

Entrepreneur Resources

October 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!
- This month we have updates on local programming and short course options.

Founders Corner

This is a summary of a conversation with Tina Boville, a former Caltech Postdoc, CEO and founder of Aralez Biosciences, a company that manufactures non-canonical amino acid (NCAA) raw materials and catalysts. [Tina](#) is open to sharing her experience with new founders.

- Tina successfully won the life science spot in the 2019 [Cyclotron Road](#) cohort this year for Aralez and is realizing all the benefits of that program.
- Her advice is to get the support you need from the beginning and consider an accelerator program (like Cyclotron Road) that consistently produces results if you are mobile and flexible in location.
 - With a 3-month intensive training and mentoring on all things start-up (including having to tackle P&L and hire and fire staff) and 2 years residency with access to National Lab capabilities, it was a clear advantage for her young company.
- Tina also recommended the I-CORPs program for learning [Lean Start-Up](#) fundamentals. Several I-CORPs workshop opportunities are available at Caltech every year. She did hers through the Resnick Institute's [FLOW](#) program.
 - Even if you don't submit an [STTR or SBIR](#) for non-dilutive funding, she recommends the I-CORPs training in customer discovery and rapid development for start-up success.

Hot Topics—Stock Type Basics

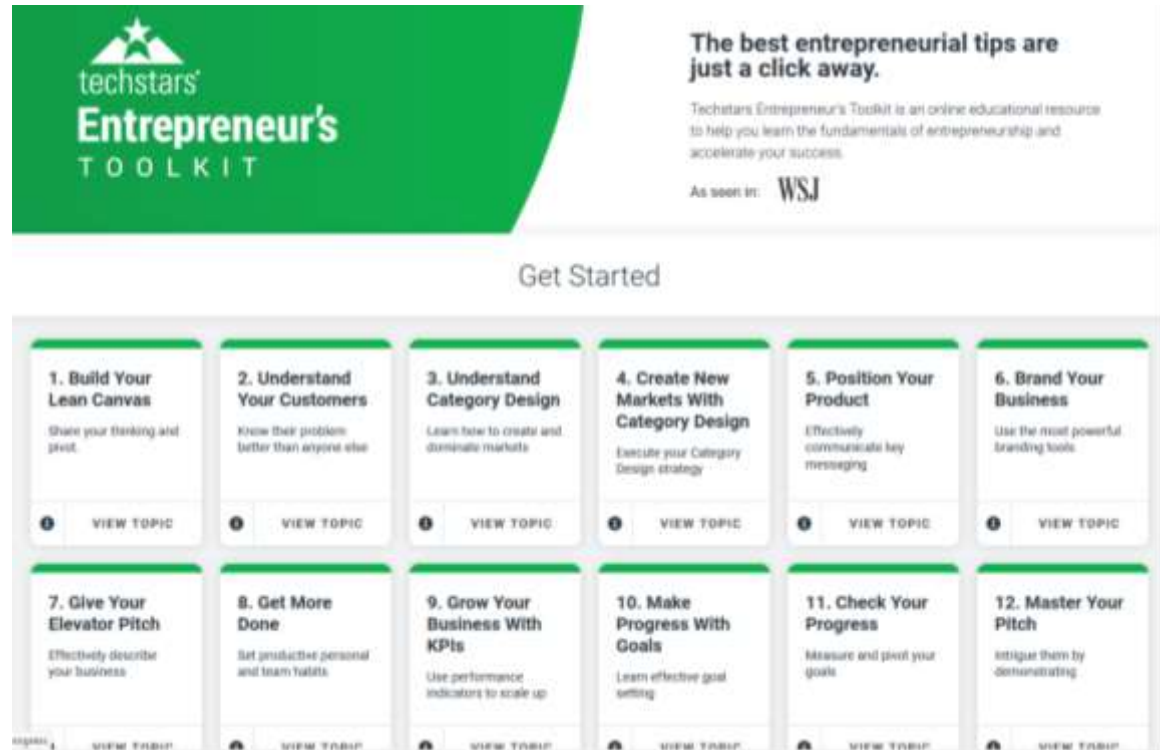
Standard Disclaimer: This is a primer. Specific cases and their impact should be discussed with a lawyer.

- Common Stock has the lowest priority in the event of an exit where proceeds are distributed. These also come with a right to vote the stock (board appointments/auditors). Non-voting common stock (NVCS) is the standard form of equity compensation to employees. It's just what it says it is.
- Preferred Stock protects investors, limiting the down-side and maximizing the up-side.
 - Preferred stock also typically comes with a board seat and a few other rights that will be spelled out in the term sheet—see links to sample terms sheets for seed and Series A on [tools](#) slide.
 - Non-participating preferred stock allows an investor to choose what would be a better return: taking the invested money back or taking the equivalent company ownership. If you invested \$1M for 20% of the company, and the exit was \$4M, you could take the higher of \$1M or 800K. Which would you choose?
 - Participating preferred stock comes with added power to ensure that the investment is recovered before any distribution is made to holders of common stock (after debt). Plus (double dipping) an investor gets the % of the company as common shares. So if an investor puts in \$1M for 20% of the company and the company exits for \$2M, they get the \$1M plus the 200K from the 20% ownership.
 - Multiple liquidation preferred stock provides investors with a *multiple* of their invested capital before anyone else gets a share. The most common is a 2X multiple but some investors push for higher.
 - Participating multiple liquidation preferred stock gets investors both options. All investment is returned at a *multiple* that is secured over time.
- Try a [modeling](#) tool to see how the preferred options play out against your common stock. Convertible notes are even trickier. See the link on the Tools page for how some of these (and liquidation preference) can play out and impact your goals for a Series A round.
 - If preferred stock is so bad for founders, why do they agree to it? You need capital to make your start-up happen. VCs want to mitigate the risk they are taking through their investment. That's not to say you can't (and shouldn't) negotiate to limit the impact of preferred features (eg multiple liquidation features in particular and the use of a [cap](#) to control their up-side at your expense). When reviewing term sheets, this is often an area of differentiation between potential investors.
 - When you hear a follow-on investor say that the “cap table spiked the deal” or “the earlier round killed it for me” –the terms for the early investors made in unattractive for others to come in, so understanding the consequences of the deal for your company *as well as for yourself* is critical for success.

Short Courses

TechStars Toolkit

This virtual on-demand course is available covering topics ranging from “20 ways to blow up your company” to “Build your Lean Canvas”



The screenshot shows the TechStars Entrepreneur's Toolkit website. At the top left is the TechStars logo with a green star above the text 'techstars' and 'Entrepreneur's TOOLKIT' below it. To the right, a green banner contains the text: 'The best entrepreneurial tips are just a click away.' Below this, a paragraph states: 'Techstars Entrepreneur's Toolkit is an online educational resource to help you learn the fundamentals of entrepreneurship and accelerate your success.' Underneath is the text 'As seen in: WSJ'. The main content area is titled 'Get Started' and features a grid of 12 topic cards, each with a numbered title, a brief description, and a 'VIEW TOPIC' button.

1. Build Your Lean Canvas	2. Understand Your Customers	3. Understand Category Design	4. Create New Markets With Category Design	5. Position Your Product	6. Brand Your Business
Share your thinking and pivot.	Know their problem better than anyone else	Learn how to create and dominate markets	Execute your Category Design strategy	Effectively communicate key messaging	Use the most powerful branding tools
VIEW TOPIC	VIEW TOPIC	VIEW TOPIC	VIEW TOPIC	VIEW TOPIC	VIEW TOPIC
7. Give Your Elevator Pitch	8. Get More Done	9. Grow Your Business With KPIs	10. Make Progress With Goals	11. Check Your Progress	12. Master Your Pitch
Effectively describe your business	Get productive personal and team habits	Use performance indicators to scale up	Learn effective goal setting	Measure and pivot your goals	Intiguate them by demonstrating
VIEW TOPIC	VIEW TOPIC	VIEW TOPIC	VIEW TOPIC	VIEW TOPIC	VIEW TOPIC

Articles and Tools

- [How CFIUS's expansion into Chinese investment in genomics start-ups could impact funding](#)
- [Practical Valuation and Funding Tips—Mass Bio panel advice](#)
- [Where the Bodies Lie: Advice for Life Science Start-ups and Common Mistakes](#)
- Sample [Seed](#) Term Sheet
- Sample [Series A](#) Term Sheets and other documents
- Modeling [Convertible Notes](#) and terms (participating, preferred, liquidation preference, valuation cap) impact on subsequent rounds and other investors

Incubator News

BioLabs LA at The Lundquist

This rebranded (LA Biomed) incubator on the Harbor UCLA Medical Campus opened this summer and already has 8 tenants. With the only open vivarium space in LA, this is a new option for life science companies that need in vivo capabilities.



Evonexus-Orange County

This tech and life science incubator features 2 yr. residency, tailored programming and support from a team of executives in residence with minimal equity requirements.



ORANGE COUNTY Tech & Life Science Incubator

5151 California Avenue, Ste. 150
Irvine, CA 92617

The 10,000 sq ft floor plan is an open concept with available lab space. The layout provides support for a wide array of tech startup companies from hardware to software. Located in the heart of University Research Park at the University of California, Irvine. Our Orange County location was established in 2014 and is adjacent to the university's Biomedical Research Center, Science Library, and Ecological Preserve Park.

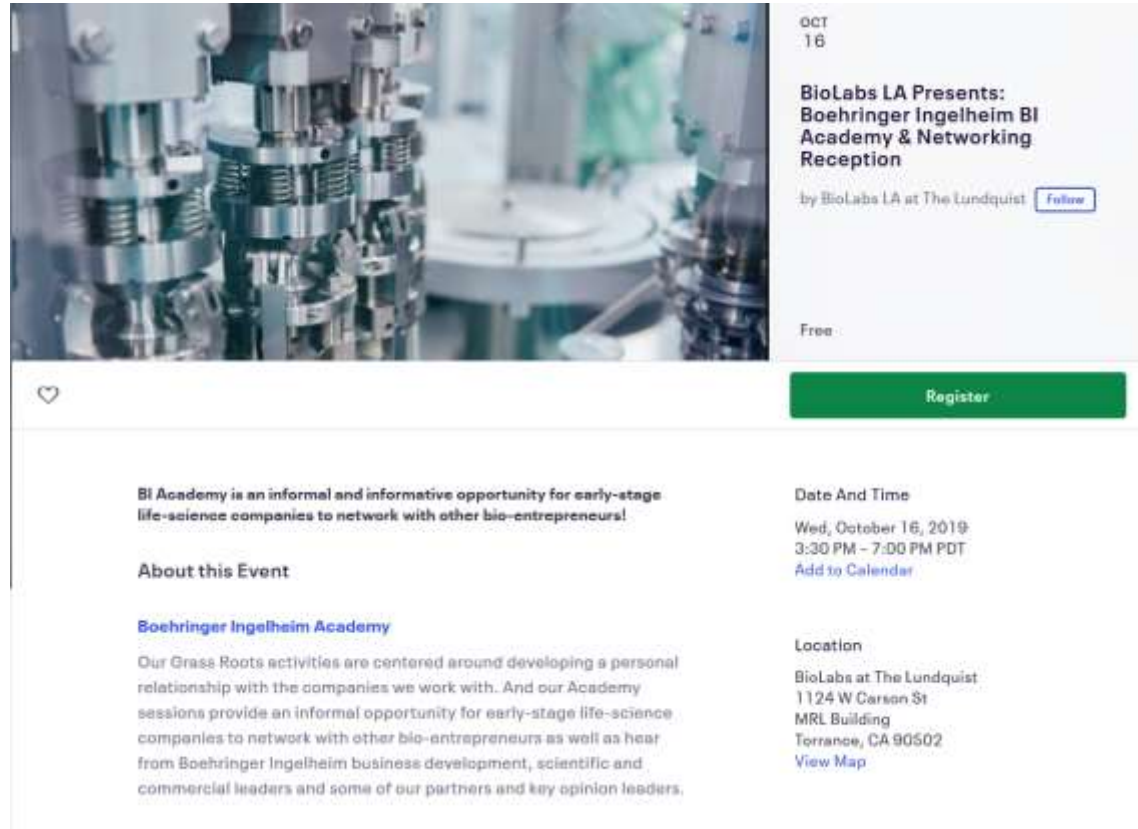
TOUR

Networking events

Registration

This networking event at BioLabs is available for life science companies to connect with BI, other entrepreneurs and some LA based VCs.

The company's key areas of interest are: respiratory diseases, metabolism, immunology, oncology and diseases of the central nervous system.



oct 16

BioLabs LA Presents: Boehringer Ingelheim BI Academy & Networking Reception

by BioLabs LA at The Lundquist [Follow](#)

Free

[Register](#)

BI Academy is an informal and informative opportunity for early-stage life-science companies to network with other bio-entrepreneurs!

About this Event

Boehringer Ingelheim Academy

Our Grass Roots activities are centered around developing a personal relationship with the companies we work with. And our Academy sessions provide an informal opportunity for early-stage life-science companies to network with other bio-entrepreneurs as well as hear from Boehringer Ingelheim business development, scientific and commercial leaders and some of our partners and key opinion leaders.

Date And Time
Wed, October 16, 2019
3:30 PM - 7:00 PM PDT
[Add to Calendar](#)

Location
BioLabs at The Lundquist
1124 W Carson St
MRL Building
Torrance, CA 90502
[View Map](#)

Networking events

Registration

This networking event at Cross Campus is available for start-ups in the LA area. The topics range across general start-up topics to those that are specific for tech vs. life science companies. Check out their schedule and consider attending.



Friday Coffee Meetup Presented by Echo- Factory

📍 Pasadena, CA
👤 6,476 members · Public group
👤 Organized by Mike S. and 7 others

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Networking events



Registration

Innovate Pasadena has a lot of different events coming up in October including Innovation Week and a Tech Happy Hour on October 8th. Keeping checking for new events as they become available if you're in this space.



Event Details —

We are working to build a collaborative and engaged tech community in Pasadena to be inclusive of people who may not have easy access to more established tech hotspots.

This community will be a place where an entrepreneur can find their next lead investor, a place where a designer can showcase their artistry and the developer can demonstrate their technical expertise, a place where anyone looking to get involved in their local tech community can find resources to further their vision.

This community is part of a broader Los Angeles community for people in the tech community striving to learn, network, and achieve more.

Tuesday — October 08, 2018
6:00PM - 9:00PM

Bar Colona
411 E Colonside Blvd
Pasadena, CA 91105
[View Map](#)

The Organizer —



Pasadena Tech Happy Hour

Imagine if there was a place, where at one table an entrepreneur meets her next \$100,000 investor. A designer meets a new client, a web developer with a great internet startup. A PHP engineer meets a charismatic founder that excites him with his vision, so much so that he can picture leaving his day job for the exhilarating experience of working tirelessly for technology stack options that could be worth millions one day... We're building this community.

Fellowship Options

Apply for [Activate](#) at Cyclotron Road and join fellow Caltech/JPL start-ups that have leveraged the experience to commercialize their technology. We had 3 teams be admitted in the 2019 cohort!

We operate each Activate location in partnership with a world-class host laboratory and supported by a dedicated local team. Activate Fellows embed at the host laboratory where they can collaborate with world-leading experts and access facilities to advance their project.



Cyclotron Road

The birthplace of the Activate Fellowship, our Berkeley, CA location is hosted by **Lawrence Berkeley National Laboratory**, a multiprogram science lab supported by the U.S. Department of Energy. Technologies developed at Berkeley Lab have generated billions of dollars in revenue and thousands of jobs. Activate has supported Cyclotron Road in partnership with Berkeley Lab since 2016.

[LEARN MORE](#)




Life Science teams can apply! Generally one slot is available for a life science company that can utilize National Lab resources in each cohort.

Pitch Opportunities

There are events each month across the tech and life science arena. Check out [EventBrite](#) for new ones each month. If you want to practice in a safe space to see how your value proposition resonates, it can be a good change to get rapid feedback.

pitch
in **Los Angeles** Search

Next month More filters

	<p>PitchForce: Culver City Thu, Oct 17, 6:00pm WeWork One Culver, Culver City, CA</p>	<p>↑ ♥</p>
	<p>The SAM Initiative Fast Pitch Wed, Oct 2, 9:00am Skirball Cultural Center, Los Angeles, CA Starts at \$40.00</p>	<p>↑ ♥</p>
	<p>The SAM Initiative Fast Pitch Wed, Oct 2, 9:00am Skirball Cultural Center, Los Angeles, CA Free</p>	<p>↑ ♥</p>

