

How Venture Capital evaluates Entrepreneurship?

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IC for communities in the Knowledge Economy

Entrepreneurship from a Venture Capital Point of view:

« The financing and active support of pro-active individuals who ambition to turn disruptive ideas and technological innovation into hyper-growth companies, in exchange for future capital gains and social recognition »

The Venture-Capital Investor's Pillars

Innovation Framework



Entrepreneurial Potential

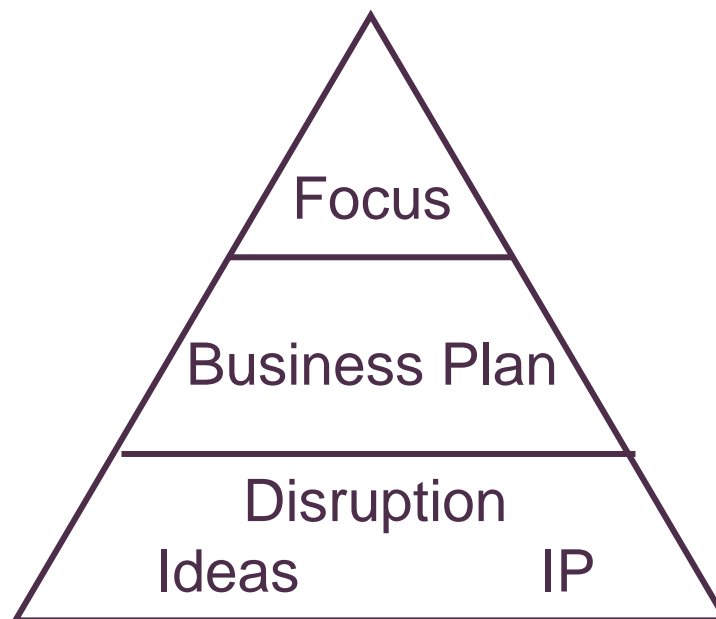
Venture Capital is FOR and ABOUT people

- Deal origination : Networking with many people
- Due Diligence : Meeting with professionals is 70% of the work
- Business Plan Evaluation : Face-to-face interviews with entrepreneurs
- Investment decision : Entrepreneurs present in front of Investment Committee

Entrepreneurial evaluation guidelines

From the « grandiose » to the « modest »

Peter F. Drucker



Evaluation Guidelines

Phase 1: Prior to Investment

From Vision  To Reality

- Disruptive ideas
- Technology
- Innovation
- Independence
- Market Evolution
- « NIH Syndrome »
- Customer Behavior
- Industry Patterns

Evaluation Guidelines

Phase 2: Post-Investment

Roadmap  Ability to Execution

- IP and Patents
- Product Roadmap
- Business Model
- Financial Planning
- Barriers to entry
- Ability to Focus
- Turn the vision into revenue
- Set realistic objectives

Building the team

- Communicate
- Hire/Fire
- Reward
- Deliver the vision
- Managing the new venture
- Financial Packages
(salary, stock-options)
- Social responsibilities

Management of expectations

Benchmarking Entrepreneurship 1/2

The Venture Capital Criteria :

- University/Research Incentives
- % of « Repeat Entrepreneurs »
- Multi-cultural/national teams
- Links between start-ups and big corporations (nb of Spin-offs)

Benchmarking Entrepreneurship 2/2

The National Criteria:

- National v. Regional levels
- Start-up clusters
- Educational and cultural factors

The Entrepreneurial Society?

- Transformation of values through education
- From an economic role to a social model
- Learning from failures to build success