

HOW CAN I SPEED UP THE PROCESS OF DISTRIBUTING EQUITY AND RAISING CAPITAL FOR MY STARTUP?

By definition, an entrepreneur is a busy person who always lacks time to achieve every goal in his or her schedule. For this reason, it should not be surprising that when raising capital or incorporating equity partners in a startup, equity negotiation processes tend to be slow and time-consuming.

This problem may be even more important if the entrepreneur or founder's team lacks previous experience with entrepreneurship or capital raising, since preparing the materials and information necessary to meet with an investor takes a significant amount of time, and the quality of these documents is decisive for the success of the equity trading rounds.

According to Alejandro Cremades -entrepreneur and author on the blog of Forbes- among the factors that impact the most in the amount of time that an equity negotiation or capital raising process takes are:

- The quality and depth of the data used.
- The quality and effectiveness of the deck used in the presentation to the potential investor.
- How complicated the due diligence is.

In this sense, we believe that beyond a good idea, it is essential to have the right tools to tell a story based on numbers and the ability to convince the most sceptical of investors, therefore, at Arca Análisis Económico we have developed [#Arca4StartUps](#), a tailor-made service to meet these needs, exclusively for startups. Our advice and support have shown to be effective in various situations, facilitating the processes related to the distribution or sale of equity and helping entrepreneurs communicate effectively with potential investors and establish their fundraising goals.

GIGGET: ADDING NEW PARTNERS TO THE FOUNDERS' TEAM

[Gigget](#) is a tech startup based in London, which is developing an app to connect people who need an errand to be run or an odd job to be done (the *wanters*) with people who have the time and disposition to carry out such tasks (the *giggers*). The

idea for this P2P platform is from María Castro, CEO of Gigget, who hired the services of [#Arca4StartUps](#) to complement the work that she and her co-founders had carried out with an accelerator in London.

We held periodic meetings with María and her team to understand and measure the market, competition and pricing schemes. Therefore, this allowed us to align expectations about the future performance of the market and how it would impact the financial results of Gigget.

Once we completed the research stage, we employed all of our analytical tools to transform that story into numbers, generating a forecast for the income statements (including estimated margins of profit), a milestone plan, and a valuation that María used when she had to negotiate equity as part of the process of incorporating two new people to her team of co-founders. In that sense, the advice and reports we produced for Gigget helped María to close a faster and more transparent negotiation process for all involved parties.

MEIXTER: PLANNING A KICKSTARTER CAMPAIGN

[Meixter](#) is an innovative one to one tutoring platform that aims to create a community of tutors and learners, making the learning experience more flexible and fun and ecological, donating resources for reforestation projects around the world for each class that is taught in the app. Its founders, Alejandra Carreño and Eduardo Ghini, are based in Bournemouth and hired the services of [#Arca4StartUps](#) to get support from a team of advisors that would help them prepare the financial forecast required to refine the goals of their crowdfunding campaign in Kickstarter.

The work with Alejandra and Eduardo lasted approximately five weeks; we reviewed the growth forecasts of the global tutoring market, the state of the competition and the attributes of value that could give Meixter an advantage over its competitors.

Given the conditions of the business landscape, we generated a set of assumptions that allowed us to model the monthly income and expenses flow for the first year of Meixter operations, helping

Alejandra and Eduardo to develop a more reasonable estimate of the amount of money they needed to achieve their monthly goals of adding new users to the platform.

As part of the advisory, we also helped Meixter founders to estimate the monthly number of net adds to the platform under different scenarios, based on varying levels of marketing expenditure. Meixter's Kickstarter campaign is active from October 27 to November 26, 2020.

URIJI: TALKING ABOUT VENTURE INVESTING WITH THE FINANCIAL COMMUNITY IN CARACAS

[URIJI](#) is an application that combines the best of social networks and P2P payment platforms, making it possible to create ecosystems of economic exchange, and facilitating interactions that promote the economy of passions and micro crowdfunding. The company's headquarters were established in Caracas in 2016, and to date, it has more than 40,000 registered users.

Jean Clauteaux, the founder and CEO of URIJI, used the services of [#Arca4StartUps](#) to prepare a [series of articles](#) with a professional and didactic perspective, to communicate to the financial community of the city the risk/return ratio of acquiring URIJI shares and why it was recommended as a long-term investment.

During three weeks of intensive work, we analysed the industry and determined the key performance indicators (KPI's) that best reflected the company's historical and potential performance, we characterised the attributes of the value of URIJI and described the risk factors implicit in an investment of this type, not in vain investing in startups is also called venture investing.

We used our articles to effectively explain the operational risks, market risk, liquidity risk and compliance risk inherent in investing in URIJI. The articles were presented at a public event that was held in Caracas in November 2019 and was attended by more than 300 people.



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Do you have a business idea in mind or a startup, and you need to prepare to look for partners or capital? The [#Arca4StartUps](#) team is here to help you. Contact us for more information about our services and fees.

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