

FICUS INSIGHTS

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Value Creation in Venture Capital

The Ficus Approach

Venture capitalists are known for two skills - scouting for the best deals and supporting their startups. As early-stage companies, startups have vast potential for exponential growth to be realised and the support from VCs are a great value-add to their potential.

01 Talent Scout

As young and private companies, startups are subject to information asymmetry and evaluating a potential investment is tricky where minimal information is available. VCs have the refined ability to uncover potential hidden information through their expertise in conducting due diligence to determine the health of the startups. As most startups are led by first-time founders, they lack a strong track record to lay the foundation for a VC's investment decision, making the role of VCs as a talent scout significant in selecting the best companies. Moreover, VCs are also actively involved in the startup's management which enables them to monitor and develop the startup in a hands-on approach - a privilege the general market does not have.



Coaching 02

Apart from scouting for the best deals, VCs are active investors that closely monitor and involve themselves in the startup's management. Investments in startups are risky, so this helps mitigate the VC's risks and helps the startups steer towards the right direction. Typically in the due diligence process, VCs would have identified the areas in which they can add value to the startup and work towards increasing the startup's chances of success. This also helps VCs in allocating rights to themselves when constructing agreements with the startups, such as disbursing the investment in tranches depending on the startup achieving specific milestones to mitigate their risk.

Coaching from VCs often comes in the form of firming up the startup's internal organisation and providing network access. VCs invest in the people behind the startup instead of the business, and a strong team provides assurance that the startup can navigate through uncertainty. Through a VC's network, they help recruit strong candidates for key positions and help open doors to new opportunities. For serial entrepreneurs, they might have built an impressive network over time. First-time entrepreneurs, however, would require assistance from their well-connected VC investors to make introductions to potential investors and industry leaders. VCs are also able to identify opportunities that startups might overlook and help them connect to new prospects..

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The Ficus Approach

At Ficus, we strive to be active investors to support our startups and help tap into opportunities by leveraging the network we have built. Here's a snapshot of some of the work we do at Ficus to contribute to the ecosystem:

PARTNER NETWORK

ASIA CEO Community

Discover the world of Success

- Podcast sessions covering industry insights with chapter presidents from 19 countries, hosted by Ficus' Managing Partner, Rina Neoh
- Members of the Asia CEO Community are invited to Ficus' expert review meetings with startups to provide valuable feedback



Facilitating cross-border technology transfer across China, Malaysia, Singapore and Philippines



Our Managing Partner, Rina Neoh, is the Global Chair for M&A access



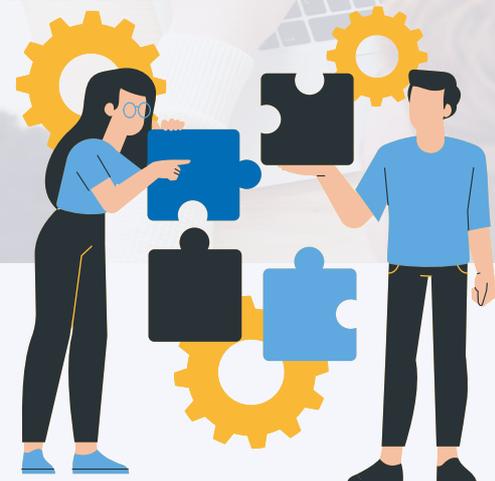
Collaborating with Putra Science Park Innohub to coach startups with high potential to build a local startup ecosystem that is investment-ready



Ficus team members participate as judges for events to provide valuable feedback to startups

STARTUP SUPPORT

- Expert review meetings to provide industry insight and advice from industry leaders
- Strategy meetings with Ficus' investee companies



The relationship between startups and VC investors is mutually beneficial - in return for the value a startup derives from VC support, VCs are also maximising the returns on their investment. Not only does the startup gain reputation with each successful milestone, it also creates a halo effect on its VC investors who gain recognition as credible investors.