

PROMOTING ACCESS TO EQUITY FINANCING TO SME'S THROUGH JAMAICA STOCK EXCHANGE'S JUNIOR MARKET

JSE VENTURE CAPITAL PITCH ROOM

"I would like to think that it signals that the financial sector is open to investment in publishing,"

Kelly Magnus, Editorial Director, Jackmandora
(Spoken after winning the JSE 2014 Venture Capital Pitch Room)



Picture: Joint Winners of the 2015 staging of the JSE Venture Capital "In the Pitch Room"; Peter Green of Epic Events Rentals Limited and Helen French of Mount Pleasant Farms.

BASIC INFORMATION:

Project Activity Objective:

The JSE/MIF project seeks to promote a forum where prospective SMEs pitch their businesses to potential investors

Project Target:

Organized at least two (2) rounds of "In the Pitch Room"

Activity Financing:

Budgeted: US\$8,000

- ▶ Spent: \$2,668
- ▶ Balance: \$5,332

Background

The JSE Venture Capital Pitch Room is a place where panel of business executives and investors who consider offers and listen to pitches from entrepreneurs and small business owners seeking funding for their business, products, or services. The Pitch Room is an ideal place where entrepreneurs get the opportunity to seek capital funding and get exposure for a business venture in front of an audience, judging panel, venture capitalists, investment bankers and journalists.

The Selection Process:

The Pitch Room is a follows a series of activity before culminating with the judging panel. The JSE starts the process by inviting interested applicants to submit business plans to the JSE for evaluation. The JSE then relies on the expertise of industry specialist including the Jamaica Business Development Corporation, to review the business concepts and select the top six or seven applicants that is viable, innovative and/or market-ready.

Performance Overview

The JSE Venture Capital Pitch Room started in 2013, and has become a featured activity at the JSE Annual Conference. During the one-hour segment, six (6) entrepreneurs get precisely six minutes to pitch their proposals for venture capital funding. At the first staging, Nicorp Ltd., a local manufacturer of electrical and industrial equipment, was crowned winner by a distinguished panel of judges that included: Christopher Williams, PROVEN Wealth Ltd; Lisanda Rickards, Branson Centre; and Garth Walker, Wealth Magazine.

In 2014, Ms. Kellie Magnus, Editorial Director and owner of the children media company Jackmandora, was provided with a cheque of \$300,000.00 for placing first in the JSE Venture Capital Pitch Room.

At this year third successful staging of the event, the featured companies entered from diverse business segments, ranging from; technology, financial, event management and value added agricultural products. In the end the judges declared for the joint winners. Epic Events Rentals Limited and Mount Pleasant Farms, an entrepreneurial and an Agricultural Business, were declared joint winners and awarded \$150,000.00 each. They will be considered for funding by investors.

Planned Activities & Intervention

Based on the feedback of the participants and the judging panel at the 2015 JSE Pitch Room staging 2015, efforts are being made to:

- ▶ Increase awareness of the competition
- ▶ Standardized the application and presentation process
- ▶ Assist the clients in preparing their pitch presentations
- ▶ Sensitizing of the judging panel on the evaluation process
- ▶ Engaging with the entrepreneurs after the competition to inform them of their shortcomings, strengths and facilitate support for investment

The Judging process:

The judges seek to identify three (3) of the most promising new or existing ventures to which financial & technical assistance will be given, subject to due diligence and provided that the proposals present a viable business proposition that is considered worthy of funding.

The pitches are judged on:

- ▶ Business viability
- ▶ Business Sustainability
- ▶ Clear Marketing Strategy
- ▶ Product/Service

The businesses also stand the opportunity of been considered for funding by venture capitalists.

Conditions for application:

The applicants to the competition must satisfy some basic eligibility requirements to be considered for participation:

- ▶ The individuals applying must be 18 years or older;
- ▶ At least 50% of the business must be Jamaican;
- ▶ Must be a part of the management team or one of the business owner/conceptualizer;
- ▶ Must be willing to negotiate and/or entertain discussions for equity investment;
- ▶ The business is not listed in the Jamaica Stock Exchange;
- ▶ Be willing to register their businesses as public companies;
- ▶ Entrants should be persons considered fit and proper by the Financial Services Commission (FSC).

Benefits of the Pitch Room

- ▶ The business product/service receives exposure to potential investors and customers
- ▶ The possibility of securing Venture Capital funding
- ▶ Great advertising platforms
- ▶ Feedback from investors on the business idea product and/or service.

