



# Table Talk

**Consultants Roundtable Monthly Newsletter - James Perkins, Editor**

## **TABLE TALK FOR APRIL 2007**

### **MEETING 3 APRIL**

This is the usual discussion meeting led by CR member Tom Dobson. He will pose several questions about relationships we consultants have with clients. There are several aspects of that such as when we complete an assignment, how does the client feel about us?

### **MEETING 17 APRIL**

Our member Christo (Christopher R. Lowe) of Excelysis, Inc. South Bend, will present a talk about how customized information management systems (database applications and solutions) can save a client money and person-power by streamlining business operations. This subject is important to us and is critical to our clients to help them remain competitive.

### **LAST MONTH (MARCH)**

The program meeting which usually is the second meeting of the month featured Gene Cavanaugh, Vice President of 1st Source Bank and its subsidiary, 1st Source Capital. He gave an overview of the business of 1st Source Capital, which is to provide capital to emerging growth young companies whose future growth seems promising to return multiples of the capital invested in it. Mr. Cavanaugh pointed out that the growth expected is 30% compounded in 3 to 7 years. 1<sup>st</sup> Source Capital frequently partners with other venture capital companies to fund a venture company. He gave several examples of venture companies which have achieved the growth desired by the venture capitalists. Not all ventures succeed, and failures are due to several reasons, but mostly management mistakes.

The management team is crucial, so the team should be comprised of people with experience in business management and quite familiar with the technology pursued and the market for the forthcoming products or services. Along with the experience of the management members is their hunger to succeed, their charisma, their ability to think strategically, and to accept coaching along the way.

Funding sources for from start to "cashing out" is around \$50 K for the owners. \$250 K or more from angels, seed capital \$500 K, venture capital \$2 M, and at the IPO stage \$15 M or more. The various stages of funding are early growth, possibly R&D grants, then a formal business start-up, 1st stage (mfg. & sales) 2nd stage, mezzanine (expansion), and bridge (short term to get to the IPO). Various types of buyouts and the forms of ownership were also discussed.

This talk was made to order for consultants to assist clients.

Jim Perkins, CR Secretary and Editor