



FRESH IDEAS 2009.2

THESIS FOR SUPPORTING TECHNOLOGY INVESTMENTS IN EMERGING ECONOMIES

As new ventures are formed, their emphasis is on *proving the business model*, i.e., generating enough momentum to show that the “business concept” is a viable business model, long-term. Proving the model includes a combination of the following:

1. The technology works –assuming the business is technology-based.
2. A representative, consistent customer base is established, and can be grown.
3. The competition is well-understood, and mechanisms are in place to deal with it, consistently and on an on-going basis.
4. The embryonic management team –often a handful of entrepreneurs at best- is working well together, and is sufficiently equipped with tools and business acumen to take the business to the next level.

The challenge:

While able to get some initial traction, start-up companies often struggle to move to the next stage of “corporate development”: become a “growth” company.

My work with technology enterprises supports the effort of entrepreneurs and investors transitioning companies from early stage into a growth stage. In addition to some start-ups of my own, most of my recent projects consist on providing “business coaching” to an entrepreneur team, and to their investors. Occasionally, I mediate between the two groups, contributing to the understanding of each other’s agenda and setting priorities for moving the business forward.

Often this work entails international growth to new geographic markets –hence the name of my company: New Market Venture Management LLC. I support companies enter the following new markets:

1. The US market, for Asian and European enterprises, especially for those wishing to establish a strong presence in the Silicon Valley technology hub, and...
2. The Asian markets, for US and Canadian companies wishing to grow globally.

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My effort includes sourcing and screening M&A options, and helping the company raise the funds that will support their next stage of growth. I do so tapping into private investors, angel investor groups and, mostly, venture capital firms.

Fund raising is not a trivial exercise based solely on connections, but a complex and lengthy process of “partnership development” that can take a minimum of six months, and as much as two or three years, depending on economic conditions and individual projects.

In several occasions, investors and management of emerging companies engage me to help turn around their enterprise, or just some aspects that are suboptimal, in preparation for their growth phase, and in order to attract new investors.

Long-term partnership:

My involvement with companies has a long-term perspective.

While I am occasionally brought in to address a specific issue, I am often involved with my clients for a relatively long period of time. In numerous cases, I become a venture partner, member of the Board of Directors, shareholder, or even a co-founder of the venture.

Globally-qualified globalization partner:

My contribution to companies is based on my 25+ years of experience as a strategy consultant and serial entrepreneur.

After 15 years working in general management consulting for some very large technology corporations, I have dedicated the past ten years building technology companies around a diversified array of technologies, all with the commonality of having applications in consumer mass markets, which is the area where I did most of my work as a management consultant.

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