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Navigating private equity investments in startup companies

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SAVONIA UNIVERSITY OF APPLIED SCIENCES	THESIS Abstract

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Abstract

This thesis investigates the intricate world of private equity and its fundamental concepts, focusing on effective strategies for startups seeking investments in the segment. In era marked by high entrepreneurial enthusiasm, success stories and increasing need for innovative financial solutions, private equity has emerged as a golden ticket for startups to lift them into success. The objective of the thesis was to research the essential and unique characteristics of the private equity landscape and to identify the best methods gaining advantages for startups to attract private equity investments.

The study begins by providing an in-depth exploration of the private equity segment, outlining its core principles, market dynamics and the structures of private equity companies and funds. It sheds light on the vast array of challenges and possibilities startups face as they navigate the private equity landscape, including issues of valuation, risk assessment and investor relations.

By conducting a comprehensive review of existing literature and case studies, this thesis gives insights on the mechanics of investors in the private equity segment and their fundraising process as well as the common practices they use to evaluate the investment potential of startups. The study underlines the importance of compelling business plan, adopting the practices investors use in their due diligences, perfecting the negotiation techniques and finding the unique characteristics of the company to attract investors' interests. It highlights the necessity of provable credibility of a startup company to attract the potential investors.

The paper presents an analysis of the private equity landscape from the perspective of both the investors in the segment and the companies seeking for investments. Study offers preliminary information about the segment for the first-timer entrepreneurs who seek to gain basic overview of the private equity investments and offers ideas for optimal strategies to secure private equity investments. By giving these insights and addressing the key aspects, startups can enhance their ability to secure investments, thus accelerating their growth into the success all dream of.

Keywords

Private Equity, Startups, Investment Strategies, Entrepreneurship, Funding, Valuation, interview

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1 INTRODUCTION

Private equity investments have become increasingly attractive financing alternative for small companies trying to punch through to bigger markets. The hype is uplifted by many news about huge successes of technology firms who have gotten help from business angels and eventually sold their companies with enormous profits.

Private equity investments are unfortunately often done in closed door settings inside the companies involved and is very common that agreement details are left undisclosed to the public. The lack of available public information is often staple of PE-investments and this can create difficulties when trying to breach into the field as a upcoming entrepreneur. Researchers cant get hold all of the information of the agreements or the financing strategies of the investors, this has resulted into methodological simplifications that shouldn't be viewed as general rules.

While these simplifications and general rules may be good indication of the current state of private equity and trends in the segment, they shouldn't be hold as conceptual facts since every investor and company in the field can create their own kind of funding strategies or agreements and completely neglect the common practices. Private equity should be seen as more of a abstract entity rather than asset class that can be put in a certain box or viewed as following certain guidelines.

The objective of the thesis is to demystify the field of private equity investments and gather valuable inside information about the investment process in private equity funding for the entrepreneurs who are on their way to start the search for outside capital investments. The research aims to provide useful information and help for new startup companies and entrepreneurs without deep knowledge or previous expertise to start their process of attracting private investors and to point out useful tips and first hand knowledge about the investment process and the main issues getting the most of the investment.

The theory part of the thesis studies the private equity in general and its role financing companies, explains the different styles of private equity investments and the characteristics of companies that usually are associated with it. After the basic foundations of private equity is clarified, the section focuses on the characteristics of companies in seek for an investment and different scenarios where the outside funding may commonly be needed or desired in company's lifespan.

The study was done with qualitative research methods by conductiong an individual interviews where respondents perspective on the investment process and private equity funding genre was explored. The interviewees were highly knowledgeable of the subject and have been through different investment periods with multiple different types of funding phases and companies. The in-depth interviews presented elaborate answers compared to other qualitative or quantitative methods.

1.1 Research topic

The research focuses startup companies based or originated in Finland operating under Finnish company requirements and legislation and their methods on scouting for outside investors and the nuances of private equity investments in pre-seed-, and growth-investment periods.

Main Research Questions:

- How can start-up companies attract investments from private equity companies or business angels?

Secondary Research Questions:

- What are the characteristics of venture capital funding that makes them so attractive for Startup- companies?
- What are the leading factors that create investment motivation for the startup-companies in question?

The research is focused on Startup- companies seeking for Seed-, or Growth-phase investments leaving the later investment cycles, buy-out investments and large corporation transactions such as fusion-, or succession investments outside of the research scope due to the interviewees lack of deep first hand knowledge of these topics and investments styles. Since the research and its findings are aimed for the entrepreneurs and company personell with minimal knowledge of PE investments and their companies being in very preliminary stages, covering large corporation scale transactions and investments most likely wont be useful information to help reach their set investment goals.

The interviews are restricted to cover only answers and opinions from companies point of view seeking for investment.

1.2 Structure of the study

This thesis is divided into six chapters segmented into different themes of the subject as listed below:

Chapter 1 clarifies the motivation and backround of the thesis and explains the research restrictions and main research questions.

Chapter 2 lays out the core concepts and main functions and mechanics of private equity companies as well as states the common ownership structures and business methods of them. The chapter shortly describes the characteristics of startup companies that are seeking for outside capital in form of private equity investments.

Chapter 3 presents the methodology for the research process and introduces core concepts used in the research. These concepts include qualitative research, semi-structured interview and the processes of data collection and analysis.

Chapter 4 introduces the qualitative research carried out with a semi-structured inverview and the results attained from the research.

Chapter 5 presents conclusions of the study and the results gained from the research as well as informes the main focus groups thesis. The achieved results are explained and the research questions are answered in the chapter based on the research.

Chapter 6 summarises the goal of the thesis and discusses the credibility of the research, the problems and challenges in conducting the research. Chapter also offers suggestions for further research of the field.

1.3 Research collection methods

Research is done by interviewing chosen professionals using semi-structured interview methods and data collection analysis based on the responses.

The chosen methods were selected to be best suited in this case, since the investment methods in the field are diverse and the private equity investments commonly don't follow any specific ruleset. The in-depth interview offered great point of view into the field through personal experiences of the interviewees. The interview also enabled to figure out the background of the entrepreneur and get the right scope of the activity in their respective fields and about their experiences about the working methods of private investment field. The in-depth interview is not quite as rigid as other research methods and so it gives room for a discussion and questions that clarify the background of the questions better.

In-depth interview

An in-depth interview is simply a topic that is discussed without themes, it is also called an open interview. The interview situation is two people in a interaction event between eachother and where the subject tells his experiences about the phenomenon being discussed. (Kananen 2014, 71-72.)

The proper formulation of the questions is created and valuated in the planning phase in order to get unbiased and profound answer from the interview.

1.4 Used Glossary

The Private equity field is filled with multitude of phrases and terms that are not commonly used outside the private equity investment field. This glossary provides definitions for these key terms:

Angel Investor / Business Angel: Individual who provides capital to startups and early-stage companies in exchange for share of ownership, commonly using their own personal money.

Buyout: The act of buying the controlling portion of a companys shares to gain control of it

Carried interest: The share of profits earned by the feneral partner of a private equity fund, normally a previously agreed presentage of the profits

Commitment: The amount of capital that an investor commits to a private equity fund but is not immediately cashed out.

Due Dilligence: The proves of thorough investigation and analysis of a potential investment, such as startup company

Exit Strategy: A plan on how investors will eventually exit their investment at the end of investment cycle, often by selling the company or listing it to the public market.

General Partner or gp: a entity responsible for managing the private equity fund

Limited partner or LP: An investor in a private equity fund who provides the capital to be invested by the GP but have limited control over the fund’s operations.

Startup: A new typically innovation baed company with the aims and potential for rapid growth.

Venture Capital: A form of private equity entity that invests in startups and very early stage companies with high growth potential.

2 KEY CONCEPTS OF PRIVATE EQUITY

Private equity is complex field within the world of finance that involves investing in private companies without rigid ruleset what every entity in the field uses in their operations, but instead has range of common concepts and practices that are essential to this form of investment operations. This chapter offers an overview of these fundamental principles and practices within the pricate equity industry. The private equity sector is very dynamic and multilayered field and while understanding these concepts is crucial for both investors and professionals working in the industry, these concepts should be taken as rudimentary knowledge of the field since each entity in the field may do things their own way.

2.1 What is private equity?

Finnish Venture Capital Association describes private investments as capital investment made by a professional investor into a company in exchange for a share of the subjected company.

Private equity has been described as "Investments in private companies in privately negotiated transactions". The word “private” reflects the fact that the companies operating in the field are privately owned and their shares are not traded publicly in stock market as their counterpart “listed companies” whose shares can in principle be bought and sold by anyone on the public market. (Demaria, 2010).

2.2 Private Equity as financing instrument

Commonly can be stated that whenever company is searcing for financing solutions, they have only limited options available to choose from. Before applying for external financing, it is worth mapping out the possibilities offered by internal financing such as infamous "FFF-funding", that describes Friends, Family & Fools. Friends and Family are a group of non-professional investors that usually invest into the company from personal reasons such as helping their loved ones out and helping their dream to grow. Fools are called " Fools" due to the fact that most outside investors would want more specific information or proof before they invested their funds in an unproved concept.

Main financing routes after the internal financing routes have been used, is applying for a bank loan either as company loan or loan where entrepreneur acts as guarantor.

The conditions required for taking out a business loan are also strictly defined. Finnish companies seeking out financing from banks must prove their ability to pay the loan back along with the banks interest rate. This means the applicant company must showcase their stability in cashflows and many aspects of the business before they can be granted a loan. (Andersin, 2021).

Investment banks can arrange larger and longer-term loans than common banks usually offer, they can also help the company in later issues such as pricing and organizing underwriting. Financing companies provide financing usually for a fixed period with a fixed interest rate. Companies can also apply for a loan from other public sources, such as European Union or Finnish Work and Economic Development Office who offer loans for starting companies and project-loans. (Suomen Pääomasijoitusyhdistys 2006, 9-10).

When applying for a loan from a traditional or investment banks, the applicant must go through a overall risk assessment and have granted a good credit rating by the Finnish credit rating providers such as Suomen Asiakastieto. The credit rating is assessed by examinating the companys financial information, solvency and the potential entrepreneurial loans and capital goods the company possesses. (UB-rahoitus, 2021) High loan rates and large debts also affects the profitability of the company and can be devastating burden for a companys balance if there are any shortcomings in their predicted cashflows. For small companies the entrepreneur can choose also to get personal loan to be invested into the company. This holds significant risk to the entrepreneur since in a downfall of the company, the guarantor is stuck with the loan. But in overall scale, this type of personal loans are used in very small scale companies and business loans are commonly in much greater scale than a single person can get granted from a bank.

Companies can also seek to get listed into the public stock market to sell their company shares. Being listed in the stock market has its pros and cons but it only provides access to funding to medium- and large-sized companies that meet specific criteria to enter the stock market. Most small to medium sized, commonly known as SME-companies, fail to access the market and need to resort to other financing options.

The private equity financing is an third option for companies that cannot use the previous two methods and can also be used side-by-side together with the other financing solutions. (Demaria, 2010) According to (Louis, Martin, Cendrowski, Wadecki 2012, 4-5.) Private equity investment, later referred as PE-investment, is a medium or long-term equity investment that is not publicly traded on an exchange. PE-investments includes venture capital investments and buyout transactions as well as other securities. Usually speaking PE-investments can be simplified into tree sub-categories; venture capital, growth- and buyout -investments that will be examined later in the theory part of the study. Unlike other investment methods, most PE-investments are limited-life entities meaning they do not exist in perpetuity, and they have a legally bound, limited lifetime. Investments that are not limited to set due-date are called the evergreen funds and as their name implies, stay ever green and follows the lifespan of the company. While a firm may exist for decades, the typical lifetime of a given PE fund is roughly 8 to 12 years, the average being 10 years. However an investment life of six years is not uncommon. (Louis ym. 2012, 6).

2.2.1 Main Private equity categories

There are some distinctive differences in the private equity investment categories. The Venture capital is normally focused on start-up companies and the investor usually gets minority share in the companys stocks in exchange for the investment when the buyout-investment on the other hand seeks to acquire the control of the company by majority stockshare. In the venture capital investments the original owners and founders of the company keep their decision making power to them selves while the Buyout-investors usually have their own personel to be put into the lea

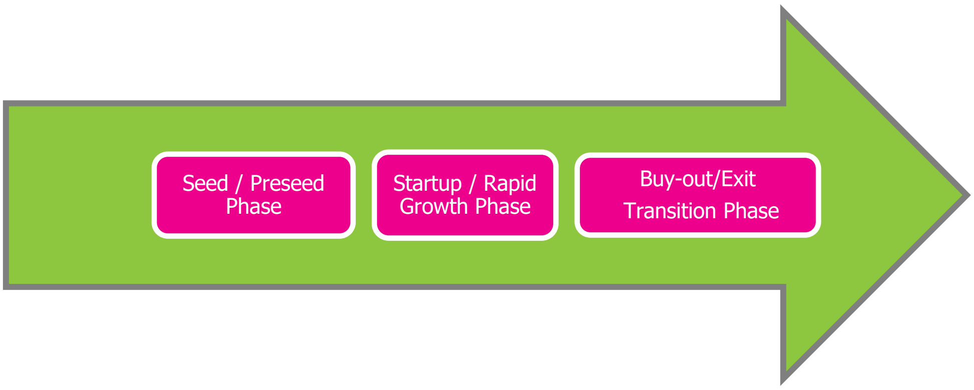
Between these polar opposites lays growth-investments that has characteristics of both categories, growth-investments is made into established company seeking for rapid growth and are usually minority share investments where the control of the company stays with the original owners. (Vasvari, Talmor, Talmor 2012, 23.)

2.3 External financing and company lifespan

Company requires funding in different stages of its life span and the most desiarable funding instrument varies on the current situation of the company. When the company has figured out their necessity for funding, it can start to search for the most optimal funding for current stage they are in. Commonly the funding is not required to attain straight from the beginning but can be gathered as the company processes through different evolution phases.

Each investor has his own investment criteria, for example regarding the target company's industry, stage of development, location or type of financing. Regional venture capitalists focus on companies operating in their own county or province. The capital investment activities carried out by large companies, commonly called corporate venturing, on the other hand, are oriented towards the company's own industry and the purpose is to seek strategic advantages in addition to financial returns. Business angels are wealthy individuals who usually focus on small companies, possibly in the early stages of their life cycle, within the framework of their own business experience. (Suomen Pääomasijoitusyhdistys 2006, 11).

According to Finnish Venture Capital Association, PE- investors commonly define the development stages of a company as follows:



(McKinsey & Company 2000, 106)

2.3.1 Pre-seed / Seed Phase investment Cycle:

The idea for a company can start long even before there are any concrete actions made but when the the decision that founding group will pursue making the company, it starts to require funding for all sorts of different reasons.

At this stage the company is still in the drawing board and the business models and strategies can be very crude so funding at this stage will be provided for research, product development and preliminary organization of the company before the actual start-up of the business.

Big part of the necessary seed phase funding is normally gathered from own personal sources of the founders such as private loans, savings, or from private people close to the core founding group such as relatives and friends. (McKinsey & Company 2000, 24.)

Seed stage Funding is given for research, product development and preliminary organization of the company before the actual start of the business. Seed-stage investments are typically small in size, but they require a lot of support and know-how from the financier.

In Seed funding round the company may struggle to gain the interest of professional investors due to the crudeness and lack of profound factual evidence to base the future estimates and the professional investors usually wont make investments to such unproven company. The company's main goal and strategy is simply to remain alive at this stage.

Exceptions to this is angel investors and some specially Seed-funding focused funds, who have essential knowledge from the exact business segment and can base the investment on their own personal knowledge of the field and have counted in the risks into their revenue models. Seed stage investments are typically small in size, but require a lot of support and expertise from the funder.

The investment made by the business angel at this phase and its commitment to the company's operations will improve the company's chances of obtaining financing from a private equity company in the future. The further down the funding cycle and stages the company go, the more proof is required that the business is actually a success and has the potential that the founders are talking about. (McKinsey & Company 2000, 106.)

2.3.2 The startup and Growth Phase

The Funding is usually provided for product development and trial marketing. The company may be in the process of being set up or has been in business for a short time. The company's products have not yet been commercialized but they have tested prototype and developed business plan. At this stage the company may start creating early stage revenue but isnt profitable yet. (Suomen pääomasijoitusyhdistys 2006, 12.) Companies in their early stages of lifespan typically have smaller investments (Commonly 100.000€ -500.000€ in companies operating in Finland) than in more mature, rapid growth companies. As the company proves their worth and starts to create revenue, the PE-investments can reach to transactions worth millions of euros. (Suomen Pääomasijoitusyhdistys 2006, 13).

2.3.3 The Buyout and Exit phase

In this stage the company owners need to make decisions considering the future of their company. The company has proven to be of high value and their must decide, do they exploit the companys potential and accomplishments further by expansion into new market areas or to higher market share, or does the owners want to capitalize the companys worth and disengage partly or completely from it. Behind the disengagement might be a wish to start up new enterprises or pursue other interests. In these large scale buyouts the buyer acquires the majority of the companys ownership leading into a change of control. These transactions are commonly managed by investment companies facilitating the buyout process. (Lo, 2016)

2.4 Venture capital investments

The goal of Venture capital investments, later called VC-investments is to increase the value of the investment by working actively within the company and then exiting the company at the end of investment period through an acquisition or listing with large profit margin. These investments are done via venture capital fund that has acquired capital from different sources. Commonly venture capital funds have invested into multiple of companies and the business plan crudely put is to create enough profit from the one successful exits to cover the losses of the 9 failed ones.

VC-investors are professional investors, called venture capitalist, who manage the investment portfolio and participate managing the companies whom shares the fund has purchased. The venture capitalists help develop the companys business model and find ways for them to grow. The VC-investors make their presence known in a company by operating in the corporate boardrooms where they take role in company finance, staffing or the overall direction of the company. (Andersin, 2021).

2.4.1 Structure of Venture capital funds

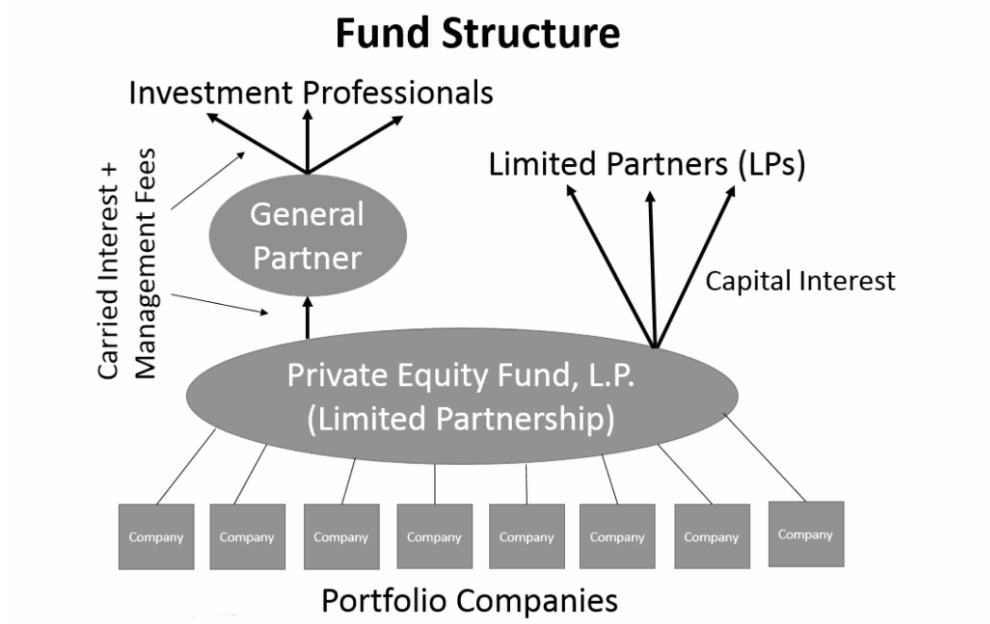
In common discussion the VC investor may refer to at least three different parties, all of which are interrelated to eachother: the venture capital fund making the investment, the fund management company, or a shareholder or employee of the management company. Sometimes the term VC investor also refers to the entity formed by the above-mentioned entities together. In everyday language, the differences between these entities and the division of responsibilities may not matter, but legally they are separate natural and legal persons, each with their own rights and obligations.

VC investments are made almost without exception from investment funds called "VC funds", and when talked about Finnish VC funds, they are usually a Finnish limited partnerships in legal form. However, it is not uncommon for a Finnish management company's VC fund to be a company or entity established abroad, more often in Luxembourg or in the early 20th century; the canary Islands. Reasons to these funds being established abroad in these destinations, are usually about taxation issues and the preferences of those entities that invest into the fund. Even if the fund is established to Finland, common practice is to create " Feeder Fund" -company abroad with only goal to create a pathway for the foreign investors money to be "feeded" into the actual fund. (Andersin, 2021)

In Finnish limited partnership company there are always a general partner "GP" , that holds responsibility of the company, and at least one silent limited partner "LP". In the VC-funds, GP role is taken by the fund management company or a subsidiary to it. GP is more often than not also the venture capitalist working actively in the companies invested in. This management company is called in common language as Fund manager, and its normally owned by the elder investment professionals that have established and gathered the actual fund called Fund shareholdiers or Partners. These professionals are commonly highly established investment professionals with extensive firsthand knowledge about start-up companies and successfully going through the whole investment process from attaining investment to finally profitable exiting or listing the company into stock market.

In Venture Capital companies there are usually multiple entities as Limited Partners, who are responsible for bringing the capital into the fund. In Finland, pension funds and insurance companies are common investors associated in VC-fund investors but it is not uncommon for wealthy private persons or companies of other fields to invest in these funds. These limited partners are passive participants in the fund entrusting their money to the GP. Usually the entities getting involved into VC-funds as limited partners, have their own stockholdiers or third parties whom capital the GP is investing, and whom the limited partner is accountable to and this must take into consideration within the investment decisions of the fund.

VC-funds are usually very complicated with intertwined ownerships and purposefully established companies to funnel the money into investment opportunities. (Fleischer 2006, 6.)



(Fleischer 2006, 6)

The Venture capital fund can be broken down into three parts as follows;

1. Fundraising or " establishing the fund"
2. Finding the start-up companies to invest in
3. Exiting the company after investment period with profit

During the organizing or fundraising phase, a VC-fund recruits investors and determines its strategy and investment focus. The latter point is especially important as they often target a specific area of the marketplace for investment. A fund's focus generally includes the industry, stage, and geography of companies in which it will invest. In this point the limited partners funnel the capital into the fund to be later returned with large profit. (Haislip 2011, 13.)

After the fundraising has completed, the fund starts to invest into companies as the investment strategy, done in the organizing phase dictates. Typically, venture firms invest in small and freshly established companies, Start ups. The venture capitalist job isn't easy with finding the correct startups and they must plow through thousands of business plans and company presentations just to find the few correct ones. In picking the right ones usually rely largely on careful research of the company called due diligence. (Haislip 2011, 15.)

Last part is naturally the most necessary part, getting the profit out of from the investments. VC Funds get all their profits at the end of their investment period that is commonly at the range of five to seven years. The main goal is to sell the , now more profitable and successful company shares forward or list the company into public stock market.

The main operating persons, venture capitalists, get paid through management fees and naturally get portion of the profit of investments. The compensation of investment profits is called carried interest and is commonly prearranged presentage or whatever the firm earns for its investors. (Haislip 2011, 16.)

2.4.2 The Common Investment Criteria in Venture Capital Funds

Venture capital funds that specialize in seed and early stage companies pay attention to the following things in companies applying for funding: technological competitive advantage, team, stage of development of the company, scalability of the business model and international demand, concluded contracts, estimate of future financing needs.

The technological competitive advantage often ensures success in competitively growing markets so it is easier to convince a investor of the chances of success if the company has a patent or an innovation that brings a competitive advantage in the market. (Lauriala 2008, 153.) The team is in the center of the attention of venture capitalists, because the rise in value of companies is based on it above all, to the team's skills. Attention is paid not only to the current team, but also to the company's ability to recruit top talent. The expectation is that the company understands the team's strengths and possible development needs. The company's key personnel are of great importance to a successful business. An entrepreneur should commit key personnel to the company with contracts and financial incentives. The Venture capitalist wants to make sure that the company they are investing in, has strong manageable team. The team can be considered to be even more important than the technology, and many company has received funding despite the lack of many key performance indicators, if the team is convincing. Venture capitalists investors usually require that the entrepreneur and team members work only in the target company, and do not share their energy between several companies or workplaces. (Pääomasijoittajat 2018, 10-11; Lauriala 2008,152.)

The company's development stage is often a decisive factor in attracting investor interest. Venture capitalists often specialize in companies of a certain size and stage of development. For startup companies, the venture capitalist typically wants 10-30 percent ownership of the company. The scalability of the business model and evidence of international demand is a basic requirement for investment. The target company is not expected to be still profitable, but the company must be able to convince that there is demand and interest for its product or service. The company must have a working commercialization model and evidence of successful internationalization. To make internationalization possible, the business model must be scalable. The company is also commonly required to have a sales plan: potential number of customers, how to reach the customer, how to close the deal and does the product have customer retention? Investors who seek scalable growth also want to know the customer's acquisition costs and resource needs. (Pääomasijoittajat 2018, 11.)

Attention is also paid to previously concluded agreements. In terms of business essential agreements must be concluded, these include, for example: shareholder agreement, and intellectual property rights. Employment contracts must ensure that the employees' patents belong to the company and for example not to the inventor.

The company must have an estimate of its future financing needs since the implementation of the growth strategy of startup companies typically requires several funding rounds. The venture capitalist wants a clear assessment of the financing needs of the future stages. (Pääomasijoittajat 2018, 12.)

2.5 Valuation of a target company

Valuation refers to the value of the company. The term can refer to either the pre-money valuation or the post-investment valuation, which also determines the investor's share of the company. Valuation usually refers to the valuation that preceded the investment. When capital investment is added to the valuation before investment, know-how capital investment and network capital investment results in a post-investment valuation. (Etula 2014, 26.)

Equity investors require very high returns on their investments due to the high risk associated with target companies, the lack of liquidity and the added value the investor brings to the company.

A high return requirement has a negative effect on the company's pre-money value. What the higher the required return, the lower the current value of the shares. Capital investors justify the high return requirement with the following factors: high risk, liquidity deficiency and added value. (Lauriala 2004, 68.)

2.5.1 Value determination models

There are many different ways to determine value. Capital investors' calculations are based on an estimate of what the company is worth before the investment, what the company's potential return is and what the company is worth at the exit stage. (PwC-Finland 2006, 25.) Traditional valuation models are often based on the company's financial statements to the available economic indicators and to forecasting the future. A startup company valuation is made difficult by the fact that the company's history is short and financial there are few indicators. Because of this, the value is largely based on future cash flows, which prediction is difficult. This worsens the reliability of the calculation. Startup companies for history and the current state, instead of key figures, the achieved results and based on current status. (Parviainen 2017, 124.)

2.5.2 Due Dilligence

The term due diligence means an investor's review of a potential investment target. The purpose of due diligence is to find all the possible subjects affecting the sale process, the structure of the sale and the sale price. In due dilligence, issues to be taken into account after the transaction are also often examined.

Commonly when discussed about due diligence it refers to the buyer's or investor's due diligence process. Vendor due diligence process means the due diligence of the seller, i.e. the entrepreneur.

In the due diligence process, an external company surveys the finances and future prospects of a potential capital investment target on behalf of the entrepreneur. The goal is to get unbiased information about the state of the company, as in the buyer's due diligence process. Research done by an external expert often shortens the capital investor's thinking time and process shortens in time.

During the due diligence process, the venture capitalist tries to get the most accurate and correct picture of the target company and its management and personnel, based on which the final an investment decision can be made.

The goal of both the buyer's and seller's due diligence process is to investigate the company's finances and future prospects, and to try to find a deal to come to fruition and matters affecting the terms of trade. (Pääomasijoitus – avain yrityksen kasvuun 2006, 29.)

Since the capital investment has a high level of risk, the due diligence process is intended to map the risks and responsibilities of the trade or investment to be carried out. With the process, the investor aims to map the state and characteristics of the company from as many different angles as possible, and this is how the due diligence supports decision-making and reduces trade risks. Before the actual due diligence process, the investor and the target company or entrepreneur have reached an agreement on the main terms of the investment and compiled a term sheet. Due diligence is an assurance of choosing a high-quality and risk-free investment target, and often for companies that have progressed to this stage an investment decision is likely, provided that the information provided has been correct and up-to-date. (Hannula & Kari 2007, 99-100.)

The starting point of the due diligence process is always the entrepreneur's business plan and other information about the company given to the investor. Before the due diligence process is carried out different types of investigations on the target company has to be made to make sure of the target company's competitiveness and the background and experience of the founding partners. When the external audit for the company has been carried out, investors can start studying the company in more detail usually by getting to know the management and other key personel in the company. (Pääomasijoittajat 2018, 12.)

When checking general operational matters, the auditor familiarizes themselves with material that can be easily found in the company, such as annual reports and general company presentations. The goal of this is to get good overview of the company's operations and industry and to get to know the target company and entrepreneurs as in depth as possible as well as reviewing the corporate law an financial matters. These aspects are critical and affect the contractual terms of a possible investment. At the same time, we also get to know the personnel and check the employment contracts, both written and verbal, and map the need for future recruitment. (Hannula & Kari 2007, 52-53.)

2.6 Angel Investors

Venture capitalists shouldn’t be confused with “angel investors” who use their own money to invest in newly formed companies. Angel investors are typically private highly professional, wealthy people who have excessive knowledge in their respective field or keen motivation on specific subject and they actively assist and use their expertise to help the company to success. These business angels are early stage investors that invest their money to the company for exchange for minority share of the company and commonly focus on early-stage companies, usually at a stage where traditional sources of funding, such as bank loans or venture capital, may not be readily available.

The original idea of wealthy individuals financing new companies is not new trend but rather old and one of the most used financing tools in most business segments. The differentiation to Business Angels is the mentoring, advice and director services to the company they give out. Business Angels usually actively search for new business ventures and investment options.

The public awareness of angel investors was long keep hidden and was typical that most wealthy individuals didn’t publicize or announce their investments and connections to companies. Awareness started to change when first formally organized angel groups " The ArchAngels " in Edinburgh and " Band of Angels" in Menlo Park emerged in the in the early 1990's. While the individual angel investors continued to conduct their business outside the public eye, the Angel Investor Groups started to emerge rapidly with more public approach. The main advantage of joining an angel group is the shared expertise of the group both evaluating deals and helping companies in their path to success. Big groups that operate publicly also attract large deal flow of incoming investment opportunities. (Lo, 2016)

Usually the standard method is to make an investment to a company that is within the area of the investor's area of expertise and located geographically close to the investor. Investing in a company located far away is usually done through joint investment. In this case, the closest business angel actively participates in the company's operations and represents the investor group. The business angel then acts in the role of a so-called anchor investor, where he tries to help the birth of trade by, among other things, attracting others including investors, negotiating the terms of the deal and evaluating the company's potential and checking the facts. (Etula 2014, 16; Parviainen 2017, 56.)

Angel investors can significantly impact the growth and success of startups, as their financial support and mentorship can help these young companies navigate the challenges of launching and scaling a business.

2.7 Target companies for Private equity or “ the startups”

When talking about private equity investments, the word "Startup" comes up often. The word is used to describe recently established company in its initial stages of business and for companies developing its first product, and is on its way to greater scalability while travelling through the so-called Death Valley. This refers to a situation where the company's product development and marketing consume money, but no income is generated yet.

The founders may have some new innovation or product idea and seek ways to capitalize the momentum of it. Startup -companies differs from the normal business model of growth seeking companies in many ways and should be separated from them in the discussion. The main difference is that the common startup-company seeks rapid international growth and often try out different business strategies and models while in operation and can change drastically in the first years of their life cycle, often when they notice that their current model is not the most optimal for their growth or outside investor f.e venture capitalist or angel investor comes along and uses their previous knowledge to shift the business operations to more profitable routes. (Sekki, 2023)

The venture capitalists seeks out these potential startup target companies since they can offer high reward and return for the invested money in short investment period, where normal growth companies may possess lower risks but cannot achieve as high return for the investment. (Vimma, 2018) As stated previously, startups are freshly established companies aiming for fast rapid usually international growth and typically built around single innovation that require lot of investments into research and development to commercialize it into a viable product. Without proper sales and cash flow into the company, these companies cannot fund themselves using revenue and are in desperate need of external financing. In the beginning the founding team puts in the initial capital necessary for their launch and the preliminary stages.

Startup companies often lack the solid earnings logic and revenue models of normal companies, their future earnings and success is highly uncertain with most of the startup-companies ending up bankrupt in the first years of their operations. These reasons makes Startup companies very risky and uncertain investment possibilities and large corporations such as banks and governmental special funding projects usually refuse to give out enough loans to help the companies grow into their success. (Andersin 2021, 16-19.)

In many cases, venture capital funds are the only investors who can sustain the risk of financing these highly volatile companies, and investors in these venture capital-funds and companies are professional investors and have high expertise on assessing and pricing these investment opportunities and the risks they involve. Venture capital investments aren’t usually exclusive funding routes for company and the external funding can be often mixture of business angels, Venture capital funding and conventional bank loans, but often the agreement made with VC-investor can open up new funding methods when it acts as a " blessing for the company". In Finland at some business segments, Business Finland and many commercial banks require investment commitment from private investor for the company to be granted funding.(Andersin 2021, 20.)

The establishment strategy of a growth company should be designed with emphasizing strongly on gaining funding and private equity investments. Professional investors and investments funds are the greatest test for the success of a business plan and for this reason the company should try to keep the investors interests and their investment models in mind in all their establishing procedures.

Even if the company doesn't require private equity, it is worth the companys while to review their business from investors view since its commonly very profound and investors wont settle to business logic with any shortcomings and want to evaluate every aspect of the company they possibly are investing their capital on.(Mckinsey & Company 2000, 21.)

The startup scene was originated in silicon valley, California where great amount of high-tech business are situated. The HP Garage is called the birthplace of start-ups and Silicon Valleys reputation as high-tech hub in United States. In the garage, Bill Hewlett and David Packard created their company known as Hewlett-packard in 1938. Nowadays there are multiple big startup hubs all around the world. Geographically, the biggest European startup hubs have been established in London, Berlin, Paris, Copenhagen and Lisbon (Steihertahl,Rene 2018.) Many startups are so-called born globals, which means that they operate across borders and in some cases open an office in more than one country when starting operations.

Distincive differences between traditional entrepreneurships and startup-business is that commonly startup companies possess and try to implement new disruptive technologies into existing industries to revolutionize the industry standards. Typically along with the big visions of succession and "improving the world" or "setting new standards", the startups aim to rapid expansion with massive exit. (Sekki 2023, 79.) Another distinctive difference between common entrepreneurial companies and startups, is that normal businesses are seen as alternatives to working as paid worker. They are not established for the purpose of selling the company in set timeframe or getting rich rapidly. The accumulation of personal wealth is naturally in the backround of traditional business plans, however the wealth comes due longitivity of the company and labor, usually in the form of shared dividens. If the dividend stream stays strong, there isn't usually motivation to give up the company for sale. This business logic differences completely from the startup side of entrenpreneurship.(Sekki 2023, 79.)

The success stories may shape the vision public have about startups and their reputation being lucrative business since the profit margins of successful startup can be astronomical, but in fact more than 100 million startups are founded every years and about 92 precent fail and go bankrupt in first three years. Most Startups fail in their preliminary years because they cannot monetize their business plan and gather enough capital to survive and expand. (Pride 2018, 16.)

In traditional business the importance of external accounting is highly emphasized. The company prepares an annual sales and expense budget and its implementation is montitored on a weekly or monthly basis. All possible deviations are reacted to based on the information received from the accountants. In some cases the budget is created years into the future and is used to streer through the years and used as prediction of the future. The company's financial position is interpreted on the basis of the income statement and balance sheet and they provide basic framework for the future. (Sekki 2023, 85.) This operation model isn't applicable for the startup company since very few startup company has any revenue streams and all the capital is usually coming from business loans or running on funds entrepreneurs have invested themselves when the company is established. Startups sell technology, market share, or other visions of expansion based on largely on the future hopes. The buyer of traditional company is not interested in future visions and makes their investment decisions based on historical information about the company usind income value or net asset values. Net worth refers to the difference between assets and liabilities using the base information from he company's balance sheet. (Sekki 2023, 99.)

Startups are established with keen idea of exit in mind. Various exit strategies are planned and calculated and are big part influence in planning the operations and future customer, partnership, and financing negotiations. From the perspective of large companies, buying and keeping track of the startup companies in their respective field can be part of risk management. The large companies wont have the necessity to develop disruptive innovations themselves when they can make small investments to startups that are doing the work for them. Later on the large companies can then merge the startup company via buyout. (Sekki 2023, 88.)

3 METHODOLOGY

This chapter explores the methodology of the research and explains why these specific research methods were used in this research.

The chapter explains also the backround of the interviewees and the reasons behind these interviewees were chosen as participants.

The chosen methods are best suited for data collection in this case where the investment methods are diverse and even have precise rules. The semistructured interviews offered the best starting point for creating an overview and for obtaining information brought by first-hand knowledge and experience. It is also possible to find out during the interview history of the entrepreneur and get the right picture of the scope of the activity and about his experience in the working methods of capital investment. The semistructured interview is not quite as rigid as other similar research methods and so it gives room for a discussion and questions that clarify the background of the questions better.

3.1 Qualitative research

Qualitative research helps to understand the object of the research, the company or customer and to explain the reasons why the research subjects behave the way they do. Qualitative research usually focuses on a small number of cases being analysed as thoroughly as possible. The subjects to be investigated are chosen discretionary and the research does not aim to make statistical generalizations. By discovering out the values, attitudes, needs and expectations of the target group the research can give valuable insights to use as basis for developing products and services. The methods produce primary information and its starting point is the description of real life. Qualitative research aims to study its subject as comprehensively as possible and the research problems guide the collection of qualitative data, and the research is based on the fact that the researcher has chosen a representative basic group to be interviewed and selects a representative sample from this group. (Hirsjärvi, Remes, Sajavaara 2007.)

Qualitative research is very well suited for the development of activities and to figure out why does the customer react to certain product or service how they do. (Heikkilä 2014, 15b).
In qualitative research the research is comprehensive data gathering, with the data gathered from actual situations. The qualitative researcher also favors his or her own observations and discussions with actual persons, instead of data received by technical instruments. (Hirsjärvi, Remes and Sajavaara 1997, 155.)

3.2 Semi-structured interview

An semistructured interview is simply a topic that is discussed without themes, but the interviewer has set of questions tought before hand. Semi-structired interview is notch more rigid compared to open interview that is conducted without baseline questionnaire. The interview situation is two people who have an interaction event, where the subject tells his experiences about the phenomenon being discussed. (Kananen 2014, 71-72.) Interviews and surveys are considered an important way to both collect and review information from specific phenomena andt the results are intended to be used as a measurement tool. The measurement is suitable for many different settings such as feedback measurements and social and behavioral science studies.

The proper formulation of the questions is created and valuated in the planning phase in order to get unbiased and profound answer from the interview. The interview questions and their order have been thought out in advance, but the wording of the questions or their order does not have to be followed. (Puusniekka & Saaranen-Kauppinen 2006.) Prepared questions do not give the interviewees too much freedom, but they make sure that the interview stays on topic. Thanks to this, the semi-structured style of interview is good tool to gather valiable information about the topic with out excessive information that cannot be used in the research in hand.

In a semi-structured interview, the interview frame can be deviated from more freely compared to structured interview.) There are many views on the definition of a semi-structured interview, but all opinions agree that the interview always has a certain point of view. (Hirsjärvi & Hurme 2009, 47; Ruusuvuori & Tiittula 2005, 11.)

3.3 Content Analysis

The used analysis method for the material gathered from the interviews was content analysis. It can be used in all qualitative studies as a data analysis method. According to Tuomi and Sarajärvi, content analysis can be used to analyze documents systematically and objectively. With the content analysis method, the aim is to get a description of the phenomenon under study in a condensed and in general form. (Tuomi & Sarajärvi 2018.)

3.4 Interviews of the professionals

The thesis research is qualitative research done by semi-structured interviews. The goal of the interview study was to collect opinions and other information from professionals currently involved in the start up-scene and have profound knowledge in the matter and by the responses of the interviewee, deepen the understanding of the studied subject. The interviewees extensive knowledge about the subject of private equity investments, may potentially highlight compeletely different subjects about the segment that could be very useful in the thesis. By carrying out the research as interview, it was possible to verify the concepts covered in the theory part of the thesis.

After mapping out the knowledge of the interviewees, we started to focus more into the research questions: How can start-up companies attract investments from private equity companies or business angels and , what are the characteristics of venture capital funding that makes them so attractive for Startup- companies and what factors does the interviewees think are the leading factors that will attract the investment motivation of these investors.

The interviews were conducted during the summer of 2022. The research was carried out as a semi-structured interview. A semi-structured interview method was chosen because the questions and themes were planned in advance, but a structured interview was not conducted. When using the method, one could be flexible in the interview situation since many of the subjects and answers are relying on the interviewees personal experience and may vary greatly from the interviewers preliminary thoughts on the matter. The flexibility was also helpful because the interview situations were spontaneous situations for the interviewees, in which case it was good that the interview situation was conversational and not just a form interview. The interviews were conducted from two professionals in their respective fields and they were chosen due to their knowledge and current active roles in their start up companies.

The interviews were conducted remotely, another by phonecall where the interviewee gave their insights and answers also in written form afterwards due to problems in the phone connection and another one was recorded interview.

The interview style could have been also open interview due to the research topic being very complex, but it could have resulted in vast amount of data that cannot be used in the specific study.

The results of the interview research have been analyzed using the content analysis method. The material has been searched for similarities and differences. Content analysis is text analysis from the finished text (Puusniekka, Saaranen-Kauppinen 2006.) In this content analysis, the material from the research interviews has served as the text.

3.5 Implementation of the Interviews

The interviewees were chosen due to their extensive knowledge of both startups and investors in their own respective fields. There was two interviewee and both of the interviews was done in one part using Microsoft Teams. The interviews were approximately two and hald hours long and the one of them is in recorded form, one was done in finnish and another in english. The interviews progressed with semi-structured interviews and the the questions were sent to the interviewees before hand. (Appendix 1.) Before the interview the participants were contacted through email and they were given the backround information about the thesis and the motivation behind it.

The interviews went without any problems until the teams-connection failed due to the fact that the interviewee was in different continent. The interview was completed over the phone and due to this the videomaterial from the interview was lost.

The analysis of the interviews was done using a crude transcription of the interviews. The transcription was used to search the answers to the research questions by cross referencing the interviews point of view with the theoretical part of the thesis. The crossreferencing helped to underline similarities in the material that had clear meaning in terms of the research question. After the analysis of the material the results were simplified into the result section of the thesis.

4 RESEARCH RESULTS

The chapter explains the backround of the interviewees and the findings derived from the semistructured interviews. The interviews provided firsthand insights from the participants, serving as critical component examinating the key themes of the study. The background of the interviewees provided essential context for the research and for the motivation to choose them as participants and helps to establish credibility of their responses.

4.1 The backround of the interviewees and information about their fields of expertise

Interviewees have substantial knowledge from both investing and entrepreneurship. First of the interviewees have bachelors degree in Business Administration and completed investment adviser qualification (APV1). The APV1 qualification is aimed to persons working in investment service positions for example in banks or insurance companies. The qualification is a demonstration about the competence in their field of work in investment service positions.

The interviewee has extensive work history in investment field as investor as well as working in a startup hub that provides guidance and network to new emerging entrepreneurs and startups. He also has strong entrepreneurial backround in restaurants, hospitality services, construction companies and startup companies with different types of disruptive innovations. The startups revolved around plastic substitutes and organic material development and have have successfully attracted investment from notable sources in their pursuit of business growth.

The interviewees were both been operating as investments and inside their own investment companies, managing the portfolio including private investments, straight stock investments and different types of housing investments. The inverviewees had three start-up companies they were currently in search for outside investments. One start up was revolving around new kind of plastic-substitute material for industrial or commercial use, another revolved around technological advancements in the mining industry and one operated in field of chemical infrastructure cleaning. Both of the interviews and interviewees responded to the answers similarly and the answers hold very few drastic differences in their point of views.

4.2 Motivation to search for private equity investors

The interviews highlighted the necessity of outside investments in startup companies success and ability to survive. The companies seem to have two routes to go to, one being minimal success by maintaining small revenue streams and possibly giving a livelihood to the entrepreneur and another being the route of rapid growth.

Since the small and modest livelihood isn't even an option, the companies need to be set up to be as scalabilitable as possible and the companies need capital to create prototypes, gain investors attention and focus heavily on the growth of the company. The companies have patents and proven products mainly funded by personal investments.

Angel investors and VC funds are seen as golden tickets to success since they have the professional knowledge from prior startup companies and working in the field as well as the capital to bring in to the company.

The entrepreneur can go only so far with building a successful rapid growing startup alone and the investment capital is planned commonly to go into rapid expansion and scaling the "idea". Having fancy offices, having profits or revenues isn't seen very important in the field.

4.3 Finding and attracting the investors

Investors are searched from different startup platforms and venues where investors meet the entrepreneurs. In Finland and in Europe these kinds of venues can be sales pitch competitions, such as elevator sales pitch competition where you share elevator with investor and have time until topfloor to sell your idea to them. Startup companies also try to enter all the Forums where outside entity arranges a meeting between the investors and entrepreneurs, for example Nordic Business forum.

In these preliminary sales meetings, the startup companies were commonly asked to have at least crude version of their companies due diligence with them so the investors can have first look into the company structure and financial status. The investors seem to be interested in largely about the patents, product price per unit and the market overview, probably due to have some sort of insights what the companies are all about and have the investors the correct professional knowledge to help the company. The investors are in their position for reason and have commonly strikingly good preliminary ideas how to harness the full potential of the company.

If investor is really going forward with investing into the company, they conduct new and far more indepth due diligence, tailored to their particular set of standards and key factors, so the biggest obstacle as entrepreneur is to attain the interest in the first place. In sales pitch, there is no need to list down all the statistical numbers of the company or the products potential in different market segments, these things come later when first, the entrepreneur has gained the investors interest.

First impression of the product and the persons behind it, are the leading points that determine the investors interest. Investors can hear hundreds of sales pitch per investment event and to make the company become memorable are the characters telling the story. Both of the interviewees pointed out that numbers cant get you anywhere, the investors can count themselves and probably don't need you to help them but exceptionally professional and enthusiastic people can lure out the idea of investing in the minds of investors.

5 CONCLUSION OF THE STUDY

The thesis aims to deepen readers understanding of the private equity field by examining its fundamental principles, investment strategies and main concepts used in the field. Through an indepth examination and interview study we have provided reader with a solid foundation in understanding this intricate field a bit better. The thesis also set out to search for tips and basic guide lines on how to attain the investors by one main research question:

How can start-up companies attract investments from private equity companies or business angels?

Since investors are commonly driven by some agenda or personal preferences, the answer to the research question cannot be answered with great certainty and from the research findings can be made only crude suggestions on how to attract investments in private equity field.

The research showed that everything starts with strong business plan, The company seeking for investment should create a comprehensive and compelling business plan that is well-prepared and showcases the potential of the company. After the basic paperworks are done with exceptional degree, the company must build a strong management team, investors often look for capable and experienced management team that show promise and can ensure the investor that your management has the skills and expertise necessary to execute the business plan.

The entrepreneur seeking for investment, must remember that he investors are operating in a field that has great risks and big potential to failure and they go through unimaginable amounts of company data to find the correct ones. The entrepreneur can try to increase their rate of success by investigating the private equity firms, angel investors and venture capitalists near them and creating a clear vision on who the correct investors for their specific company are. Some firms may have history of investing in startups at similar field of business and may be more favourable to invest in similar companies again.

To get investment, one should seek to go where investors are, so entrepreneur should attend industry conferences, startup pitch events, and networking gatherings to connect with potential investors and building lucrative relationships that can open doors to new investment opportunities. The investment conferences are great places to set out from the crowd with compelling pitch that highlights your startups main leading points to attract the investor.

After the first contact and attracting the investors attention, entrepreneur must make them convinced about the potential of the company for example by showing that startup is gaining traction in the market by revenue growth, a growing customer base, partnerships, or any other significant milestones that could illustrate the viability of your business.

After company has shown preliminary interest in your business, they will in all cases perform a due diligence. Be prepared to this by having detailed transparent financial statements, legal documents and other information necessary for the due diligence.

Attracting PE investments is in most cases, gruelling and lengthy process. The process can take very long time and test the patience and existence of the startup. Persistence, patience and strategic use of current company assets are essential in the process. The company must be able to stay active for the whole investment search. It's important to note that securing PE investment for a startup is highly competitive, and not all startups will qualify or find willing investors. Building a strong business, demonstrating traction, and creating a compelling investment opportunity are key to attracting PE investors to support your startup's growth.

6 DISCUSSION

The goal of the thesis was to deliver information about the private equity sector to anyone wanting to have baseline knowledge of the subject or spark ideas how to attract investments to own company by using theoretical framework from literature review and by in-depth semistructured interview from individuals who have successfully walked the path. The subject is very topical and has broaden its reach to all business segments, so the thesis can be of aid also to startups and entrepreneurs outside the technological innovation type.

The used research methods gave good insights to the subject and answers the set research questions. Semi-structured interviews helped highlight the most necessary practices in the field, but also gave some distinctions from the theoretical part.

The thesis process turned out to be laborious due to, among other things, the very complex study subject and lack of profound source material and the literature review was challenging and timeconsuming. I have keen interest on the subject but before the research my knowledge about all the subjects in the field was very basic and superficial so the specific subject of the study proved to be very hard to pinpoint from the vast financing segment.

The private equity investment segment is fast paced, diverse and practices can change by the entities preferences so many books and published articles were out-dated or wouldn't give truthful image from the subject in the given set premices and restrictions.

The thesis process aimed to give reliable and tracable results so the data collection from internet sources was kept in minimal and an effort was made to acquire the information only from trusted sources. Attention was paid also to the publisher, the publishing date and to only seek information from editions that are not more than few years old.

My lack of previous knowledge about the data collection methods and this inexperience could affect the credibility of the outcome. The data collection and analysis is done solely by me so it lacks the higher analytica accuracy that peer reviewing the data could have provided.

The private equity segment is very broad and there are multiple different researchable routes in it. The proposals for future research in the subject could be to complement the qualitative data by surveying a larger sample of entrepreneurs and private equity investors to identify more closely the trends in the segment in a more broader range. The thesis was also restricted to small to medium sized companies and entrepreneurs in Finland so research could be broaden into cover different geographical sectors, for example North-america or some large startup hubs in Europe. Analyzing how the startups in different regions attract investments can provide alternative and different insights how the field operates in broader scale.

The investor perspective of the field was left largely researched so next student or researcher could conduct a set if interviewes and surveys with PE investors or persons operating in private equity funds as general partners or limited partners to provice more indepth understanding of the processes used in the investor side. This examination of the investors perspective can contribute valuable insights how to attract PE investments effectively.

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Appendix 1.

Haastattelukysymykset / Yksilöhaastattelut

Lähtökohdat yrityksen pääomasijoitus tarpeelle

☐ Yrityksen perustiedot ja toimialat
☐ Mitkä asiat yritysten toiminnassa tai tulevaisuuden suunnitelmissa aiheuttivat ulkoisen pääoman hankinnan tarpeen?
☐ Oliko ulkoiselle pääomalle tiettyä suunnattua kuluerää tai suunnitelmaa johon rahoitus käytetään? (Esim. tuotekehitys tai yrityksen kasvun kiihdyttäminen)
☐ Oliko ulkoisen pääoman tarvetta kartoitettu yrityksen perustamis-/suunnitteluvaiheessa? Jos ei, missä vaiheessa ulkoinen rahoitus tuli esille?
☐ Minkälaista lisäarvoa sijoituksien toivottiin tuovan yrityksille?
☐ Haettiinko sijoittajilta myös erikoisosaamista toimialasta tai jotakin muuta tiettyä asiaa, joka toisi yritykselle lisäarvoa?
☐ Mitä kautta sijoittajia etsittiin?
☐ Mitä yrityksen tuotannollisia tai taloudellisia mittareita sijoittajien hankinnassa koettiin olevan pääasemassa?
☐ Mitä muita yrityksen potentiaalia kuvaavia tietoja kokemuksesi mukaan kiinnostaa sijoittajia?
☐ Kuinka paljon sijoittajahankintastrategiasi painottaa tilastollisia mittareita ja kvantitatiivista tutkimusta muihin tekijöihin verrattuna (esim. yrityksen johdon laatu tai markkinapotentiaali)?
☐ Suunnittelitteko sijoituksen realisointia sijoittajia hankkiessa?
☐ Kuinka yritys suunnitteli jatkavansa sijoitusjakson päätyttyä ja pääomasijoittajien irtauduttua yrityksestä?

Pääomasijoittajan näkökulma kokemuksesi mukaan

☐ Mitkä osa-alueet yrityksessä aiheuttivat eniten kiinnostusta ja sijoitusintoa?
☐ Mitä kriteereitä tai reunaehtoja pääomasijoittajat asettivat sijoituksen toteutumiselle?
☐ Mitkä taloudelliset kohdealueet vaikuttivat mielestäsi eniten sijoittajien päätöksiin?
☐ Mitkä muut asiat, kuten yrityksen laadukas johto tai markkinatilanne, vaikuttavat sijoittajien saamiseen?
☐

Sijoittajien lähdettyä mukaan:

☐ Kuvaile sijoitussuunnitelmaa, jota lähdettiin toteuttamaan
☐ Tehtiinkö alkukartoitus yrityksen tilanteesta ja suunniteltiinko tavoitteet sijoituksen aikajanalle?
☐ Tehtiinkö yrityksen johtohenkilöstöön muutoksia tai nimittikö pääomasijoitusyritys oman johdon
☐ Minkälainen korkotuotto sijoittajilla oli investoimilleen?
☐ Toiko sijoittajat mukanaan tiettyä tuntemusta tai tietotaitoa rahallisen panostuksen lisäksi?
☐ Tehtiinkö sijoituskaupassa suunnitelma sijoituksen realisoinnille/irtautumiselle?
☐

Muuta

- ☐ Opinnäytetyön aiheena on pääomasijoitusyrityksien sijoitukseen vaikuttavat tekijät, jäikö mielestäsi jokin asiaan vaikuttava aihe käsittelemättä?
- ☐ Mielipiteesi sijoittajien hankkimisprosessista ja sen ongelmista tai vaikeuksista?

- ☐ Minkä tavan koet Suomessa parhaaksi tavaksi hankkia pääomasijoittajia?
- ☐ Onko jokin yksittäinen osa-alue minkä koet tärkeimmäksi sijoittajia hankittaessa?