



Helsinki

How to Get Your Startup Funded ?

Building Successful Companies



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Before we get started on How to get Funded ?

What is a startup?

“Startup is an entrepreneurial **team** with **innovative idea** and target to **grow fast** with **scalable business model**”

Startup is a business in the form of a company, a partnership or temporary organization designed to search for a repeatable and scalable business model designed to grow fast in a big and/or fast growing market. – Steve Blank



Investors don't invest in ideas

- Investors are looking for:



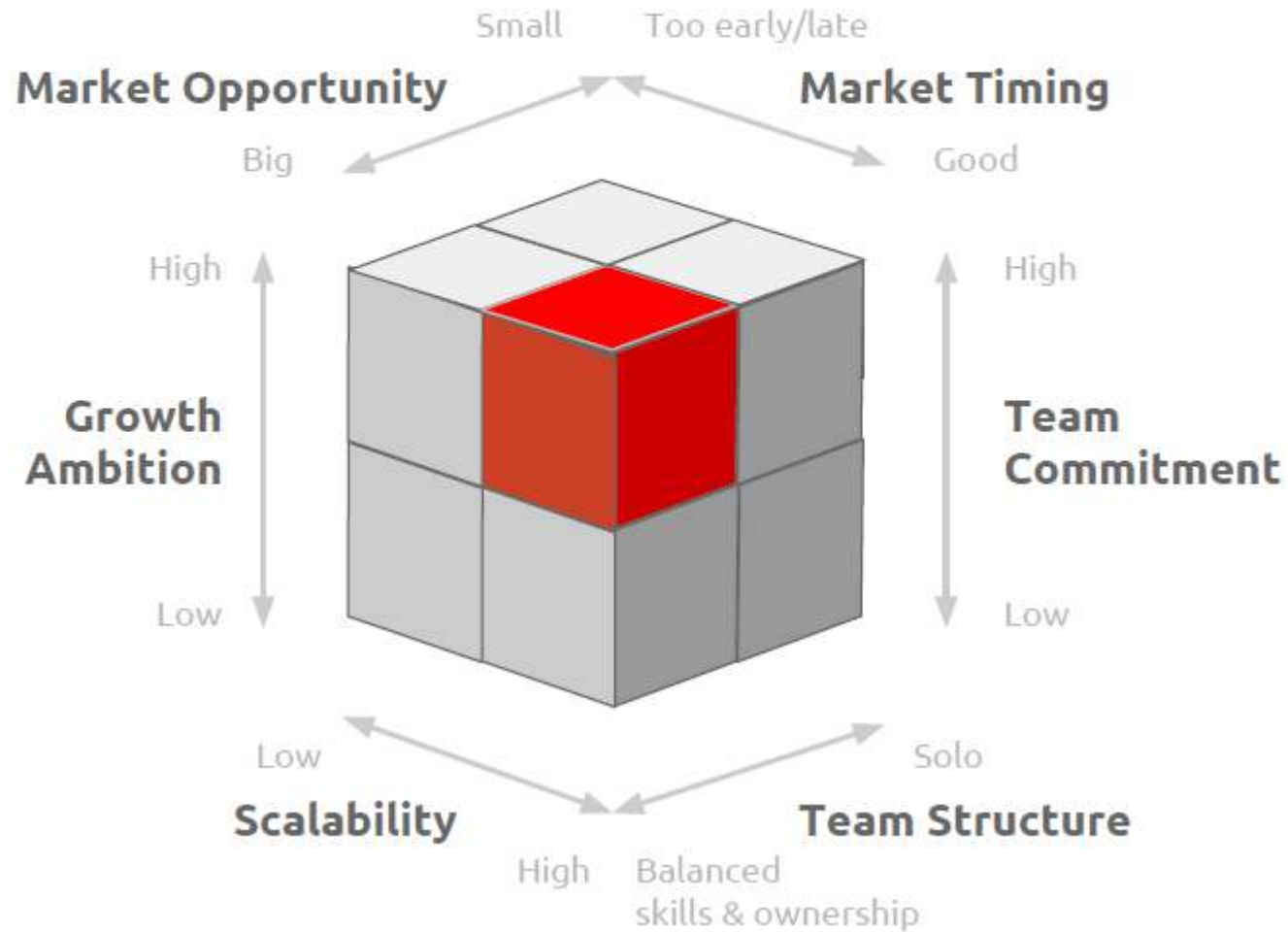
Innovation / uniqueness



Market Opportunity

The Team will make it happen

“Good Startup”



About Fundability

”It is relatively easy to raise money for a company that is fundable. It is close to impossible to raise funding to a company that is considered a non-fundable one.”

*-Mika Marjalaakso,
Tough Love Angel*

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Three things to make your startup fundable

- **Team**
- **Product**
- **Market fit**

The Product

**Validate early with potential customers,
start with a feature.**

**Product shows the investor that the team can
execute more than powerpoint slides.**

The Market Fit

There should be a market that is

Scalable, making hyper growth possible

Big enough total addressable market

Validated: customers are paying for your product

Crowded or not

Funding options in different stages

Startup-grant (to entrepreneurs)

[TE-services](#)

Angel funding:

[FiBAN homepage](#)

[Guide to Raising Angel Investments \(by FiBAN\)](#)

Tempo:

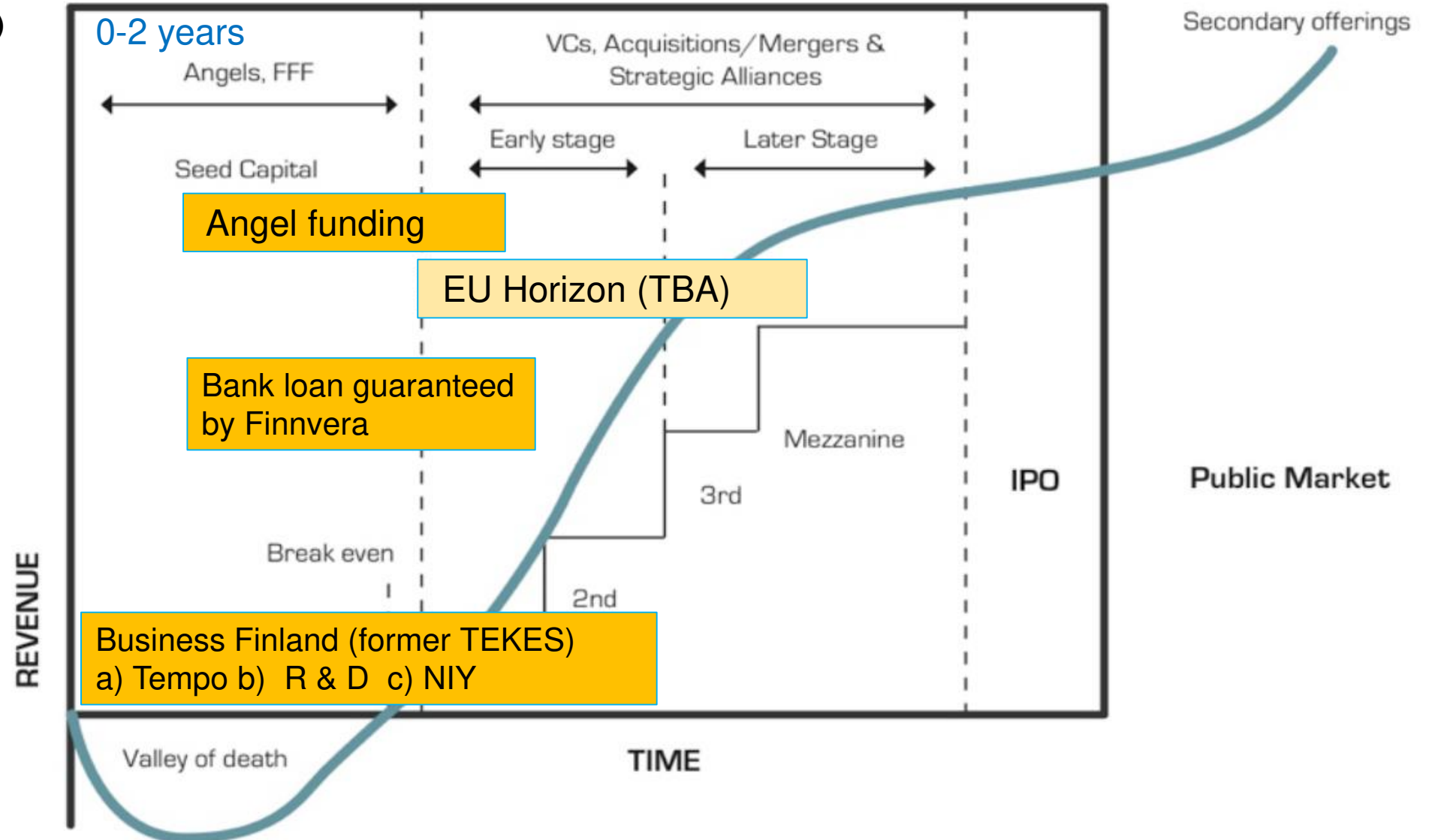
[Business Finland - Tempo funding](#)

Finnvera loan:

[Finnvera loans](#)

EU Horizon:

not public yet



FORMATION

Mission > Vision > Strategy

- Co-founder team formation
- What, to whom? & Why and how?

VALIDATION

Lean Startup

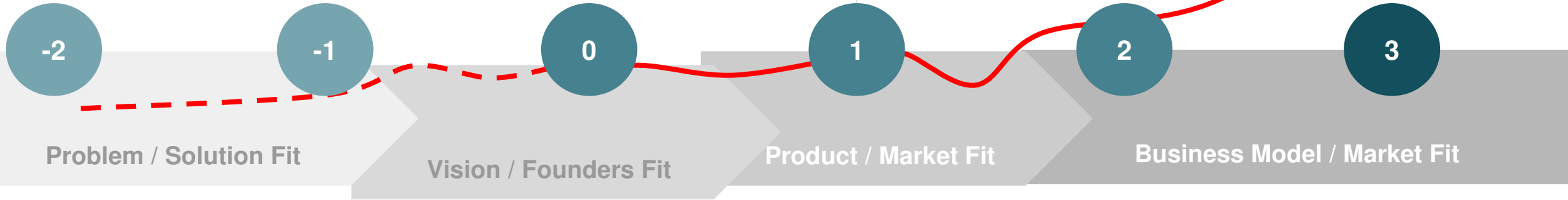
Minimum Viable Product

Validate / Iterate (or pivot)

GROWTH

Scale Up

Establish & Strengthen



Pre-seed

1. Revenue from customers in all stages
2. Basic seed money from co-founders
3. [Startup grant](#) TE- toimisto
4. Business Finland [Innovation voucher Explorer Tempo](#)
5. Bank and Finnvera [loans](#) and guarantees

Seed

1. [Business Finland R&D](#)
2. [Angel](#) rounds
3. [Early stage funds](#)
4. EU Horizon (not public yet)
5. Equity/product Crowdfunding
6. [Innovation voucher](#)

Start up

1. [Angel](#) rounds
2. [Business Finland R&D](#)
3. [Early stage funds](#)
4. [Business Finland YIC](#)
5. Equity / product crowdfunding

Venture Capital

1. [Early VC](#)
2. Seed Funds
3. [Business Finland YIC](#)
5. Loans from institutions
6. EU Horizon (not public yet)
7. Early [IPO \(First North\)](#)

Business Finland (Tekes) Funding for start ups

Tekes funding for startup (<5 yr) companies

Innovation Voucher

New product or service idea with international growth potential
- purchase new knowledge and skills for your business.

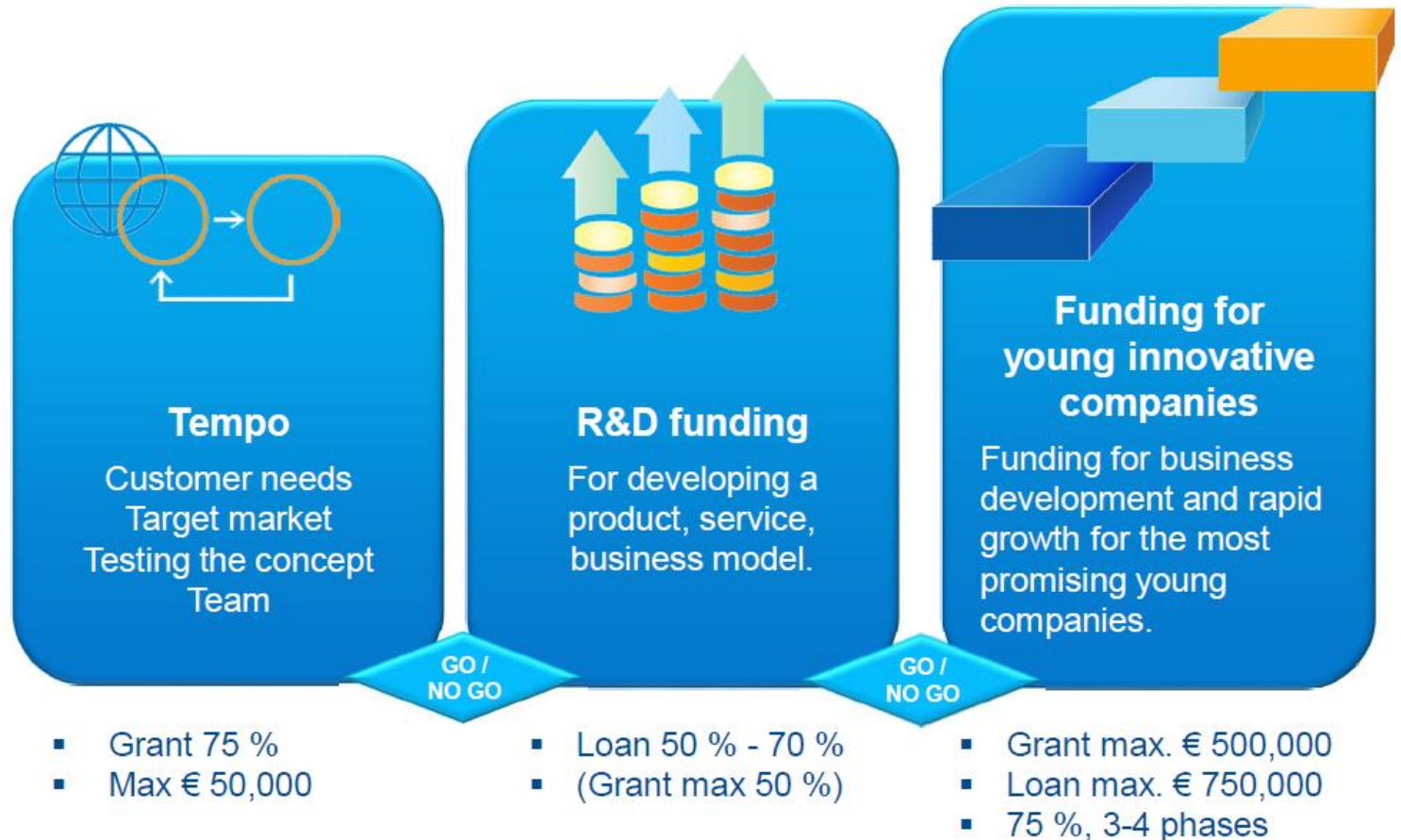
- Grant 80 %
- max € 4000

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Explorer family

On early stages on internationalization
- Seek new international markets for products, services, or business models (+1 year old)

- Grant 50 %
- Various support mechanisms





TEMPO - Test your concept
Investigate the market

TEMPO

FOR WHOM? FOR WHAT?



Intended for startups that have been operating for under 5 years and are registered in Finland. Aim to enter the export markets and whose product or service idea has a competitive edge in the chosen market area.



- ✓ Test the functionality of the business concept.
- ✓ Obtain feedback from potential customers.
- ✓ Explore demand in a new international market.
- ✓ Rapidly implement the first demos or prototypes.

TEMPO

HOW DOES IT WORK?



The maximum amount of Tempo funding is €50.000. The funding covers 75% of the overall budget for the project.



- ✓ After the funding decision, Tekes will pay 70% of the grant (max €35.000). ~~Auditor required for the project.~~
- ✓ (The remainder of the grant will be paid on the basis of the costs reported by the company following the completion of the project.)



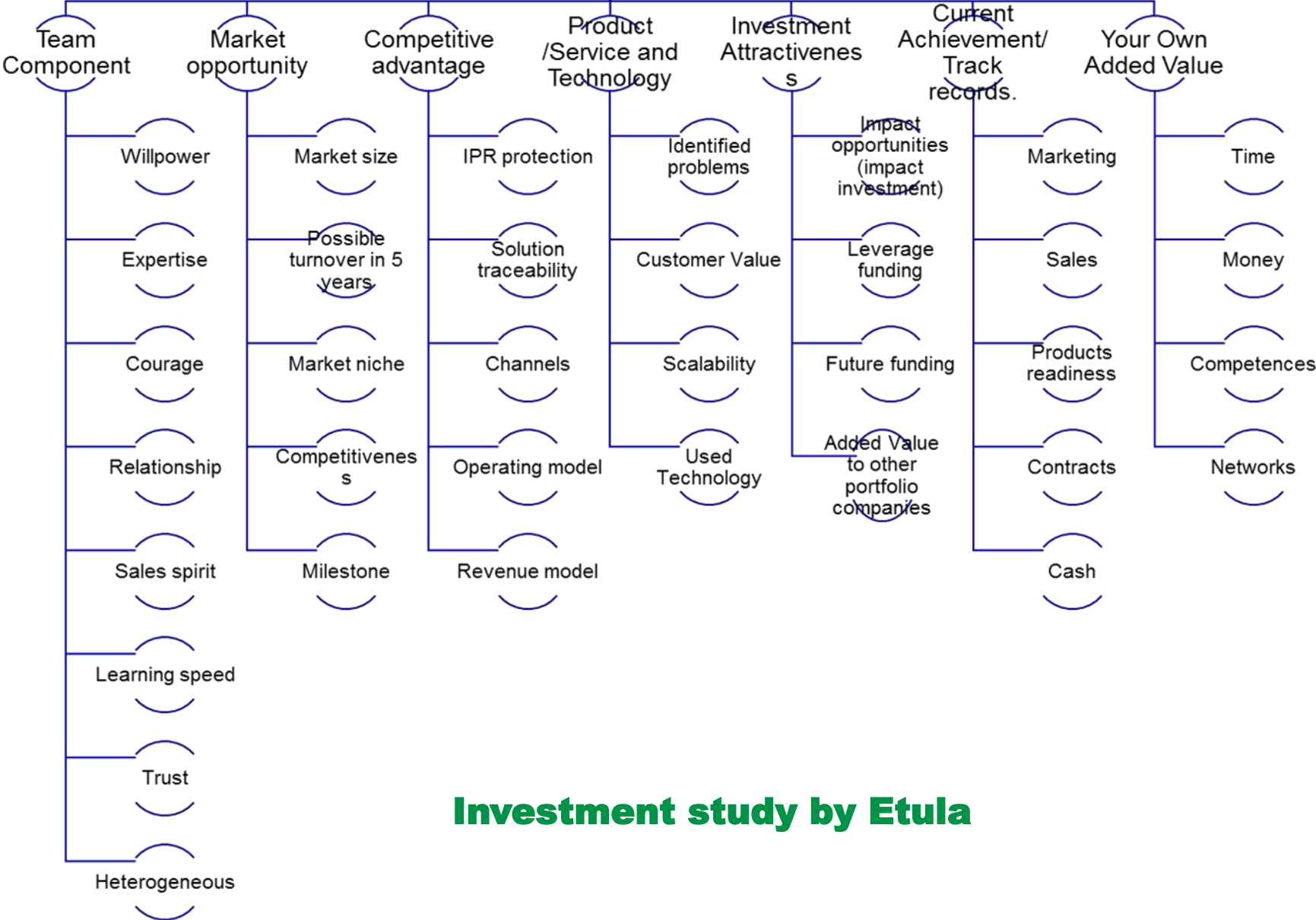
Tempo funding constitutes a de minimis grant.

Tekes

Company's own funding share

Generally Tekes requires the company to have €30 000 own funds (equity and subordinated debt/capital loan).

Suitability/Probability of investment & valuation



Investment study by Etula

THANK YOU!

Download this presentation:
[NewCo Helsinki material bank](#)

Get in touch - startup@hel.fi

Extra material

TEMPO

TEMPO

WHEN?

- ✓ The company understands what need the product or service idea meets.
- ✓ The company has identified a potential customer base and business model and intends to grow internationally.
- ✓ The company has estimated the size and business potential of the target market.
- ✓ The company has sufficient resources and private funding for its early stage development.
- ✓ Key employees are committed to the company. The team has versatile expertise and at least one full-time employee, who is responsible for business development of the company.

TEMPO

GOALS



During the application stage, the company and Tekes will agree on 2-5 clear and measurable goals which the company will aim to meet using the Tempo funding.



- ✓ Realization of customer pilots.
- ✓ Growing the company's turnover.
- ✓ Increasing the number of customers.
- ✓ Development of internationalization processes.
- ✓ Strengthening the partner network.
- ✓ Creating product features.
- ✓ Making progress with funding arrangements.
- ✓ Strengthening the team, advisers and/or Board of Directors.

Tekes

TEMPO

ELIGIBLE COSTS

- 1) **Salary and purchased professional services in accordance with the project plan.**

A maximum of €19/h (€3.000/month) can be entered in the project accounts for the owners' salaries, if their holding is at least 10 %.



- 2) **Indirect personnel costs.**

May not exceed 50% of the salary paid.

- 3) **Purchased services.**

Purchased services must be put out to tender in accordance with the Public Procurement Act, if the sum of a single purchase or series of linked purchases is €60.000 or more.

- 4) **Other costs.**

Will be accepted up to 20 percent of the sum of salary paid and purchased services. No other costs need to be itemised.

Extra material

Angel Funding

(source: Etula, Sami - Nordic Guide to Finding an Angel Investment)

Selection and valuation of target company based on ETULA model

(Based on approximately 200 International studies)

- **Level of perfection of team 30-50%**
- **Market opportunity 20-40%**
- **Competitive advantage in market (10-20%)**
- **Product/service and technology (30-40%)**
- **Attractiveness of investment (10-20%)**
- **Current situation achievements (0-20%)**
- **Own added value for company (10-20%)**

Level of perfection of team 30-50%

- **Will**
- **Know-how**
- **Courage**
- **Relationships**
- **Marketing spirit**
- **Learning ability**
- **Reliability**
- **heterogeneity**

Market opportunity 20-40%

- **Market size**
- **Turnover potential in five years**
- **Market niche**
- **Competition situation**
- **Momentum**

Competitive advantage in market (10-20%)

- IPR Protection
- Traceability of solution
- Sales channels
- Operating model
- Earning model

Product/service and technology (30-40%)

- **Identified problem**
- **Added value for customers**
- **Scalability**
- **Technology used**

Attractiveness of investment (10-20%)

- **Impact investment**
- **Leverage of financing**
- **Financing need in future**
- **Added value portfolio for other companies**
- **Exit path**

Current situation achievements (0-20%)

➤ **Marketing**

➤ **Sales**

➤ **Product level of readiness**

➤ **Agreements**

➤ **Cash**

Own added value for company (10-20%)

➤ **Time**

➤ **Sweat equity**

➤ **Network equity**

➤ **Private equity**