

## **Barry Moignard**

Textbooks or published papers, since the Second World War, have attempted to describe processes and formulae by which venture capital investments may be evaluated and analysed. Successive generations of business management gurus have tried to capture these processes with the power of logic and deduction.

From my reading and personal experience, if there is a logical approach to venture capital investment, the most appropriate description would be that of “fuzzy” logic. In 40 years of developing businesses, and in the latter years, in providing venture capital funding to start-ups, I have concluded that a successful venture capitalist must be able to think and behave like an entrepreneur in part, particularly in dealing with the early seed capital investments.

My Ph.D research during the last three and a half years, has reinforced my belief that a quality of intuitive vision defines the real entrepreneur and a successful venture capitalist must be equally able to tune in to that aspect of the entrepreneur.

I cannot speak for vast enterprises or innovations, which occur within corporations. I refer, however, to the more common business enterprise that develops from a family business or a raw concept, which, by the power of the opportunity present, deserves and sometimes gains financial backing.

My paper describes the management of risk from both sides of the negotiating table. How do you avoid being exploited as an inventor/promoter? And how does a financier really capture the essence of the investment and thus benefit from those rare successes?

Over 40 years, I have experienced fund raising for more than 60 enterprises projects. These were in industries ranging from medical electronics, agriculture and horticulture, financial products, construction, hospitality, travel, e.commerce products, telecommunications and civil engineering.

These negotiations required the preparation of analysis/evaluation of business plans and financial projects – line by line.

My paper provides the real life decision-making processes that occurred, and briefly examines the results of these deals over time.