



Silicon Valley Bank

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Silicon Valley Bank aka SVB

- 30 years
- Commercial Bank (checking, loans, fx, merchant services, credit cards, etc)
- Traded on NASDAQ
 - \$4.7B market cap
- 1700 employees
- US, UK, China, Israel, India
- 14,000 tech companies
- 1,000 PE / VC funds



Background



- 13 years working with startups and VCs
 - 11.5 years at SVB (Global Commercial Bank)
 - 1.5 years at 500 Startups (Global VC fund)
- Bay Area, NYC, Boston, Israel
- <https://twitter.com/shaig> @shaig





Costs

- Getting Close to Zero
 - Opportunity cost
 - Cost of living (rent/mortgage/food/etc)
 - Incorporating
 - LegalZoom
 - Startup friendly law firms (deferred fees)
 - Domain
 - Site Enablers
 - Wix, Shopify, SquareSpace, TicTail
 - Cloud
 - AWS, DigitalOcean, SoftLayer
 - Development
 - Elance , oDesk

Capital

- Credit Cards / Home Equity Line of Credit
- Consulting
- Friends and Family
- Crowdfunding
- Accelerators
- Angels
- VCs
- Venture Debt
- A/R aka Factoring

Retail Bank Financing

- Amex / MC / Visa
 - Up to \$100K
 - Up to 20%
- Retail Bank
 - Up to \$100K
 - 10% to 20%
- LendingClub
 - Up to \$100K
 - Up to 30%
- Prosper
 - Up to \$30K
 - Up to 30%
- OnDeck
 - Up to \$200K
 - Up to 40%

Consulting

- Working Part-Time
 - Covers some of your bills
 - Can be distracting
 - Not familiar with many success stories

Friends and Family

- Convertible Note
- Typically up to \$250K
- Pre-Launch

Crowdfunding

- Kickstarter / Indiegogo
 - Pre sales
 - Hardware / Physical
- AngelList / SeedInvest / OurCrowd / FundersClub
 - Equity
 - Post Launch / Traction

Accelerators

- Techstars / YC / 500 Startups / AngelPad / ERA / DreamIt
 - \$20K to \$120K
 - 5% to 10%
 - Typically Post-Launch / Traction

Professional Angels

- People in your network
- AngelList
- Typically up to \$500K
- Typically Post-Launch / Traction

VCs

- \$250K to \$3M
 - Note
 - Priced
 - 10% to 30%
 - <https://angel.co/valuations>
 - 18 to 24 months runway
 - Post Launch / Traction
 - Introductions
 - Founders of VCs portfolio companies
 - Existing investors
 - Other (services providers, events)

Venture Debt

- Post VC round (\$3M+)
 - 5% to 10% Interest Rate
 - .25% to 1% Ownership
 - \$500K to \$3M Amount

Account Receivable (A/R) Financing aka Factoring

- \$5M revenue run rate
- Blue chip customers / Fortune 500
- Ad-tech / Enterprise Software
- 5% to 20%

Funding Trends

- Big Data
- Ecommerce
- Fintech
- Healthcare IT
- Infrastrucutre
- Enterprise Mobility
- Internet of Things / Connected Devices
- Security
- Marketing Automation

Questions?