



INFLECTION
POINT VENTURES

INFLECTION POINT VENTURES

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WHO WE ARE

Inflection Point is a member group formed to drive exponential value creation by being India's most accessible & efficient network connecting a diverse investor community with carefully curated set of startups

The team constitutes industry leaders who have a passion to make a difference to the startup community and between them have over 150 years of experience across Industries including Private Equity, E-commerce, Finance, Banking, Retail, Consumer Tech, SaaS, Consulting, and Healthcare.

Inflection Point Ventures LLP has 9 partners supported by a team of talented professionals and analysts who are responsible for deal curation, due diligence, startup mentorship and fund raising.

The member group has ~250 investors, mostly CXOs of companies representing cross section of Industries, who have access to the deals curated by Inflection Point for investing, mentoring and providing any kind of technical support.

Since its inception, 100 unique investors have invested through Inflection Point Ventures. For many it was their first angel investment.

HOW ARE WE DIFFERENT

Inflection Point Approach

The idea behind Inflection Point emerged from the intent to improve the returns from angel investing. We looked at investing successes and failures realistically and identified the following key measures of success:

- 01 Early stage participation with startups for relatively reasonable valuation.
- 02 Personal interaction with the Founder / Co-Founders. Success of a startup is dependent upon both: the idea & the ability/experience/aptitude/attitude of the founder / co-founders.
- 03 Ability to provide both monetary (via investment) and non-monetary (new business opportunities, access to subject matter experts/experienced professionals) services to the startup.
- 04 Detailed due-diligence to avoid reacting to artificial scarcity/demand created by the founders/other angel networks.
- 05 Complete transparency around valuation, personal interest (if any), findings of the due diligence process.

With these factors in mind we searched for like-minded individuals and that is how Inflection Point Ventures was born.

Inflection Point is not merely an angel investing group. It is differentiated mainly on 4 dimensions

01 Mentoring Approach

Grow business through access to customers and expertise.

03 Diverse Network

250+ members who are mostly CXOs and HNIs across industries, geography and expertise. We also have among us lawyers, doctors and other professionals as members. This brings a very unique experience set to the table.

02 Easy Access

Low cost to be part of network & relatively smaller ticket size. Ideal for investors new to angel investing. At the same time, Inflection Point also advises investors / family offices who want to make bigger investments.

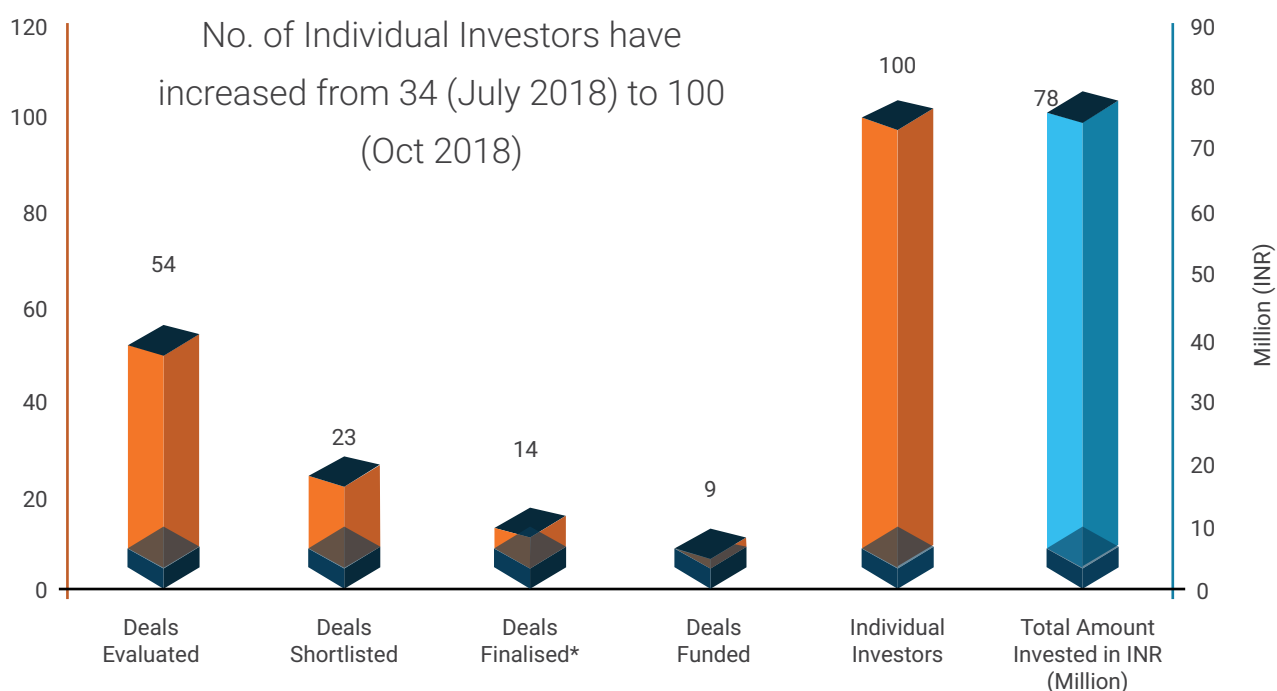
04 Virtually and Digitally Connected

The member group is digitally connected and deals are evaluated online making the group location and region agnostic. The entire life cycle of an investment can be experienced and evaluated through our digital platforms.

A combination of the above makes angel investing easier for new investors who can rely on a very experienced group for evaluation and risk assessment of deals.

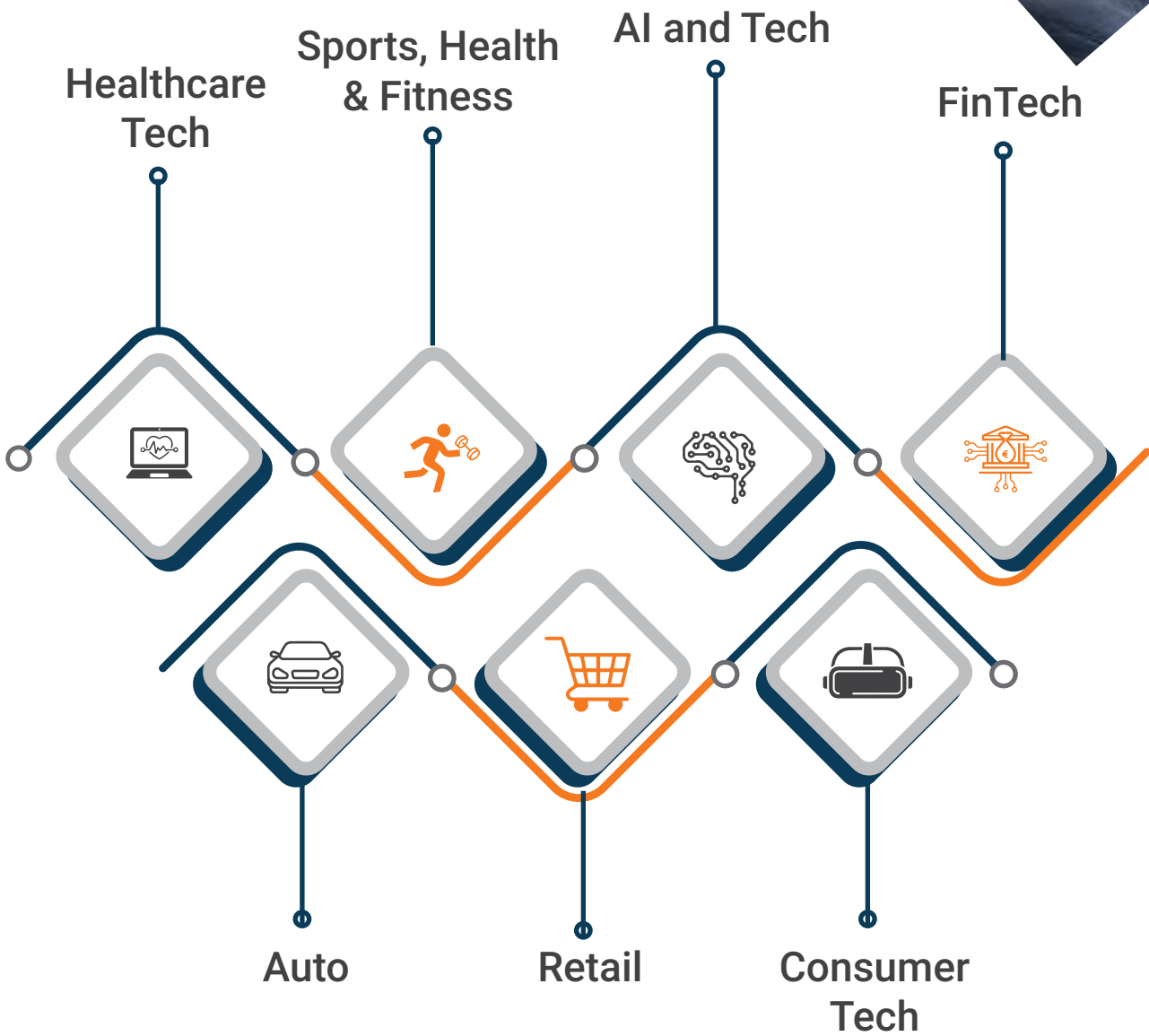
DEAL HIGHLIGHTS (MARCH 2018 – OCTOBER 2018)

Inflection Point Approach



*Includes deals currently under due diligence

TYPE OF DEALS SPAN ACROSS INDUSTRY



UPDATES ON START-UPS INVESTED

Here is a quick update on two of the startups that IPV members have invested in:

WISHUP

Virtual Assistant startup, Wishup has more than doubled their revenue since March 2018 (IPV investment) and the founders plan to hire an additional 400 virtual assistants in the next 18 months, taking its total strength to approximately 500. The company will use the pre-series funding received from Inflection Point Ventures to bankroll the hiring. The company has also been able to tap various networks to expand with the support of the IPV group. Members themselves have signed up for their services in individual capacity or via their organizations. Founders, Neelesh Rangwani and Vivek Gupta, are now looking at expanding their own business development and marketing teams as the demand for their services booms, with the clientele ranging across Tier-1 and Tier-2 cities in India to the USA and Australia.

RAYBABY (RIOT SOLUTIONS)

Raybaby (RIoT Solutions), a Tech Based Baby Monitoring Solutions Company, has been voted as "The Most Outstanding Product" in the Tech Savvy category at the ABC Kids Expo held in Las Vegas. RIoT Solutions announced its first retail launch of their raybaby monitor on Amazon and are also planning to finish the onboarding into Walmart and Bestbuy.com. As RIoT Solutions scales up, they have also completed the shipping process of the first complete batch of units to their Kickstarter backers (1,000 units), have optimized supply chain management, and have handed out contracts to 2 more manufacturing hubs in Bengaluru.

DOs AND DON'Ts OF ANGEL INVESTING

Inflection Point recognizes some of our members as first time angel investors. It is a responsibility we do not take lightly. This newsletter is dedicated to all our members who are entering the wonderful, exciting, financially rewarding, yet extremely uncertain world of angel investing through our platform. We interviewed some individuals who have been able to achieve success through angel investing and tried to understand what motivated them towards angel investing and what are the key lessons they learnt that can be helpful to the new investors.

We have tried to capture their thoughts in a mix of **DOs** and **DON'Ts**. Later in this newsletter, we have also shared with you how seasoned and new angel investors are using the IPV platform and IPV core team members also talk about their motivation and initiation in to the world of Angel investing.



01 Evaluate the product / idea



The Start-up's idea / product should have a strong and defensible competitive advantage

with large addressable market size and good growth opportunities. It is helpful if you are or know someone who is / can be the target customer of the start-up's product but it is not mandatory. We should also be careful to not let our personal bias affect our investment decision – just because you don't want strangers to stay in your house doesn't make AirBnB a bad business idea. At IPV, we have strong preference for the ideas that we can help grow through our network.

02 Numbers don't lie



While you can't rely on five-year projections (also called as founders' hopes and dreams), you should

at least investigate how the start-up plans to spend your money. You should also ensure that the start-up has a scalable business model and path to profitability. One of the criteria we examine at IPV is if the customers will pay for the product or service and whether the business can turn profitable in next 3 – 5 years.

03 Address the valuation dilemma



Startup valuation is both science and art, actually more art than science.

Valuation is driven more by factors like Founders experience, FOMO (fear of missing out on a hot sector by the investors), growth potential, etc. rather than more established valuation methodologies.

Still, you want to structure the investment so as to have the possibility of generating a 50 percent rate of return to compensate for the start-ups that don't succeed. And while there are no right answers, it may be better to invest in a high growth company at a higher valuation than investing in a struggling company that is available for cheap (unless you feel strongly about the founders/idea and can contribute more than just capital).

04 Understand your risk tolerance



Start-ups have high risk of failure though potential returns can be exponential too. Hence a

question you should ask yourself is that how much money are you actually willing to invest and potentially lose? In this risk and return game you need to understand the depth of the ocean before taking the dive. At IPV, we have tried to keep the minimum investment ticket size of INR 2.5 lakhs (for most start-ups) for this very reason. While seasoned investors can invest more, and most of them do, first time or new investors have the flexibility to start small.

05 Diversify your portfolio



Don't put all your eggs in one basket. If the handle breaks, all you will be left with are scrambled eggs.

For any company, there is a relatively high risk that the company will fail altogether, no matter how good it looks and how confident you feel about the idea / founders / business model. By having a broader portfolio, your portfolio, won't be 'all or nothing' like it is with just a single investment.

We will typically recommend that you diversify the amount you have set aside for angel investment across 5–6 start-ups to improve your chances of success. At IPV, we will showcase approximately 20 start-ups every year giving you some good options to choose from.

06 Invest in people



When investing in a start-up, you are not merely investing in a product or an idea. You are also

investing in the founders. What drives the investment decision to a large extent is the reputation, track record and goals of the founding team. The product or idea may change many times during the business life cycle but you need to evaluate whether the founders are passionate, skillful and motivated enough to stick it out and play the long game. IPV scorecard (part of our due diligence process) has an entire section dedicated to founders analyzing their industry experience, clarity of thought and purpose etc.

07 Think in 10-year horizons



Even though as angel investors you can expect to get an exit in 3 – 4 years but remember that on an

average it may take a business 7 – 10 years from VC investment stage to eventual exit via strategic sale or IPO. Consequently, only consider investing money that you don't need in the immediate future.

01



While it is tempting to invest in ideas where you think you can contribute more than just capital,

Don't make this your sole investment criteria. Many start-ups are trying to solve existing problems that we may not be able to appreciate or may even be biased against. Our biggest strength as angel investors is that we are willing to bet on an idea and people.

02



The start-up's financial projections and the built in exponential growth can neither be fully reconciled

nor justified. So **Don't** look at the financial model alone. It is important to analyze the business as a whole. In addition to the point #2 of Dos, it will also be good to understand more about the product, problem they are trying to solve, potential market size, founders' experience, and potential exit opportunities. At the same time please note that ideas can grow exponentially in a very short period of time. Just look at how OYO is challenging the traditional hotel industry.

03



At IPV, each start-up goes through rigorous due-diligence. Whenever an idea comes to IPV, the

same is analyzed by 9 core IPV team members. An idea needs at least 3 "yes" for it to be invited to present to the broader investment group. Post the founders' presentation, 2 members from the core IPV team and a lead analyst conduct detailed due diligence. Industry experts are brought in to support the due diligence process as and when required.

IPV members' base includes CXOs, doctors, bankers, lawyers, entrepreneurs which provide us a rich base to choose from. Findings of the due-diligence are shared with the IPV members on a commitment call. The whole process takes 2 – 6 weeks. Our recommendation is that, post the commitment call, **Don't** spend longer than 2 – 5 days evaluating a deal. You will never have all the answers and angel investing is also about trusting your instincts.

04



It is not common for individual angel investors to get Board seats, preferential rights etc.,

unless you are investing a sizable amount. So **Don't** have such expectations. However networks like IPV give you an opportunity to invest as a group and as a group, IPV tries to negotiate best possible terms for all its investing members. We have been able to get Board seat, Board observer seat, access to same information as other large investors for most of the start-ups we have invested in as a group.

05



While it is exciting to invest in sectors that are considered “hot” in the VC space, but there is a new

hot sector every 12-18 months. So **Don't** invest on the basis of trends, hearsay and rumors. Verify and evaluate before you invest. IPV founders' call and commitments calls are run on a digital platform that allows all members to dial-in and participate from anywhere in the world. Members are encouraged to ask their questions and then participate in a feedback survey (at the conclusion of the founders' call) where the members can share any additional questions they may have.

06



Not all investments will be successful. It is only constant in the uncertain world of angel investing.

So, **Don't** forget to take note of risks involved in the investment and learn from your investments that don't succeed.

TESTIMONIALS

Pramod Gupta

Angel Investor (IPV Member)

I am really happy with IPV Investors as a platform to be associated with as an angel investor. Deals that come to the large group are truly thought through. Core/Steering Committee is indeed doing a great job of sieving, maturing and then putting up the deals before the larger group.

I appreciate the structured approach, the pre-reads, well organized calls, feedback on the calls and the entire process leading up to the final investment. Post investment, there is a very good focus on members helping the start-up scale, especially in terms of providing mentorship and helping them to make key connections.

I have started looking forward to Start-Up Saturdays. It is a great value for my time. Investments apart, I learn a lot through getting a view of the innovation happening all around and the debates, discussions and collective inputs.

Narasimhan Srinivas

Director - Finance & Strategy , Schneider Electric (IPV Member)

Working with IPV has been a great experience both in terms of investing and learning. I would term IPV as delivering 'Immense Potential Value'. The Versatility of the feedback from a group with top notch CFOs cutting across multiple industries adds lots of value in the process of evaluating a startup. The professionalism in managing the entire process right from the Startup introduction, evaluation scorecard and the Saturday calls which have almost become a weekly routine help immensely in making informed decisions. This sort of value is rather unique, I would say to IPV which not only can boast about its best peer group network but also the follow through actions by guiding the startup with expertise which in no way these firms would have been able to afford.

I am sure in the future IPV would only emerge stronger when these startups start delivering value as is already visible in a few cases.

Ena Bansal

Angel Investor (IPV Member)

This is my first month in IPV, am close to making my first investment and the experience thus far comes close to what I was hoping to get – a) Good proprietary leads b) Expert analysis and diligence on the promoters, c) Follow ups on portfolio performance, and d) An ability to ask questions freely. I still hesitate as I am new to this environment but I am hoping this platform helps me overcome that.

Neeraj Agarwala

Founder, Sportido (Raised funds through IPV)

It has been a pleasure working with IPV since Day 1. Their process is absolutely seamless - from the online pitch, to the report, to feedback, to due diligence and even signing the SHA has been a breeze. Additionally, even before the actual funding, they have added so much value, especially by way of product feedback and market intelligence and I'm sure that this is just a glimpse of what's in store for the future. Further, as a group of accomplished senior professionals with diverse backgrounds, they are able to collectively provide a rich overview of the business which is exemplified in their feedback report. Moreover, the best part is the generous willingness to offer help towards both tactical and strategic initiatives. We see an immense potential in this partnership and we're certain that we couldn't have found a better Angel network.

Ranjana Nair

Co – Founder, CEO, RIoT Solutions Inc. (Raised funds through IPV)

During our fund raise, we interacted with several angel communities and we realized that there was a huge gap when it came to business understanding and execution. But IPV was the only angel investor community we went ahead with because of the structured conversations, the right questions and an innate ability to understand the company's vision. The deal closed in 30 days and was the fastest angel investor closing for us. I am positive we will be able to benefit from their resources and their wealth of experience. I would recommend IPV if you are an Angel Investor. Based on my experience, I will recommend IPV platform to all entrepreneurs looking to raise angel funding for their ventures. I will also recommend IPV to angel investors, especially first time investors.

TEAM – INFLECTION POINT VENTURES

Angel investing has the lure of exponential returns but the risk of failure is high. In fact, a Harvard Business School study observed that 75% of the venture-backed start-ups fail. But as Sir Richard Branson once said, "You don't learn to walk by following rules. You learn by doing and falling over." And hence, we are all here dedicating our time, knowledge, expertise and our money to angel investing.

However for the first time investors, which idea to back can be a daunting task. At Inflection Point Ventures, we aim to create a platform where we all can learn from each other's mistakes and successes. It is with this objective that we are sharing below short quotes from the core team behind Inflection Point Ventures, highlighting our initiation into the world of angel investing and motivation behind IPV. We may not know what it takes to achieve 100% success in angel investing but we are confident that we are better off walking together than alone. Welcome aboard!



ANKUR MITTAL

Training the Street, Citigroup (M&A-NY), Credit Suisse (M&A-London)

Angel investing = betting on a number in roulette. Odds are against you but if you win, you win BIG. It was not the most prudent strategy. I realized angel investing has a high risk-high return relationship, but it doesn't need to be purely luck based. The risk can be managed & returns improved through rigorous due diligence of the idea upfront, better assessment of the start-up's founding team, investing in ideas where I can contribute more than just money & co-investing with like-minded individuals. I found one such co-investor in Vinay Bansal and we invested together in few start-ups including Fitso & MilkBasket (both the investments have since raised money at higher valuations across multiple rounds and have further strengthened & improved their respective business models). IPV is an extension of the above ethos and I feel there are exciting times ahead of us.



ADARSH DIKSHITH

JDA Asia Pacific, PWC, Allianz, CapGemini

Continuous learning and development is an integral part of professional development now than ever before. For me, angel investing is one such opportunity and through IPV, I foresee a platform where we all can learn from the finest professionals with diverse sector / industry background.



DIPANJAN BASU

Myntra, Wipro

Angel Investing for me is to support an idea supported by passionate entrepreneurs. That's how I invested in Zwayam, an AI based HR tech SaaS platform. I think it takes a lot to be an entrepreneur and the sacrifices are immense. If there is a network of professional expertise and experience that can make the life of the entrepreneurs easier and they also happen to be investors, there can be magic. I hope to create few of them!!



ANANYA TRIPATHI

McKinsey, Myntra

Angel investing is more than just financial asset allocation for me. It is an opportunity to support ideas and businesses of the future. Given this, I like to invest behind i) Purpose - an idea which I feel deserves an opportunity to flourish; ii) People – a team which has capabilities and passion and iii) Defensibility - an opportunity which has the starting ingredients to make it big. Having belief in the first two is making me enjoy the process as much as the hopeful financial upside from it!



SATHYA PRAMOD

KayEss Square Consulting,
Legal Tally, Deloitte, EY, AOL, Qyuki

As an angel investor we will make those bets and the law of averages will catch up and we will lose and gain. But with investing with individuals after giving due consideration to aspects that could never be done individually, it makes the whole proposition stronger.



SUMEET KAPUR

Co-Founder Nearbuy, Groupon, KPMG

Angel investing for me is more about problem solving, either through investing or by guiding the team. Investing in start-ups is more about signing up to help the business grow, than expect the founders to multiply your money on their own. Have not had any successful exits till now but the hope remains and the journey is full of learning and excitement.



ASHNEER GROVER

Founder, BharatPe, PC Jewellers, Grofers, Kotak, Amex

I used to head Corp Dev for Amex in India. I got into early stage investing when I found great businesses with amazing founders, but which were below the mandate of my organization. It's the only asset class I invest in now! I like to work with companies at ideation stage with quality founders.

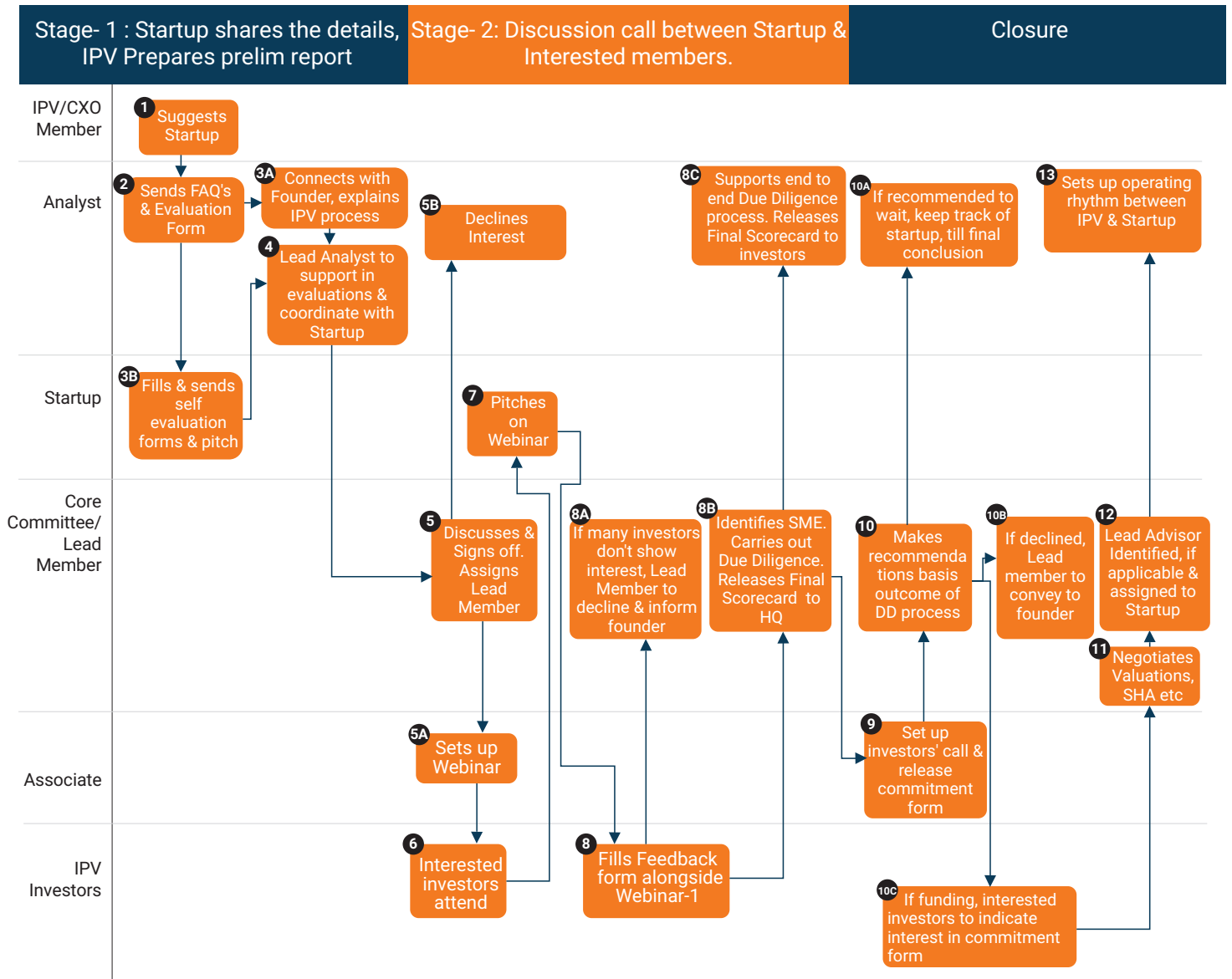


MITESH SHAH

BookMyShow, Ola, Mandhana Industries

I started my journey as an Angel Investor with a very bizarre and laughable (now in hindsight!) outlook - FOMO (Fear of missing out). Every investment opportunity seemed like the chance to make that 100x returns and there was always the feeling of fright of passing on any startup idea. However, soon I learnt my lesson and fortunately not the hard way by paying hefty 'tuition fees'! After this initial mistake, I decided to start with absorbing the basics of Angel Investment. My stint with two of the best startups/digital businesses of India - Ola and Bookmyshow - aided me a lot in the process and provided me with much needed 'On the Job' learning. This really has helped me understand the Do's and Don'ts of angel Investing to some extent and which I have tried to incorporate in the functioning and processes at IPV.

IPV INVESTMENT LIFE CYCLE



- 1 IPV/CXO Member suggests startup
- 2 Lead Analyst to guide start up with FAQs and share evaluation form
- 3A Lead Analyst to connect with founder and explains IPV process
- 3B Startups to fill in self evaluation form and submit along with deck. Analyst to release Evaluation report & pitch within 24 hours of submission to Core team for their views
- 4 Lead Analyst to support in evaluations & coordinate with Startup.
- 5 Startup pitch recvd till Thursday of any week, has to be reviewed by Core team by the Saturday of the same week. Pitch received post Thursday will be reviewed by the Saturday of the following week. Lead member to be assigned.
- 5A Favorable votes >=3, Startup will be invited to pitch on 1st, 3rd or 5th Saturday of the month.
- 5B Favorable votes < 3, lead analyst to inform referrer of views and decline to take it further.
- 6 Interested Investors to attend the Startup Webinars
- 7 Startup pitch to wider audience of IPV Investors.
- 8 Feedback form to be filled alongside the webinars. Consolidated feedback will be shared by analyst within 2 days post webinar
- 8A Lead Member to decline the startup, if not many investors shows interest.
- 8B& 8C Lead member to identify subject matter expert (SME). Due diligence to be carried out, Final Scorecard to be released by Thursday before investor's call post webinar by Lead member & Analyst
- 9& 10 Investors call to be conducted by Lead member & analyst to discuss scorecard and make recommendations on the basis of due diligence findings.
- 10A If recommendation is to hold the investment for now, lead analyst to keep track of the startup till final conclusion.
- 10B If recommendation is to not go ahead with investment, Lead member to inform founder as well.
- 10C If recommendation is to invest, interested Investors to fill in commitment form to indicate their areas of interest in being engaged with the startup
- 11 Lead member to drive & close the negotiations, valuations & SHAs. Lead Analyst & associate to coordinate the process
- 12 Lead Core team member/ Lead investor is assigned as Advisor to Startup
- 13 Operating rhythm set up with Startup and IPV Investors

IPV MEMBERSHIP PROCESS

2

ONBOARDING PROCESS

Potential member informed of the procedures and evaluation process IPV follows, along with sharing of the relevant material like FAQ's and newsletters. It is imperative that the potential member fill the form provided by IPV



1

REFERRALS

Referrals from existing IPV members. Feel free to refer like-minded friends, family & acquaintances to the group. Write to info@ipventures.in

3

BECOME AN IPV MEMBER

Membership fee applicable post trial period



INFLECTION POINT BACK-BONE



Sumati Madiman



Chaitanya Jindal



Vinod Bansal



Swati Saxena



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