

OUTLIER VENTURE LAB

Investment Guide: Investment Readiness

May 2024



**OUTLIER
VENTURE
LAB**

Investment guide: Investment readiness



External funding is a pivotal resource for companies, enabling them to innovate environmental solutions, enhance their operational capabilities, and penetrate new markets. For these enterprises, obtaining financial backing is not just beneficial but essential for laying the groundwork for enduring growth and ecological sustainability. However, to attract and secure the right external funding, companies must demonstrate investment readiness.

This means that the management teams of these companies must have a clear comprehension of their expansion strategies and financial requirements. It's crucial that any new capital infusion aligns seamlessly with their journey towards sustainability, propelling rather than impeding their progress.

Investment readiness overview



Investment readiness is the capacity of a company to understand and meet the specific needs and expectations of investors. It plays a critical role in determining whether a business secures investor funding.

Two key components influence investment readiness:

Business viability and the quality of investor materials.

Business viability involves demonstrating sustainability, a sound business model, a unique value proposition, and a qualified team. Investor materials, such as business plans and financial models, must be robust and compelling to make a case for investment.

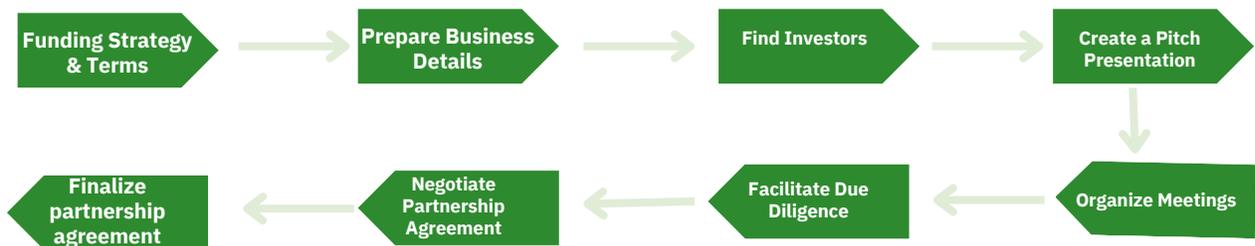


Figure 1 The capital raise process

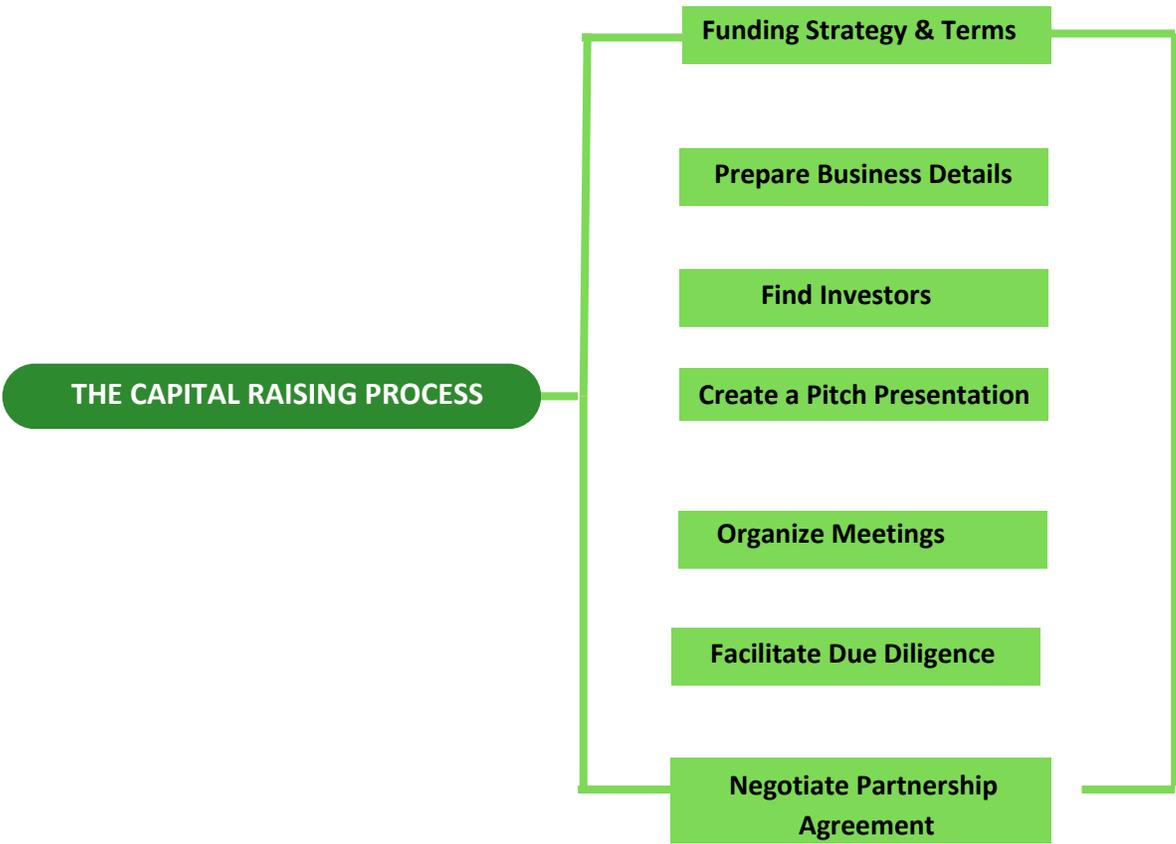
THE CAPITAL RAISING PROCESS

Being well-prepared for investment offers several advantages to businesses:

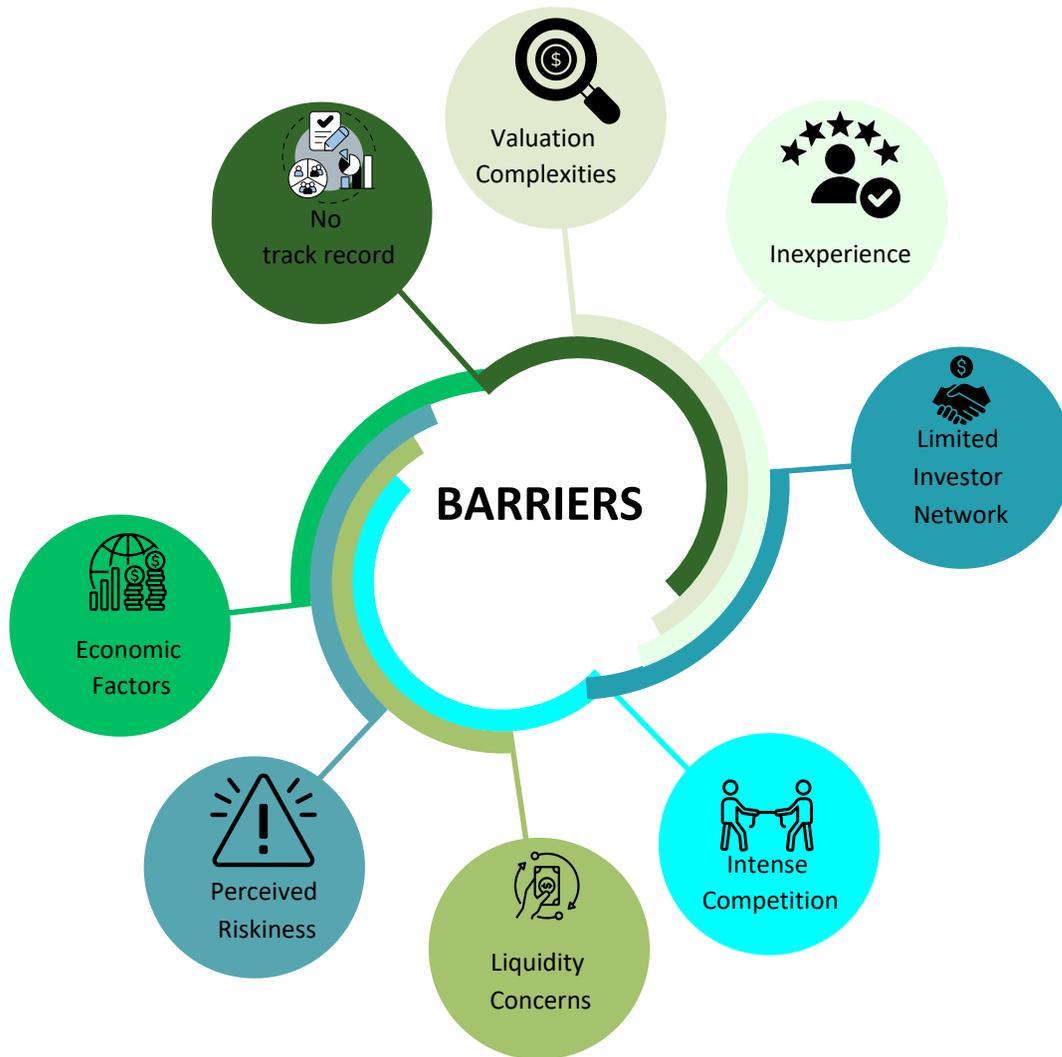
Attaining investment readiness boosts a company's understanding of its financial landscape and improves its ability to manage funds. Firms that are primed for investment possess a clear understanding of their financial needs and the available funding avenues, enabling them to handle external financing with greater efficacy. This state of readiness also improves interactions with potential investors, simplifying the process of obtaining external funds by meeting investor criteria. Furthermore, investment readiness smooths out the capital acquisition path, as companies are equipped with the necessary documents and information in advance, thus speeding up the due diligence phase and minimizing procedural holdups.



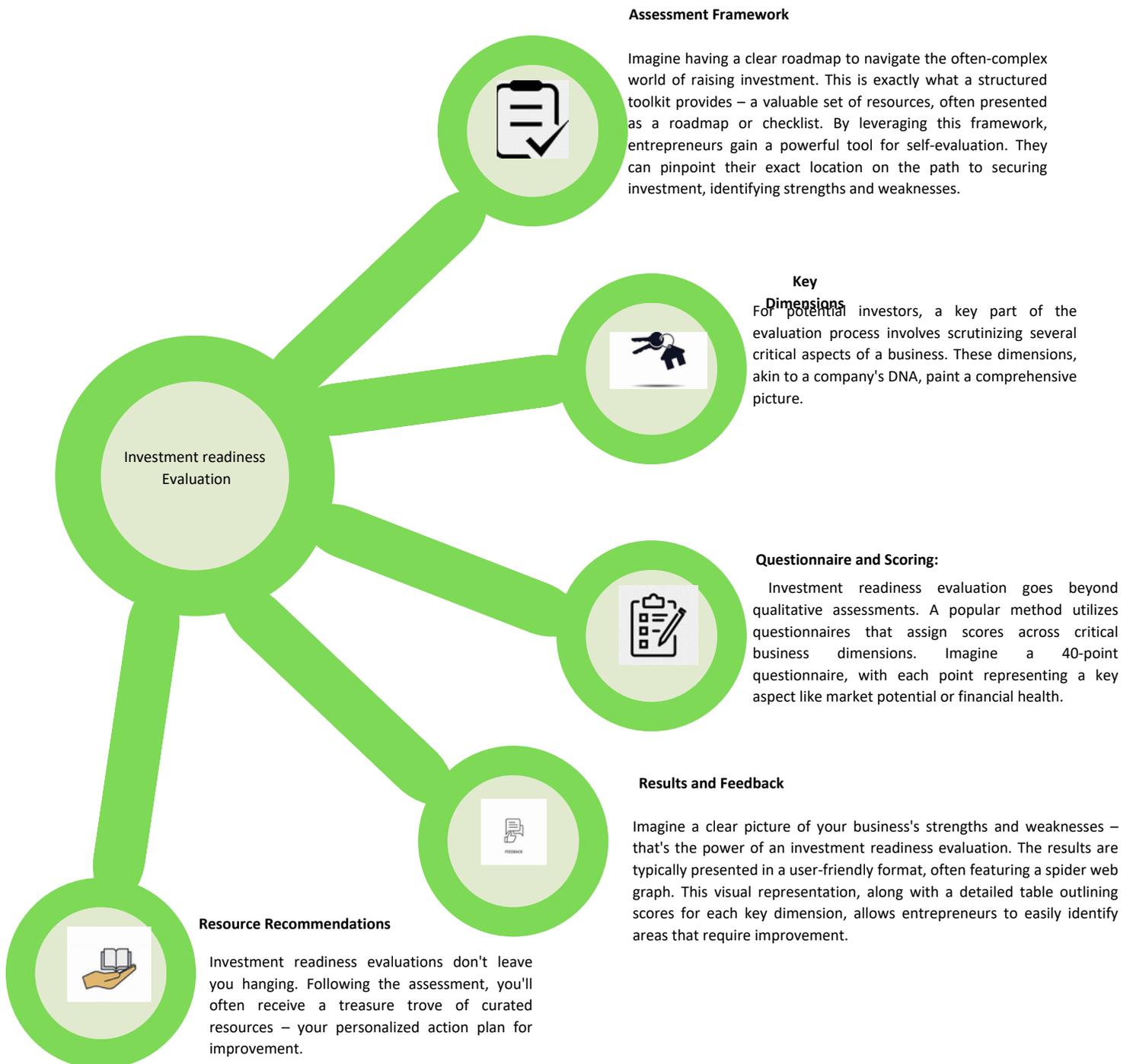
Securing funding generally unfolds as a series of stages that include groundwork, connecting with investors, and finalizing the deal. This endeavor usually spans a period ranging from three to eighteen months, though it may extend beyond that timeframe.



BARRIERS TO A SUCCESSFUL CAPITAL RAISE



OVERVIEW OF INVESTMENT READINESS EVALUATION



A Comprehensive Overview of Investment Readiness Evaluation

PREPARING FOR INVESTMENT

Table 1 Facets of Preparing for Investment

Facets	Description	Significance
Market Understanding	-Knowledge of the target market, customer needs, and competitive landscape.	Essential for tailoring products/services to market demands and outperforming competitors.
Business Model Clarity	-A clear and sustainable business model that demonstrates potential for growth and profitability.	Critical for convincing investors of the long-term viability of the business.
Financial Planning	- Well-prepared financial projections and understanding of capital requirements.	Vital for securing funding and managing financial resources effectively.
Legal and Compliance	- Adherence to legal standards and regulatory requirements relevant to the business.	Important for avoiding legal pitfalls and establishing credibility with investors.
Team and Leadership	- A strong, skilled team with clear leadership and defined roles.	Key to executing the business plan and driving the company towards success.
Value Proposition	-A compelling value proposition that differentiates the business from competitors.	Crucial for attracting customers and securing a market position.
Investor Materials	-Professional and comprehensive materials such as pitch decks, business plans, and financial models.	Necessary for communicating the business vision and potential to investors.
Growth Strategy	-A strategic plan for scaling the business and achieving long-term objectives.	Important for demonstrating the business's potential for expansion and return on investment.

WHAT IS INVESTMENT READINESS?

Investment readiness embodies an enterprise’s ability to grasp and fulfill the distinct requirements and anticipations of investors. It serves as an indicator of a business’s level of preparedness to pursue, obtain, and judiciously handle investment funds. This notion is pivotal as it plays a substantial role in determining a business’s likelihood of securing investment support. It encompasses elements like possessing a definitive business strategy, a thorough market comprehension, a robust team, and the capability to effectively articulate an investment proposition.

Investment readiness transcends the mere attraction of investors; it also pertains to a company’s internal groundwork to operate effectively and expand its influence. Furthermore, it’s essential for the management team to prepare a strategic plan to implement after securing the necessary funds, addressing specific needs such as crucial appointments within the company structure.

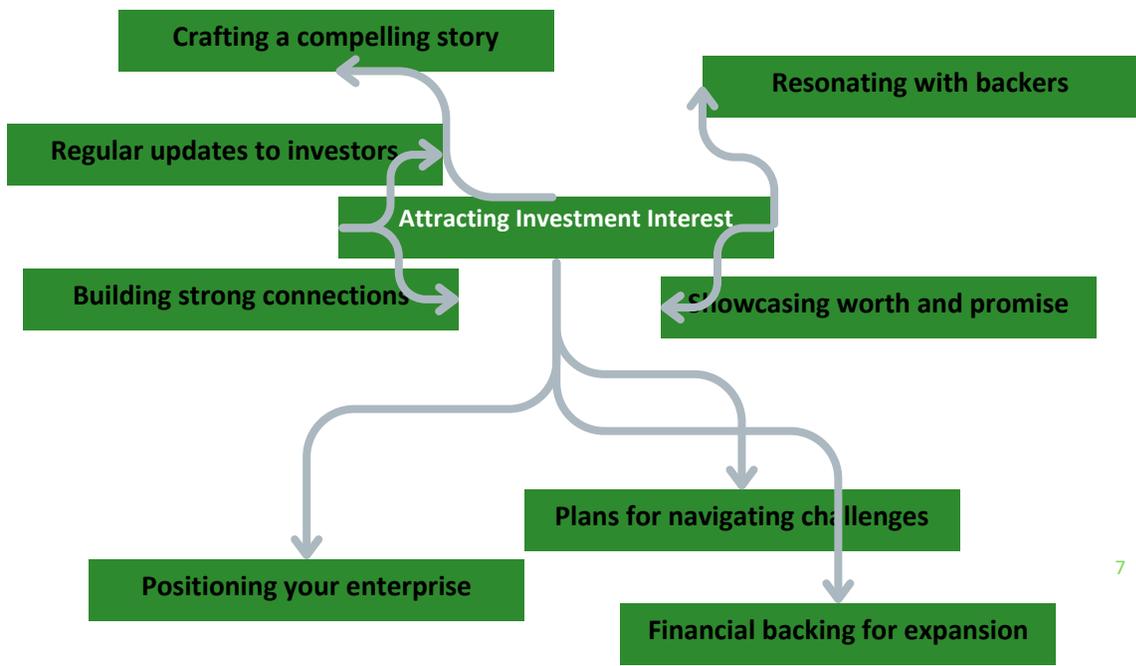
Should the team lack the ability to perform this evaluation independently, they can engage in investment readiness programs. These initiatives, lasting from three to six months, are facilitated by entities that support the business ecosystem, such as the **Outlier Venture Lab investment readiness program**

Alternatively, consulting services like advisory firms can be employed to guide a business towards investment readiness. A company can deem itself ready for investment when it can substantiate compliance with the outlined criteria, supported by comprehensive documentation maintained in an organized data room.



Questions for an investment ready business

HOW TO ATTRACT INVESTOR INTEREST



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When a suitable investor is identified, they will commence with an in-depth evaluation of the company. Firms that are prepared for investment will understand the importance of being ready for investor engagement, having detailed and convincing responses to difficult investor queries, and possessing all necessary supporting documents at hand. This not only shows a commitment to sound business practices but also builds investor confidence. Such preparedness can make the due diligence process more efficient, thereby decreasing the time it takes to acquire investment

ENTITIES THAT SUPPORT THE BUSINESS ECOSYSTEM	
Partner Type	Role in Ecosystem
Industry Partners	Provide market insights and trends
VC , PE & other Firms	Offer funding and financial expertise
Technology Contributors	Supply technical support and innovation
Educational Institutions	Contribute knowledge and research capabilities
Government Agencies	Regulate and provide legal frameworks
Non-Profit Organizations	Advocate for social and environmental causes
Startup Incubators	Nurture early-stage startups

OUTLIER VENTURE LAB INVESTMENT READINESS PROGRAM

A 6-phase Investment Readiness Program for Impact-Driven SMEs



**JOIN
A COHORT
OF
BUSINESSES**

INCLUDES:

- Pre-recorded videos.
- Live classes
- Opportunity to pitch business and receive candid feedback.
- Networking and learning from the community.
- Price: N210,000 or \$150 per participant

START DATE- AUGUST 19, 2024; | DURATION: 6- WEEKS

JOIN NOW!

WWW.OUTLIERVENTURELAB.COM



EMPOWERING BUSINESSES FOR FINANCING



Join our specialized 6-phase program designed for SMEs in agriculture, health, energy, mobility, sustainable manufacturing, recycling, sustainable construction, and other impact-driven sectors.

Led by Olawunmi Olatunji, co-founder of Outlier Venture Lab, this program equips you with the skills and knowledge needed to attract investment and scale your impact.

PROGRAM HIGHLIGHTS



PHASE 1: KICK-OFF ORIENTATION & UNDERSTANDING THE FUNDING LANDSCAPE

Gain a thorough understanding of key concepts and strategies tailored for investment readiness in climate and impact-driven sectors.

- Kick-off Orientation Session
 - Purpose: Introduce you, outline program objectives, and set expectations.
 - Benefits: Helps you understand the program flow and build initial connections with peers.
- Pre-recorded Videos
- Live Class with Q&A
- Comprehensive Guide on Investment Readiness

➤➤➤ PHASE 2: FINANCIAL PROFICIENCY

Develop proficiency in financial models, pricing strategies, and more to ensure the sustainability of your venture.

- Pre-recorded Videos
- Live Class on Building Financial Models
- Financial Model Templates & Analysis Tools

➤➤➤ PHASE 3: NAVIGATING THE FUNDING LANDSCAPE

Learn to effectively navigate the funding market and identify suitable financing options aligned with your mission.

- Pre-recorded Videos
- Live Class on Funding Strategies
- Market Research Databases
- Guest Speakers and Industry Experts
 - Purpose: Invite entrepreneurs who have raised \$1mil and Investors to share their experiences and insights.
 - Benefits: Provides you with real-world perspectives and inspiration.

➤➤➤ PHASE 4: INVESTMENT READINESS ASSESSMENT

Assess your venture's readiness for investment and identify areas for improvement to enhance funding opportunities.

- Pre-recorded Videos
- Live Class on Investment Readiness
- Self-Assessment Templates
- Peer Review Sessions
 - **Purpose:** Facilitate structured peer review sessions where participants can critique each other's pitches and business plans.
 - **Benefits:** You will learn collaboratively and be provided with diverse perspectives.

➤➤➤ PHASE 5: DOCUMENTATION AND DUE DILIGENCE

Understand the documentation requirements for approaching investors and learn to scale due diligence processes to build trust and credibility.

- **Pre-recorded Videos**
- **Live Class on Documentation & Due Diligence**
- **Document Templates & Checklists**
- **Hands-On Workshops**
 - **Purpose:** Interactive workshops where you can apply the concepts learned in real time.
 - **Benefits:** Reinforces learning through practice and immediate feedback.

➤ PHASE 6: HOW INVESTORS THINK & FINAL PITCH

Master the art of thinking like an investor through case studies and understand how they develop their investment thesis.

- Pre-recorded Videos
- Live Class with Final Pitch & Feedback
- Introduction to Investors' Community

➤➤➤ WHY JOIN?

- **Expert Guidance:** Learn from industry leaders and gain insights tailored to your sector.
- **Practical Experience:** Practice your pitch and receive feedback from experienced investors.
- **Exclusive Access:** Connect with a community of like-minded entrepreneurs and potential investors.



Facilitator Profile: Olawunmi Olatunji

Olawunmi Olatunji is a seasoned professional with extensive experience in energy and natural resources asset management, specializing in project development and advisory across Africa. Currently serving as Principal Analyst at Brockville Investments Limited, Olawunmi leads transaction advisory services with a focus on business planning, market research, financial modeling, and project finance. Her expertise spans the gas, power, mining, renewable energy, agriculture, and climate-clean tech sectors.

Olawunmi has successfully provide Technical Advisory on a range of impactful projects:

- Solar-Powered Infrastructure: Development for remote communities (\$12 million)
- Gas to Power Projects: Enhancing energy generation capabilities (\$5 million)
- Agriculture Sector Projects: Investments in meat processing (\$500,000)
- Educational Facilities: Construction and development projects (\$3 million)
- Compostable Plastic Alternatives: Innovation in sustainable materials (\$100,000)
- BioTech Ventures: Investment in biotechnology (\$3 million)

Notable achievements include guiding clients through complex business decisions and strategic executions across diverse sectors. Olawunmi is also the co-founder of Outlier Venture Lab, an initiative integrated into Brockville Investments in 2021. This venture-building platform focuses on climate and energy solutions, fostering startups in construction, power, manufacturing, agriculture, clean transport, and education sectors.

In addition to her roles at Brockville Investments and Outlier Venture Lab, Olawunmi serves as a Financial Advisor at GET.invest, mobilizing renewable energy investments in developing countries. She also contributes as a Technical Advisor at the Private Financing Advisory Network (PFAN), coaching businesses and facilitating investments for climate and clean energy projects.

Olawunmi Olatunji's career spans over 15 years, including previous roles as a consultant in energy and financial banking. Her comprehensive skill set includes economic modeling, asset development planning, project evaluation, negotiation, climate investing, and strategic growth planning. She holds certifications including CGIA® (Chartered Global Investment Analyst) and FMVA® (Financial Modeling & Valuation Analyst), highlighting her proficiency in financial analysis and investment management.

With a passion for driving sustainable energy solutions and advancing Africa's green transition, Olawunmi remains dedicated to fostering resilient economies and addressing global environmental imperatives.

References and further reading

Discussion paper on Business Plan

<https://businessplan-templates.com/blogs/blog/writing-investor-ready-business-plan>

Investment Readiness Evaluation

https://www.usaid.gov/sites/default/files/documents/15396/180128_PACE_IRP_Final_Report_-_External_Version.pdf

Capital raising process

<https://founderslegal.com/wp-content/uploads/2021/05/Founders-Legal-Capital-Raising-Guide-2021.pdf>

Barriers to a successful capital raise

<https://www2.deloitte.com/content/dam/Deloitte/us/Documents/us-private-company-outlook-raising-capital-full-report.pdf>