

*GTU INNOVATION COUNCIL*

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# INVESTMENT FUELING

(Valuation and Fundraising for early stage start up)

Date: 17<sup>th</sup> july, 2018

Time: 5:00 pm to 7:00 pm

Venue: GTU Innovation Council Center, LD College , Ahemdabad

Speaker of the event: Mr. Rohit Chopra (Zifcare, IIT K, IIM ) ,  
Mr. Siddharth Rajde ( KrishiBox, IIT Delhi)

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## GTU Innovation Council (GIC) at a glance

**GTU Innovation Council (GIC)** has been designed to establish close bonding between industries, entrepreneurs, faculty members and students to make research and development at the University, relevant to the needs of industries at national and international levels. It helps to create a culture of design, new and products augmentation and processes in the arena of industries. GTU Innovation Council as an innovation campaign has started strategic steps to establish a close and continuing inter-action for the students in all the undergraduate and postgraduate courses. GTU Innovation Council is one of the elite organizations of the nation for cultivating multilayer innovation ecosystem. Through the efforts for creating culture of innovation and entrepreneurship in 7 years, an aura of developing the ecosystem across the state was conceptualized. The pilot projects and efforts have ideated many policies which have helped to change and shape up innovation and entrepreneurial mind-set of students. Pioneering more than 12 initiatives in 8 sectors of the council.

## About The Event :

**GTU Innovation Council** is one of the elite organization for fostering Entrepreneurship and Innovation under the aegis of Gujarat Technological University.

GTU Innovation Council has organized **Investment Fueling** ( Valuation and Fundraising for Early Stage Startups) on 17<sup>th</sup> July 2018 at GIC Ahmedabad. The session begin with introduction about GTU Innovation Council and its efforts in building entrepreneurial ecosystem across Gujarat. The main objective is to introduce the basic requirements for starting up new venture. Mr. Saurabh Sahu briefed two policies under Startup Gujarat.

1. NI – Nodal Institute under Startup Gujarat.
2. Student StartUp Innovation Policy (SSIP) which supports students for new start-up .

The session was exclusively conducted for Entrepreneurs and Innovators. The main focus of session was on valuation and fundraising for early stage start up.

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## About The Speakers :

- **Rohit Chopra** , from Zifcare which is an artificial intelligence powered healthcare platform to the entire world's citizens .
- **Siddharth Rajde** , founder , Krishi Box which offers technology driven efficient B2B supply chain for vegetables and fruits .

## Highlights Of The Event :

The session was initiated by Mr. Rohit Chopra with introduction about his experience in the Startup Ecosystem. He started discussion on valuation for early stage start up . Many early stage start ups are on pre-revenue stage. At early stage product/service, team, business model may not be specific. This makes investing in startups a risky business. Moving ahead Mr Rohit discussed about what are the difficulty faced by startups.

Unpredictable, lack of scale are the major difficulties of early stage start up. He also mentioned about certain factors can positively influence start up like traction, team, industry etc. Then he explained about the reasons why investors put funds into any startup and later after generating good revenue they can make exit from that venture. The possible solutions for exits are,

- **Initial Public Offer**
- **Acquisition**
- **Subsequent Round Exit**

What should we do to get traction for our start up? We should change way of thinking. We should have to think same as customer's way of thinking. On the basis of that he briefed about 4delta theory of Kunal Shah (CEO freecharge ). According to this theory, things happen when score is achieve and that are efficiency, tolerance and UBP(Unique Brag Worthy Proposition). Mr Rohit explained how we can value any company. He explained the VC methods of startup valuation which consist of how to find Pre money valuation and Post money valuation.

**PRE MONEY VALUATION = POST MONEY VALUATION - INVESTMENT**

**POST MONEY VALUATION = TERMINAL VALUE / ANTICIPATED ROI**

Next discussion was on growth rate, burn rate and marketing of business and major business strategy. He also explains how to achieve profit month by month and year by year. For startups, first you should build a team and distribute the work according to team member skills.

Moving ahead in the session, Mr. Siddharth Rajde addressed the event and share his views on fund raising for early stage start up. According to him startups have many reasons for raising fund. Some of the factors are,

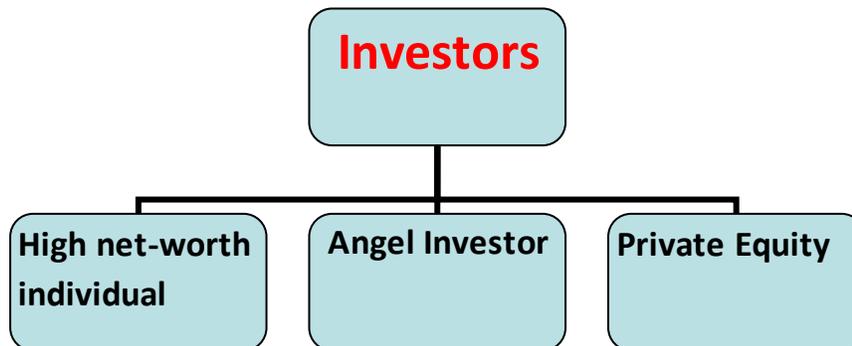
- **Money to meet demand while growing**
- **Better Product-as per user need**
- **Rapid growth makes a company a startup**
- **Capital as entry-barrier**

The most important question arises when the startups needs to raise and what are the requirements according to which startups need to raise funds. He explained in detail with example of different phases of venture and timely utilization of the funds. In his example **alpha phase, beta phase, @t=0 seconds** are the phases at that time of raising the funds.

He also describes about the various areas of raising the fund. We have to raise exactly the amount required, not too much and not too less either.

Mr. Siddharth also explains about the types of investors,

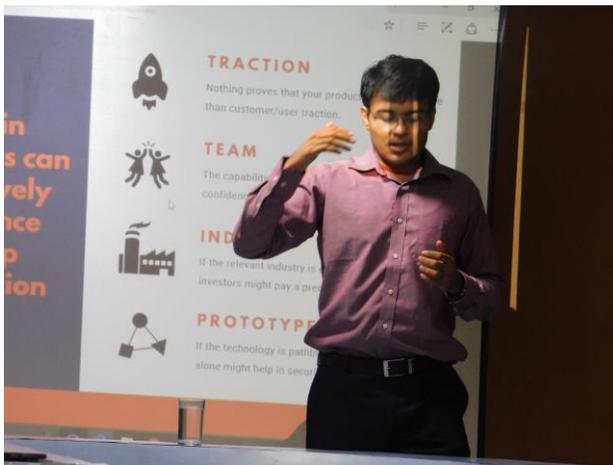
- **High-net-worth individual**
- **Angel Investor,**
- **Private Equity**
- **Early stage VC**
- **Big VC(tier 1 VC & tier 2 VC)**



Next was methods of choose right investors. First is Sector Passionate, it means startups have to scan linkedin(sectors he/she worked in), investment portfolio. Second is Complementary space investor, in this stratergic investment, optimised expenses etc.

***“ Startup is all about the Innovation.....”***

Pictures :



Mr. Rohit on Early stage Startup Funding



Discussion with participants