

University of Nottingham
UK | CHINA | MALAYSIA

Haydn Green Institute
for Innovation and
Entrepreneurship

**Ingenuity
18**


Evening Class

Session #4




Ingenuity 18


Tonight's Training Team




David Park



Emma Hartley



Chris Hartland



Tracey Hassall-Jones

University of Nottingham
UK | CHINA | MALAYSIA

Haydn Green Institute
for Innovation and
Entrepreneurship

**Ingenuity
18**

**Ingenuity18
Submission
Details**



Ingenuity 18

Key dates & Info

Proposal submission deadline: 23rd March

Pitches: 9th – 16th April

Ideas Summit: 23rd – 25th February

Gala Dinner: 24th April

Ingenuity 18

What do you need to prepare? (1 of 2)

~ words

The Idea

- What problem are you trying to solve? (300)
- What is the solution to that problem? (300)

The Market

- What is the market need for this product or service? (200)
- Is there a social need for this product or service? (200)
- Who are your customers? (200)
- How do you intend to reach your customers & What is your marketing strategy? (200)
- Who are your main competitors? (200)
- How is your product/service innovative or different? (200)
- If you have no competitors, explain why (200)

Ingenuity 18

What do you need to prepare? (2 of 2)

~ words

The Money

- How do/will you generate income? (300)
- What operating budget do you have? (300)

FOR A NEW BUSINESS:

- How much start-up money do you need? (300)

FOR AN EXISTING BUSINESS:

- How do you plan to fund the next stage of growth? (300)
- Estimate your income and expenditure for the next 2 - 3 years. (200)
- SWOT analysis (500)
- 30 second Pitch (50)

Ingenuity 18 **Myths about Entrepreneurs #4**


“Entrepreneurs are Risk Takers”

University of Nottingham
UK | CHINA | MALAYSIA

Haydn Green Institute for Innovation and Entrepreneurship

Ingenuity 18

Raising Money & Generating Cashflows



Ingenuity 18 **Potential sources of cash / help**

- Friends, family, fools
- Crowdsourced
- Banks (Loans, Credit Cards, Mortgage)
- Angel Investors
- Venture Capitalists
- Charities & Foundations
- Government (regional, national, supranational)
- Retained earnings (internal business case)
- ???

Ingenuity 18 **Choosing the “right” finance option**

- What type of organisation are you?
- What stage is your business at?
- What level of cash do you need?
- Do you need something other than cash?
- What are your strategic goals? (growth, exit, etc)
- Align your efforts to gain investment with the right source(s) whenever possible

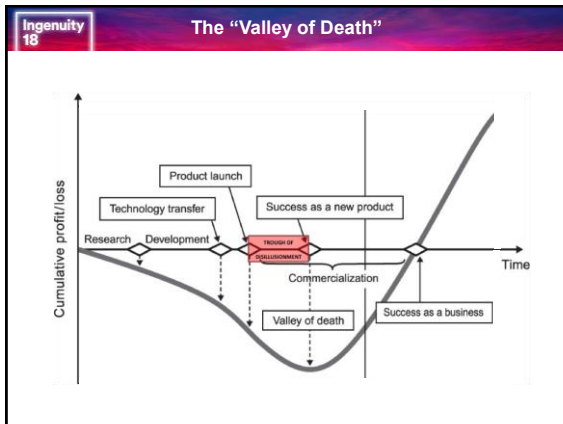
Ingenuity 18 **Financial analysis**

- You need to show evidence of (or potential for)
 - Cash Flow
 - Will the business be able to cover costs as they arise?
 - Sustainability
 - Will the business survive over the long haul?
 - Profitability
 - Will the business generate a surplus, and if so when?
 - Profit and loss forecasts / breakeven chart

Ingenuity 18 **Exit options**

How will investors get their money back?

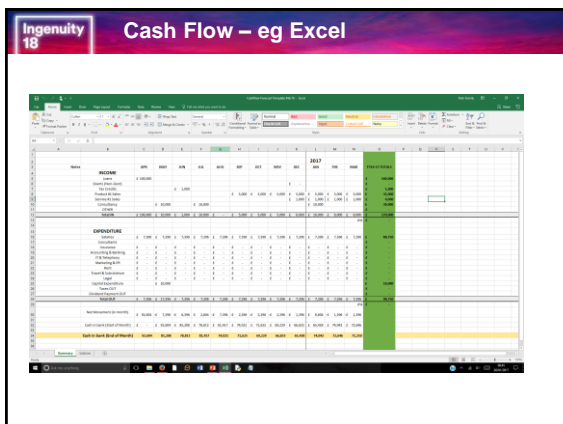
- Your timeline is important for an investor
- Investors may be looking for a considerable return on their investment
- Identify potential exit points (pros, cons, risks, etc)



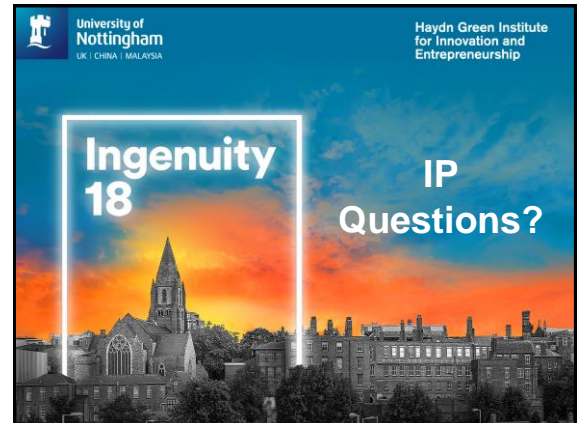
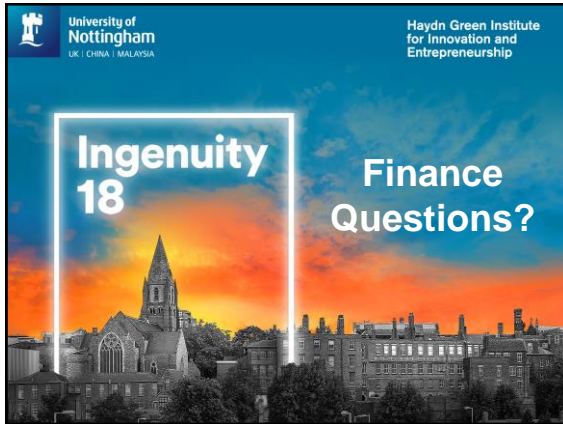
- Ingenuity 18** Future income?
- Investment(s)
 - Grants
 - Loans
 - Sales Income (Goods or Services)
 - Government tax incentives (eg R&D Tax Credit)
- What's the lead time from invoicing to receiving?
 • Are you including VAT or not?

- Ingenuity 18** What are your costs? (potentially)
- Capital Expenditure
 - Staff (salary, pension, PAYE, bonuses, etc)
 - Rent
 - Manufacturing costs
 - Distribution costs
 - IT & Telephony
 - Marketing & PR
 - Travel & Subsistence
 - Finance & Accounting (bank fees, accounting fees, taxes, etc)
 - Legal (advice, patent costs, etc)
 - ???

- Ingenuity 18** Current & future cash in your company?
- Become obsessed with cash flow
 - Cash IN
 - Cash OUT
 - What's in the Bank?
 - Model and project this
 - Regularly monitor this
 - Actively run scenarios / what ifs?



- Ingenuity 18** To summarise financials . . .
- You *can* produce a credible first guesstimate
 - It's critical to sense check this with others
 - You *will* need to iterate your initial cashflow (too expensive? too little resource? etc, etc)
 - Remember to run alternative scenarios (lower / delayed income, higher costs, etc)
 - Present a *summary* in any pitch or plans
 - Use appropriate visuals



**Ingenuity
18** **Details of Session #5**

Session #5 is at 6.30pm
on Thursday 22nd March
in **B52, Bus Sch South**

- [Various]
(David Park)
- Guest Entrepreneur #5
(YES Team members – TBC)
- Ingenuity18 Submission Q&A