

Optimizing Finance Procurement for New Businesses

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## **Abstract**

When starting a business in the Graphic Communication field, capital is nearly always needed to purchase equipment as most of these graphics based businesses require state of the art computers, printing presses, and large facilities to conduct business. Such expenses can range from a few thousand to a few million dollars. While some might have previous experience procuring business capital, many have none. Being that these items are crucial to starting a business in the Graphic Communication industry, capital is a keystone to success. This study addresses the problem of how to optimize efforts when seeking capital through bank loans and venture capital firms for an inexperienced entrepreneur. Through elite and specialized interviews with those directly in charge of granting such capital, this study provides guidance for the aforementioned entrepreneur. In summary: one must meet basic lending requirements and prove value to the lending intuition to increase chances of being granted capital.

# Chapter I

## Introduction and Purpose of Study

New companies entering into the graphic communication industry face the problem of needing a considerable amount of startup capital. Most entrepreneurs lack the funding to purchase the equipment needed to start a business. Therefore, outside sources of funding are usually required. A company entering the graphic communication industry might need to buy an expensive printing press or equipment in addition to needing funding for a facility, marketing, supplies, and a multitude of other startup expenses. Three common sources of funding are banks, venture capital, and personal investments. The first two are the focus of this study.

Venture capital is provided by a company or person that invests in startups that they believe will succeed. They do so in the hope of realizing a large profit on their invested capital. A loan from a bank charges interest and, thus, earns a profit. Banks and venture capitalists require a fair percentage of the total required amount to be provided by the persons starting the business. It is usually approximately ten percent. Because a new company is likely to fail, a bank will typically charge a high interest rate, if a loan is even issued. Venture capital is awarded to a very small percent of startup companies that seek it. The added advantage of venture capital over a loan is that in the case of failure, the money is not expected to be returned whereas a loan must still be paid off to a bank.

Because venture capital and lending from a bank, specifically in the current economy, are so sparsely granted to a new business, the method of seeking capital must be optimized. The standard way to go about obtaining such funding is to create a proposal that includes a

business plan, and market research. In the case of a venture capital presentation, the proposal must be professionally compiled and convince the potential investors to invest in the company.

This study asks the question: What methods of seeking startup capital for a business in the graphic communication field is the most successful in obtaining venture capital and bank loans? Through research and interviews, this study will provide the information needed to obtain capital. For example, banks and venture capital firms would want to invest in a company that has experience, a reasonable prediction of financials such as profit and costs, and the drive to build a successful company. A well thought-out business plan, a presentation built on realistic expectations and comprehensive research is what investors want to see before lending money.

The purpose of this study is to learn how to increase the probability of being granted capital from investors during a slow economy. Experts in the industry will be interviewed and a content analysis will be conducted to quantify the data. This study will benefit individuals having the initiative to start a new business in the graphic communication industry and wants to learn how to acquire money to purchase equipment. The research of the study will provide entrepreneurs with a higher chance of success of receiving funding.

## Chapter II

### Literature Review

For a printing company to purchase a new press to grow the business, it runs into the problem of needing a large sum of money. Presses can cost multiple millions of dollars that is difficult to acquire, especially in the case of a new business in the printing industry. A few methods of procuring the financing are available, specifically venture capital and a bank loan. What in particular will increase the chances of success in the venture capital realm? In Norm Brodski's book The Knack advice is given about seeking VC. Brodski notes how there are rarely second chances to meet with a venture capital firm so the initial meeting is very important, especially, if the VC does not view the presentation as focused and properly prepared. Brodski further suggests researching the market, researching the investors pertaining to what they would like to see and their criteria, and how that firm evaluates a deal. Brodski's book contains information for the entrepreneur based on his experience creating many successful businesses. Brodski later notes that the VC looks for what return on their investment they will receive. (Brodski)

This list from AllBusiness.com overviews what venture capitalists look for in a potential investment:

- 1. Strong management.** The first requirement is a strong management team, with relevant experience, drive, self-confidence, and expertise. Many venture capitalists even rephrase the old cliché about what is most important in real

estate — ‘location, location, location.’ For many venture capitalists, it’s ‘management, management, management.’

**2. A growing market.** The next requirement is whether your company is targeting a substantial and rapidly growing market. Does your company have a reasonable chance to successfully enter the market and obtain a strong market position?

**3. A unique product.** Does your company have a proprietary or differentiated product? Does your product offer benefits over existing products? Does it have patent or other proprietary protection to forestall competitors? Be sure to read *Evaluating New Business Ideas* to be certain your idea is a solid one from the start.

**4. Initial public offering candidate or acquisition target.** Does your company have the possibility of growing quickly and becoming an attractive acquisition target or IPO candidate? Venture capitalists are concerned about how they will realize liquidity and receive value for their investment.

**5. Sound business plan.** Is your company's strategy and business plan sound? Remember, most venture capitalists expect to see a well thought out, coherent business plan. For an introduction to writing a solid business plan, read [Write a Winning Business Plan.](#)

**6. Significant gross profit margins.** Can your product or service generate significant gross profit margins (40 percent or more)? Large profit margins give a company room for error and enhance its attractiveness for a possible IPO or acquisition.

**7. 'Home run' potential.** Finally, the venture capitalist wants to see the possibility of hitting a 'home run' by investing in your company. If your own projections and plans show only modest growth, or if the growth of the business is limited by technology or competitive factors, don't expect to get financed. Most venture capitalists won't be interested unless the company can grow to at least \$25 million in sales within five years.

If you think your company has what it takes to secure venture funding, take notice of the following advice and then start knocking.

**8. Gather information.** Find out about the different venture funds' strengths, reputations, particular interests, and preferences for stage-of-company development. Make sure you are approaching the appropriate venture capitalist for your business or market.

**9. Get an introduction.** Venture capitalists are likely to be more receptive to a proposal forwarded by someone they

know and respect. Convince your lawyer, colleague, or accountant to send over your business plan or make an introduction. ("AllBusiness.com")

This article notes that venture capital is granted to knowledgeable business persons that show that they can run a profitable business.

A survey of 150 venture capital firms was conducted querying what they like in a company that they invest in. Contrary to popular belief, a business plan is not the most important aspect of gaining capital. Macmillan reports:

Perhaps the most important finding from the study is direct confirmation of the frequently iterated position taken by the venture capital community that above all it is the quality of the entrepreneur that ultimately determines the funding decision. ...Five of the top ten most important criteria had to do with the entrepreneur's experience or personality. ...Every pair of criteria included at least one that concerned the entrepreneur. There is no question that irrespective of the horse [product], horse race [market], or odds [financial criteria] it is the jockey [entrepreneur] who fundamentally determines whether the venture capitalist will place a bet at all. The question is if this is the case, then why is so much emphasis placed on the business plan? In a business plan there is generally little to indicate the characteristics of the entrepreneur- it is generally devoted to a

detailed discussion of the product/service, the market, and the competition. Such content is necessary, but not sufficient. The business plan should also show as clearly as possible that the 'jockey is fit to ride'-namely, indicate by whatever feasible and credible means possible that the entrepreneur has staying power, has a track record, can react to risk well, and has familiarity with the target market. Failing this, he or she needs to be able to pull together a team that has such characteristics, and show that he or she is capable of leading that team. (MACMILLAN et al 119- 128)

Thus, a strong business plan helps to let the firm know what the business is attempting to do. However, the entrepreneur's strengths need to be stressed.

Venture capital is available to start-up companies but predominately given to a semi-established business that needs money to grow:

We estimate that more than [80 percent] of the money invested by venture capitalists goes into building the infrastructure required to grow the business – in expense investments [manufacturing, marketing, and sales] and the balance sheet [providing fixed assets and working capital]. (Zider )

Here Zider, of the Harvard Business Review, explains how 80 percent of the money coming from venture capital is for growing the business like manufacturing. For example, an

established graphics company that has a large volume printing outsourced could greatly profit by owning a printing press. A venture capital firm could provide the money needed to purchase a press, as it would increase their profit margins. As noted in previous references, the investing party is looking for a large return on the investment. If it does not appear to them that this equipment will make the company grow exponentially, then a loan from a bank is another option.

Traditionally bankers look at what are called the three 'C's': character, credit and collateral. Character means more than not having a criminal record. It means that the banker feels confident that you are not going to suddenly disappear for parts unknown if the business runs into trouble. Specifically bankers like to see ties to the community such as long residence, family ties, and home ownership. A clean credit history is important. A couple late credit card payments shouldn't be a factor, but missing mortgage payments for three months in a row will require a good explanation. Bankers like good character and good credit, but they live for solid collateral. Equipment, buildings and trucks—that's the kind of stuff that bankers really like for collateral—solid value and likely to be worth a lot even if the business goes bust. Inventory, raw material and goods are second choices for collateral—they will lose their value more quickly than fixed assets but still be worth something. Can you get a business

loan? The criteria for business loans varies much more widely than for consumer loans and often varies quite a bit from one banker to the next at even the same bank! However here are some rules of thumb...

- Getting a loan for a new business is tough.
- Fixed assets such as machinery or buildings can almost always be financed.
- Current assets such as inventory or goods in process increase your loan chances.
- 2+ years of profitable operation greatly increases your loan chances.
- The larger the owner's investment in the business the better your chances of getting a loan.
- Loans to small corporations will often have to be personally guaranteed by a shareholder.
- It is difficult to get loans to offset operating losses.
- It is usually possible to get a loan to modestly expand a profitable business. ("BusinessTown.com")

This source notes that banks will usually lend money if it can be secured against fixed assets as collateral. Again, in the case of purchasing a printing press, this seems to be a viable option.

These are examples of sources that give entrepreneurs an idea of how to optimize their efforts towards gaining capital from venture capital or a bank. Considering that a venture capital firm is predominately looking for a strong business person, these strengths should be emphasized. Ample preparation is key, as second chances are not given when mistakes are made. If the business has been around for a few years and just needs capital to boost profits, the success rate of being granted capital from a bank or venture capital firm is likely much higher.

## **Chapter III**

### **Research Method**

The following contains the procedure for conducting research that produce the readers with conclusions to this study. The research methods used are elite and specialized interviews with content analysis. Cal Poly's motto is "learn by doing". Therefore, elite and specialized interviews tap into the knowledge of those who have done and have firsthand experience. It is important for entrepreneurs to gain experience by making an effort and attempting to achieve their goals. However, all entrepreneurs must start somewhere. Therefore, the purpose of these elite and specialized interviews are to tap into the knowledge of professionals and give new entrepreneurs a starting point to learn by doing themselves.

This study could use historical research or research conducted by others. However, historical research is subject to the author's opinion when elite and specialized interviews extract information from primary sources. The information gained from the interviews must be analyzed. In this case interviews followed by a content analysis are used. This study is targeted at obtaining a bank loan or funding from a venture capital firm; both of which are to be interviewed. Interviews will follow the format Usability.net suggests:

There are typically four phases in the interview:

The 'nurturing' phase. This is the initial warm-up to the interview when the parties to the interview introduce

themselves and talk briefly about neutral topics to establish themselves.

The 'energizing' phase. Here the area of discourse, and any existing problems are identified.

The 'body' of the interview. This is the peak phase of activity, where the interviewer is continually probing, bringing out the 'askable prompts' in the predetermined order to understand the range of responses the respondents produce. It is important at this stage for the interviewer to remain analytical and neutral. If the interview is fairly free in structure, the respondent may direct the order of topics, and the interviewer should follow them. Otherwise the order of topics is at the interviewer's discretion. Before this phase ends, the interviewer should check whether all the topics have indeed been covered.

The 'closing' phase. The interviewer should summarize what he has learned from the interview, and ask the informant whether this is correct. The informant should be asked whether they thought the interview covered all the areas of concern, and whether there were issues which had not been touched upon. It is a good idea to spend a little time on how the

informant felt about doing the interview, and whether there was anything that could be improved. ("Usability.net")

The introduction is self-explanatory; the energizing phase consists of giving the interviewee a brief introduction into this study. For the body of the interview, questions were asked pertaining to what the interviewee looks for when granting entrepreneurs capital. Interviews were conducted on five venture capital firms and five banks. Interviews were conducted with; Steve Reale of Levensohn Venture Partners, Robb McLarty of NGEN Partners, Timothy Lovelace of Coast Hills Bank, Lance Brandenburg of SLO Mediums, and Anthony Ramos of Bank of America. The questions posed to venture capitalists were similar to a survey conducted by MacMillan, Seigel, and Narasimha in Criteria Used By Venture Capitalists to Evaluate New Venture Proposals. The following are the topics that were asked to stimulate conversation:

Pertaining to the entrepreneur's personality. How much value is placed on:

1. Capable of sustained intense effort.
2. Able to evaluate and react to risk well.
3. Articulate in discussing venture.
4. Attends to detail.
5. Has a personality compatible with mine.

Pertaining to the entrepreneur's experience. How much value is placed on:

6. Thoroughly familiar with the market targeted by venture.
7. Demonstrated leadership ability in past.
8. Has a track record relevant to venture.
9. The entrepreneur was referred to me by a trustworthy source.
10. I am already familiar with the entrepreneur's reputation.

Pertaining to characteristics of the market. How much value is placed on:

11. The target market enjoys a significant growth rate.
12. The venture will stimulate an existing market.
13. The venture is an industry with which I am familiar.
14. There is little threat of competition during the first three years.
15. The venture will create a new market.

Pertaining to financial considerations. How much value is placed on:

16. I require a return equal to at least 10 times my investment within 5-10 years.
17. I require an investment that can be easily made liquid e.g., taken public or acquired.
18. I require a return equal to at least 10 times my investment within at least 5 years.

19. I will not be expected to make subsequent investments.

20. I will not participate in latter rounds of investment (requires my participation in the initial round of investment). (MACMILLAN et al 119- 128)

For bank related interviews these questions were posed:

1. What are typical uses of business loan capital?

2. What is a typical business loan amount?

3. What financials does the bank like to see?

4. What determines the interest rate of the loan?

5-8. What does the bank like to see from the borrower pertaining to:

- Credit history
- Financial data
- Collateral
- Business plan

9. What can the borrower do to increase their chances of getting a loan?

These questions were used to draw information from the interviewee. Each set is related and gives the interviewer the option to dive deeper into the subject if the interviewee believes it is important or to move on to another subject. These questions are similar to the MacMillan survey. However, the results of these interviews were not quantified in the same way. Immediately following the interview, the interviewer took scrupulous notes based on

the fresh memory of the session and the conclusion is intended for the interviewer to confirm the interviewee's opinion. The notes correspond to the questions presented and the interviewer judged the importance that the interviewee placed on the previously noted questions by quantifying the time spent. Thus, the content was analyzed for the most important things that the investor is looking for. And, finally, conclusions were drawn in the final study from the topics that the interviewee spent the most time discussing. This method allows for more freedom of information to be conveyed to the interviewer from the interviewee and the content to be conveyed in a logical manor to the reader of the study.

These interviews will gave real primary information for the study to draw conclusions on what improves the chances of an entrepreneur gaining capital from a venture capital firm or a bank. Being that the results from these interviews come from the persons in charge of evaluating whether or not capital is granted the results will have more validity than other methods.

## **Chapter IV**

### **Results**

In this study interviews were conducted regarding two areas: venture capital, and bank loans. This section covers the results of interviews with content analysis and a summary of the interviews. To quantify the most discussed topics the interview notes were tallied per-question asked and then expressed as a percentage of the total. (The complete table of questions and percentages can be found in the appendix) Thus, the results show which topics the interviewee spent the most time discussing as a percentage of the whole interview.

#### **Venture Capital Interview Content Analysis**

The top three topics for the venture capital interviews were questions six, five, and 16.

18.05 percent of the interviews were spent discussing topic six: thoroughly familiar with the market targeted by venture. An important factor to impressing venture capitalists is proving familiarity of the market. They would like concrete experience, success, and that the borrower has made other investors money in the market. (McLarty)

15.79 percent of the interviews were spent discussing topic five: has a personality compatible with mine. The interviewees noted that having a compatible personality was not important but character was. The venture capitalists value references, spending time building a relationship, and that it is a people business. This is in order to make the venture capitalist comfortable that the borrower can succeed. (Reale)

12.03 percent of the interviews were spent discussing topic 16: I require a return equal to at least 10 times my investment within 5-10 years. The venture capitalists want the borrower to provide a return of five to 10 times the initial investment in a period of 6-10 years. This is an important factor, as the borrower must prove that the investment will create profit for the lender. (Reale)

### **Summary of Venture Capital Interviews**

Venture capital firms tend to focus on a particular sector that they are familiar with and sectors with very high growth probabilities. Primarily, venture capital grants multiple millions of dollars to finance growth that provide a return of five to ten times their initial investment. Predominately, venture capitalists like to see similar things that banks do; this proves the borrower to be a financially sound investment. Venture capital firms want to see knowledge of the market. The key to gaining venture capital is convincing the firm that the borrower knows the market that they are conducting business in. Venture capital does not follow a checklist or requirement sheet like large banks, but is more of a “people business” where building a relationship is important. (McLarty) Foremost, venture capital firms want to see the borrower addressing a problem in which the borrower’s business is solving and the lender needs to understand this completely. Venture capital is not particularly well suited to a startup business for most of the graphic communication field, but more so for semi established businesses looking to achieve explosive growth primarily in sustainability and technology industries. (McLarty)

### **Bank Loan Content Analysis**

The top three topics for the bank loan interviews are questions six, nine, and two.

35.06 percent of the interviews were spent discussing question six: what does the bank like to see from the borrower pertaining to financial data? For a new business, the Small Business Administration required personal financial information and Coast Hills Bank wanted to see three years projected cash flows with the first year broken down into month increments. (Lovelace) Bank of America required that the borrower had over 100,000 dollars in revenue for the previous year and that the loan amount be no more than 10 percent of the total revenue. (Ramos)

15.58 percent of the interviews were spent discussing question nine: what can the borrower do to increase their chances of getting a loan? All banks interviewed wanted to see that the business be a legal entity and collateral for the loan which can be equipment, inventory, or vehicles. Bank of America had tighter restrictions requiring that the borrower have been in business for a minimum of two years. (Ramos) Small banks are more likely to grant business loans. (Brandenberg)

12.99 percent of the interviews were spent discussion question two: what is a typical business loan amount? For Bank of America 25,000 to 250,000 dollars are typical loan amount. The Small Business Administration issues loans up to 1,500,000 dollars. (Lovelace)

### **Summary of Bank Loan Interviews**

With the current economy being fiscally conservative, larger banks are reducing their risk by implementing stricter financial requirements for business loans, Bank of America currently requires borrowers to be established for a minimum of two years and provide proof that the previous year's revenue is \$100,000 or more. To optimize chances of being

granted a commercial loan, such as these from Bank of America, one is required to have the loan payments be auto debited from an account with the bank. In addition, loans typically have to be 10 percent of the previous year's revenues and require collateral such as a lean on the equipment being purchased. A loan officer noted that only 10 percent of eligible applicants get approved. (Ramos) It can be concluded that due to low odds of receiving capital from large banks, one should seek smaller financial institutions.

Larger banks, due to their requirements, are not an option for absolute new businesses. However, smaller lending institutions primarily target small and new businesses and are more likely to lend to a new business (Brandenberg). Such institutions are able to lend to higher risk borrowers through a government program: The Small Business Administration or SBA. The SBA loan process includes completing a SBA loan application and providing a written loan proposal. The SBA application outlines the basics of the business plan; however, the most important aspects of the business plan are projected financials. Mr. Brandenberg presented his business plan to the loan officer who only took into account the financial portion of the plan. Specifically, the bank and SBA are looking for three years projected cash flows, with the first year being broken down into month increments (Lovelace). Having good projected cash flow show the lender that the borrower will not have any problem making payments. These banks also would like to see the borrower have good assets to liabilities ratio. Finally, the borrower should expect to make a 20-30 percent down payment and seven to nine percent interest rate is typical. (Lovelace)

In a slow economy, being granted capital is more difficult due to strict requirements of the financial institutions. These financial institutions, Bank of America for example, are fiscally

conservative during a bad economy to minimize risk and only will lend \$25,000 to \$250,000 for business expansion, asset purchases, and equipment/vehicle financing. Because many loans are defaulted on, it was noted that some financial institutions no longer want property as collateral. (Ramos) Brandenburg noted that small local banks primarily profit on higher risk local business loans whereas larger financial institutions do not. Therefore, large financial institutions can issue few or zero loans while small local banks cannot. The Small Business Administration, a government program, will guarantee business loans to small banks up to 1,500,000 dollars. If the borrower defaults the SBA will recover up to 98 percent of the loss to the bank. Thus, small banks are more likely to issue more capital in a bad economy.

## **Chapter V**

### **Conclusion**

The purpose of this study is to investigate the methods of procuring finances for new businesses primarily through venture capital and bank loans and how to optimize efforts in doing so. For the research portion, elite and specialized interviews were conducted; they are more appropriate than historical research. However, historical research was conducted in this study, in the form of literature review, to gain background knowledge before interviews were conducted. Primary interviews are also valuable because seeking financial capital varies with the economic climate, making the results relevant to the current economy.

Pertaining to venture capital, those interviewed were mostly concerned with the entrepreneur's personal characteristics, the entrepreneur's knowledge of the market, and getting a return of 10 times, or more, their investment within five to 10 years. The majority of discussion pertained to venture capitalists wanting to see that the entrepreneur is capable of providing a large return on the investment. The entrepreneur must prove that they are making the capitalist, money. Secondly, through building a relationship the venture capitalist can judge the entrepreneur's personal characteristics. This is to see if the entrepreneur has the wherewithal for success. Finally a sufficient knowledge of the market is required to be successful. To optimize being granted venture capital one must prove to the capitalist that they meet or exceed the prior requirements through building a relationship.

Pertaining to bank loans, those interviewed were mostly concerned with the borrowers financial data, ways to increase the chance of getting a loan, and typical business loan amounts. Financial data discussion was more than a third of all discussion in the interviews. This shows that providing sound financial data when applying for a bank loan is crucial. Banks need to see that the borrower is financially sound enough to borrow money. Bank of America has strict financial requirements before issuing loans; while still strict, small banks issue more loans. Around 15 percent of the discussion consisted of various ways to improve chances of receiving a bank loan. Each bank had requirements for their borrowers such as being a legal entity or providing collateral. Finally approximately 13 percent of the discussion was about the loan amounts that the banks offered. If the borrower is looking for a loan in the range of 25,000 to 250,000 dollars large banks are an option, any more than 250,000 dollars and the borrower must seek a Small Business Administration loan in the current economy. To optimize chances of being granted a loan the borrower must know and meet or exceed the financial requirements of the bank and position their company to be within their lending requirements.

When seeking capital, all must meet similar basic requirements to optimize chances for success. Basically the borrower needs to convey financial soundness and financial worth to the lender. Lenders provide money in order to profit, this must be kept in mind when seeking capital. The borrower must position to appeal to the lender. In the case of venture capital personal characteristics and knowledge are crucial where banks are more fiscally based and would like to see attractive financial data. Whichever route chosen, venture capital or bank loans, one must position to provide value and meet the requirements of the lender to optimize finance procurement.

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## Appendix

### Venture Capital Interview Content Analysis Chart

| Question  | Tally      | Percentage     |
|---|------------|----------------|
| 1 Capable of sustained intense effort.  | 12         | 9.02%          |
| 2 Able to evaluate and react to risk well.  | 8          | 6.02%          |
| 3 Articulate in discussing venture.   | 14         | 10.53%         |
| 4 Attends to detail.  | 3          | 2.26%          |
| 5 Has a personality compatible with mine.   | 21         | 15.79%         |
| 6 Thoroughly familiar with the market targeted by venture.                                | 24         | 18.05%         |
| 7 Demonstrated leadership ability in past.  | 0          | 0.00%          |
| 8 Has a track record relevant to venture.   | 4          | 3.01%          |
| 9 The entrepreneur was referred to me by a trustworthy source.                            | 3          | 2.26%          |
| 10 I am already familiar with the entrepreneur's reputation.                              | 0          | 0.00%          |
| 11 The target market enjoys a significant growth rate.                                    | 0          | 0.00%          |
| 12 The venture will stimulate an existing market.   | 0          | 0.00%          |
| 13 The venture is an industry with which I am familiar.                                   | 0          | 0.00%          |
| 14 There is little threat of competition during the first three years.                    | 0          | 0.00%          |
| 15 The venture will create a new market.  | 7          | 5.26%          |
| 16 I require a return equal to at least 10 times my investment within 5-10 years.         | 16         | 12.03%         |
| 17 I require an investment that can be easily made liquid e.g., taken public or acquired. | 5          | 3.76%          |
| 18 I require a return equal to at least 10 times my investment within at least 5 years.   | 0          | 0.00%          |
| 19 I will not be expected to make subsequent investments.                                 | 8          | 6.02%          |
| 20 I will not participate in latter rounds of investment                                  | 8          | 6.02%          |
| <b>Total</b>  | <b>133</b> | <b>100.00%</b> |

### Bank Loan Interview Content Analysis Chart

| Question  | Tally | Percentage |
|---|-------|------------|
| 1 What are typical uses of business loan capital?                                 | 3     | 3.90%      |
| 2 What is a typical business loan amount?   | 10    | 12.99%     |
| 3 What financials does the bank like to see?                                      | 8     | 10.39%     |
| 4 What determines the interest rate of the loan?                                  | 2     | 2.60%      |
| 5 What does the bank like to see from the borrower pertaining to credit history?  | 4     | 5.19%      |
| 6 What does the bank like to see from the borrower pertaining to financial data?  | 27    | 35.06%     |
| 7 What does the bank like to see from the borrower pertaining to collateral?      | 7     | 9.09%      |
| 8 What does the bank like to see from the borrower pertaining to a business plan? | 4     | 5.19%      |
| 9 What can the borrower do to increase their chances of getting a loan?           | 12    | 15.58%     |
| Total   | 77    | 100.00%    |