



smath

**Smart atmospheres of social and financial innovation
for innovative clustering of creative industries in MED area**

Deliverable no 3.6.1

**Setting-up local networks of private investors
interested to work with projects & ideas from Cis**

Agency for Territorial Marketing



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Project information

Acronym		smath	
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Consortium:

Veneto Region - Direction of Cultural heritage Cultural Activities and Sport, IT, Lead Partner

Ca' Foscari University of Venice , IT

Autonomous Region Friuli Venezia Giulia , IT

Barcelona Activa SA SPM, ES

Institute of Culture of the Municipality of Barcelona, ES

Technopolis City of Athens SA, GR

The Culture and Heritage Industries Cluster, FR

TVT Innovation, FR

Agency for Territorial Marketing Ltd., SI

Zagreb Innovation Centre Ltd., SI

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1. Introduction

The territories that are part of the SMATH project have in common by the fact of a rich presence of cultural engines and a suboptimal connection between this cultural engine and business oriented creative industries. The challenge is to achieve the full potential and boost the power of cultural engines in order for them to truly act as catalyst of creativity and innovation.

2. Main content

This document aims at explaining the goals of each activity done to offer financial opportunities for Cis in the frame of the Smath project. According to those activities each partner will select private investors and financiers in order to create a valuable network on financial operator. Also, the document aims to explain how each partner has set-up a network of private investors interested to work with project & ideas from Cis.

This network can cooperate and support the CCI sectors with a variety of financial instruments tailor-made to CCIs needs and able to maximise their potentialities of growth.

The main activity consists in inviting financiers operators to one pitching event, where the 10 selected projects will be proposed for investment.

2.1 How to do a pitch

During the first 30 seconds of presentation, investors will decide whether to stay tuned with the presentation or pick up their mobile phone and disconnect.

Why do 98% of presentations bore you? Because most presentations respond to the same pattern: a person reciting from memory, when not reading, the information presented on a slide through a general title and an endless series of lists hierarchically ordered vignettes and all decorated with one or more images to fill the entire space, because if it's there it's to occupy it.

We can hardly conceive of a presentation outside of these parameters.

Faced with such presentations, the audience adopts rational behaviour as they pass directly to read the slide, at best, or to disconnect as it lack interest or is a waste of time (you could have mailed me the file thinks most of the assistant investors in the room). The goal is to differentiate yourself from the rest.

The PowerPoint should be used to its fair extent and in a background, because actually the most important of a presentation is the presenter and his/her Speech.

All text and artwork should support this speech. Slides should become the thread driver, paraphrase and expand what comes out of the presenter's mouth.

A text-laden presentation is high likely to go unnoticed. How to get the hearing attention? Telling a story.

All presentations follow the same process creative: a previous planning job, determining its structure, design it and expose it in front of the audience.

The presentation should begin when you consider private investment as a source of alternative funding. From that moment on, you should start your planning, and it goes by to answer a series of questions.

1. What is the Problem?

It is necessary to make it clear that there is a big problem that we're going to solve or an opportunity that we're going to exploit

Explain how you solve that problem or how we're going to take advantage of that window of opportunity. It's not the place to make in-depth technical explanations use scientific language. Explain the benefits of your solution, not the complexity technique of it.

2. Which is the Structure?

Explain how you make the money, who pays you, the channels gross margins and scalability. Is the time to make it clear if it's a model already validated with first sales and which customers are already using it.

3. Which is the Market?

If it is a novel model and of which there are no references in the market, look for comparisons in other sectors.

It's time to dedicate a few sentences to describe the market segment where it will be held, the size, its growth, the number of companies that they operate, moving volume of business and what drives it.

4. What is the Solution?

It's time to describe the magic or the ingredient secret that hides our product or service. What we do or have to make it impossible for anyone to easily duplicate or exceed our solution.

5. Who is your Client?

Explain who your client is, how you're going to get to him and the key factors in your marketing strategy. If they already exist customers it's time to name them.

6. How is your Team composed?

At an early stage, investors measure a project by the quality of the promoter team. It will be necessary to highlight the scientific, technical and business faculties, experience as a risk mitigating factor, and the degree of temporary,

reputational and financial commitment to for the project.

In cases where the team is incomplete, it is good to acknowledge it, to be aware of the gaps and manifest the need to cover them up.

7. Which are your Financial projections?

Financial projections should be attractive and credible. Ambitious enough for the investor, who perceives them as an opportunity, and credible It is sufficient to include a projection of the variable's important financial scans, such as income, expenses, benefits, staff and needs.

It is also interesting to include the evolution of key indicators of developed activity.

8. What are your Objectives?

Explain the key achievements reached to date (team formation promoter, prototype development, platform beta

patents, obtaining public funding, first customers, first employees, business model, recurring income, internationalization, etc.).

But we also need to specify the main objectives to reach and put them in relation to the amount of money

requested from investors. So the investor can know what the fate of your money is, what you will do with it, how it will be used, how far it will go and what will be achieved.

3. Selection process

Explain how you have selected investors and financiers.

The ATM and MDA (Maribor Development Agency) as the associated project partner have gathered the resources and networks in order to choose the appropriate (CCI sector) investors and financiers for attending the event. The regional Technology park has also contributed some of their contacts that have had experience with them already before. Finally there was 7 of them who were selected to participate the pitching.

For the selection of the investors and financiers it was the essential that the candidates expressed their interest to be actively involved in the business model of connecting CCI sector with the SMEs. Finally the focus on innovative and creative approach prevailed and thus also some not typically financial organisations were invited for participating in the pitching event and further collaboration within the SMATH project.

How many they were: 4 – all private

4. Pitching event

Explain when you realized a pitching event where the 10 projects have been proposed for investment.

The pitching event was organised on September 2nd, 2020 and adopted to the circumstances of the pandemic, so it was executed on-line

How many people were there?

It was altogether 26 people attending the event of which 5 project holders (Atelje Virtua, MG design (High end furniture), Vizart Studio ("Only rainbow"), Kreal and Photo Kralj.

How you've organized it (i.e. in collaboration with some institutions etc...)?

The event was organised by the ATM with the support of MDA and Technology park as well as Maribor Municipality

Which was the format of the pitch?

On-line, Microsoft Teams System

4.1 How to organize a pitching event

Three key points to take in account in order to organize a pitching event

1. Defining the event's scope:

The following questions should be asked and answered:

- ✓ Is this a standalone event?
- ✓ Could synergies be broad by organising the forum in the framework of another event

- ✓ Should the forum be sectoral or multisectoral? (A sectoral event maximises the synergies between start-ups and investors, but limit the mobilisation and might exclude quality start-ups. It is recommended to choose one largely inclusive sector (such as ICT) or 2 sectors to focus on).
- ✓ What is the maturity of the local start-ups that will be showcased?
- ✓ What are my selling points (for start-up & investor mobilisation)?

Once these questions are answered, prepare the save the date (including mobilisation arguments) to send to your local networks and international partners.

2. Mobilising entrepreneurs and start-ups

Find **the appropriate partners** which could ensure a quality deal flow, meaning:

Building partnerships with good incubators and accelerators able to mobilise start-ups with proven viable projects o Encouraging the mobilisation of start-ups presented/sponsored by an experienced professional (business angel, renowned serial entrepreneur, investor).

Information can be more widely disseminated through press releases, mailings and lists, but in that case the selection process should be more thoroughly carried out to make sure projects are viable and ready to be presented to investors.

3. Mobilising investors

Partnership will be built with local investment networks (Venture Capital associations

& Business angel networks) in order to maximise the mobilisation and impact of the forum.

Targeted and personalised communication will be sent to the main local early stage investors which have not been mobilised/have not answered to the mobilisation call launched through local investment networks.

4. *Time management*

Keeping the timing will be essential as equal presentation time will be given to all start-ups.

The following programme could be followed (indicative):

- Brief introduction by the implementing partners and main local partners (investment networks, etc.)
- Pitching by start-ups (recommended timing: 3 minutes minimum each, 7 minutes maximum each).
- 2 questions maximum from the audience after each presentation. Investors fill in their start-up evaluation form which will be collected and handed to every start-up at the end of the pitching session.
- Coaching sessions and/or networking.

5. *Encouraging networking*

Maximum time should be given to networking and/or coaching sessions. According to the option selected, the networking can either be:

- ✓ Informal (networking lunch/cocktail)
- ✓ Organised yet still informal (For example: each entrepreneur is invited to sit behind a table with his/her name on, and interested investors are invited to move and discuss/coach with the start-ups he/she is interested in)
- ✓ Planned (For example: Investors are asked in advance which start-up he/she would prefer to coach & agendas of meetings are prepared accordingly for entrepreneurs and investors. At least 4 meetings should be planned per investor)

After the event

Get the feedback from participants !!!

5. Recommendations and conclusions

Explain if you have suggestions to improve this activity, at the local and international level

Since the event was executed on-line such system offers not only some limitations but also wider possibilities e.g. including participants from other countries – EU and even third countries. Also the experience that the project holders got through the event can be used at other similar events that they may attend in the future.