



# WORLD OF FINTECH

– A Silicon Valley Perspective

# FinTech Investments: US

Sources: KPMG FinTech Pulse Reports

## Q1 2017:

- \$1.5B across 124 deals
- median pre-valuation \$20M

## Q2 2017:

- \$2.0B across 129 deals
- median pre-valuation: \$52M (later-stage), \$35M (early-stage)

## Q3 2017:

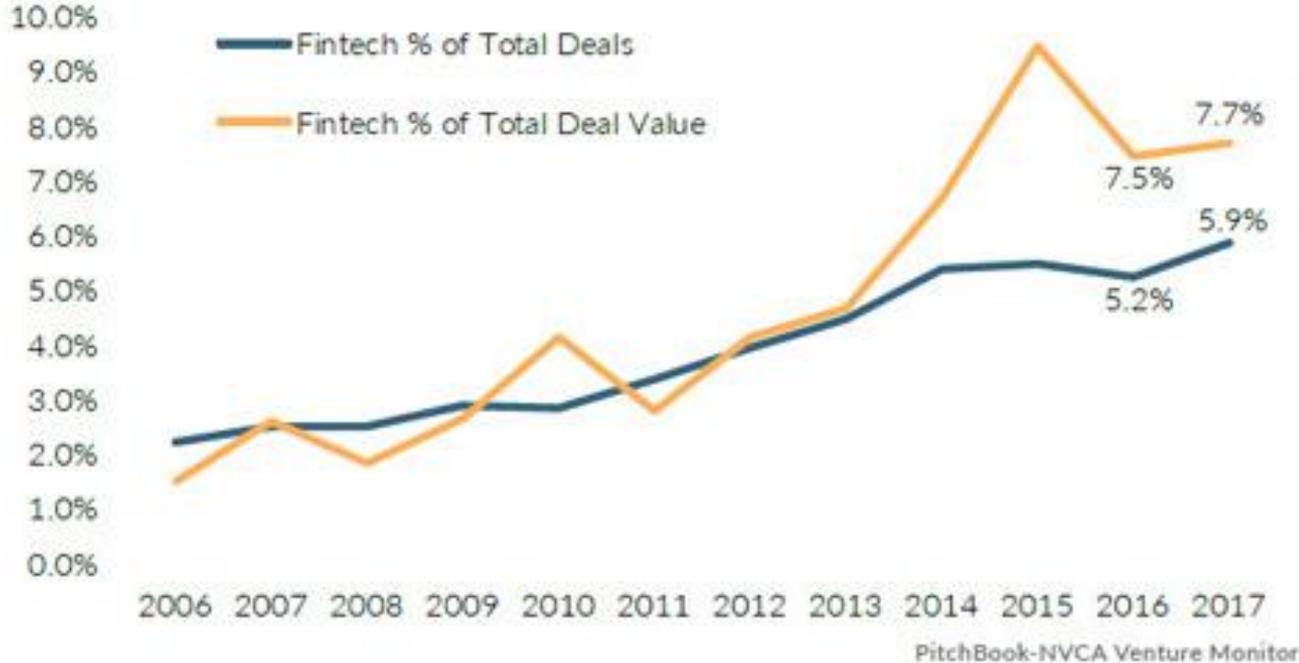
- \$5.0B across 142 deals
- median pre-valuation: \$95M (later-stage), \$32.9M (early-stage), \$7.7M (angel stage)

## Q4 2017:

- \$5.8B across 149 deals
- median pre-valuation: \$163M (later-stage), \$27.5M (early-stage), \$7.6M (angel stage)

# FinTech Investments: US

Fintech investment as percentage of total US VC activity



# Attracting U.S. Venture Capital: The Team

- There is no “i” in “team”
  - 2 or more founders more likely to attract investment
  - Must show competence and commitment
- Work Experience
  - Relevance to the Business Plan
  - Leadership and Vision
- Ancillary support
  - Corporate “sponsor” (someone ready to test your product or service if you build it)
  - Advisors: not just window dressing

# Attracting U.S. Venture Capital: The Business Model

- Clear statement of the “pain point” – why will someone pay for this?
  - Any market validation from stakeholders (e.g. customers)?
- Size of Market
  - What is the revenue potential?
  - Can your business model scale sufficiently and quickly?
- Competition
  - Who is in the market already and who could come later?
  - What makes you different/better and how can you protect that position?

# Attracting U.S. Venture Capital: The Approach

- The Content of the Approach: the “Ask”
  - What is the spending plan and what is the milestone to be achieved?
  - What are your expectations regarding dilution? (valuation, both now and in the future) on what are your expectations based?
  - Are you offering equity? or a promise to receive equity in the future (a promissory note or a SAFE)?
  
- Timing of the Approach
  - How advanced is the development of the technology? The business?
  - Has anyone paid you to test it or use it? What is that customer’s profile?
  - Have you raised any money to date?

# Attracting U.S. Venture Capital: Getting Noticed

- Be Present
  - Have team members on the ground in the U.S.
  - Consider establishing yourself as a U.S. company with a Danish subsidiary
- Have a sponsor
  - Service providers, investors, advisors, customers
  - Consider incubators and accelerators
- Competitions and Demo Days
- Work for a more established industry player to learn the industry and how to run a business -- and expand your professional network in the process

# Attracting U.S. Venture Capital: Getting Noticed

- Consider seeking an advanced degree in a tech center of the United States
- Foster a relationship with a mentor (in industry or in academia)
- Find a kindred soul: a founder of a company in the target VC's portfolio
- Use social media (especially LinkedIn) to find the right entry point – do your research
- Hone a crisp, attractive and compelling message