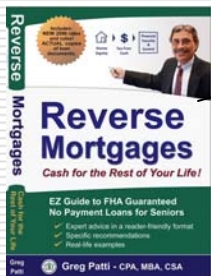


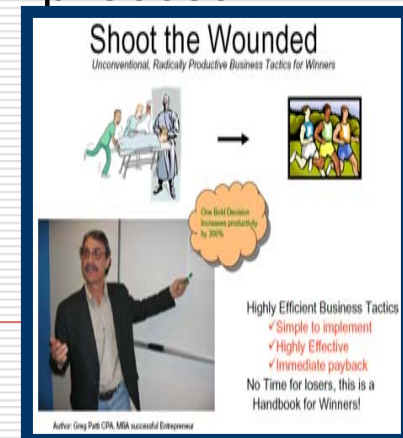
Prelude

- Dick – intro Concert
- Greg – Why are we here
 - Group of smart people in same room sharing info
 - something good may happen
 - Meet your neighbor
 - Greg Background
 - MBA- University Santa Clara
 - CPA – 5 years Price Waterhouse
 - 16 Venture Financings over \$200M
 - 7 Start ups- 1 dead, 4 IPO or \$100M; 2 in process
 - Author:
 - 2006 Reverse Mortgages (update 2009)
 - Shoot the Wounded 1st Half 2009
 - Grandpas Diary 2nd half 2009

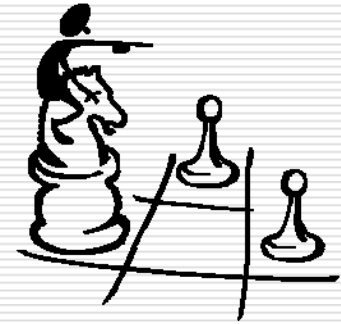


Agave Partners
Fast Track To The Good Stuff

www.AgavePartners.com



Fund Raising Recipe for Success



This Session Goal

1. High Level Review of Process
2. Detailed process steps to lead investor to his checkbook

After this session you will:

1. Have everything you need to:
Prepare Fund raising Toolbox
1. Have a step by step Recipe and Examples
Detailed guidance: what's needed / what to expect

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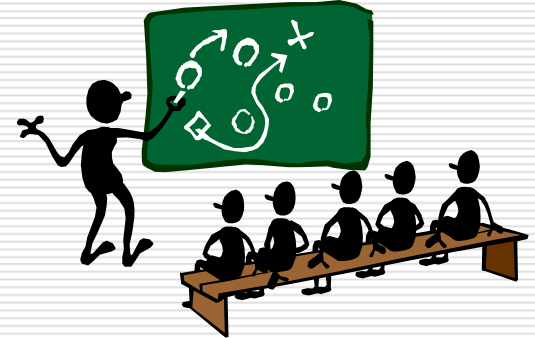
Greg Patti

Feb 5 2009

Concert- Agave Presentation

Fund Raising Strategy

- Preparation
- Make Contact
- Presentations
- Follow up
- Due Diligence-Close the Deal
- More Follow up
 - (prep for next deal)





Preparation

- Target VC's
 - Leverage Investor Contacts
 - Vfinance.com
 - Internet; investors in similar deals
- Prepare Materials
 - Cover Letters
 - Web Site
 - Fast Facts – 1 page
 - Exec Summary- 3-5
 - Movie, Technical simplification
 - Power Point Presentation – Short and Long
 - Advisory Board
 - Business Plan 20-25 (can say appendices available)



Make Contact

- ❑ Direct introduction and referral
- ❑ Warm Leads
- ❑ Investors in competing companies
- ❑ Cold call targets



Goal = Get a Meeting

Provide enough info to make them ask for more

Pop Quiz:
What if YOU get cold called?
What does it mean?



CONTACT INFORMATION

Synctomi
 Address
 San Francisco, CA 94104
 Phone: 415-call me
 Fax: 415-593-metoo
 Web Site:
www.website.com
 Contact: Obie Wan, CFO
 Email: Obie Wan@website.com

INVESTMENT SNAPSHOT

Management Team

Big Cheeset, President & CEO
 Ican Findum, VP of Marketing
 Fast Eddie, VP of Sales
 Obie Wan VP of Finance & CFO
 Gizmo Fixit, VP Product Management
 Recruiting, VP Engineering

Industry

Very Specific Existing segment

Number of Employees

18 (some contractors)

Amount of Financing Sought

Closed on \$12M Series B in Q1 05

Use of Funds (Summary)

(60%) Sales and Marketing
 (20%) Operations
 (15%) Product Upgrade Development
 (5%) Intellectual Property Filings

Accounting Firm

Local PA CPA – currently in selection process for national audit firm

Law Firm

Over Priced big guy

Financial Institution

Someone familiat

Year Founded

2002

Type of Entity

C Corporation

Current Investors

Big Partners
 Blue Chip Partners
 Medium Partners
 Management and Employees

Company Description

Synctomi binds identity to access control, a critical component of Identity and Access Management (IAM). **Elevator Pitch and Sound Bites** n and authorization stores.

Business and Sales Strategy

Synctomi's **go-to-market strategy** is to sell direct until the reference base is es channels that serve as a primary security solution source for our target end-user customers. Channel partner incentives are high because Synctomi delivers a **platform for integrating** blah blah yada **Viral Marketing** s and support. VARs receive a meaningful share of the 18% to 25% annual recurring revenue via installation services and maintenance.

Product/Service- Synctomi solution

The technology of Synctomi replaces the less secure network access control with the benefits of Identity Based Access Control. **Huge burning need** ates with a unique identifier that contains user identity and machine information. The gateway enforces or "applies" controls to the user's **uses industry standards** Each person connecting to the LAN will only access the resources sanctioned by the enterprise security policy. From a network or IT administrator's perspective no new security policy **Ease of Adoption** n ction on, appropriate access is enforced on every packet a user generates.

Technology/Special Expertise (**Barriers to entry**)

1) **Patents Pending**; 2) blah blah blah we are so smartg our **18-24 month technology lead**, to lock-up relationships with premium OEM & SI channel partners.

Target Market Opportunity

Target customers: Financial; Health care; Manufacturing & Government. **Criteria:** over 300 employees/ > \$100m revenues; responsible for sensitive data. Market data indicates **this segment has a multi-billion dollar** installed base of (complimentary) firewalls, IDS' and VPN's, with a market **growing annually at 30%**.

Competition

There are a number of company's sure they are smart but we are smarter blah blah. Only Synctomi can deliver a

Financial Strength

Synctomi raised \$12 million in Series B **expansion capital** to grow its customer base, blah blah yada yada yada to accelerate sales and marketing activities and complete hiring of key personnel. Installations and **revenues are currently being booked**, with **reference customers already in place**. Management believes that it can provide an attractive return on shareholder equity through merger, acquisition or IPO within a 2 year time period.

Financial Overview (\$M)

Year end 12/31	2004	2005	2006	2007	2008
Revenue:	\$3	\$1.5	\$7.3	\$28.1	\$46.7
Direct Margin %	81%	86%	85%	84%	86%
Operating Income	(\$1.1)	(\$6.1)	(\$5.4)	\$3.0	\$11.7
Pretax %	Nil	nil	nil	10%	25%

1 page Teaser

Teaser = Definition

- Revealing
- Alluring
- Imagination
- Sneak Peek
- Leaves them wanting more



Presentations

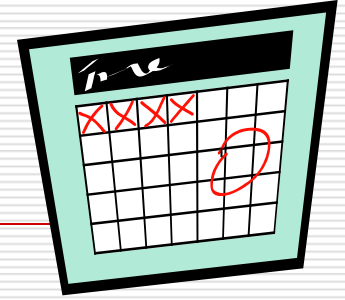
- Power Point slides
- Product Demonstrations
- Their place or yours ?
- Eventually want them at yours



- Start in the minor leagues work your way up- practice refine,
- Analyze what's working; change it up

Goal = Another meeting,
with them bringing more people + prepared
questions

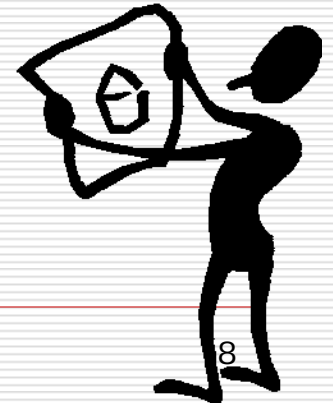
Follow up



- ❑ 2nd and 3rd meetings
- ❑ Close, Close, Close
- ❑ Critical = find a “lead” investor

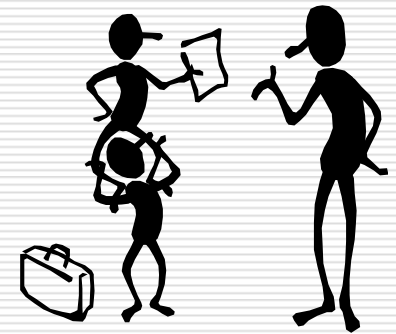


Goal = Terms sheet, even if ridiculous



Due Diligence

- Negotiate Terms Sheet with lead
 - Participating vs. non-participating
 - Liquidation Preferences
 - Board composition, etc,etc
- Re-capitalize, set up option pool
- They will talk to customers
- Close, Close, Close

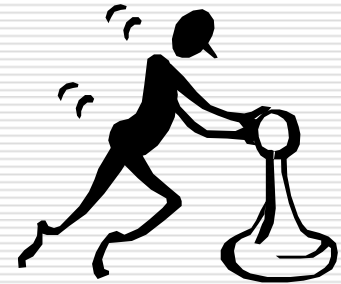


Goal = 2X committed vs. what you need



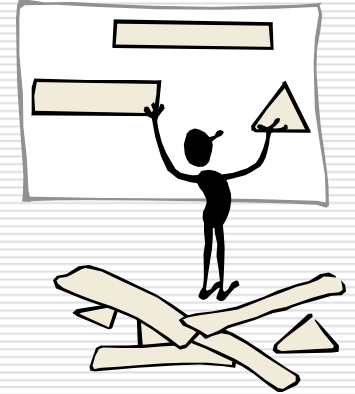
Close the Deal

- All agreements signed
- Money in escrow
- Transfer stock certs and
- Start monthly reporting



Post Close (prep the next deal)

- ❑ Letter to all who said NO
- ❑ Press Release
- ❑ Update website
- ❑ Quarterly update to investors (and all who said NO)
- ❑ Update Exec Summary within 6 months
- ❑ Begin mentioning the “next round”





Materials needed

Elevator Pitch
Cover Letter Intro
One page Corp Resume
Executive Summary
Summary Slide Deck
Business Plan
Extended Slide Deck

Working Demo
Customer References
Advisory Board



Fund Raising Flash Card

– Summary Review

- Beginning
 - Assemble Materials
 - Identify Contacts
 - Other Relevant Data: Elevator Pitch
 - Value Propositions
 - Target customer Characteristics
 - Strengths & Weaknesses
- Middle
 - Contact and Present
 - Get More meetings
 - Overview
 - Detail
 - Risk and Mitigation
 - Execution Dashboard
- End
 - Close Close Close ABC
 - Must find a “Lead”
 - Friendly Antagonist presentation and cleanup
 - Start in the Minor league work your way up



Contacts and References

□ For more information contact:

■ Greg Patti

■ Greg@AgavePartners.com

■ 415-420-4588

How can we help you?

- Review your assembled documents
- Can coach from the background
- Can assist in Creation of Docs, Presentations, Plan; can even present



Thank You

- Greg speaking March 24
 - Seattle Hyatt at a CFO Summit on:
Operating Plans & Cash Lightning Round

- Next Workshop this location
Thursday April 2: bring an associate
Efficient Operations
 - Outsourcing Business Processes
 - Shoot the Wounded, Radical Time Management tips

- We will send a survey

