Thoughts on fund-raising

Jun Shimada

Founder, CTO



ThinkEco, Inc.

- NYC energy efficiency platform company focused on the big data opportunities around plug loads
- Our core products:
 - Residential demand response
 - Corporate sustainability & engagement
 - PaaS & SaaS services for load data & management
 - Retail product in the US & NYC with Best Buy
- Founded 2008, currently 18 employees
- \$11.5MM in equity raised to date from local angels
 - Funding / R&D / working capital from Arrow Electronics, Con Edison, Freescale, Fujitsu, Microsoft, NYSERDA, & Verizon
- Major customers include: Con Edison, Duke Energy, Fidelity Investments & Google



ThinkEco: 2010 vs 2012

Early-stage

- All customer relationships were trials: many small sales
- Technology not at scale
- User experience improving
- Revenue = hardware sales
- "Trial" partnerships: no capital or market commitments
- 2 patent applications filed
- \$3MM raised in capital
- 13 employees

Growth-focused

- Solid customers, close to a "replicable" sales model
- Economy of scale
- Growing retail presence
- Revenue becoming software & services
- Solid partnerships: significant R&D resource commitments
- 1 patent, 4 apps filed
- \$11.5MM raised
- 18 employees w/corp controls

Strategies that worked

- Commitment from early investors is key
 - Be creative in NYC: smart, super-angels exist
- Stay focused
 - Win your backyard: NYC is the biggest urban market, so win it
- Stay lean
 - Revenue will be slower than you think
- Always build your technology advantage
 - Maintain your technology strategy: build IP & <u>build</u> hardware/software to create differentiation
- Take building customer relationships seriously
 - A few solid relationships are more important than many shallow ones
 - Treat your key customers as partners: set proper expectations



Thoughts about fund-raising

- It's no joke: it's a tough climate
 - Only look for institutional money when you are ready
 - Only sell on realistic expectations on your company's projections: revenues, sales traction, etc.
- Take fund-raising very seriously
 - Be prepared with the "package"
 - Very important to qualify prospects: an experienced CEO knows how to figure out how much, when, etc.
- In a damaged market place, trust is the most important thing
 - A history of over-delivering, satisfied partners / customers, and working technology is key

