

DR. TOM MCKASKILL

Invest to Exit

*A PRAGMATIC STRATEGY
FOR ANGEL AND VENTURE
CAPITAL INVESTORS*

INVEST to EXIT is a highly pragmatic strategy for Angel and Venture Capital investors which focuses the investment, business development and harvest activities on strategic value.

Investment decisions are targeted towards those ventures which can create a strategic buyer exit.

The period of investment is often shorter, operational execution risks are lower and return on investment is higher.

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“This book is a must read for the Angel Investors who wish to have profitable exits.”

John Mactaggart
Chairman, Australian Association of Angel Investors

“Every entrepreneur seeking to work with outside investors should first stop, read *Invest to Exit*, and then proceed. Angel investors and venture capitalists want a partnership, a spousal relationship while they grow scalable companies – but there must be an exit, a separation agreement at some point of the investment relationship. Tom McKaskill provides the blueprint for discussing and analyzing those exit options and I recommend both parties use *Invest to Exit* as a guide.”

John May
Chair Emeritus, Angel Capital Association, USA
Co-author, “Every Business Needs an Angel” *Crown Business:2001*

“Tom McKaskill’s insights into the ‘art of the exit’ provide a great roadmap for all Angel and Venture Capital investors. In a misguided investment world that relies too heavily on IPOs, mega-exits and too much quantitative analysis, McKaskill has taken an enlightened and straightforward approach to a topic that should be foremost on startup investors’ minds.”

Joe Platnick, Pasadena Angels, USA

“After reading Tom’s latest E book, *Invest to Exit*, I not only have a deeper understanding of what an angel investor should be looking for in an investment but it has given me a mind shift on how I think about an exit strategy for my current business and any businesses I might invest in..”

Michael Valitutti, Angel Investor, Gold Coast, Australia

“Tom provides explanations of how to connect the fundamental drive for an exit to strategy in each phase of investment, management and exit. His easy to read, conversational style leads the reader to challenge cherished preconceptions, consider new approaches and develop better strategies. This is a valuable read for the first time entrepreneur or investor, as well as for those of us with more experience.”

Jordan Green
Founder/Chairman Melbourne Angels,
Co-Founder/Deputy Chairman
Australian Association of Angel Investors

“Invest to Exit is a must read for the Investor looking to maximize their returns from their private equity investments. Tom McKaskill’s latest book concisely distills the merits of Investors focusing on strategic exit from inception. This book provides a solid foundation from which to understand the difference between a financial and a strategic sale for a company and how to build a plan to maximize the returns for both. Understanding the significant value in focusing business resources towards the execution of the strategic sale will enable earlier and higher exit returns for Investors and Entrepreneurs alike. A successful exit may be achievable much sooner than originally anticipated and with significantly less capital requirement.”

Andrew Loch
Chair Gold Coast Angels
Angel Investor & CEO of the Gold Coast Innovation Centre

“The high-growth model has claimed many casualties, especially in smaller economies such as New Zealand where companies pursue growth from a very limited human and financial resource base. While there is nothing wrong with high-growth strategies, they are often inappropriately applied as the only strategy. The world has changed, its time to take a fresh look at investable assets and investable exits before committing.

While working with several hundred technology companies I noticed that patterns began to emerge. Tom McKaskill not only reads these patterns, he connects these themes to offer new insight and he creates pragmatic linkages through to investor returns. If you can’t get him in person, I suggest you get across McKaskill’s body of knowledge in this self-contained book. It is a ‘must read’ for investors, advisors, founders, managers –anyone charged with the creation of value. I have introduced Tom to more than 50 local firms and advisors and will continue to do so because of the amazing feedback he generates.

There is a huge opportunity cost in failing to apply these patterns. There are limited investment candidates with the true hallmarks of success and while we might start with the right material, it can go horribly wrong from there. This book emphasizes tactics-backed strategy and focuses the reader on drawing the narrowest line between an investable exit and the present.”

Matt Yallop,
Repertoire Management, New Zealand

“Goal setting is part of life. Athletes set themselves goals – say, winning the triathlon at the next Olympics. Companies set themselves goals – say, doubling revenue by introducing a new product line. However, setting goals is a meaningless fantasy unless you also devise a methodical approach to achieving that goal.

Yet surprisingly, goal setting and planning are often missing from venture capital investing where investors often become intrigued by the initial concept to the point that they completely overlook the endgame. Investors have an obvious goal – to make money via a highly profitable exit. So why is it unusual to find investors focusing on exits from the very beginning. If done properly, mapping out a methodical plan to achieve a profitable exit, brings a host of benefits as well as removing much of the risk from venture capital.

Tom McKaskill provides the “how to” in his usual accessible style. In fact, it must have been tempting to call the book “Exit Planning for Dummies” since the book provides a step-by-step approach which can be understood and followed by anyone investing in technology-based start-up ventures. Not only does the approach improve the risk/return for the investors, but the roadmap it provides removes much of the uncertainty and angst from the post-investment period which often sees investors become disenchanted with an investee’s progress.

In my view, the book should be compulsory reading for all entrepreneurs and inventors who should work through the book before fronting investors. Their fund-raising prospects would be greatly enhanced if their presentation began with: “Let’s talk about our technology later. I want to start by describing our exit scenario and our plans for getting there”.

Ergad Gold
Principal and Executive Director
Momentum Investment Group

“For the professional Angel and Venture Capital investor, Invest to Exit is the first book to succinctly capture the importance of aligning the combined interests of investor, management and shareholder when making the investment to produce an optimum result on exit regardless of underlying economic conditions. Commencing exit planning much earlier in a company’s development, combined with planning and then flawless execution will always produce an outcome better than starting later and hoping a buyer “will be just around the corner”.

Dr. McKaskill has captured the essence of the issue, providing examples which clearly highlight the challenges and issues faced along the way.

This is compelling reading for investor and companies alike as they work collaboratively to achieve a superior result when they sell.”

Greg Sitters,
Sparkbox Investments Limited, New Zealand

“Tom is undoubtedly one of the foremost thinkers on what it takes to achieve strategic value in a business. With the strategic end game firmly in mind right from the outset, investors can focus their money and management resources on the right activities which drive this value and lead to significant investment out-performance.

Tom’s hands on experience in this area comes through clearly in his writing, including focus on the importance of establishing strong personal relationships with the decision makers in potential buyers. I apply many of Tom’s principles on a daily basis in my investment and advisory activities – these principles are timeless and not dependent on the vagaries of short term market movements.

I strongly recommend Tom’s latest book for all investors looking to profit from a strategic value mindset.”

Barry Palte
CEO EQ Capital, Australia

Dr. Tom McKaskill



Global serial entrepreneur, consultant, educator and author, Dr. McKaskill has established a reputation for providing insights into how entrepreneurs start, develop and harvest their ventures. Acknowledged as the world's leading authority on exit strategies for high growth enterprises, Dr. McKaskill provides both real world experience with a professional educator's talent for explaining complex management problems that confront entrepreneurs. His talent for teaching executives and his pragmatic approach to management education has gained him a reputation as a popular speaker at conferences, workshops and seminars. His approaches to building sustainable profitable ventures and to selling a business at a significant premium, has gained him considerable respect within the entrepreneurial community.

Upon completing his doctorate at London Business School, Dr. McKaskill worked as a management consultant, later co-founding Pioneer Computer Systems in Northampton, UK. After being its President for 13 years it was sold to Ross Systems Inc. During his tenure at Pioneer, the company grew from 3 to 160 people with offices in England, New Zealand and USA, raised venture capital, undertook two acquisitions and acquired over 2,000 customers. Following the sale of Pioneer to Ross Systems, Dr. McKaskill stayed with Ross for three years and then left to form another company, Distinction Software Inc. In 1997 Atlanta based Distinction raised \$US 2 million in venture capital and after five years, with a staff of 30, a subsidiary in New Zealand and distributors in five countries, was sold to Peoplesoft Inc. In 1994 Dr. McKaskill started a consulting business in Kansas which was successfully sold in the following year.

After a year as visiting Professor of International Business at Georgia State University, Dr. McKaskill was appointed Professor of Entrepreneurship at the Australian Graduate School of Entrepreneurship (AGSE) in June 2001. Professor McKaskill was the Academic Director of the Master of Entrepreneurship and Innovation program at AGSE for the following 5 years. In 2006 Dr. McKaskill was

appointed to the Richard Pratt Chair in Entrepreneurship at AGSE. Dr. McKaskill retired from Swinburne University in February 2008.

Dr. McKaskill is the author of eight books for entrepreneurs covering such topics as new venture growth, raising venture capital, selling a business, acquisitions strategy and angel investing. He conducts workshops and seminars on these topics for entrepreneurs around the world. He has conducted workshops and seminars for educational institutions, associations, private firms and public corporations, including KPMG, St George Bank, AMP, AICD and PWC. Dr. McKaskill is a successful columnist and writer for popular business magazines and entrepreneur portals.

To assist Angel and Venture Capital investors create strategic exits for their investee firms, Dr. McKaskill conducts seminars, workshops and individual strategy sessions for the investor and their investee management teams.

Dr. McKaskill completed a number of e-books for worldwide, royalty free distribution. He has also produced over 150 YouTube videos to assist entrepreneurs develop and exit their ventures.

Tom McKaskill is a member of the Apollo 13 Angel Group on the Gold Coast and of the Australian Association of Angel Investors.

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The Ultimate Deal 1

Selling your business

This book is aimed at those businesses which need to maximise their profit and growth opportunities for a sale to a financial buyer to leverage the best sales price. It sets out a breakthrough process which includes reducing risk, improving sustainable profits and building growth potential in the business to maximise the sales price. This world first process can increase the value of the business between two and ten times the conventional sales value of a firm.



The Ultimate Deal 2

Get an unbelievable price

This book uncovers the secret of how to leverage strategic value in the business to create a large revenue opportunity for a strategic buyer. Dr. McKaskill's is the world's leading authority on selling a business to a strategic buyer and sets out a comprehensive and systematic process for selling a business to a large corporation. Sales values of 40 times EBIT and/or many times revenue are highly probable using his Strategic Sale Strategy for a business with underlying strategic assets or capabilities.



Angel Investing

Wealth creation through investments in entrepreneurial ventures

Designed to help high net worth individuals become successful Angel Investors. Angel investing involves active mentoring and coaching of an early stage management team towards sustainable profitability or additional funding, probably from a venture capital firm. This book sets out a comprehensive and rigorous process that will help the Angel generate deal flow, evaluate investment proposals and manage the investment and subsequent harvest. The book also provides a useful guide to managing operational risks in the venture.



Get A Life!

An inside view of the life of entrepreneurs - from around the world

This book is a collection of stories from entrepreneurs around the world where they describe their work and their lives. They explain what it is like to be an entrepreneur, how they got started, the successes and failures of their ventures and the highs and lows of their personal and business lives. The stories are rich in content and provide deep insights into how entrepreneurs think. If you are an entrepreneur this will resonate with your inner being. If you are not, this will provide you with a great understanding of entrepreneurs.



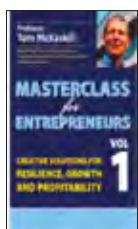
Finding the Money *How to raise venture capital*

The purpose of this book is to educate the entrepreneur on how Venture Capital firms work, what they seek in an investment and how they manage that investment through to an exit transaction. It helps the entrepreneur judge whether they have a venture suitable for VC investment and whether they wish to be part of such an activity. It lays out a comprehensive process that the entrepreneur can follow which will assist them in raising VC funding.



Winning Ventures *14 principles of high growth businesses*

Explains the major contributors to high growth success. Includes a comprehensive Growth Check list for each principle as well as a robust Growth Potential Index to help the reader judge the growth potential of their venture. Based on established theories of growth, venture capital selection criteria and the author's personal experience, this is a must for entrepreneurs.



Masterclass for Entrepreneurs

Creative solutions for resilience, growth and profitability

This book is a collection of published articles by Dr. Tom McKaskill. This volume expands on 30 of those articles to provide a wide-ranging guide for entrepreneurs on how they can manage their businesses more effectively.



Fast Forward

Acquisition strategies for entrepreneurs

In this book, Dr. McKaskill sets out a systematic and pragmatic process for identifying, evaluating, valuing and integrating financial and strategic acquisitions. He draws extensively on his own experiences as a CPA, entrepreneur and academic, as well as his experience with acquiring and selling his own businesses. He brings a systematic and comprehensive approach to growing business through acquisitions.

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