



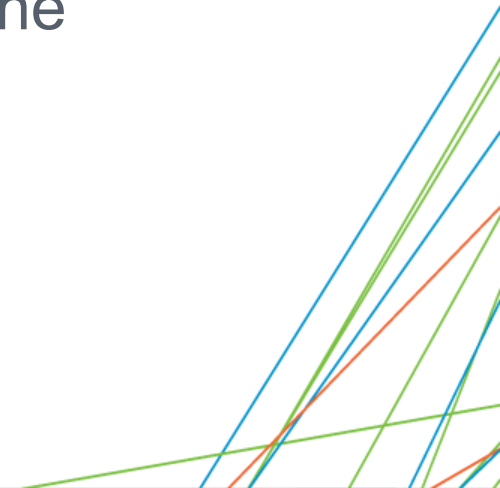
StartSmart Greece

Produced by MIT Enterprise Forum

How, why and in what way do some startups succeed while others fail: Capitalizing on the “differentiation factor”

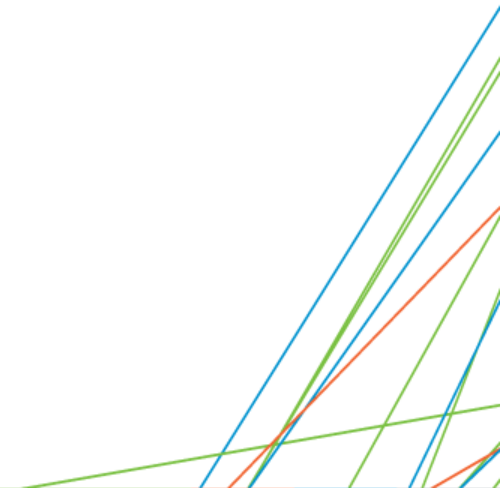
Hussein Kanji

Partner, Hoxton Ventures



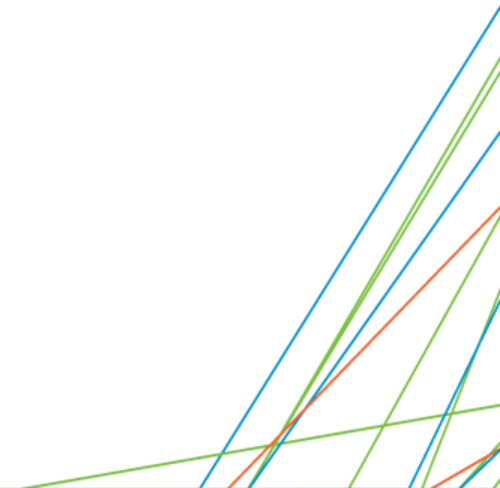
Agenda

- **Do you need to raise money – should you raise venture**
- What do venture capitalists look for
- How to approach venture capitalists



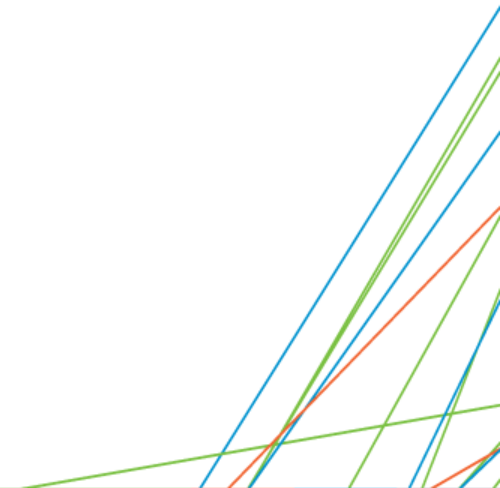
Do you need to raise money – should you raise venture

- Do all companies need external financing?
- What kind of company are you?
- What other kinds of financing are available besides venture?
- Venture is all about scale capital



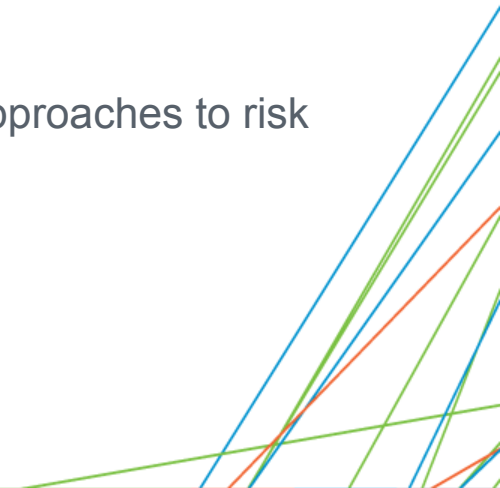
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What do venture capitalists look for

- How do venture capitalists make money
 - Managing a fund is different than managing your own money
- For most early stage firms, shooting for 3-5x returns per deal is not enough
 - Deals need to have much larger outcomes – need “unicorns” that can return 10-50x
 - Different firms (different sizes, strategies) have different approaches to risk and return



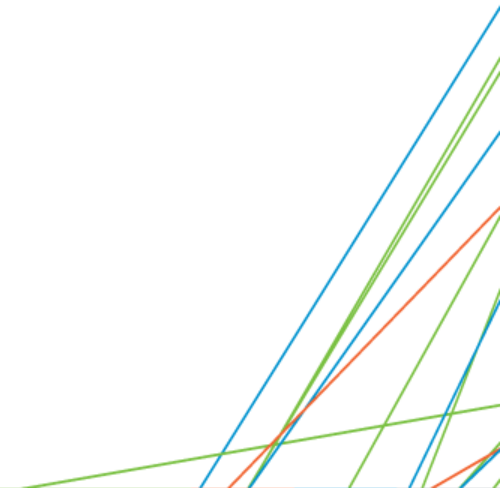
What do venture capitalists look for

- Our approach at Hoxton
 - Focus on next generation market categories
 - Look for enabling new platforms that can help create these categories
 - Build for global scale
 - Risks are around timing and execution
 - Kozmo.com vs. Instacart/Postmates/Deliveroo/Doordash
- Entrepreneurs spend their time thinking about great value propositions for customers, we think about great new markets



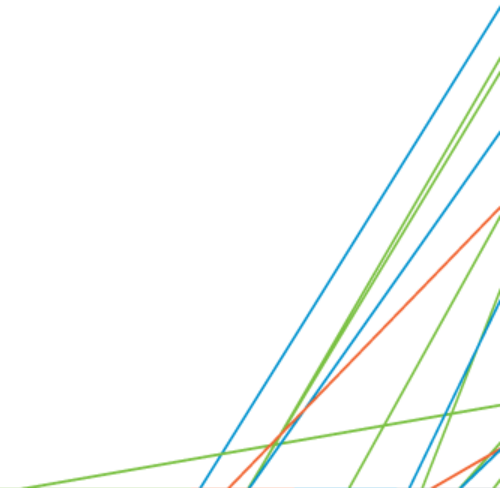
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How to approach venture capitalists

- Referrals
 - Most of us are well connected in our ecosystem
 - We get tons of business plans from all over
 - The ones to listen to are the ones from people we trust
 - Good news is the industry is small!



Thank you title

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