / (1+r)^n$$

Where

PV = Present Value

FV = Future Value

r = Discount Rate

n = Number of periods
(usually years)

Applying the DCF method means calculating the Net Present Value (NPV) of your business

- NPV is closely related to PV, and is used to calculate the present value of all future Free Cash Flows in a business (i.e. PV of all inflows – PV of all outflows)
- Use a spreadsheet:
 - Use appropriate discount rate (e.g. 30%?)
 - Calculate medium term Free Cash Flows
 - Calculate Terminal Value (the long term value of your business once it reaches a steady state, discounted back to today)

Discount Rate	30%
Year 1 FCF	-1
Year 2 FCF	-1
Year 3 FCF	0
Year 4 FCF	3
Year 5 FCF	10
Year 6 FCF	20
Year 7 FCF	30
NPV of next 7 years	11
Terminal Value after 7 years (discounted to today)	10
Total NPV	21

- The calculation requires multiple assumptions and is not applicable in all cases (think Facebook, Twitter, Whatsapp) → it is rarely used for very early stage business valuation, except for scenario analysis
- In the example, the investors exceed their expected return (of 30% IRR)

How to secure investment

1. Understand investors
2. Do your sums
3. Identify and approach the right investors
4. Understand dilution
5. Structure the deal

Identifying the best investors for your startup

1. What have been the best exits in your sector in the last 5 years?
→ Identify investors and founders of those startups!
2. Which top investors are close to you (1-2h by car/plane) and have an affinity to your market and idea?
3. Which investors have resources just now? (time, money; stage of investment portfolio, last closing or exit)
4. Check references on investors by contacting portfolio companies
5. Always pitch for & negotiate with 2-4 alternative investors

How ambitious are you?

- Only the best investors are good enough for ambitious startups
- Ambition level of founder and investor must match (1bn, 100m, 10m exit goal?)

Source: Nicolas Berg, Co-founder Redalpine Venture Partners

How to approach investors

- Tailor made approach, do research first (call CEO's in the **investors** existing portfolio of investments)
- Identify door openers in your network to target
 - Portfolio companies
 - Co-Investors
 - Lawyer, Banker, Incubator, University tech transfer etc.
- Use whatever communication works: Phone, Email, Powerpoint, etc
- Find out the best timing for first contact
- Never look desperate
 - If a business is in a hurry it's often not interesting
- In general, investors get more satisfaction from discovering startups, so use their network as a door opener
- Persist: just because an investor does not answer your enquiry it doesn't mean he or she is not interested!


Source: Nicolas Berg, Co-founder Redalpine Venture Partners

How to secure investment

1. Understand investors
2. Do your sums
3. Identify and approach the right investors
4. Understand dilution
5. Structure the deal

Dilution - definition

dilution

/dɪˈluːʃn/ 

noun

the action of making a liquid more dilute.


"the milk factor is greatly reduced by dilution"

- the action of making something weaker in force, content, or value.

"he is resisting any dilution of dogma"

- a liquid that has been diluted.

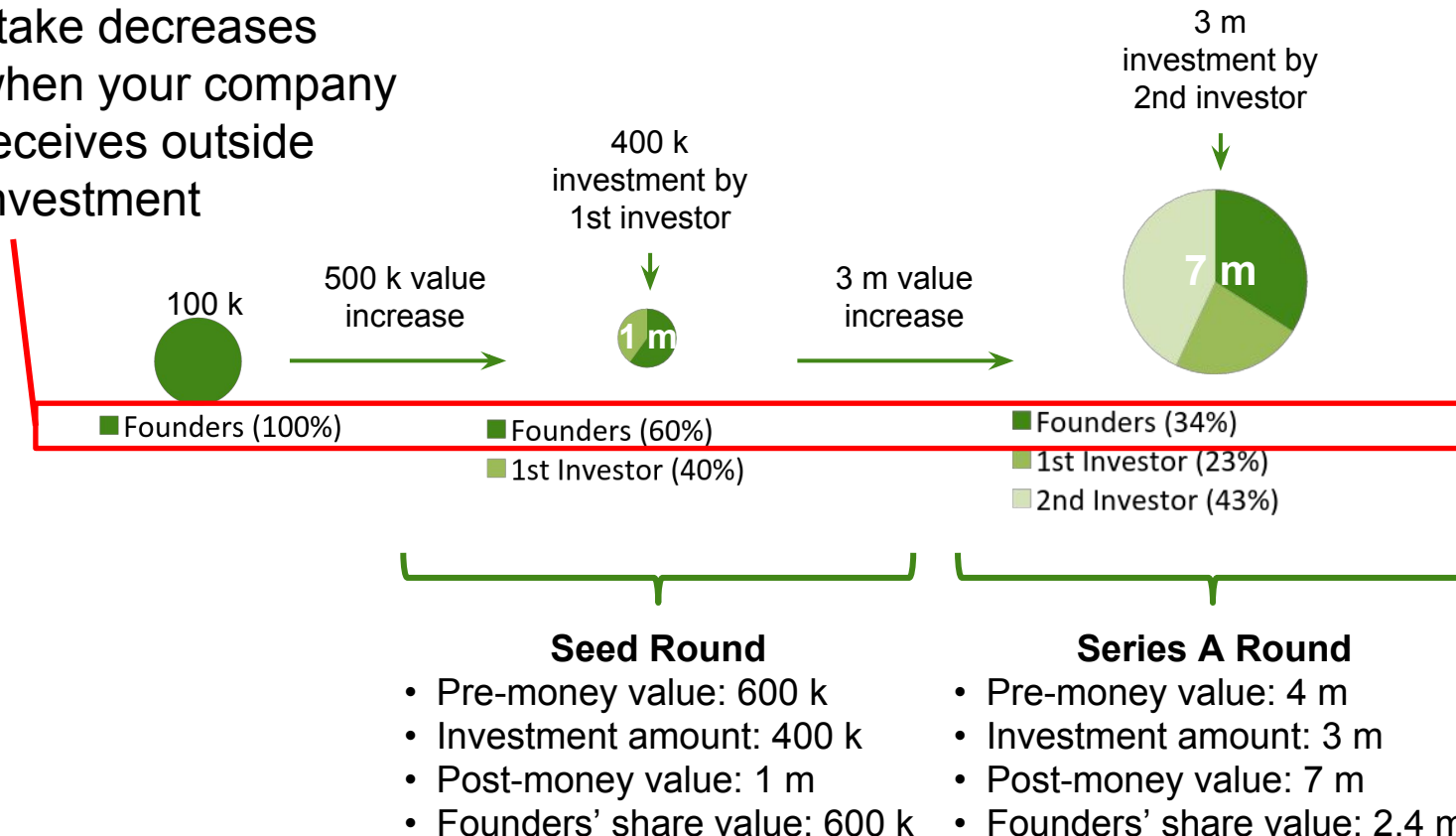
plural noun: **dilutions**



As new shares are issued, the percentage ownership of existing shares decreases

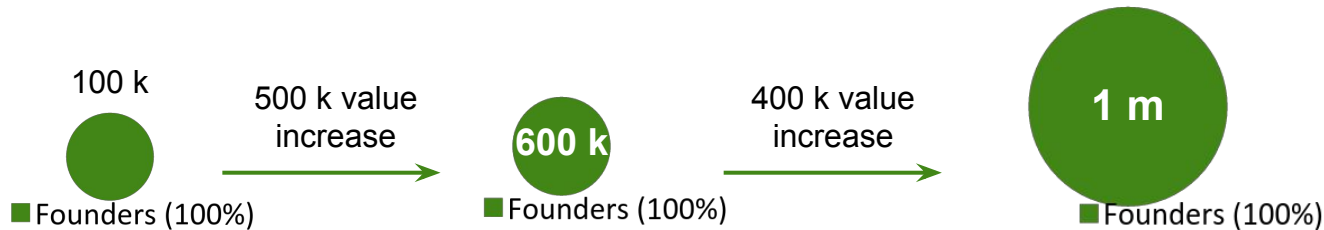
What dilution means for founders

Your percentage stake decreases when your company receives outside investment

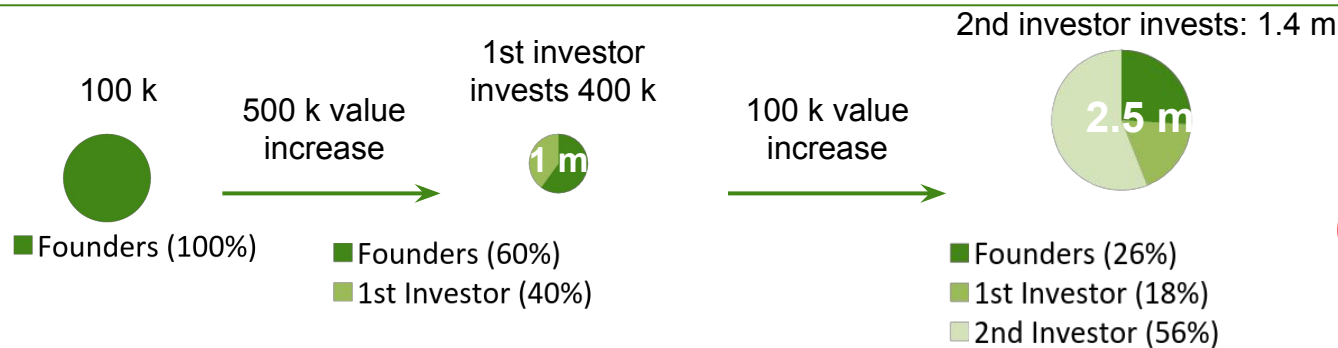


Notes (about scenario): (i) both rounds were preceeded by value creation, so would be described as '**up**' rounds (as opposed to 'down' rounds); (ii) the 1st Investor did not **follow-on** (i.e. invest in the 2nd round as well) and was also diluted.

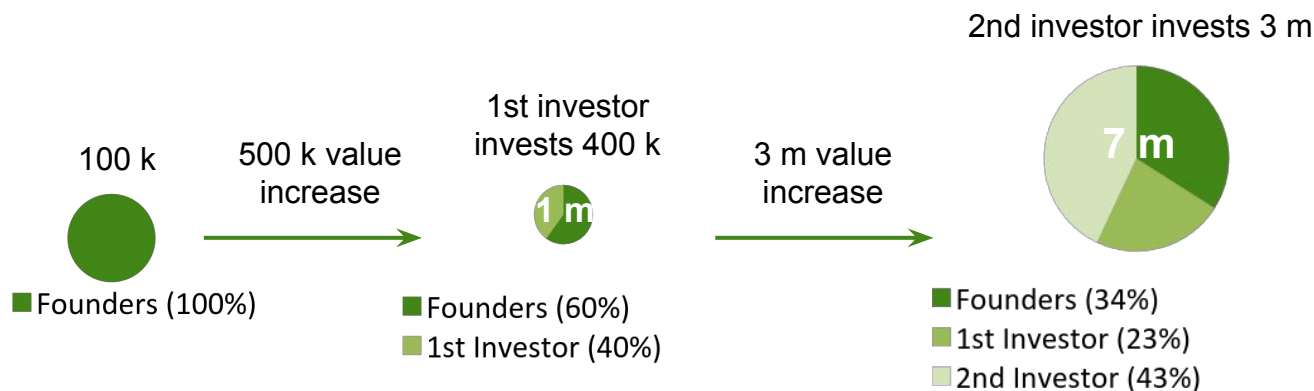
Comparing scenarios for founders



1 - Founders forgo investment but still create significant value
 → Founders own 1 m CHF of shares



2 - Founders don't create significant value after 1st round
 → Founders heavily diluted in 2nd round *the risk*
 → 2nd Investor asks for preference shares
 → Founders own 660 k CHF of shares



3 - Founders create significant value after 1st round
 → Founders stakes protected in 2nd round
 → Founders own 2.4 m CHF of shares *the win*

Comparing scenarios for founders

- No dilution:
 - Founders have probably not untapped the full potential of their idea
 - Pre-money valuation:
 - **Low** (1st/Series A round CHF 100k-1m) → high dilution or smaller round: Founders lose motivation or full potential of idea is untapped
 - **Moderate** (1st/Series A round CHF 1-3m) → moderate dilution or round: exit/milestone dependent upside for founders → usually best solution
 - **High** (1st/Series A round >CHF 3-5m) → little dilution after 1st round: but risk of down-round, failure or an exit/liquidation below amount of agreed liquidation preference (→no return for founders) due to higher cost & slower time to market than expected or exit in the range of CHF 5-10m
- Better to go for a moderate valuation with a success-based upside option than a high valuation with problematic following rounds or exit

Source: Adapted from content provided by Nicolas Berg, Co-founder Redalpine Venture Partners

How to secure investment

1. Understand investors
2. Do your sums
3. Identify and approach the right investors
4. Understand dilution
5. Structure the deal

Deal structure

- Investors prepare the deal (documents to be signed)
- The document used during negotiation will be the term sheet
 - It forms the basis of the shareholder agreement and provides a means to negotiate the key terms.
- You will need a lawyer with relevant experience – do not just rely on model documents!

S.E.C.A.
Securities and Capital Markets Association
Schweizerische Eidgenossenschaft der Unternehmenseinzelnen
Association Suisse des Investisseurs et Capital de Risque

TERM SHEET

Proposed Investment in
[Name of the company] (the "Company")

This Term Sheet summarizes the principal terms of a potential investment (the "Series A Capital Round") in the Company, a stock corporation having its registered office at [address], Switzerland. It is for discussion purposes only, and except as specifically set forth below there is no legally binding obligation on the part of any negotiating party until definitive agreements are signed and delivered by all parties. This Term Sheet does not constitute an offer to sell nor an offer to purchase securities in the Company.

Company / Issuer	[Name of the company]	
Investment Amount	[amount]	
Investors	[Investor 1]	CHF [amount]
	[Investor 2]	CHF [amount]
	[Investor 3]	CHF [amount]
	Total	
	CHF [amount]	
Type of Security	[number] of newly issued preferred A shares with a nominal value of CHF [amount] each ("Preferred A Shares")	
Issue Price per Preferred A Shares	CHF [amount]	
Pre-money Valuation	CHF [amount] fully diluted pre-money valuation (including the effects of shares issuable to holders of options, warrants and other convertible securities of the Company, if any)	
Pre-Closing Shareholder Structure	[Founders] [number] shares	[%] % of issued share capital
	[Other Shareholders] [number] shares	[%] % of issued share capital

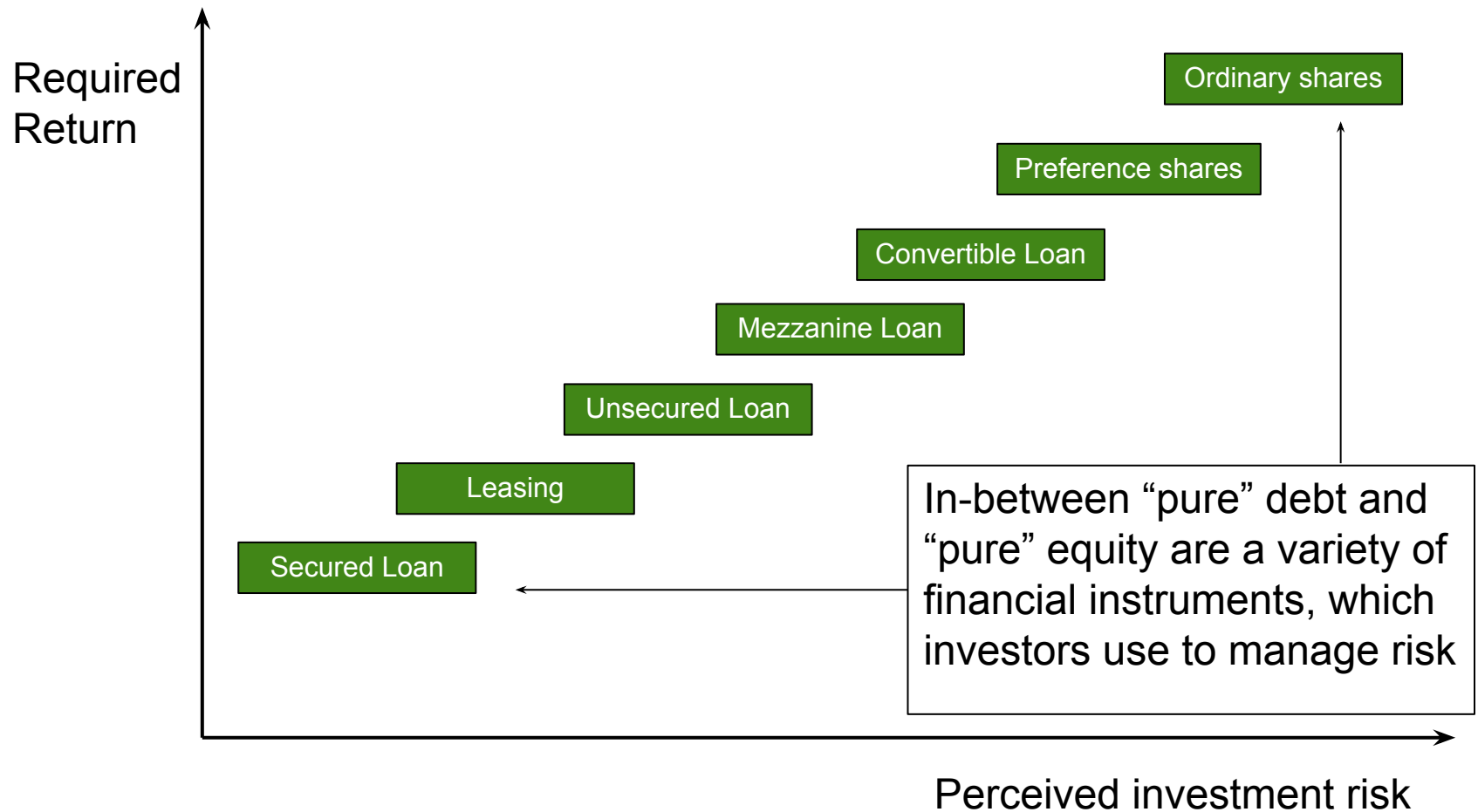
6. February 2014 / Seite 1

Source: www.seca.ch

Templates: <http://www.seca.ch/Templates/Templates/VC-Model-Dokumentation.aspx>)

Source: Adapted from content provided by Silvano Cometta

Financial instruments used by investors



Deal structure

Some common terms

- **Preferred-equity**
 - E.g., liquidation preference: in case of bankruptcy, the VC's share is given preference over common shares held by management
- **Blocking rights, disproportional voting rights**
- **Anti-dilution clauses (“ratchets”)**
 - Protect VC against equity dilution if subsequent rounds of financing at lower values take place
- **Upside provisions** (if company does well)
 - E.g., right to buy further shares at a predetermined price
- **Vesting of shares**
 - Shares (options) of management subject to call-option for investors (% of non-vested shares decreases over time)

Deal structure

Some common terms, continued...

- **Drag-along**
 - Investor (sometimes holding minority of shares) can force the majority shareholder (founder) to sell in case the investor has found an acquisition partner
- **Tag-along**
 - Investor may also sell his / her shares in case other (majority) shareholders sell theirs
- **Right-of-first-offer**
 - Shareholders may go out and seek buyers for their shares, but the other shareholders have a first purchasing right of those shares at the valuation of the external buyer.

Week 7: Funding - Agenda

Part One	Introduction
Part Two	Types and sources of funding in detail
Part Three	Developing a funding strategy
BREAK	
Part Four	How to secure investment
Part Five	Developing a funding battleplan
Part Six	Wrap-Up

Develop a fundraising battle-plan (45 mins)

Objective:

- Develop a plan for how to approach funders/investors and secure the funding you need

Tasks:

1. Consider the practical steps you must undertake to implement the first step of your fundraising strategy and secure the funding needed to achieve your first major milestone
2. Present your fundraising strategy and battleplan back to the group

Activity Guide

Tips for developing a battle-plan:

1. Identify, longlist, prioritise, shortlist
2. Initiate contact, door opener, meeting, follow-up
3. Negotiations, due diligence
4. Closing the deal and funder/investor relations
5. Make yourself & your funders / investors happy (exit strategy)

Week 7: Funding - Agenda

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BREAK	
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Part Six	Wrap-Up

Wrap-Up

(5 mins)

Objective:

- Summarise key outcomes from this week and look ahead to the next week

Tasks:

1. Group discussion of the key outcomes and deliverables of the week
2. Group discussion of any key considerations for next week

Week 7: Funding Summary

Learning Goals

The participants are able to:

1. Explain the types and sources of financing for an early stage company
2. Understand the expectations of various types of investors
3. Understand how to minimize initial costs using bootstrapping principles
4. Be able to understand and apply basic valuation methods, including the Discounted Cash Flow (DCF) method

Deliverables

1. Funding strategy and battleplan



Key Take Aways

HOMEWORK REMINDERS

FOR Thursday, 13th APRIL

Homework 1 - Poster

Create your poster on Podio by the end of the day Thursday 13th April.

Homework 2 - IP Canvas

Read the Intellectual Property (IP) handbook and complete the IP Canvas for your idea directly in **Podio by the end of the day Thursday 13th April.**



Week 8: Protection Outlook

Learning Goals

The participants are able to:

1. Understand different IP rights
2. Identify the IP in their business
3. Understand how to check that they are free to operate
4. Understand how to protect and exploit their IP

Deliverables:

1. Development of an initial IP strategy
2. Initial searches to determine freedom to operate

Please don't forget to fill in your feedback form for this week

STARTUP CAMPUS University of Applied Sciences

Ein Trainingsprogramm der KTI
Start-up und Unternehmertum
CTI Entrepreneurship

Feedback for Modul 2 „Business Concept“

Course location: _____
Coach: _____
Topic: _____
Your name: _____

Can you recommend this course? ☒ yes ☐ no

How do you evaluate...

the course as a whole	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	comments _____ _____
the course content	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Instructor's contribution	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Instructor's effectiveness	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

What did you like best?

What could we do better?



CTI Entrepreneurship

Business Conception

Week 7: Funding

*Core Content Developed by: Dr. Ben Graziano Centre
for Innovation and Entrepreneurship, ZHAW School of
Management and Law (email: graz@zhaw.ch)*

Back-up Slides

- Backup A: Types of Funding
- Backup B: Funding & Support Landscape Switzerland

A: Types of Funding

Further Advantages / Disadvantages of Equity & Debt Financing

Equity Financing:

- + Less risky than a loan because you don't have to pay it back
- + You tap into the investor's network
- + Investors take a long-term view (5+ years)
- + You won't have to channel profits into loan repayment
- + You'll have more cash on hand for expanding the business
- + No requirement to pay back the investment if the business fails
- The investor will claim some ownership, control and % of profits
- You have to consult with investors before making strategic decisions
- It takes time and effort to find the right investor for your company.

Debt Financing:

- + Bank has no say in the business operations
- + Bank has no ownership. Relationship ends when paid back
- + Interest of loan is tax deductible
- + Loans can vary in duration
- Money must be paid back within fixed amount of time
- You might run into cash-flow problems
- It can leave the business vulnerable during hard economic times
- It can hinder a business from growing due to pressure of repayment

Source: Adopted from content provided by Peter Vogel

A: Types of Funding

More detailed advantages / disadvantages types of funding

Source	Pros	Cons
Founders	Suitable method, if founders have the funds	Lower return on equity if successful, shorter time to market with funding
Friends, Fools, Family	Emotional involvement	Emotional problems if project fails. Scares (later) professional investors , particularly where FFF are not pooled
Equity Crowdfunding	Nearly anything can be funded	Dilution and potentially thousands of investors to keep happy (in public). May scare later professional investors.
Business Angels	Entrepreneurial experience, slightly emotional	Negative impact if they can't follow on (participate) in later bigger rounds
Venture Capital Funds	Network, exit-experience, syndication	Tougher terms, focused exclusively on profit, pull plug faster than angels
Corporate Venture Funds	Similar to VC-Funds, industry experience, synergies	Hard terms, can harm certain exit-strategies

Source: Adapted from content provided by Nicolas Berg, Co-founder Redalpine Venture Partners

A: Types of Funding

More detailed advantages / disadvantages types of funding

Source	Characteristics	Pros	Cons
Loans	May be secured (to an asset) or unsecured	The more total capital, the more sensible	<ul style="list-style-type: none">• History and profits needed• Guarantees
Convertible Loan	A debt which can be converted to stock (equity) at a given point in time (in US always converted, but in EU they are just an option)	Combines the advantages of equity and borrowed capital	<ul style="list-style-type: none">• Debt holder in control if problems arise• Interest-payments• How to get “net debt free” for next round?
Mezzanine Loan	A debt that can be converted into equity if it is not paid back in time and in full	Debt which is invested in your success	<ul style="list-style-type: none">• Creditor in control if problems arise• Interest-payments
Factoring	An intermediary takes on your unpaid invoices from customers	Finances current assets (accounts-receivable). Helps manage cash flow.	<ul style="list-style-type: none">• Only possible with accounts-receivable, not with orders or projects

Source: Adapted from content provided by Nicolas Berg, Co-founder Redalpine Venture Partners

A: Types of Funding

More detailed advantages / disadvantages types of funding

Source	Characteristics	Pros	Cons
Government	Grants issued by various bodies	<ul style="list-style-type: none">• Non-dilutive• Silent partnership	<ul style="list-style-type: none">• Paperwork• Usually limited additional value provided
Foundations/ Charities/NGOs /Prizes	Competitions	<ul style="list-style-type: none">• Non-dilutive• Silent partnership	<ul style="list-style-type: none">• Strategic aims must be met (projects must have impact)• Investors are wary of businesses that survive on prizes for too long
Reward Crowdfunding	-	<ul style="list-style-type: none">• Non-dilutive• Nearly anything can be funded	<ul style="list-style-type: none">• Reporting to and managing stakeholders, relatively slow, only for small rounds (in CH: CHF 40k-400k)

Source: Adapted from content provided by Nicolas Berg, Co-founder Redalpine Venture Partners

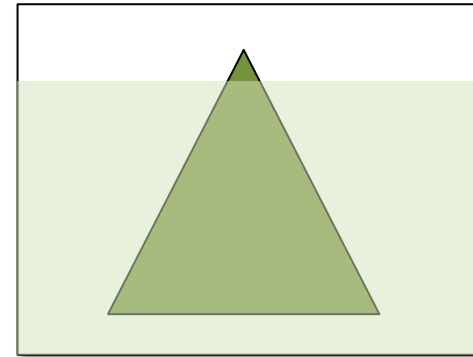
B: Early stage investment landscape in Switzerland

Typical Swiss seed & early stage investors:

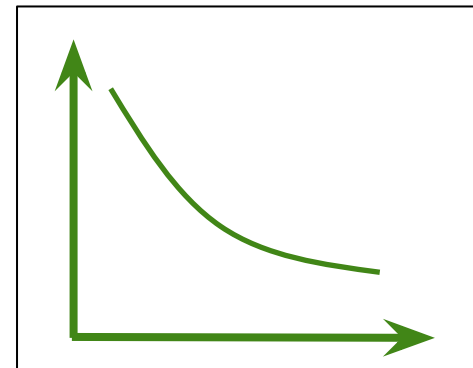
- 200'000+ CHF millionaires
- But only 2000 BAs + a few VC funds
- 20 successful investors (twice a double digit CHF million exit)

Decreasing Venture Capital investment:

- 50% less VC fund capital than 10 years ago (CTI-Invest study 2013)
- In 2000 there were 60 VC funds in Switzerland (only 2 still active in early stage phase)
- But: increasing amount of angels due to 4 times more ICT exits (compared to 10 years ago)



BAs

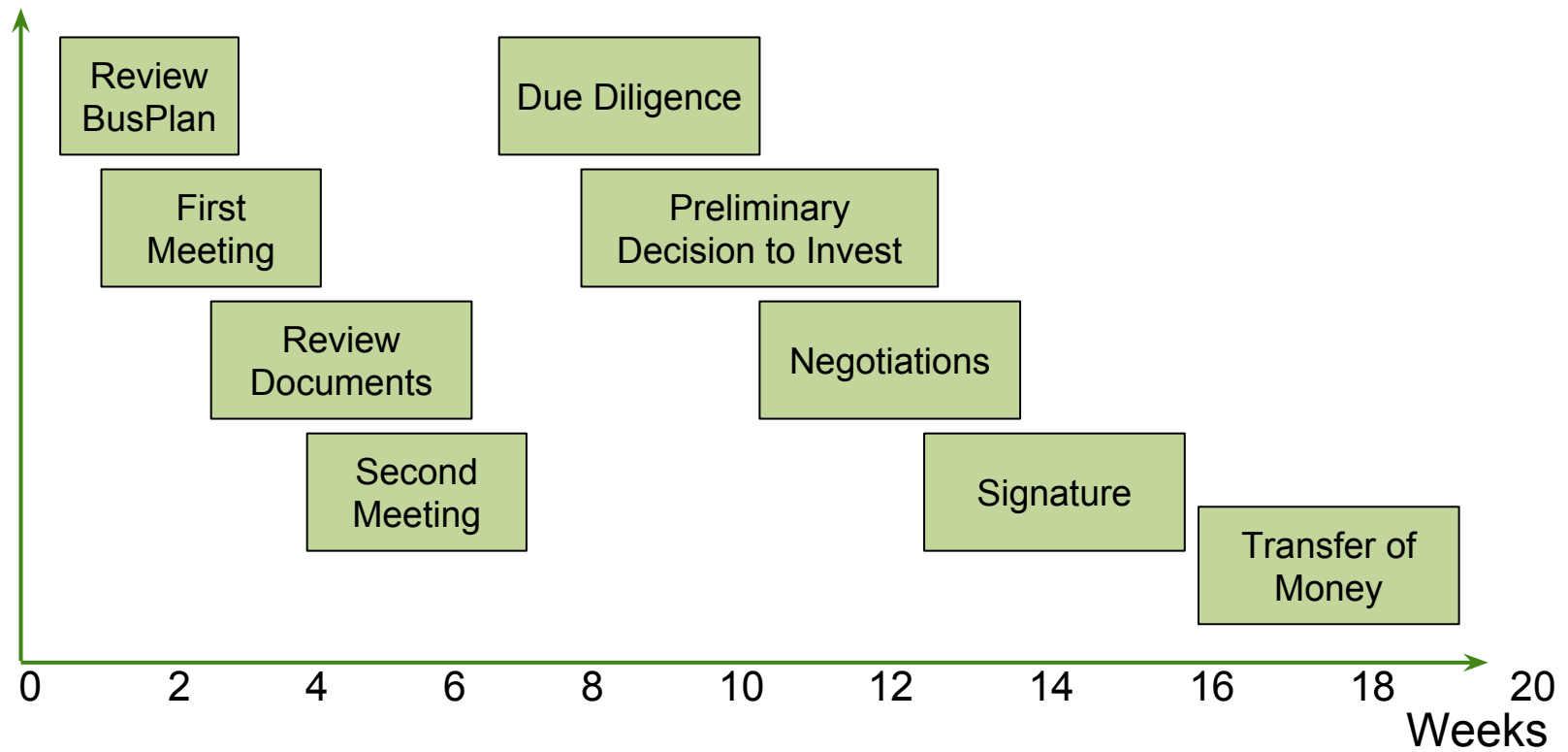


VCs

Source: Top 100 Swiss Startups, with text provided by Nicolas Berg, Co-founder Redalpine Venture Partners

B: Business Angel investment process

- **Search:** It will take 6-9 months from looking for an investor to the first investment
- **Steps:** Once the investor has been found, 15-20 weeks are required for negotiation and execution (financing), as follows:










Source: Adapted from content provided by Silvano Cometta

B: Deal documents

- The Swiss Venture Capital Association (SECA) provides model documentation (<http://www.seca.ch/Templates/Template s/VC-Model-Documentation.aspx>)
- The British Venture Capital Association (BVCA) provides a useful guide to private equity including an explanation of the key documents and terms (<http://www.bvca.co.uk/ResearchPublicat ions/BVCAGuidetoPrivateEquity.aspx>)

The Shareholder Agreement is discussed further in Week 5 - Resources

VC Model Documentation	
	Investment Agreement with comments 340 kB / 07.12.2012 14:20
	Investment Agreement without comments 92 kB / 07.12.2012 14:17
	Shareholder Agreement with comments 381 kB / 07.12.2012 14:20
	Shareholders Agreement without comments 109 kB / 07.12.2012 14:18
	Term Sheet 167 kB / 10.02.2012 19:18
	Articles 79 kB / 17.10.2011 17:24
	Board Regulations 67 kB / 17.10.2011 17:28

B: Start-up Support

- In Switzerland there are a variety of organizations supporting start-ups free-of-charge:
 - **CTI Start-up** (business coaching): www.ctistartup.ch
 - **CTI Entrepreneurship** (mini-MBA courses): www.cti-entrepreneurship.ch
 - **CTI Invest** (pitching training and networking with investors): www.cti-invest.ch
 - **CTI Projects** (cooperation projects with academic institutions paid by the government): www.kti-cti.ch
 - **Venture** (coaching during business plan preparation): www.venture.ch

Source: Adapted from content provided by Silvano Cometta

B: Foundations & Business Plan Prizes/Loans in CH (1/6)

Foundation / Source	Link	Max. Prize (CHF '000)
Venture	www.venture.ch	60
Fondation de Vigier	www.devigier.ch	100
Venture Kick	www.venturekick.ch	130
GebertRüf Stiftung	www.grstiftung.ch	500
Volkswirtschaft Stiftung	www.volkswirtschaft-stiftung.ch	150
Heuberger Winterthur	www.jungunternehmer-preis.ch	150
Startups	www.startups.ch/de/award	50
Swiss Economic Award	www.swisseconomic.ch	25
Fondation FIT	www.fondation-fit.ch	100
STI Stiftung	www.sti-stiftung.ch	500

Source: Adapted from content provided by Silvano Cometta

B: Foundations & Business Plan Prizes/Loans in CH (2/6)

Foundation / Source	Link	Max. Prize (CHF '000)
BCN Innovation	www.bcn.ch/soutien/economie/prix-bcn-innovation	500
FITEC	www.fitec.ch	500
Fongit	www.fongit.ch	variable
Fondation SeedCapital FR	www.seedcapital-fr.ch	200
Prix Créateurs BCV	www.prixcreateursbcvs.ch	30
ZKB Pionierpreis Technopark	www.technopark.ch	99
ZKB Start-up Finanzierung	www.zkb.ch	800
Finergence	www.finergence.ch	500
Innovation Network EPFL	http://vpiv.epfl.ch/	n.a.

Source: Adapted from content provided by Silvano Cometta

B: Foundations & Business Plan

Prizes/Loans in CH (3/6)

Foundation / Source	Link	Max. Prize (CHF '000)
Ernst Göhner Stiftung	www.ernst-goehner-stiftung.ch	variable
Innovationsstiftung Schwyzer KB	www.szkb.ch/files/pdf1/innovationsstiftung_kurzpraesentation_oktober2010.pdf	300+
Aargauer Unternehmerpreis	www.akb.ch/publish/kmu_unternehmerpreis.aspx?ActiveID=751	10
Burgdorfer Innopreis	www.burgdorf.ch/1721.html	10
InnoPrix SoBa	www.baloise.ch	25
Solothurner Unternehmerpreis	www.unternehmerpreis.ch/unternehmerpreis_/gewinnera.html	20
KMU Primus	www.sgkb.ch/de/kmu_bank/GK_kmuprimus.htm	50

Source: Adapted from content provided by Silvano Cometta

B: Foundations & Business Plan Prizes/Loans in CH (4/6)

Foundation / Source	Link	Max. Prize (CHF '000)
Zuger Innovationspreis	www.zug.ch/behoerden/volkswirtschaftsdirektion/direktionssekretariat/innovationspreis/ziel-preis-und-jury	20
Innovationspreis	www.hkz.ch/de/unternehmenswelt/innovationspreis.php	10
Neuunternehmerpreis	www.gewerbe-treuhand.ch	10
Jungunternehmerpreis	www.jungunternehmerpreis.ch/index.php	n.a.
Motivationspreis Thurgauer Apfel	www.ihk-thurgau.ch/was-wir-tun/motivationspreis-thurgau.html	10
Canton Bern Reg. Dev. Agency	www.wfb.ch/2056/3145/2127.asp	n.a.

Source: Adapted from content provided by Silvano Cometta

B: Foundations & Business Plan

Prizes/Loans in CH (5/6)

Foundation / Source	Link	Max. Prize (CHF '000)
Tebo-Umsetzungspreis	www.tebo.ch/index.php?id=385	20
PERL	www.lausanneregion.ch/xml_1/internet/fr/intro.cfm	50
EPFL Research Award	http://commission-recherche.epfl.ch/page-37347-en.html	n.a.
Strategis	www.prixstrategis.ch	50
Prix du développement durable	http://ge.ch/dares/developpement-durable/bourse_prix_canton-al-1115-3475.html	30
SwissInnovation Challenge	http://innovation.swiss-challenge.org/en	30

Source: Adapted from content provided by Silvano Cometta

B: Foundations & Business Plan Prizes/Loans in CH (6/6)

Foundation / Source	Link	Max. Prize (CHF '000)
http://www.swisscom.ch/startup	http://www.swisscom.ch/startup	Visibility
PostFinance	https://www.postfinance.ch/de/biz/offfer/startup/award.html	Visibility
Axpo Energy Award	http://www.swiss-startup-award.ch/de/	50
Axa Innovation Award	http://www.axa-winterthur.ch/De/privatpersonen/kampagnen/Seiten/innovation-award.aspx	50

Links to Foundations

Foundation / Source	Link
Links to many other foundations	www.edi.admin.ch/esv/00475/00698/index.html?lang=de
Swiss Foundations	www.swissfoundations.ch
ProFonds	www.profonds.org

Source: Adapted from content provided by Silvano Cometta

Seed & Innovation Loans in CH

Source of Loan	Link	Max. Loan (CHF '000)
Coopération Romande de C.	www.crcpme.ch	500
BG Mitte	www.bgm-ccc.ch	500
BG Ost	www.obtg.ch	500
SAFFA	www.saffa.ch	120
George Aegler	www.microcredit-solidaire.ch/de/accueil/index.php	30
Fondetec	www.fondetec.ch	100
CentralWay	http://centralway.com/de/seed	n.a.

Source: Adapted from content provided by Silvano Cometta

Awards with other Support in CH (1/4)

Source	Link	Award (CHF '000)
CTI Start-up Label	www.ctistartup.ch/en/services/coaching/cti-start-label/	Visibility
René Liechti	www.fondation-liechti.ch	50
Idee Suisse Award	www.idee-suisse.ch	Visibility
IMD Start-up Competition	www.imd.org/news/IMD-2011-Start-up-Competition-Winners.cfm	Students support
Swiss Technology Award	www.ch-innovation.ch/index.cfm?sef=1,295,33,0,0,1,1	Visibility
Venture Leaders	http://venturelab.netlive.ch/index.cfm?CFID=27446934&CFTOKEN=90932516&page=118358	Visibility in the US for CH firms

Source: Adapted from content provided by Silvano Cometta

Awards with other Support in CH (2/4)

Source	Link	Award (CHF '000)
Best of Swiss Gastro	www.bestofswissgastro.ch	Visibility
James Dyson Award	www.jamesdysonaward.org	10+
ETG Electro Suisse	www.electrosuisse.ch/g3.cms/s_page/65520	10
ITG Electro Suisse	www.electrosuisse.ch/g3.cms/s_page/65220	10
Life Science Prize	www.lifesciencesprice.ch/preis/default.asp?lang=	10
Prix Éclosion	www.eclosion.ch/FR2/4_portrait/prix2010.php	Visibility, Support
Swisscom Start-up	http://startup.swisscom.ch/de?campaignID=offm_re_startup	Early-stage support

Source: Adapted from content provided by Silvano Cometta

Awards with other Support in CH (3/4)

Source	Link	Award (CHF '000)
Watt d'or	www.bfe.admin.ch/org/00483/00638/index.html?lang=en	Visibility
Banque Alternative Suisse	www.abs.ch	50
Schwab Social Entrepreneur	www.schwabfound.org/sf/SocialEntrepreneurs/index.htm	Visibility
Social Impact Award	http://socialimpactaward.ch/	Visibility
SEIF – Social Entrepreneurship Initiative	www.socialentrepreneurship.ch	Visibility
Debio Pharm	www.debiopharm.com/responsibility/awards/392-the-debiopharm-life-sciences-award-switzerland.html	100
Best of Swiss Web	www.bestofswissweb.ch	Visibility

Source: Adapted from content provided by Silvano Cometta

B: Business Angels in Switzerland

- Of the roughly 2'000 Business Angels in Switzerland, about 200 are very active, investing in total CHF 30m/year
- Over 250 BAs are members of BA networks:
 - StartAngels: www.startangels.ch
 - BAS: www.businessangels.ch
 - b-to-v: www.b-to-v.com
 - Go BeyondB: www.go-beyond.biz
 - BioBac: www.biobac.ch
 - Bizangels: www.bizangels.ch
- Individual BAs invest money (CHF 100-200K/year each) and time (0-10d/month), mostly as co-investment with other BAs
- Individual BAs do not typically invest below CHF 50K or above CHF 0.5m

Source: Adapted from content provided by Silvano Cometta

About 2000 early-stage investors in Switzerland

ICT: Early-stage VCs, angels & founders with recent top exit

1. Index Ventures
2. VI Partners
3. Brains-to-ventures
4. Redalpine
5. Creathor
6. Angel B.S.
7. Angel P.S.
8. Angel K.H.
9. Angel O.J.
10. Angel R.Z. (...)

Life Science: Early-stage VCs, angels & founders with recent top exit

1. Index Ventures
2. VI Partners
3. Redalpine
4. ZKB Startup Fund
5. Biomedinvest
6. BioBAC Basel / EVA Basel
7. Angel B.O.
8. Angel P.P.
9. Angel J.G.
10. Angel G.H. (...)

Source: Nicolas Berg, Co-founder Redalpine Venture Partners

B: Lists of Swiss start-up investors and tools to identify additional investors

Lists and Tools

Visit www.startup.ch for a list of investors

Visit the Swiss Venture Capital Association (SECA) website (www.seca.ch)

Visit www.gruenden.ch for tips and a list of investors


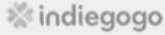




Search the Swiss Company Register for startups to identify Board Members that may be investors (www.shab.ch)

Visit CTI Invest (www.cti-invest.ch/Members/Member-List.aspx) and the Swiss Venture Guide (www.swissventureguide.ch)

Subscribe www.startupticker.ch for news on Swiss start-ups

Source: Adapted from content provided by Silvano Cometta

B: List of Main Crowdfunding Sites

Crowdfunding Site	Compete Rank	US Alexa Rank	Fee	Important to Know...
 gofundme	334	385	5%	Over \$700M raised for personal fundraisers. Processing fee of 2.9% + \$0.30 applies.
KICKSTARTER	404	178	5%	Personal fundraising <u>not allowed</u> . Creative only. Processing fees of between 3-5% apply.
 indiegogo	615	610	9%	Fee is 9%. Only if goal is reached 5% is refunded. 3% processing fee. \$25 fee for international wire.
 teespring	1,007	1,110	10%+	T-shirt crowdfunding site. Fees vary based on t-shirts selected for sale.
 YouCaring	2,722	3,186	5%	5% fee is suggested to campaign donors. Processing fee of 2.9% + \$0.30 applies.
causes	3,254	6,277	4.75%	Allows non-profit and charity fundraising. Only the processing fee of 4.75% applies.
 crowdrise	3,830	5,652	5%	Free accounts charge 5%, paid accounts are 3%. Processing fee of 2.9% + \$0.30 applies.
Giveforward	3,884	5,634	5%	5% fee is charged to campaign creators. Processing fee of 2.9% + \$0.50 per transaction applies.
 patreon	4,338	1,449	5%	Must pledge an on-going amount. Creative projects only. Additional processing fee of 4%.
 FirstGiving	9,460	9,368	7.5%	Allows non-profit and charity fundraising. Processing fee of 2.5% applies.

Top 10 Crowd Funding Sites (Feb 2015), from www.crowdfunding.com

Swiss sites (examples):

- Startfinance: www.startfinance.ch
- Investiere: www.investiere.ch
- We Make it: <http://wemakeit.ch>
- Cashare: www.cashare.ch