ICDM
Institute of Corporate Directors Malaysia

Why Governance Matters For Startups

Monday, 9 December 2019
ICDM Training Room
Level 9, Mercu 2, KL Eco City
9.00am - 5.00pm

8 CPD POINTS

ABOUT INSTITUTE OF CORPORATE DIRECTORS MALAYSIA (ICDM)

ICDM is a professional institution dedicated to enhancing the professionalism and effectiveness of corporate directors in Malaysia. As the one-stop centre that caters for all board and director needs, ICDM's goal is to promote good governance amongst boards of companies by:

- Developing professional competence of directors
- Building a pipeline of capable directors
- Promoting research and development on the law and practice of corporate governance
- Representing directors' interests by lobbying and advocating on issues affecting directors
- Providing a platform for networking and directorship opportunities through membership

ABOUT THE PROGRAMME

Corporate governance has been one of the most important topics for business management, mainly for public companies and rarely a priority for startups. In light of governance failures to some of the most prominent names in the startup ecosystem such as WeWork, Uber and Theranos, there are now calls for startups to refocus their attention on the company's overall governance practices.

High valuations, unrealistic revenue projections, voting power, serious failures of culture, ethics and compliance have all led to the downfall of the most promising startups. As such, good corporate governance practices in a company is now an attractive asset to investors.

Being an entrepreneur/founder of a startup company is a challenging task. Startup companies will usually need to raise a significant amount of money. But this need for money raises a series of daunting questions: "Who should we turn to for investment?"; "What kind of money do we want to attract?"; "When is the right moment to seek investment?"; and "How should the investment be structured"?

This workshop focuses on building the capacity of entrepreneurs to look into the "Black Box" of potential investors and other actors/partners. Development of this capacity is crucial to identify the particular partner who is best placed - not only to provide money - but to deliver a meaningful, long-term relationship that will fill capacity and expertise deficits, and by doing so add genuine value and give a young firm the best chance of scaling. We will term this approach "smart investor readiness". By end of the workshop, participants will:

- Learn about the best practices in establishing and growing startup businesses
- Develop a deeper understanding of the "venture capital ecosystem"
- Discuss how to approach investors and recruit advisors and board members
- Understand the terms and conditions of an investment term sheet

LEARNING OUTCOMES

- Develop a business growth strategy for a startup company
- Understand how to work with investors
- Understand the corporate governance of a successful startup
- Know when and how to approach investors

WHO SHOULD ATTEND

- Startup Founders & Directors
- Startup Boards
- Entrepreneurs
- SMEs
- Angel Investors
- Venture Capitalists

PROGRAMME

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8.30am	Registration
9.00am	**Module 1** **The Venture Capital Cycle**
10.30am	Networking Break
11.00am	**Module 2** **Governance of Startup Companies**
12.30pm	Networking Lunch
1.30pm	**Module 3** **Corporate Venture Capital**
3.00pm	Networking Break
3.30pm	**Module 4** **Alternative Sources of FInance**
4.30pm	**And Now What?**
5.00pm	**End of Programme**

Special Session: Startup Assessment

A quick session where startups will pitch their business and explain their governance structure. The panel advisors will assess the investment potential and offer 'guidance' on their governance structure. The panel will focus particularly on leadership team capabilities, product readiness, market readiness, and the startup's financial strategy.

The Organiser reserves the right to alter the content and timing of the programme as it deems fit and is not responsible for cancellations due to unforeseen circumstances.

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PROGRAMME CONTENT

The one-day programme will be divided into four modules as follows:

Module 1:
The Venture Capital Cycle

There is little doubt that the best "venture capitalists" are precisely the types of investors that are real partners to their portfolio's founders. That means being available 24/7 and certainly not worrying about putting together overly complex legal terms in a term sheet by focusing on the minutiae thereby driving up legal fees for which the startup founders will ultimately have to pocket. Instead, they understand that the bulk of their returns come from the best outcomes. Most importantly, they understand that when the founders win, they win. So how can entrepreneurs identify the investors that are more attuned to their interests?

- Importance of the 'Venture Capitalists' to your startup
- How to identify the best investors to partner with and invest in your startup

Module 2:
Governance of Startup Companies

In the context of startup companies, corporate governance is about creating an interactive discussion between the founders, other members of the management team, investors, and also the board of directors or other advisors. We will discuss generally three potential benefits for startup companies. First, the most important aspect of engagement may be in connecting with other leading investors across the globe to explain and discuss growth strategies (and invite input). These discussions assist the founder/CEO in making better decisions and avoiding tunnel vision. Second, a similar focus is on identifying opportunities and getting a better sense of their peers and competitors that often attract the same investors. Third, (pro-) active engagement helps the founders/CEOs in identifying expertise gaps on the executive teams. It is in this collaborative context where investors may have the most impact on the spending plans of the CEOs of their portfolio companies.

Module 3:
Corporate Venture Capital

On paper, large multinational corporations and startups seem like a perfect pairing. Multinationals can open doors for startups, provide them with necessary capital, and deliver tremendous resources in the form of knowledge sharing, distribution channels to seemingly endless rolodexes. The list goes on. And startups can help large and mature corporations stay lean by giving them access to innovation that takes place at the peripheries of their core products or services that may eventually upend the core business itself by being an external source of valuable R&D. These benefits, which seem so hard to pass up on in theory, are largely why so many corporations currently open up corporate venture capital (CVC) arms or groups and offers insight into why many promising startups willingly accept capital from these strategic investors. In this Module, we take a look at the facts to see if these CVC groups measure up to this ideal (and if not, what entrepreneurs can do about it).

- Pros & Cons of pairing your startup with a MNC
- How to manage and maximise on corporate ventures

Module 4:
Alternative Sources of Finance

In response to the decline of bank funding, alternative sources of finance are needed to provide funding to startups and SMEs. To gain a better understanding of the alternatives to bank financing for SMEs and entrepreneurs, this Module examines a range of 'new' external financing providers, including incubators, accelerators, and crowdfunding platforms. We assess the likely impact of each of the different financing options available to startup companies. We ask whether they can, with greater network resources, improve the selection of investments and access to follow-on funding in later stages of a startup's development.

- Identifying and securing alternate financial sources for your startup
- Understanding the impact of different financing options

FACILITATOR

Erik P.M. Vermeulen
A Senior Legal Counsel, an Innovation Advisor, a Board/ Advisory Member of several organisations and startups and a Professor in various universities, The Netherlands

ICDM Faculty Member

Erik P.M. Vermeulen is a Senior Legal Counsel at Signify (f.k.a Philips Lighting), an Innovation Advisor at a law firm in the Hague and a board/advisory member of several organisations, including a healthcare provider in The Netherlands and several startups. He is also a Professor of Business and Financial Law at Tilburg University and teaches law, entrepreneurship and finance at universities in Europe, the United States, Colombia and Japan. He is the author of several books in the area of corporate governance, startup companies and venture capital, and has appeared at numerous conferences as a featured or keynote speaker. Erik is also a co-owner of a Michelin star restaurant.

At Philips, he has been involved in several corporate venture capital initiatives which complemented Philips' long-term open innovation strategy in the healthcare sector. The combination of 'theory' and 'practice' has proven to be very successful. His role as a practitioner has provided a lot of input for his research on the life cycle of companies as well as corporate governance and culture. The main lesson learned is that stakeholder engagement is crucial to the success of companies around the world.

Erik can best be described as an innovator and has a blog where he shares insights and ideas about how the digital world is changing the way we live, work and learn. He has a particular interest in how artificial intelligence, sensors, data analytics and blockchain are amplifying and accelerating each other, thereby creating new opportunities across all areas of the economy and society.

Erik's thought-provoking and innovative views on business, leadership, governance, regulation and education have attracted international attention. He regularly serves as an expert advisor to international organisations, such as the European Commission, the Organisation for Economic Cooperation and Development (OECD), the United Nations, the World Bank, and national and local governments around the world. Erik is an expert at the European Innovation Council Accelerator. He evaluates business proposals of startup companies in the area of ICT, healthcare, and biotechnology. He is an expert advisor to Brainport Development in Eindhoven in The Netherlands. Brainport Development is a collaboration of local governments, businesses and research organizations that develops and tests different approaches to support innovation, entrepreneurship and growth. Erik has also been an member of independent expert groups in Europe on open innovation, business finance, and governance.

> "Building your global business anywhere."

PARTICIPANT REGISTRATION FORM

ICDM | WHY GOVERNANCE MATTERS FOR STARTUPS

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Scan me to register online

REGISTRATION TERMS & CONDITIONS

REGISTRATION FEE

PRICE PER PAX (Please tick (√) where applicable)

☐ ICDM Member Fee	RM900 (This programme fee is exclusive of 6% SST)	REGISTER NOW
☐ Standard Fee	RM1000 (This programme fee is exclusive of 6% SST)	REGISTER NOW
☐ Startups	RM500 (This programme fee is exclusive of 6% SST)	REGISTER NOW

TERMS & CONDITIONS

Attendance Fees

- Fees include programme materials and refreshments.

Payment

- Registration(s) is confirmed only upon receiving full payment.
- Full payment must be made no later than 10 days prior to the programme date to:

Account Name	Institute of Corporate Directors Malaysia (ICDM)
Bank Name	Maybank Islamic Berhad
Account Number	564324609320

Cancellation Policy

- Cancellation notice must be made in writing.
- The following cancellation charges apply:
  - Less than ten (10) working days before the event: 50% of the programme fee will be charged.
  - Less than five (5) working days before the event: 100% of the programme fee will be charged.
- Replacement of participant is acceptable to avoid incurring cancellation fees. Notification and details of the replacement of participant shall be given to the organiser no later than seven (7) days before the event.

Others

When providing ICDM with any personal data, you shall comply at all times with the Personal Data Protection Act 2010 (PDPA) and shall not in any way cause ICDM to breach any of its obligations under the PDPA Act.

Upon submitting the registration, the participant and the sponsored organisation are deemed to have read and accepted the terms and conditions.

For "Pay Later" option, please email the payment advice to development@icdm.com.my once you have made the payment.
For further inquiries, kindly contact Jonathan or Zefry at +603 2202 2022 ext 123 or ext 122 respectively.

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