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# CONNECTS Workshop: What Entrepreneurs Need to Know for their Banking Relationship

October 11<sup>th</sup>, 2018

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# Agenda

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1. Stages of Growth for Emerging Companies and their Banking Needs
2. Why Are Bankers Asking all these Questions?
  1. What the bank is trying to achieve (it's not just a good return!)
  2. What Questions an Entrepreneur Needs to Ask their Bank
3. J.P. Morgan Overview

## Stages of Growth for Emerging Companies

# Delivering solutions at every stage of growth

← **A broad platform that will grow with you at your speed – from birth to exit or launch** →

	Seed/early stage	Expansion/later stage	Established	Mature
<b>Funding stage</b>	<ul style="list-style-type: none"> <li>■ Friends/family</li> <li>■ Angel investors</li> </ul>	<ul style="list-style-type: none"> <li>■ Venture capital</li> </ul>	<ul style="list-style-type: none"> <li>■ IPO</li> </ul>	<ul style="list-style-type: none"> <li>■ Publicly traded</li> </ul>
<b>Business challenge/state</b>	<ul style="list-style-type: none"> <li>■ Developing product/service</li> <li>■ Developed Beta or limited commercialization product/service</li> </ul>	<ul style="list-style-type: none"> <li>■ Complete professional management team</li> <li>■ Substantial revenue growth</li> <li>■ 18-24 months from cash flow break even</li> </ul>	<ul style="list-style-type: none"> <li>■ Proven concept</li> <li>■ Achieved significant revenues</li> <li>■ Approaching cash flow break even</li> </ul>	<ul style="list-style-type: none"> <li>■ Established business model with strong profits</li> <li>■ Focused on expanding offerings, cost management</li> </ul>
<b>Customer needs</b>	<ul style="list-style-type: none"> <li>■ Reliability of execution</li> <li>■ Consistency in working relationship with bank</li> </ul>	<ul style="list-style-type: none"> <li>■ Tailored products (e.g., online) and flexible service</li> <li>■ Strong local market knowledge and retail branch network</li> </ul>	<ul style="list-style-type: none"> <li>■ Deep industry expertise</li> <li>■ Customized products (wholesale) and deal structuring/pricing</li> </ul>	<ul style="list-style-type: none"> <li>■ Service and product quality</li> <li>■ Presence in key markets</li> <li>■ Advisory services</li> </ul>
<b>Product needs</b>	<ul style="list-style-type: none"> <li>■ Cash management</li> <li>■ Corporate cards</li> <li>■ Financial planning for founders</li> </ul>	<ul style="list-style-type: none"> <li>■ Liquidity, card &amp; cash management</li> <li>■ Loans</li> <li>■ Capital markets / M&amp;A access</li> <li>■ Financial planning for founders</li> <li>■ E-commerce processing/payments</li> <li>■ Banking API services</li> </ul>	<ul style="list-style-type: none"> <li>■ Liquidity, card &amp; cash management</li> <li>■ Loans</li> <li>■ Capital markets / M&amp;A access</li> <li>■ International solutions</li> <li>■ Private Banking for founders</li> <li>■ E-commerce processing/payments</li> <li>■ Banking API services</li> </ul>	<ul style="list-style-type: none"> <li>■ Liquidity, card &amp; cash management</li> <li>■ Loans</li> <li>■ Capital markets / M&amp;A access</li> <li>■ International solutions</li> <li>■ Private Banking for founders</li> <li>■ E-commerce processing/payments</li> <li>■ Banking API services</li> </ul>

Why Are Bankers Asking all these Questions?

## Reasons for Paperwork and Questions

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### Return

- Internal Hurdle Rates
- Questions: Deposit size and length of time, number of payments made and received?

### Regulation

- Required to comply (AML, OFAC, FinCEN, etc.)
- Questions: Any individuals own more than 10%?

### Retrograde

- Bank systems cobbled together
- C-O-B-O-L

## What Questions an Entrepreneur Needs to Ask their Bank

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**HELP!**



**APIs**

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# Delivering the Power of JPMorgan Chase

