Peak
Performer Webinar Series

VISTAGE

Funding the Future: A Moneta
Outlook for Small Business Owners

Presented by:

Kim Folsom

Founder and CEO, Founders First Capital Partners Inc.

OUR FOUNDERS STORY : MEET KIM FOLSOM

BRIEF BIO FOR KIM: LEADERSHIP OF FOUNDERS FIRST

- CO-FOUNDER AND CEO OF FOUNDERS FIRST CAPITAL PARTNERS
- FOUNDER OF FOUNDERS FIRST COMMUNITY DEVELOPMENT CORPORATION

ENTREPRENEURIAL BACKGROUND:

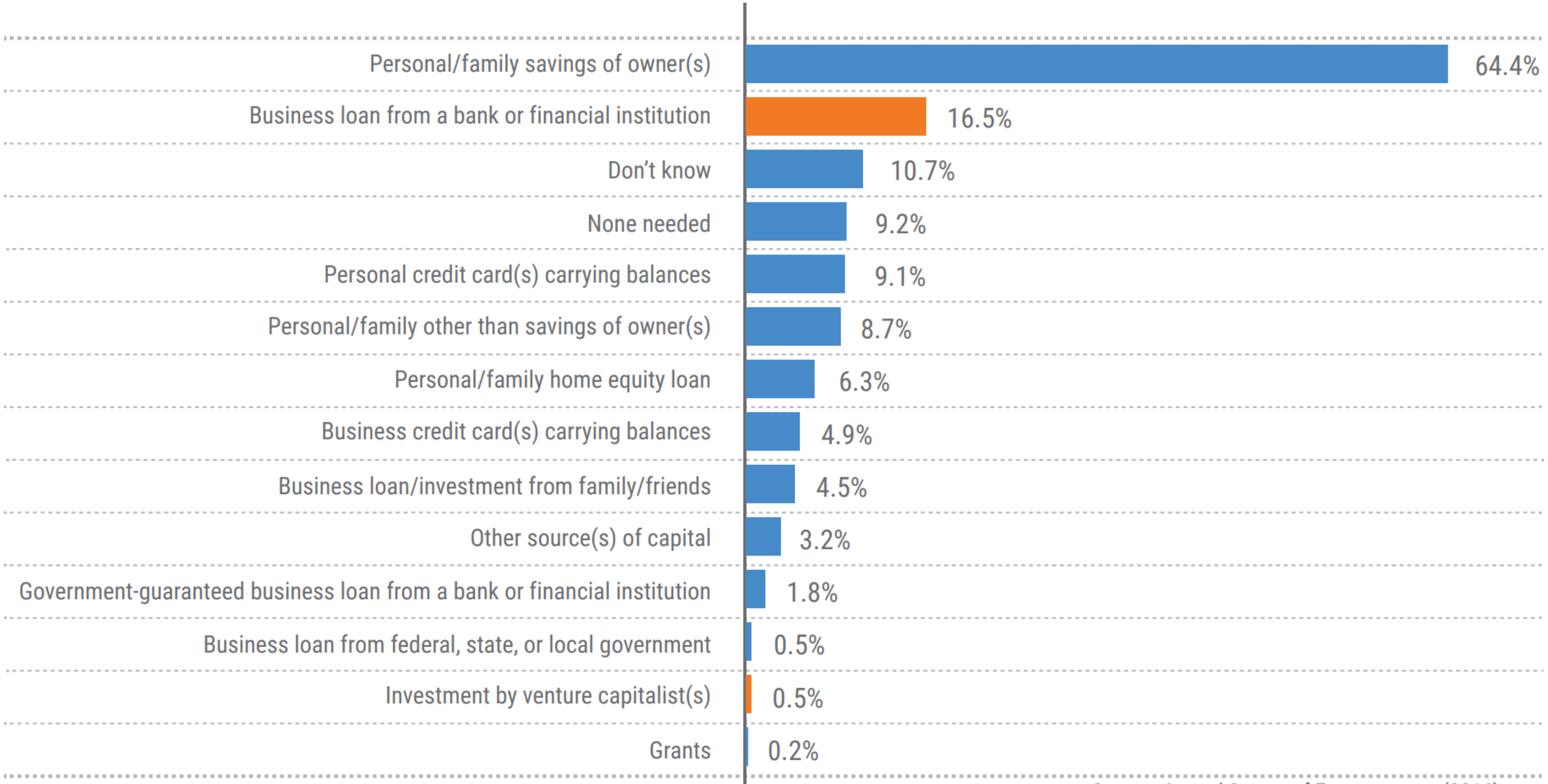
- VC-BACKED, SERIAL TECH ENTREPRENEUR
- FOUNDED 6 TECH COMPANIES, EXITED 3
- CREATED 500 PREMIUM WAGE JOBS
- RAISED $30M IN VENTURE FINANCING

EDUCATIONAL BACKGROUND:

- MBA PEPPERDINE UNIVERSITY
- BS INFORMATION SYSTEMS, MINOR ECONOMICS
- AS BUSINESS ADMIN, FOCUS ACCOUNTING

RAISED $200M INSTITUTIONAL CAPITAL

Sources of capital used by small businesses



Source: Annual Survey of Entrepreneurs (2016)

The Traditional Fundraising Conundrum

There's a funding gap for many small businesses

Angel investors often cannot provide capital to scale

Banks require collateral small startups can't provide

VC's focused on investments that result in a sizable exit

Fundraising, thus, can take a very longtime. It can deplete company resources. It shows immense opportunity cost. And is never a guarantee.

The Expanded Fundraising Options

New sources of alternative capital filling the funding gap for many small businesses

Grant programs provide non-dilutive capital to support targeted fundings

Banks loans funds based on good credit, collateral and profitable operations

Fintech merchant financing very costly and very fast access to cash

Revenue-based funding provides SAAS and service-based businesses both fast, non-dilutive capital at a moderate cost

Angel investors often provide initial start-up capital to high growth companies

Crowdfunding for consumer product companies source funds from public, crowd or network

VC's large investments in core tech and life science at highest cost, that result in a sizable exit

REVENUE BASED FINANCING – WHAT IS IT & HOW DOES IT WORK

What is Revenue-Based Financing?

A blend between bank debt and venture capital, revenue-based financing (RBF) is a non-dilutive type of capital in which investors lend money to companies in return for a percentage of revenues until the initial loan amount and repayment cap have been paid off.

company revenue repayment

$50K-$2M FUNDING

RBF Term: 1.5 – 2X CAP in 3 to 5 Yrs

RESULTS: Better Outcomes for Founders, Investors & Society

Results for Entrepreneurs

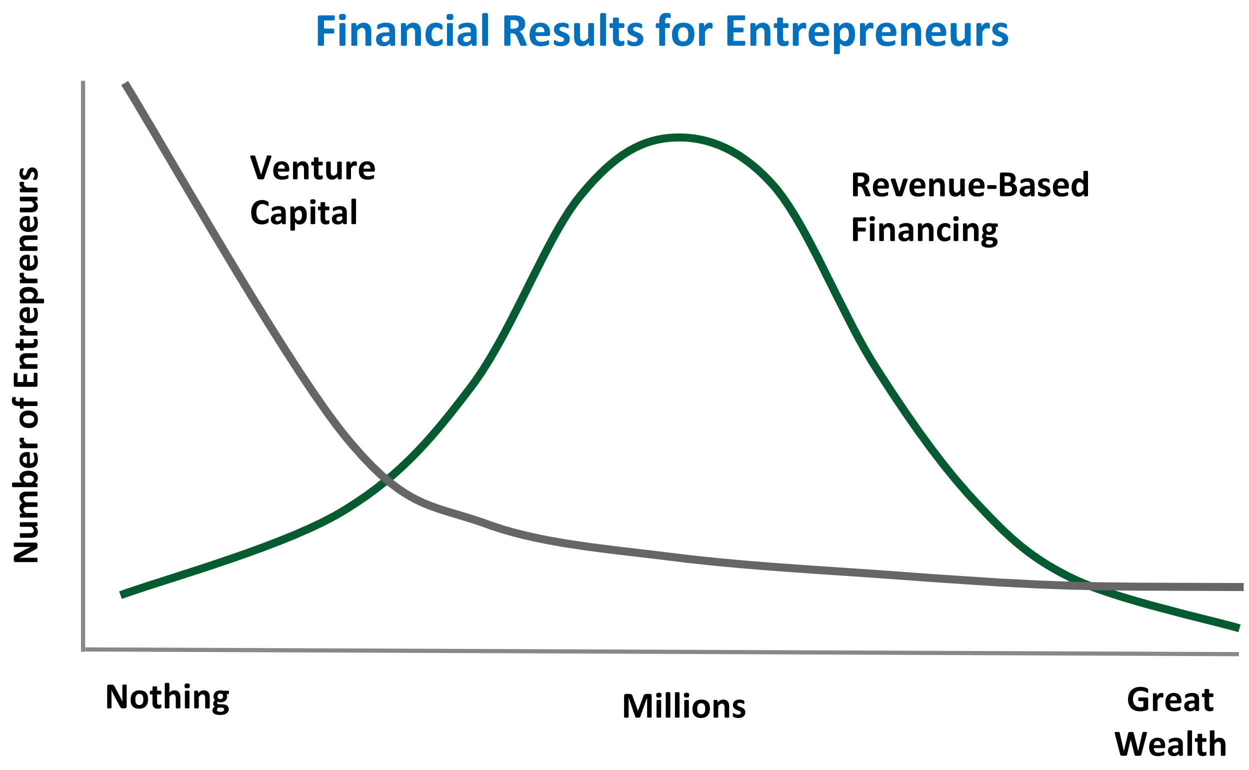
- VC: A couple become uber-wealthy. Most make little. Expected results are worse than staying at a corporate job.
- RBF: Most do very well, almost none make nothing

Returns for Investors

- VC: Inconsistent. Depends on few home runs offsetting many strike outs
- RBF: Consistent strong yield. Singles and doubles, earlier return of capital.

Impact on Society

- VC: Greater wealth gap
- RBF: Increased opportunity and entrepreneurial innovation



The above projected returns cannot be guaranteed and are an estimation based on past experience.