

## Lessons Learned: Gaining Access to Potential Private Investors

After successfully completing the Small Business Innovation Research (SBIR) program, a Rochester New York-based startup was searching for private investment capital to further develop and commercialize its innovative Life Improvement Portal (LIP) Glucose Monitoring System (GMS).

The startup needed assistance in raising necessary funding to position and sell the LIP GMS in the marketplace. They especially wanted help identifying and contacting potential private investors who would invest in a system designed for individuals with vision and hearing disabilities.

Although the company won two rounds of SBIR funding, it was missing a vital component needed to raise private capital. That component was a business plan, which contains key information and data proposing how the startup intends to:

- produce the technology,
- market and promote the technology,
- compete effectively against identified competitors,
- generate consistent revenues,
- itemize operating expenses,
- achieve eventual profits,
- manage and grow the firm.

Eighteen Ventures was hired to assist the startup with finding and contacting investors, starting first with the business plan. The first step was researching the startup and its new technology.

In particular, Eighteen Ventures used a client questionnaire to learn about the client's overall business strategy, business structure, targeted market, and competitors. Eighteen Ventures also reviewed the startup's SBIR Phase I and II project proposals to learn more about the technology's technical aspects, the research team, the company's ownership, and the targeted users and buyers.

Working from the initial research, the startup's owner and Eighteen Ventures worked closely to produce the business plan. Market research information--focusing on the possible competitors and industry growth projections--was also included in the business plan.

Before the business plan was fully completed, Eighteen Ventures initiated a search to identify potential private investors funding early stage companies. The search criteria focused on investors with a history of investing in similar health technologies and funding early companies. The search also involved locating investors in the same state or regional area as the company.

Once the business plan was completed, the identified potential investors were provided with a two-page executive summary to attract their attention and interest. Next, Eighteen Ventures consistently followed-up with investors to effortlessly create a connection with the startup. This whole effort resulted in the company connecting with, and making a funding presentation to a health technology focused New York City venture capital firm.

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## Tips for Success

Investors invest in companies with a unique, commercially-viable solution that solves an identified healthcare or medical problem.

Investors want to know how the company intends to meet the needs of a target audience (buyers), generate consistent revenues and control operating expenses. This is why a business plan is critical.

Investors want to know if the company has seriously identified direct and potentially indirect competitors.

Investors invest in company with a team or leader who knows how to execute an idea.

Investors consider investing companies that match their investment strategy and stage of development funding.

Contact Eighteen Ventures for more information on identifying and connecting with investors:  
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## About Eighteen Ventures

Eighteen Ventures (EV) is a small business development advisory firm providing consulting and fundraising services to health technology entrepreneurs, startups, and small emerging firms nationwide. In particular, we offer our clients pertinent **services** that will help them build successful businesses with a novel health technology or medical device concept.

We also help our clients secure new health technology development funding from Small Business Innovation Research (SBIR) programs, i.e., National Institutes of Health (NIH) and National Science Foundation (NSF), Health System Venture Funds and Healthcare Corporate Venture Capitalists.