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Investment Readiness Check

From understanding your investors to your own homework

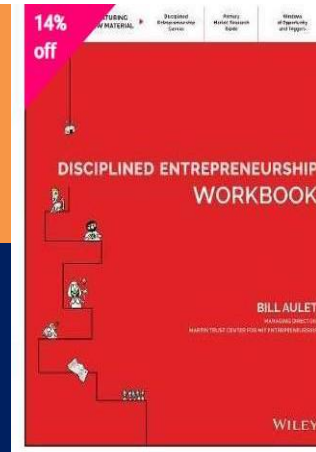
Li Zhou
Tiger Accelerator Advisor
2020/07/22



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02 Your own Homework



Disciplined Entrepreneurship Workbook

★★★★★ 4.35 (14 ratings by Goodreads)

Paperback | English

By (author) Bill Aulet

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The essential companion to the book that revolutionized entrepreneurship Disciplined Entrepreneurship Workbook provides a practical manual for working the 24-step framework presented in Disciplined Entrepreneurship. Unlocking key lessons and breaking down the steps, this book helps you delve deeper into the framework to get your business up and running with a greater chance for success. You'll find the tools you need to sharpen your instinct, engage your creativity, work through hardship, and give the people what they want even if they don't yet know that they want it. Real-world examples illustrate the framework in action, and case studies highlight critical points that can make or break you when your goal is on the line. Exercises and assessments help you nail down your strengths, while pointing out areas that could benefit from reinforcement because when it comes to your business, "good enough" isn't good enough better is always better. Disciplined Entrepreneurship transformed the way that professionals think about starting a company, and this book helps you dig into the proven framework to make... [show more](#)

What should you prepare for Your investors?





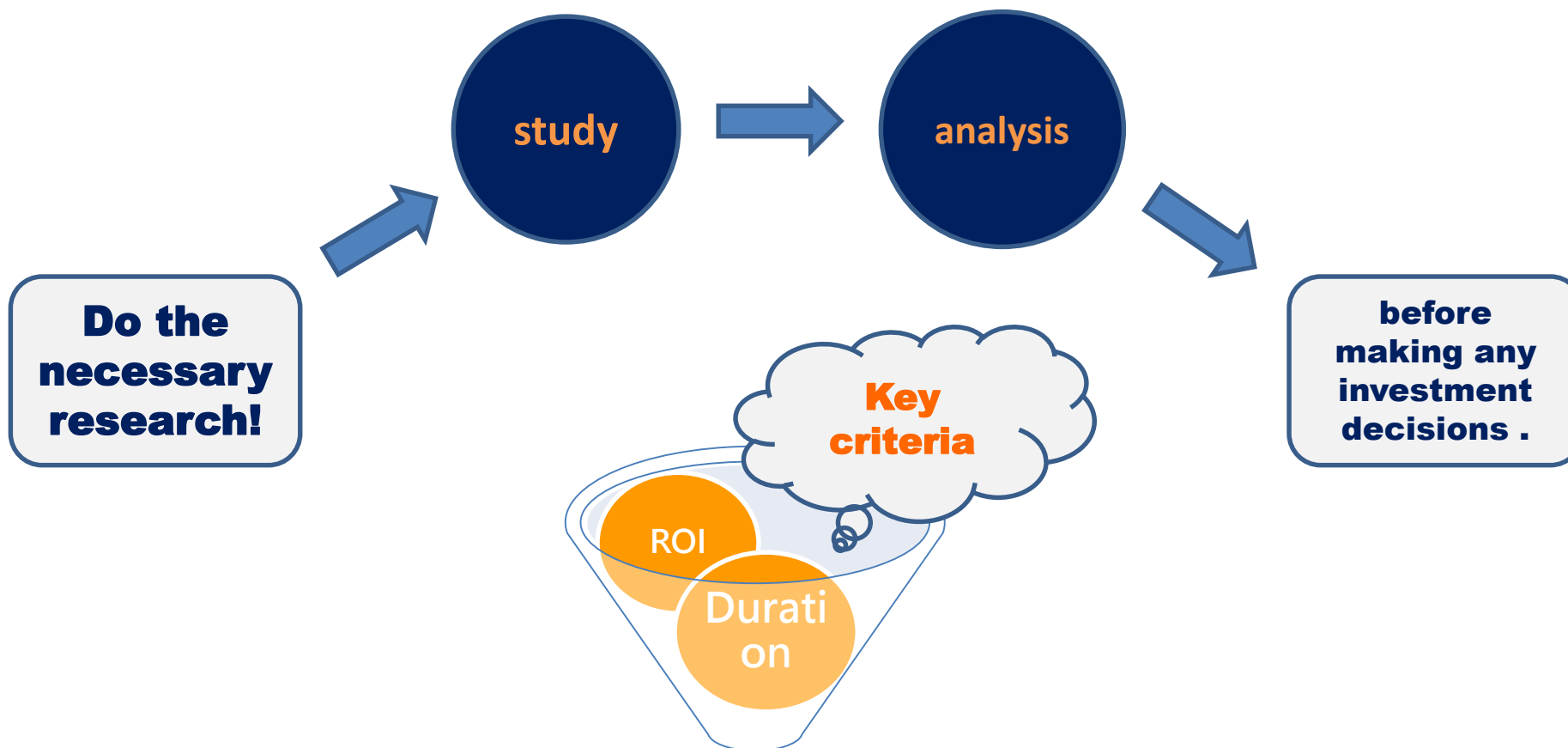
FACT

Bringing a medical device to market is not a fast process. Studies reveal it takes three to seven years in total from concept to approval, compared to an average of 12 years for drugs. However, this figure is an inclusive measure of the entire device lifecycle, including research & development and testing.

The average and median time-to-exit for medical device startups is 8.8 years and 8.2 years, respectively. By this time, a medical device company may have burned between \$45m and \$65m.



Fund-raising Readiness





Fund-raising Readiness

Product



Sales



Profitable Scale



Sustainability



Matrix of Value Creation



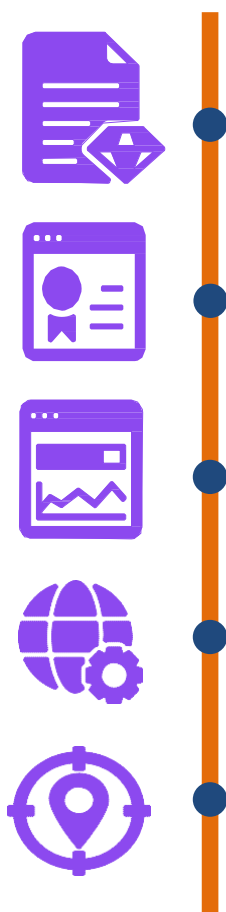
Fund raising information deck Data Room

- **Business plan**
- **Capitalization table (cap table)**
- **Financial package**
- **IP asset report**
-
-
- **Legal documents**



Business Plan

Guide book of a start up



1

Product development plan

Basic technology & mechanism

Product design & MVP

Value proposition

Business & revenue model

Competitor analysis

Manufacturing & cost structure

2

Market definition and accessible plan (incl. regulations)

Total accessible market

Time to market

Sales & marketing

3

Financial statement summary

Financial projection

Balance sheet

Income statement

Cashflow statement

4

Mission & Goal Exit strategy

M&A

IPO



CORPORATE FINANCE & ACCOUNTING > FINANCIAL STATEMENTS

Corporate Finance & Accounting

FINANCIAL ANALYSIS

CORPORATE FINANCE

▶ FINANCIAL STATEMENTS

FINANCIAL RATIOS

ACCOUNTING

DEBT

MERGERS & ACQUISITIONS

CORPORATE INSURANCE

Financial Statements

Financial statements are essentially the report cards for businesses. They tell the story, in numbers, about the financial health of the business.



FINANCIAL STATEMENTS

Asset Definition

An asset is a resource with economic value that an individual or corporation owns or controls with the expectation that it will provide a fu...



FINANCIAL STATEMENTS

Current Assets Definition



FINANCIAL STATEMENTS

Operating Margin Definition

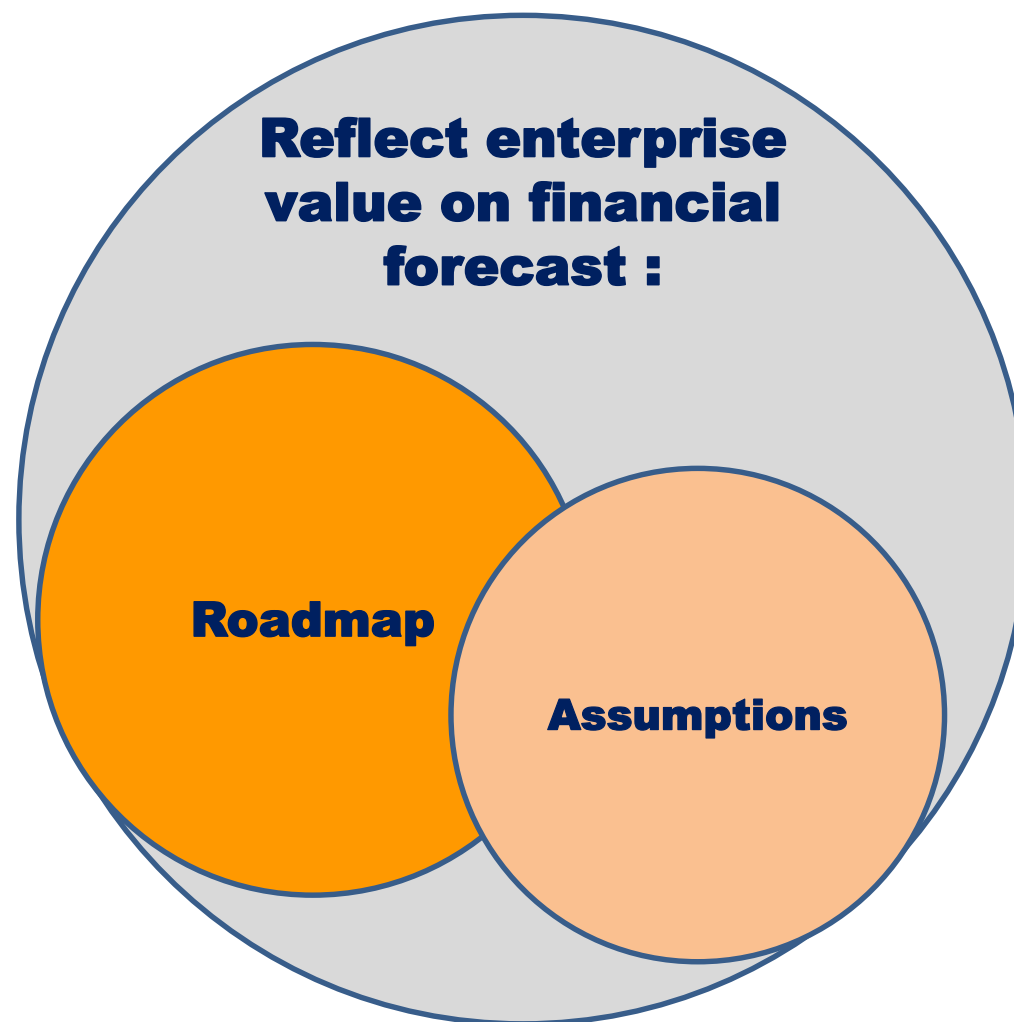


FINANCIAL STATEMENTS

Shareholder Equity – SE Definition



Fund-raising Readiness





Fund-raising Readiness

How to forecast ?

- **Sales / revenue**
- **Cost of Sales (direct / indirect / OH)**
- **Operation cost (HC driven / Activity driven / Allocation)**
- **EBITDA**
- **Capital structure (Stock / debt / convertible notes)**



Common Mistakes

1. Inconsistent Financial Model

- Master worksheet
- Different scenario
- Updated version

2. Not telling the same story

- Words in BP match the numbers in Financials
- Timing showing on your Roadmap match your Financial data
- Marketing data correctly reflected in your Financials

3. Not know your competitors well

- Not only on Tech side, but also on Financial ratios





Late-stage Milestones

Commercialization Milestones:

- First purchase order. Transitioning from a development stage to a commercial stage company is a landmark event for a start-up, signaling an entirely new level of maturity and capability.

Breakeven Milestones:

- Cash flow breakeven is the day a medical device company becomes self-sufficient as it no longer depends on its investors for future cash infusions. Until companies reach relatively high revenue levels (usually triple-digit millions) they are likely to swing back and forth between cash flow positive and negative, as periods of accelerated growth require investments in infrastructure to keep ahead of the expansion. This milestone is usually beyond the realm of venturebacked medtech companies. By this stage the company is likely to have been acquired or has carried out an IPO.

Cr: The Medical Device Milestone Map (Revital Hirsch)



 **Materialize your ideas with dollar signs.**

 **Be as smart as you can, understand the market,**

get good advisors for feedback.

This will help lead you to your best investors.



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THANKS