



# CAPITAL FORMATION AND BUSINESS DEVELOPMENT IN NORTH CAROLINA

***A STATE WIDE PROGRAM TO INCREASE ACCESS TO  
CAPITAL AND PROVIDE***

NORTH CAROLINA ENERGY CONFERENCE  
APRIL 8, 2008



# FOOD FOR THOUGHT

- For the first time in over 70 years we have experienced no net private sector job creation.
- A total of 2.8 million jobs have been lost in the manufacturing sector during the past 8 years.
  - U.S. Department of Labor, Bureau of Labor Statistics)



# MORE FOOD FOR THOUGHT

- Manufacturing employment is now at the lowest level in 50 years.
- The downward trend continues with factories cutting employment in eight of the last nine months (U.S. DoL, BLS)
  - U.S. Department of Labor, Bureau of Labor Statistics



# IS THERE ANY GOOD NEWS?

- On average, there were 437,000 people creating new businesses each month over the past ten-year period.
- Entrepreneurial activity is on an upward trend ..... people just like you.



- INNOVATION MAY BE ONE OF THE LAST AND BEST CARDS AMERICA HOLDS.
- INNOVATION (GOOD IDEAS) REQUIRES CAPITAL.
- GOOD IDEAS WITHOUT CAPITAL....GO NOWHERE.



# North Carolina's Economic Growth

- **THE NEED:**

Stimulate the formation of more committed private equity investment groups in :

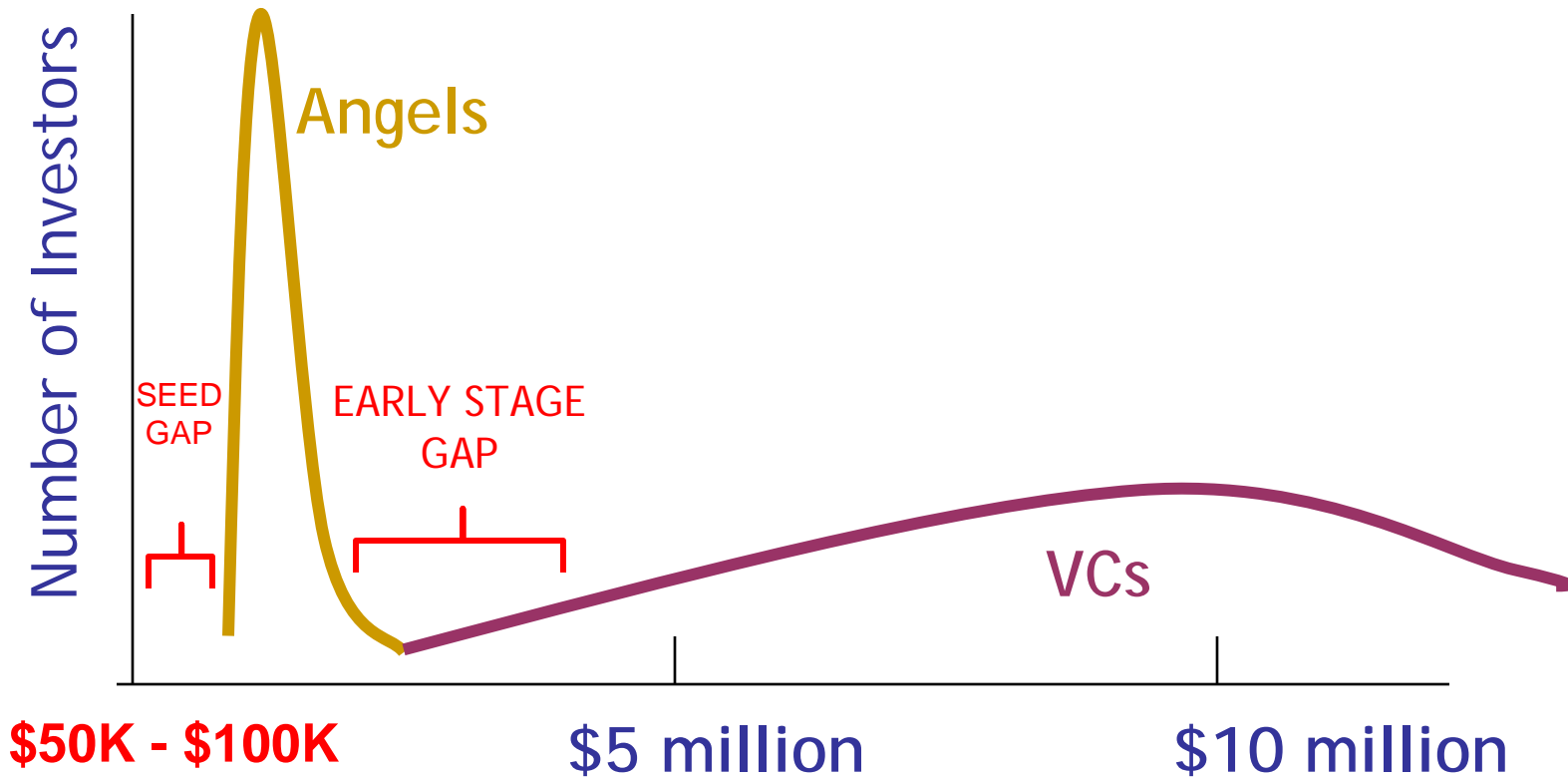
1. True seed funding (first money in)
2. Early stage funding ( \$250K to \$500K) *Traditional VC models cannot meet this need.*

- **THE SOLUTION:**

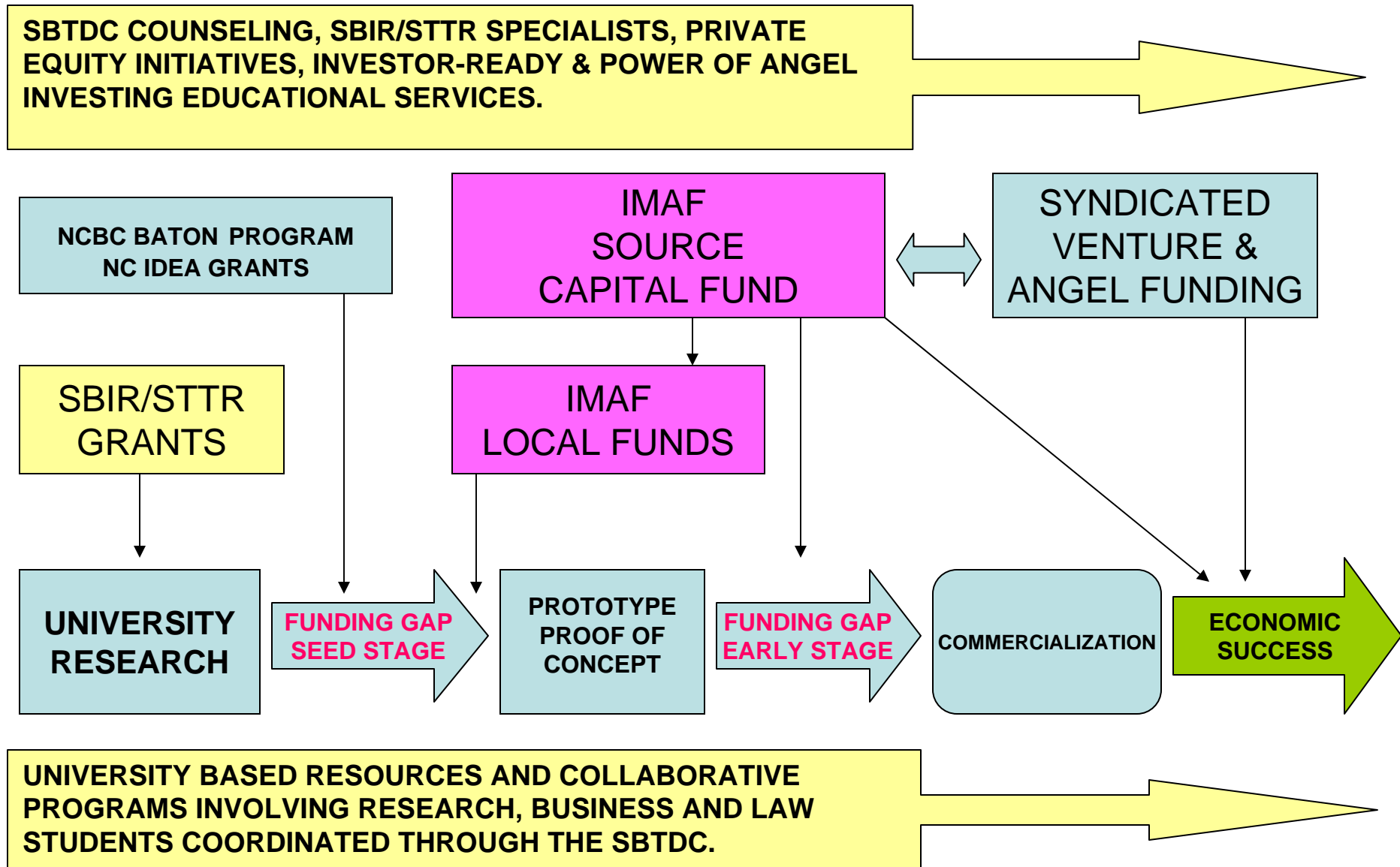
Create the IMAF Family of Funds and deliver capital using the successful experience with IMAF Triad-1, other angel groups, private and institutional investors and the broad spectrum of educational programs and counseling resources of the SBTDC on a state wide basis.

# THE FUNDING GAPS

Source: Kauffman Foundation – “Power of Angel Investing”

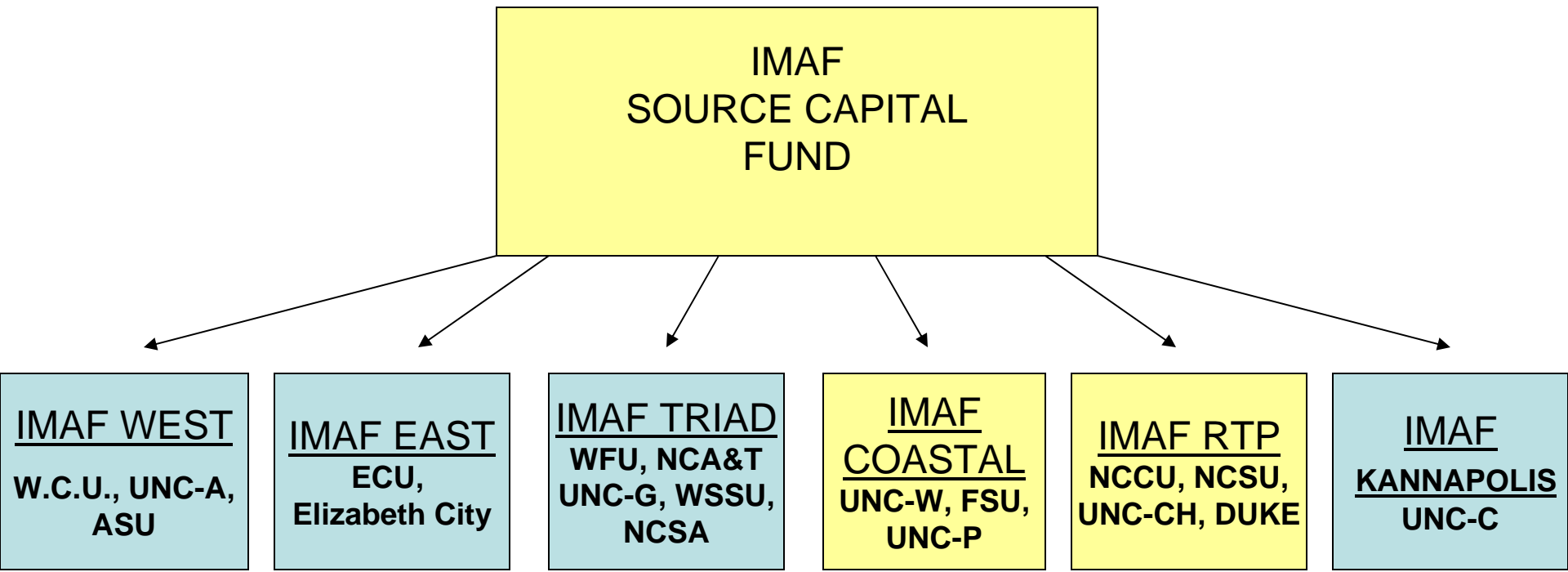


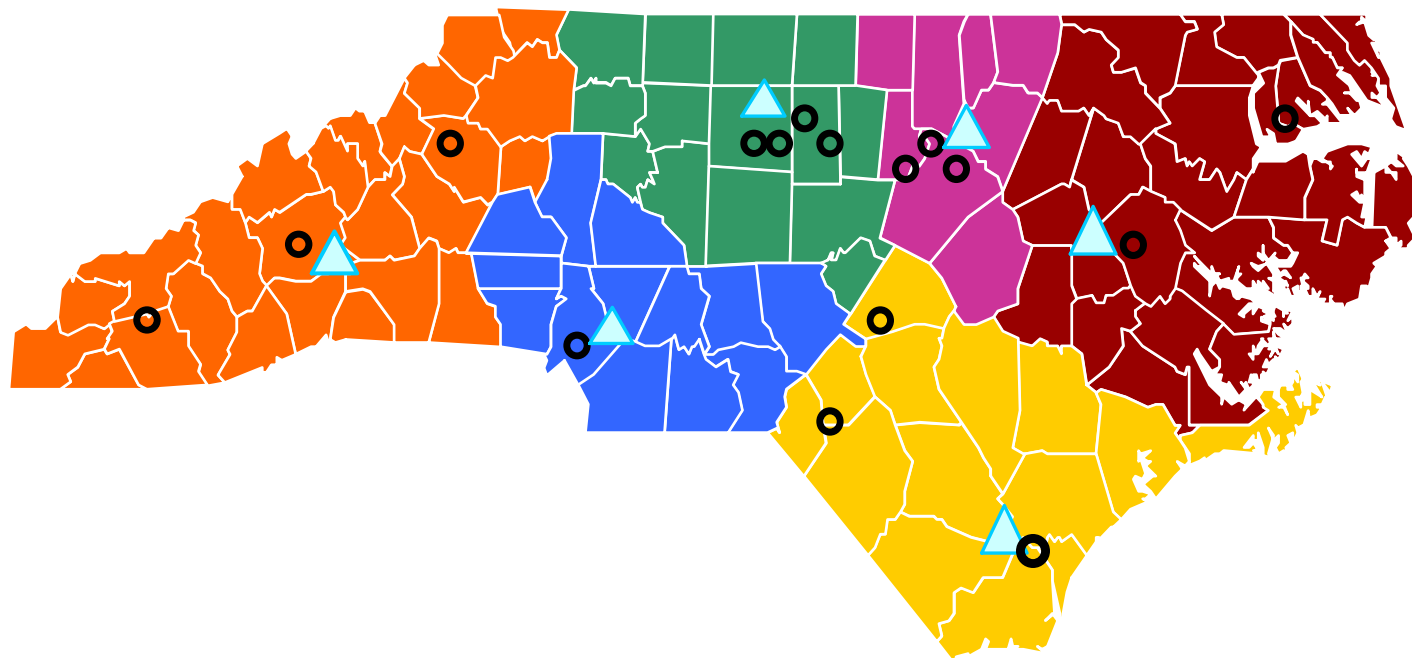
# North Carolina's Funding Model





# IMAF SOURCE CAPITAL





= University Campuses



= IMAF Sites



# *IMPACT*

IMAF-TRIAD

- **67 JOBS CREATED OR RETAINED**

(POTENTIAL FOR 300 + JOBS ON A STATE WIDE BASIS)

- **\$2,158,350 INVESTED IN 13 TRIAD COMPANIES AND 1 FROM R.T.P.**

- **1:1 LEVERAGE OF ADD ON INVESTMENT DOLLARS.**



# SBTDC PARTNERSHIP

## 2007 ATTRIBUTES:

1. 26 YEAR HISTORY OF DEMONSTRATED SUCCESS WITH STATE WIDE COVERAGE.
2. SBIR/STTR GRANTS IN EXCESS OF \$40M
3. SECURED OVER \$1.4B IN GOVERNMENT CONTRACTS FOR N.C. SUPPORTING MORE THAN 35,000 JOBS.
4. R.O.I. EQUATES TO \$6.88 IN INCREMENTAL TAX REVENUE FOR EVERY \$1.00 INVESTED IN THE SBTDC.



## IMAF MODEL

**A MEMBER - OWNED AND MEMBER - MANAGED  
LIMITED LIABILITY COMPANY, ORGANIZED TO  
PROVIDE MEMBERS AN OPPORTUNITY FOR  
ACTIVE INVOLVEMENT IN A DIVERSIFIED AND  
DISCIPLINED CAPITAL INVESTMENT PROCESS  
FOCUSED ON ROI AND ECONOMIC GROWTH.**



## **PROJECT STATUS AND NEXT STEPS**

IMAF-TRIAD, 14 DEALS AND CONTINUING TO SEEK INVESTMENTS

IMAF-TRIAD II, ANTICIPATED EARLY 2008

IMAF-WEST, FORMED, RAISING MONEY, 2 DEALS DONE

IMAF-EAST, FORMED, RAISING MONEY

IMAF-KANNAPOLIS, FORMED, RAISING MONEY

IMAF-RTP, ANTICIPATED MID 2008

IMAF-COASTAL, ANTICIPATED MID TO LATE 2008

IMAF SOURCE CAPITAL FUND, START RAISE MID 2008



## HOW DO WE TIE ALL OF THIS ACTIVITY TOGETHER ?

- NORTH CAROLINA CAPITAL HIGHWAY  
[WWW.NCCAPITALHIGHWAY.COM](http://WWW.NCCAPITALHIGHWAY.COM)
  - US CAPITAL HIGHWAY  
[WWW.USCAPITALHIGHWAY.COM](http://WWW.USCAPITALHIGHWAY.COM)



# THE ULTIMATE RESULT

- TAKING ANGEL INVESTING OUT OF THE BACKYARD
- MAKING MORE PRIVATE EQUITY CAPITAL AVAILABLE
- FUELING INNOVATION FOR THE FUTURE