

Actuary as
Entrepreneur:
Raising Capital

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CHICAGO CONSULTING ACTUARIES

Where numbers become ideas



Agenda

- Presenter Perspective
- What Sets Entrepreneurs Apart?
- What Investors Seek
- Capital Raising Checklist
- Elements of Business Plan
- Capital Sources
- Capital Raising Process
- Building the Business





Presenter Perspective

- Consultant/Actuary
- Office/Region Management
- Corporate Buyer Intrapreneur
- Entrepreneur
- Venture Catalyst





What Sets Entrepreneurs Apart?

- Own capital at risk
- Need customers to survive
- Rewards heavily equity dependent
- Wear many hats





Entrepreneurial Actuaries: Distinguishing Attributes

- Ability to step outside "comfort zone"
- Broad view of professional role
- Marketing savvy
- Networking skills
- Relatively high risk threshold



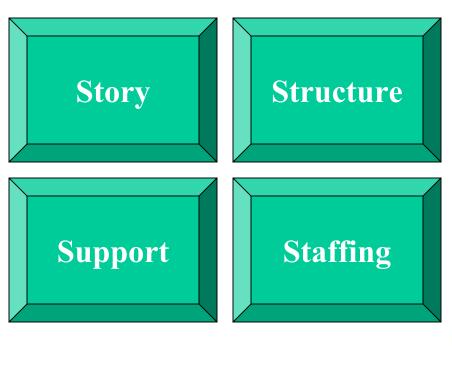


What Investors Seek

- Executable Business Plan
- Strong Management Team
- Investment Returns
- Management at Risk
- Exit/Buy Out Strategy
- Other:
 - ✓ Business Platform
 - ✓ Complementary Business
 - ✓ Mentorship Role









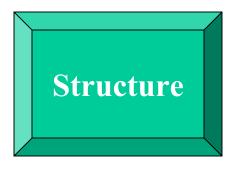




- Business Plan
- Investor Presentation







- Corporate Structure
 - ✓ Corporate Documents
 - ✓ Shareholder Agreement
 - ✓ Regulatory Filings







- Financial Statements
 - ✓ Business
 - ✓ Personal
- Client and/or Beta Site
 - ✓ Case studies/ testimonials
 - ✓ Letters of recommendation







- Management Team
- Board
- Advisory Board





Elements of Business Plan

- Executive Summary
- Opportunity/Problem
- Mission (Solve the problem)
- Company Overview
 - Present
 - Planned
 - Business model
 - Execution strategy
- Management Team
- Board/Advisors





Elements of Business Plan

(continued)

- Clients
- Strategic Alliance
- Market
 - Overview
 - Target
- Competition
- Financial Plan
- Risks/Opportunities
- Capital Requirements
- Exhibits





Capital Sources

- Intrapreneur
- Own Resources
 - Savings
 - Retirement Plans
 - Asset sale
 - Mortgage/Debt
- Clients
- SBA





Capital Sources

(continued)

- Relatives
- Strategic Investors
- Private Placement
- Angel Investors
- Incubators
- Venture Capitalist
- Public Offering
 - Equity
 - Debt





Capital Raising Process

- Identify prospects
- Do your homework
- Initiate contact
- Present and close
- Follow up
- Negotiate agreement
- Documentation and closing





Building the Business

Number one priority

Importance of marketing

Role of mentors

Cash is king

Learning to network

Staying lean

