

Entrepreneur Resources

September 2019

- Each month we'll highlight resources, founder conversations and hot topics to help you move your ideas forward.
- If you have resources that you'd like to share, please reach out to your licensing associate or EIR to have them included in the next update.
- And please reach out with any questions. We're here to help!

Founders Corner

This is a summary of a conversation with [Dan Rizzuto](#), a former Caltech Postdoc and founder of Nia Therapeutics, a company developing neural interfaces to restore memory loss after injury or disease. Dan is happy to chat with founders in the healthtech space to serve as a resource and make connections.

- People + plan + IP + market = opportunity and investment
- Patience and relationships = growth
- Dan chose to secure Angel investment followed by non-dilutive SBIR funding to hit his first milestones
 - The driver was the 10-12 month funding gap for SBIRs from submission to award. After securing \$3M in angel investment, he's ready to pursue a SBIR for follow-on funding
- He had *many* VC conversations and has gotten a lot of feedback about what data they expect prior to investing. Listen and curate the feedback
 - One lesson he would like to pass along is the importance of learning the new language of the VC world as well as developing a solid plan including milestones/value inflection points
- His final recommendation is to be flexible on where your team does their work. Focus on securing the best talent first.
 - His hardware development is in Houston as that location is the leader in the industry. His CTO in charge of software is in Boston. Dan's in Philly. And finally there is a consultant with clinical and regulatory in NYC-just a train ride away
 - Get the best team and if that means distributing the work, then do it

Hot Topics

What should I expect in legal costs to get my start-up going? How do I pay for it?

- Each situation is unique and some start-ups have complex challenges that would incur additional costs, but a reasonable range is 5-10K.
 - There are situations however when that can go up to 20K even at the seed stage. And if you go straight to Series A, it can spiral upward to >30K due to the complexity of the documents.
 - Remember that in addition to having representation for the company, you should have personal legal representation for certain portions of the set-up, particularly reviewing the shareholder agreement and other important documents where it would be a conflict of interest between what's good for the company versus your own interests.
- How do you pay for it all?
 - That is a topic which deserves its own discussion but here is a quick summary of your options:
 - You pay the bill with your seed dollars—open and shut
 - You take a fee deferral (generally limited to a \$ amount)—this is the hope strategy that someone else (a VC) will pick up this bill at a later date. It can lead to running up a large legal bill since it feels like “free money”, and you are stuck with that bill if it all collapses. There can also be conflicts down the road as the firm's interests will push for earlier investment/exit so they get paid faster. Think this one through carefully—it can work if planned well.
 - You trade equity—This takes care of the initial bill at a cost to your own equity, and any bills on top of that are still yours to pay. Plus see the above for potential conflicts.

Articles and Tools

- [How to Maximize Founder Equity](#)
- [Five Lessons I Learned from Selling My Start-Up](#)
- [Seven Questions: Sequoia Capital](#)
 - Check out the founder of Instagram (Kevin Systrom) and his take on advice for founders
- Ten-One-Ten Podcast “[LA Venture](#)”
- Kauffman Fellows and Techstars Virtual Course
 - The next slide highlights a short virtual course that is run for 7 weeks in the Spring and Fall through a collaboration between. [Fall 2019](#) just started and if you have a team in mind you could catchup and stayed tuned for the Spring announcement.

Short Course

Why try a Short Course?

Whether it's an I-CORPs 2day course on campus or a short virtual course on start-up basics, a short course can help you build your network and get a handle on the different aspects of commercializing your technology quickly and can form a strong foundation for planning your start-up success.

Venture Deals: The Free Class You Can't Afford To Skip

August 14, 2019 in [Accelerators](#)
Posted by [Tishin Donkersley](#)



What exactly is a term sheet? Cap table? Convertible debt? Letter of intent?

If you're an entrepreneur who wants to raise capital and grow your business, these are basic vocab you need to know for working with VCs. The more you can learn how these components of a deal impact your company's future, the better positioned you'll be for the next round.

Not to worry. Techstars co-founder Brad Feld and Techstars mentor Jason Mendelson—both renowned venture capitalists, partners at the Foundry Group, and authors of [Venture Deals: Be Smarter Than Your Lawyer and Venture Capitalist](#)—are opening enrollment for the Fall 2019 online course, Venture Deals.

Pitch Opportunities

Are you a founder of a biotech or pharma startup? Looking for funding or industry partners to acquire or develop your technology? We'd love to help you out. Apply to the QB3 Biotech/Biopharma Pitch Summit.

Learn more and apply:

<https://qb3.org/2019-bio-pitch-summit>

In this competition, based at the Mission Bay campus of UC San Francisco, ten startups will be chosen for introductions to motivated investors and industry partners in a private pitch session. In-kind service prizes including development and legal support are also available.

The competition is open to California-based startups seeking funding from seed-stage to Series A VC rounds. Startups must be available to present in person October 9 or 10 at UCSF, and attend the November 7 pitch session.

The **deadline to apply is Friday, September 20.**

Join the QB3 Biotech/Biopharma Pitch Summit

Deadline: Friday, September 20, 2019

Are you commercializing a technology in the biotech or biopharma space? We want to meet you.

"The 2018 Summit put us in front of a big group of amazing investors at just the right time for our Series A fundraising. The exposure was perfect to help us close the round." Wes Jackson, CEO, Valitor

Register & Apply

We are using SurveyMonkey Apply. There is a quick registration stage and then you can apply to the program.



QB3 provides startups with expertise and mentorship from stakeholders across the life science spectrum. We're inviting startups to pitch our panel of judges (a mix of financial/strategic investors, subject matter expertise and clinicians). We'll select 10 as the final cohort of the QB3 Biotech/Biopharma Summit. If selected, you will:

- Present to a select group of investors and industry partners.
- Receive coaching in communications, product development, IP, regulatory, reimbursement, marketing and business strategy from our network of experts.
- Showcase your startup at the public pitch session Thursday, November 7, 2019.
- Be eligible to be chosen to receive a range of valuable in-kind services to help you accelerate your technology.

Who Can Apply?

Early-stage life science companies (up to and including Series A investment) based in California, or with a senior leadership position based in California. **No university affiliation is required.** If you have submitted an application in previous years but not been chosen for the final cohort, we welcome you to apply again if your company has made progress.

Pitch Opportunities

This event is curated, so please let your licensing associate or EIR know you're interested in having your deck submitted for consideration.



Save the date!

LA BioMed is pleased to announce our 6th annual Innovation Showcase!

Notes: This year's event will be by "Invitation Only". If you have received this email as the original addressee, a formal invitation will be forthcoming. Invitations will not be transferrable. Registration will be capped at 260 participants.

IS 2019 will be held on Monday October 14, 2019 from 11am-7pm in the conference center of our brand new 78,000 sq ft Medical Research Laboratory building in Torrance.

The 2018 showcase was a resounding success with 300 participants, a distinguished panel of 50 selection judges, and 67 startup applications. Thirty-two startup companies, borne from premier research institutions were selected to present.

[LA Biomed Innovation Showcase](#)

Pitch Opportunities

TechSparks is hosting a pitchfest as part of Innovate Pasadena's CONNECT Week 2019. We're looking for early-stage, investment-ready (have a pitch deck) startups in the Greater Los Angeles area who want a chance to share their business with an audience of active local investors and tech industry professionals and win \$30k in services. Deadline is Oct 1! business out there and CONNECT with an ecosystem to raise funding, find customers, and scale your company to new heights.

<https://www.techsparks.net/pitch>



Our "Spark Tank" panel of active local early-stage investors will decide which startup deserves the Grand Prize of over \$30k in free services from TechSparks and other local service providers.