

# CARIBBEAN CENTRE FOR MONEY AND FINANCE

VENTURE CAPITAL MOBILISATION  
AND ALLOCATION STRATEGIES

# VENTURE CAPITAL MOBILIZATION AND ALLOCATION STRATEGIES

- INTRODUCTION
  - WHY VENTURE CAPITAL
  - CARIBBEAN HISTORY
    - ISSUES
    - PREVIOUS ATTEMPTS
    - LESSONS LEARNT

# VENTURE CAPITAL MOBILIZATION AND ALLOCATION STRATEGIES

- VENTURE CAPITAL FUNDS

- TYPES OF FUNDS

- INVESTMENT SPECIFIED
    - STAGE SPECIFIED
    - REGION SPECIFIED

- OTHER CONSTRAINTS TO FUND SPECIFICATION

- » IMPLICATION FOR FUND STRUCTURE, PORTFOLIO COMPOSITION, FUND RAISING

# VENTURE CAPITAL MOBILIZATION AND ALLOCATION STRATEGIES

- FUND RAISING ISSUES
  - FUND STRUCTURE AND MANAGEMENT
  - LOCAL, REGIONAL INVESTMENT CLIMATE AND FINANCIAL MARKETS
    - FINANCIAL MARKET DEVELOPMENT
  - LEGAL ENVIRONMENT
    - LEGAL CONSTRAINTS ON FINANCIAL ACTIVITY
  - REGULATORY ENVIRONMENT
    - DEGREE OF REGULATORY CONTROL AND CONTROL SOPHISTICATION

# VENTURE CAPITAL MOBILIZATION AND ALLOCATION STRATEGIES

- SOURCES OF FUNDS
  - PUBLIC/GOVERNMENT
  - CAPITAL MARKETS
    - INSTITUTIONAL INVESTORS
    - INDIVIDUAL INVESTORS
    - POOLED FUNDS
    - CORPORATIONS/FINANCIAL
    - CORPORATIONS/NON-FINANCIAL
    - EXTERNAL SOURCES
    - PUBLIC EXCHANGE

# VENTURE CAPITAL MOBILIZATION AND ALLOCATION STRATEGIES

- STRIMULATING DEAL FLOW
  - COMMERCIAL FINANCIAL INSTITUTIONS
  - INVESTMENT BANKERS
  - MICROFINANCE INSTITUTIONS
  - DEVELOPMENT BANKS
  - ANGEL NETWORK
  - BUSINESS SCHOOLS
  - WORD OF MOUTH/SUCCESS STORIES

# VENTURE CAPITAL MOBILIZATION AND ALLOCATION STRATEGIES

- VENTURE CAPITAL MODEL
  - ECONOMY/MARKET SIZE
  - TERM AND RISK CONSIDERATIONS
  - REGULATORY ENVIRONMENT
  - INVESTOR KNOWLEDGE/EXPECTATIONS

# VENTURE CAPITAL MOBILIZATION AND ALLOCATION STRATEGIES

- ISSUES TO CONSIDER
  - NUMBER OF OPERATING FUNDS
  - INVESTMENT SOURCES
  - LEGAL AND REGULATORY ISSUES
  - PUBLIC ENVIRONMENT
    - TAXES, INCENTIVES, PUBLIC EDUCATION
  - CAPITAL MARKET ACCESS AND RELATIONSHIP
    - EXIT/HARVESTING, INSTRUMENT ACCOMODATION
  - EXTERNAL INFLUENCES