



Practical Funding Solutions for Early Stage Companies

Educate, Prepare, Execute



Motivational Intent Meets Strategic Effectiveness

Innovation has always and will always come from smaller, early stage companies. However, the success path that innovative companies must follow is radically different today than it was just 10 years ago. Especially when it comes to raising capital.

Among the startup and early stage business community, the task of seeking external capital is often misunderstood and approached erroneously by entrepreneurs. These misplaced efforts can lead companies into poor avenues for investment and result in limited growth, stagnation, or failure.

Emerging companies should not blind themselves to the current reality that raising capital and generating revenue has never been easier. The dynamics of funding have changed making most companies simply unaware of the opportunities available and procedural differences from traditional strategies such as using brokers or financial institutions.

With heavy up front fees, these traditional methods of acquiring capital are usually financially out of reach for most early stage companies. Additionally, if a company is seeking something less than \$3m, pursuing these efforts are typically cost prohibitive.

Although crowdfunding sites are becoming very popular because of their low cost and wide reach, results are often very limited and could cost valuable time.

“We’ve worked with a lot of people that can promise you the world, but not deliver. K3, on the other hand, are as down to earth as they come and let the money do the talking. They helped us extensively with shaping our pitch, preparing the right materials, and tapping into a very tough to reach network of angel funds, family offices, and other potential investors. It has been well worth the time and money we have invested with them.”

- Ag Pro Exchange, LLC

Funding Solutions



- ❖ **New Funding Strategies**
- ❖ **Funding Preparation**
- ❖ **Investment Material**
- ❖ **Funding Options**
- ❖ **Capitalization Structure**
- ❖ **Introduction to Capital Sources**



Operating without capital really isn't operating. It's hoping.

"Tom and Mark are a pleasure to work with and have exceeded our expectations. K3 has introduced us to a number of qualified investment groups and we have been impressed with their personal relationships and ability to improve our visibility within these organizations. Their advice on how to position our company in the market and how to pitch our qualifications has been invaluable."

- CEO, Global Velocity Inc.

With a multitude of experiences in the capital markets and working intimately with hundreds of senior management teams in every sector imaginable over the last 30 years, K3 has come to particularly enjoy working with early stage companies that are motivated to expand in a meaningful way. Noticing a disconnect with the investment community, K3 sought to bridge this gap and provide these businesses with a practical and cost effective solution to raise capital.

Motivational Intent Meets Strategic Effectiveness

Basically, this means providing the resources to execute on your company's vision with sincerity and purpose.



For a company looking to expand, in almost every case, the main barrier to reaching a particular milestone is a lack of capital. Whether you are experienced at fundraising or not, the fact of the matter is that the investment landscape has changed dramatically. With the institution of the JOBS Act of 2012, the opportunities and possibilities of finding capital have never been more abundant.

The problem most companies face is two fold:

- 1 they are simply unaware of these recent changes and their ability to gain access to capital sources, and
- 2 they are typically unfamiliar with how to effectively "market" to, approach, and present to funding sources.



Preparation and execution of a comprehensive funding strategy

Where K3 plays a role is we create a bridge of knowledge, preparation, and execution between early stage companies and the investment community and orchestrate a comprehensive funding strategy.

We do this by providing 3 things:

- 1. Educate / familiarize a company with the new capital raising landscape – strategies, processes, etc.**
 - The combination of the JOBS Act and new technologies created a paradigm shift for funding sources. Investors have multiplied, expanded, become more sophisticated and active in pursuing opportunities.
- 2. Prepare a company to raise capital**
 - Create / redo investor material (executive summary & pitch deck)
 - Adjust corporate structure (if needed)
 - Thoroughly define business model, competitive landscape, use of proceeds, exit strategy, etc
 - Identify most suitable capitalization structure (ie: equity, debt, convertible note, etc)
 - Facilitate mock investor calls that are recorded and critiqued
- 3. Execute on the proposed funding strategy**
 - Crafting of profiles for online portals
 - Identify best fit funding sources
 - Assist in the application process
 - Orchestrate introductions to groups in our network
 - Assist in negotiating deals to funding close



“I can’t thank K3 enough for their efforts. They brought fresh ideas, effective advice, and a funding solution that fulfilled our needs to take our company to the next level. Their process proved to be efficient, communicative and kept our focus on the task. I’m confident that we wouldn’t have been able to do this without them.”

- CEO, LeeAgra Inc

K3

User friendly service customized to your needs

“Having worked with similar groups in the past, K3 stands apart in every way. They are the perfect group for any emerging, early stage company and have my highest recommendation..”

- CEO, Azoti Inc

Companies that are a best fit for K3

- In any industry, a company that has developed or in the process of developing a product / technology / widget (or specialty service) and has a particular motivation to expand in a short period of time (3-5 years) – have set goals for where they want to take their product
- Seeking \$500k - \$5m in capital
- Companies that have already conducted a seed round or other form of investment
- Have some corporate structure and/or currently operating (revenue or pre-revenue)



What to expect from a relationship with K3

- Complete customized funding strategy based upon your company's vision, needs, and goals
- Advice on corporate structure, business model, sales & marketing plan, and exit strategy
- Weekly scheduled calls to discuss strategy and track progress
- Orchestrated introductions to select investment groups
- Full preparation to present to investors
- Complete transparency and collaboration in who is being approached
- Simplistic retainer model
- No success fees
- Non-exclusive



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K3