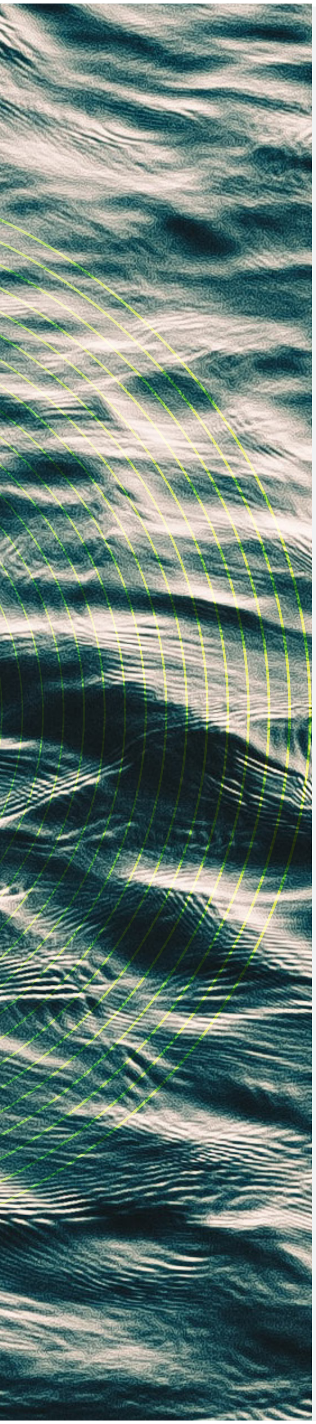
HOW TO PREPARE **FOR FUNDING**

TERCERA



HOW TO PREPARE FOR FUNDING

(without losing your mind)

A guide to planning, pitching and finding the right advisors

There's a first time for everything in business. And as a founder, that includes seeking funding.

Taking an investment isn't something to be taken lightly. It's a time consuming and intense process, but when done right – with the right mindset, partners and preparation – it can be a game changer. Not just for the capital it brings into the business, but also for what it can teach you about yourself, your business, your strengths and your blindspots.

The content in this ebook is designed to help first-time founders or those who have never been through an investment cycle to better understand how the process works and how to prepare for this major milestone.

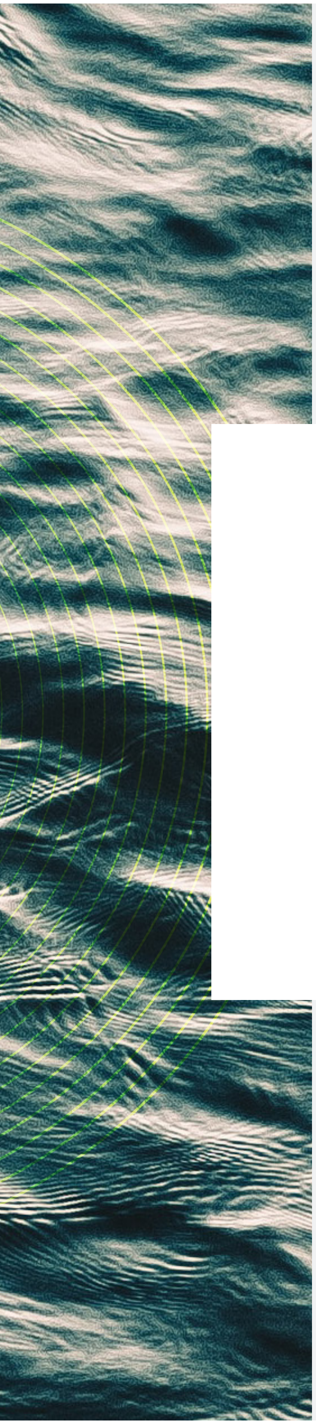
First, we'll cover how you know it's the right time to take funding, what a typical process looks like, and why these steps even exist. We promise you, there's a reason for all of it.

Then we'll outline the most common financial and operational information that investors request in a diligence cycle, what they're evaluating, and suggestions for how to organize yourself and your team so the process doesn't become a distraction to the business.

From there, we'll discuss the art of crafting your pitch and why getting your company story and positioning right matters just as much as your financial story.

Then we'll hit on the fun part – identifying and prioritizing where you will invest the capital that you're looking to raise.

And finally, how to find the right advisors to guide you through the process so you're not doing this on your own. With the right preparation and people in your corner, the right investment with the right partner can be the catalyst that takes your company from good to great.



CHAPTER 1:

THE FUNDING PROCESS AT A GLANCE

Founders typically turn to investment capital for one of two reasons. They're either growing fast, or not growing fast enough.

If you fall into the first category, congratulations! On the surface, it might seem incongruent to take growth capital if you're already growing, but founders in this lucky position know that growth comes with its own set of challenges. Challenges like:

- You can't hire fast enough to get ahead of demand
- You need new practice areas, offerings or a regional footprint to meet customer needs
- You're starting to outgrow (or break) your existing systems and processes
- You need a deeper or more experienced leadership team to help see around corners
- You see a giant opportunity to move even faster but you're choking growth

Those who aren't growing as fast as they'd like have a different set of challenges. Isn't business fun?! This group sees investment as a way to:

- Shift and build capabilities in higher growth partner ecosystems and market segments
- Recruit more experienced talent to innovate and service bigger customers
- Invest in the programs, systems and people to retain talent
- Invest in new products or capabilities to attract and retain customers
- Fund M&A to get into new markets or fill gaps in the business

If any (or many) of these challenges hit home, it's probably a good time to think about taking on capital. Not just to add cash on the balance sheet so you can make these investments, but to find a partner that will be by your side through the journey. All of these challenges are a lot easier to navigate with a partner who brings expertise — and not just a checkbook — to the table.

I'm ready. Now what?!

The founder-investor 'courtship' process tends to follow this pattern:

INITIAL MEETINGS

- Understand if it's the right fit
- Chemistry and values check
- Ensure goals and desires are aligned

Milestone: Business fundamentals request list

BUSINESS & DEAL ALIGNMENT

- Understand the 3 year plan
- Review business fundamentals
- Agreement on key economic terms

Milestone: Term sheet, exclusivity

COMPREHENSIVE DUE DILIGENCE

- Deeper dive into the business
- Management team meetings
- Third party diligence analysis/audit (accounting, tax, legal)
- Strategy and roadmap discussions
- Reference calls

Milestone: Definitive agreement

ACCELERATE AND GROW

- Board formation & governance
- Investment in key roles & initiatives
- Sharing of best practices
- Networking and recruiting

Milestone: Quarterly board meetings and monthly reporting

While each investment firm (and type) will have their own flavor of this process, the steps are pretty consistent and they build on each other for a reason. They are a way for founders, their leadership teams and investors to get to know each other, and to get a feel for whether or not this is going to be a good relationship. Don't skip steps in the process.

If an investor offers to forego the deeper diligence phase and sign a deal quickly, that should be a red flag. It means they're probably just looking to get money out the door. If you fall in love with the first investment firm you meet during the initial meetings, don't stop meeting with other investors. It's worth hearing different perspectives and approaches, even if you feel you found your match on the first date.

Remember, this is a courtship, not just a transaction. As the partner evaluates you, you should be evaluating them.

Through each one of these steps ask yourself:

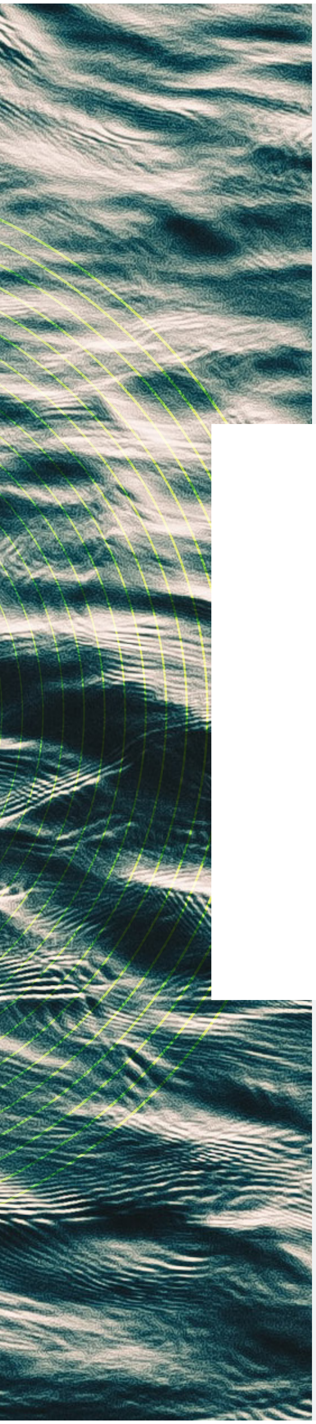
- Is this someone I want to spend the next few years with (at least)?
- Are they just going through the motions, or are they genuinely interested in getting to know me and my team?
- Are they asking questions that make me think?
- Are their expectations reasonable?

Read the content they publish. Is it focused and relevant to your business? Is it directly useful? Is it written in plain English, or clogged with dull clichés and pointless jargon?

Ask to talk to their other portfolio companies to see what it's like to work together.

5 QUESTIONS TO ASK AN INVESTOR'S OTHER PORTFOLIO COMPANIES

1. What value has your capital partner delivered beyond writing checks?
2. What's the quality of their network?
3. When you need advice, how responsive are they and how good is it?
4. What is it like to work with them?
5. Was the value they delivered beyond what you expected?



CHAPTER 2:

GETTING YOUR HOUSE IN ORDER

At the highest level, an investor's goal during the diligence process is to accurately understand and put a financial value on the performance and potential of a business.

IT services investors and acquirers will value certain business aspects more than others (we go deeper into that here). However, on the simplest level, they want to know if it's a solid, well-run business with a good vision, good customers, the right revenue mix, the right margins, and a strong team guiding the ship.

They build that picture through a series of data and information requests to try and answer these important questions:

1. What has been your historical business performance?
2. How are you thinking about and planning for growth (and your level of confidence)?

3. What is the ownership breakdown of the business today?
4. Who are your key clients and what is the nature of the work you're doing?
5. How are you managing the business today?
6. What is the health of key operational metrics (e.g. attrition, utilization, bill rates)?
7. What outstanding liabilities and risks are there (e.g. tax, debt, contracts)?

The details of every diligence process look different but you can count on one thing – having a plan is key. It takes effort and hours to gather, verify and package all this data for external review, so it helps to know what data and documents will be needed well before you enter the process.

You might already have much of this data in existing reports or systems. Most firms are likely to have annual financial statements and tax returns at the ready, but other requests like sharing attrition data, or a detailed breakdown of revenue by client, or accurate forecast and bookings data is usually more difficult.

Let's take a closer look at the six most common information requests for a professional services business, and what investors are really looking for when they deep-dive into your data.

ANNUAL AND MONTHLY FINANCIAL STATEMENTS

Financial statements provide an overall health check of the business and a high-level year-by-year and month-by-month snapshot of growth.

In early stage diligence, the last and current year statements should suffice. In later stages, investors will likely ask for a longer historical view and may involve a third party accounting firm to help verify accuracy.

Investors are looking closely at revenue, revenue growth, gross margins and profits, while assessing trends and anomalies across the data. Investors are going to probe in these areas so founders need to have a firm understanding and familiarity with this data. If you had a dip in revenue or margins during one quarter or year, be prepared to discuss why. Be ready to explain how your gross margins are calculated.

Investors will also want to know whether your revenue and costs are calculated using GAAP (Generally Accepted Accounting Principles) or another accounting standard (e.g. cash basis).

FINANCIAL PROJECTIONS

Investors use financial projections to understand many key elements of your business, but primarily as a way to understand what revenue growth and expenses look like in the future, what's behind those growth projections and where growth might be accelerated.

Investors usually require a one-year projection and 'want' a three-year projection. They'll also want to understand what's behind the projections. For example, do the assumption inputs align to the key operational metrics for the business?

In a services business, there is a direct correlation between delivery employees and revenue. Are revenue and headcount projections aligned? Investors care as much about how you think about and model growth as the projections themselves.

Quick caveat: founders may be tempted to be overly optimistic about future growth. If your projected growth diverges materially from recent historical growth, be armed with a rock-solid explanation for why. Remember, you are setting expectations for what they should hold you accountable to in the future.

DETAILED CAPITALIZATION TABLE AND OPTIONS SCHEDULE

Investors need to know exactly who owns what, how much, and when. A cap table and an options schedule provide this granular detail. Both are necessary for investors to understand who has an economic interest in your company, to determine if an option pool will need to be created or expanded, and to calculate their fully diluted ownership after the investment.

Consider cap tables as one of the most important documents your company should maintain. If you don't have one, get prepared and create one now. It can be as simple as building one in Excel but the reality is cap tables can become complicated quickly. It's also essential they're error-free for both a founder's peace of mind and an investor's critical eye. We recommend using cap table software, such as Carta, to make your life easy and ensure accuracy.

If you are thinking of raising capital or creating an option pool, enlisting the help of a lawyer would also be a good idea. Here is some excellent advice regarding option pools to get you started though.

REVENUE BY CLIENT AND REVENUE MIX

Looking at both revenue by client and revenue mix helps an investor understand the 'who' and 'how' behind your customers and revenue.

Investors will want to know the types of clients you serve, how many clients you have, and how much of your revenue comes from your top clients. This provides valuable insight into what market segment you're playing in, the average size of projects, how those trend over time, and how well you are doing at keeping and growing customers. Investors want to know whether most of your revenue comes from clients you have been working with year-after-year (reoccurring revenue) or whether there is significant client churn – especially when it comes to your top clients.

The revenue mix detail covers "how" you are serving your clients. Are you delivering consulting and implementation services through a time and material model, through retainer or fixed fee engagements, or a mix? Are you reselling licenses along with delivering services? Investors want to understand how your revenue is generated and billed as some models tend to have higher margins or customer retention rates.

OPERATIONAL METRICS

Every type of business has a handful of operational metrics that are vital to success. At a high level, the most common metrics that IT services investors are interested in are: bookings, backlog, utilization, pipeline, headcount, employee attrition, revenue per employee, bill rate and customer satisfaction.

The metrics central to operational success varies by business, so it helps to ask around what investors in your space will look at as most important and begin tracking those metrics if you aren't already. Investors aren't looking for perfection when it comes to operating metrics, but having a view into them and how aligned they are with your financial plans and projections is important. For example, if you're projecting 100% revenue growth in the coming year, but there is minimal pipeline, backlog or reocurring revenue, be prepared for a conversation about this.

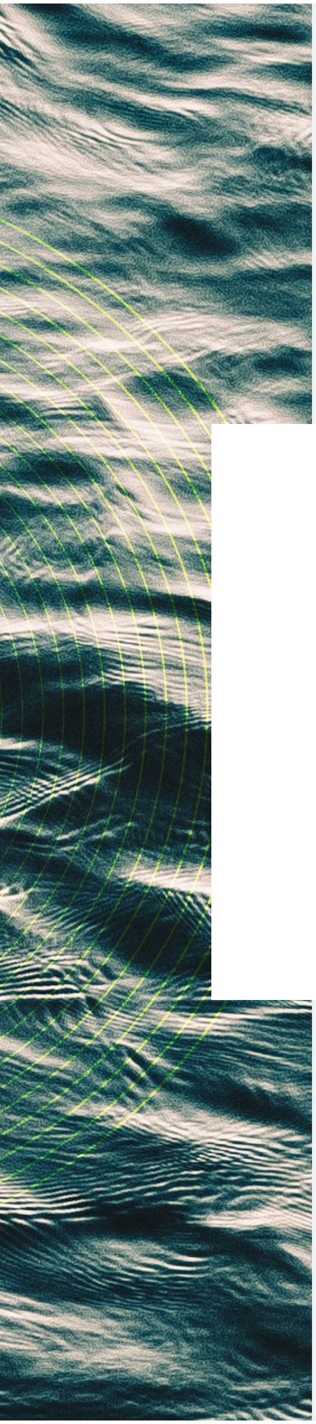
TAX INFORMATION

Tax liability exposure can be a concern for investors, especially if a company is at a certain size where exposure could cost large sums of money down the road. This is why you'll be asked for corporate tax returns and other specific tax documents during the diligence process.

Don't be surprised if investors hire an outside accounting firm to review your federal, state, and foreign tax filings, and sales & use tax filings. With post-investment in mind, they will also likely review the company's organizational structure to determine how the company will be treated for federal, state, local, and foreign tax purposes going forward.

DATA REQUESTS TO PREPARE FOR:

- [ ] Annual financial statements
- [ ] Financial projections
- [ ] Revenue mix
- [ ] Revenue by client
- [ ] Bookings & backlog
- [ ] Pipeline data
- [ ] CSAT scores
- [ ] Employee data (attrition, salary, diversity)
- [ ] A detailed cap table
- [ ] Options schedule
- [ ] Tax information
- [ ] Contracts for large customers



CHAPTER 3:

PACKAGING AND TELLING YOUR STORY

That old adage of "you only have one chance to make a first impression" is spot on when it comes to the funding process, which is why this chapter covers how to package and sell your story so investors want to hear more and start reaching for those checkbooks.

Consider this stat: A typical early-stage venture firm looks at between 2,000 to 5,000 pitch decks a year, and spends an average of just 244 seconds on each deck. There are a lot of good companies on the planet with good financials and customer logos. But investors are looking for great, not good. And this is where a company and founder's story comes in.

Investors do want a view into the financial health of a business, but they're just as interested in the potential of a business. They're looking for founders who have a smart take on the market, a real idea of what makes their business different and better for customers, and evidence that shows their vision and execution are tightly connected.

THE COMPONENTS OF A GREAT PITCH DECK

Think about your pitch deck as your calling card. It's the introduction to your company, not your life story so it shouldn't include every detail about your company. Save that for later meetings.

Your initial pitch deck should be 15 slides max and free of the buzzword bingo that plagues so many corporate presentations. Don't create a 30 slide deck and think, "I'll just skip around to the most important slides." That just creates a scattered presentation and it doesn't force you to think about what elements of the story matter most.

Sequoia wrote perhaps the definitive piece on what makes a good investor pitch. We don't believe in reinventing the wheel so we've built on this incredible foundation with a few tweaks for what we like to see in pitches.

Here is our take on the 12 must-have slides:

1 **Your company at-a-glance**: This should be a statement that defines who you are, what you do, and the category you play in with a few key stats about your business. This is your headline. The cover letter for your resume. If you get it right, people will keep reading.

2 **Your purpose or mission**: What's your vision for the company? Why should the world care that you exist? Knowing and articulating why you do what you do is just as relevant to investors as it is to employees and customers. As an example, Tercera's mission is to

3 **The problem:** What customer or market problem are you trying to solve, and how are you uniquely positioned to solve it? Be specific. Investors will be more intrigued if you say you're helping mid-market banks create blockchain payment offerings, than they would if you're one of a million companies helping with digital transformation.

4 **The market opportunity:** Be specific about what market(s) you play in, and quantify the opportunity in that space. What's the Total Addressable Market today, and what are the market trends and tailwinds that make the space so attractive now and over time? If you are in the cybersecurity space, which segment of that market is your sweet spot? How fast is that segment growing, and what's driving demand? Paint a picture of the potential.

5 **The competition:** How should investors think about where you fit in the competitive landscape? Why are you so well positioned to compete against existing players or the way customers are managing the problem now? What's your competitive moat? Be honest. Investors spend a lot of time researching these markets. Be realistic with your competitive set, but aim high.

6 **Your customers:** Who are your past and current customers? This can be your standard logo Nascar slide with your most impressive customer logos. Or maybe it's organized by vertical or region. Or maybe it's logos with a hard-hitting customer case study. Don't be afraid to think outside the box on this section because nothing tells your story better than your customer stories.

7 **Your partners**: With whom are you partnering to go to market? Who is most strategic? This is especially important for services firms, as partner relationships influence growth in so many ways. Know that you'll be judged by the company you keep. Are you at the forefront of the market, working with newer, faster growing tech companies? Or are you tackling a larger, more mature market where relationships with the established vendors matter to large customers?

8 **Your solutions**: What specific products and services do you provide? How are your offerings different or exceptional? How are you providing them or packaging them in a unique way? The key here is to be clear about what you actually provide and how your solutions address the problem you laid out earlier.

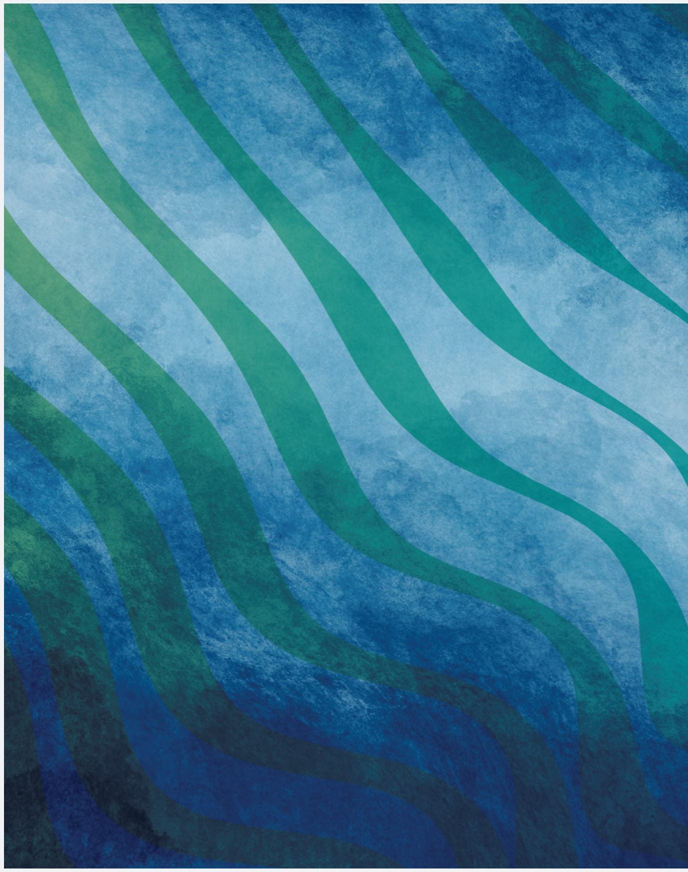
9 **Your team:** Who are the founders and key leaders responsible for driving growth in your company? What experience do they have in your chosen market, and do they have a track record of success? Investors bet as much on the people building companies as the company and idea itself. How diverse is the leadership team? Investors understand that diversity is correlated with better results.

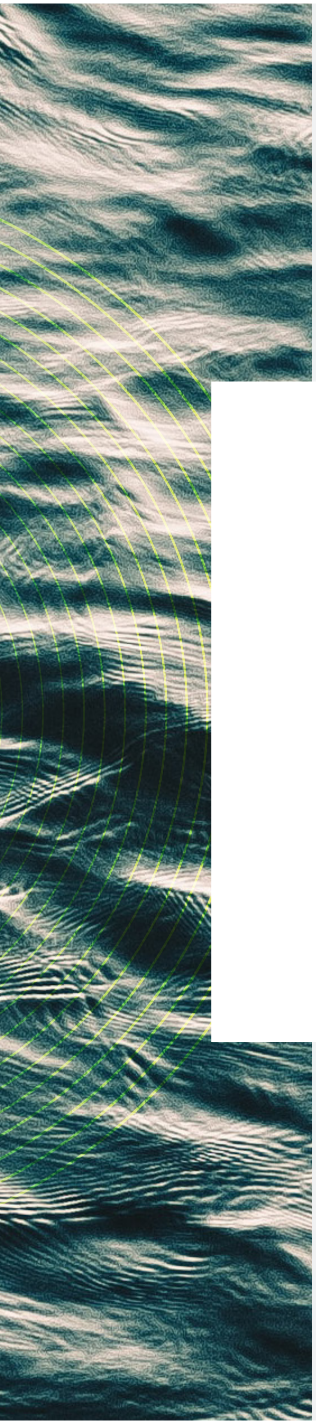
10 **Your financials:** This isn't meant to be a full run down on your financial situation (that happens later in the process). This slide should include the most important metrics for the investors you're pitching. Services investors like Tercera will care about things like bookings, utilization, headcount growth, project size and bill rates. Every investor will care about revenue, YoY growth and margin profiles.

11 **Your plan:** What will you do with the money you intend to raise? Will you spend it to build out the leadership team, expand into new markets, fund M&A in key areas for growth, to build out specific products or intellectual property? Investors want to understand the strategic choices you're making for the future of the business, and where their money will be put to use.

12 **The optional slides**: Are there 2 or 3 slides that bolster the story above or reinforce your market position or differentiation? This could include go-to-market strategy, additional color on customers or partner relationships, your regional delivery footprint, or specific thought leadership or IP that you own. It could be a slide recapping the investment highlights. Just be thoughtful. The more you add, the less people want to read.

Remember, investors like patterns. Patterns make it easy to consume info quickly, and for investors, time is money. Patterns also make it possible to spot anomalies. This means you'll want to follow a bit of a formula with your deck, but don't be afraid to color outside the lines. After all, the goal is to stand out and show why your company is a better investment than the other 1,999 decks they're seeing.





CHAPTER 4:

IDENTIFYING WHERE TO APPLY THE CAPITAL

Now comes the fun part - exploring where, how and when you would use an investment.

This is where you get to step away from the details of the business you've been building to date, and think about what the future could hold. To think beyond today's limitations to what's possible if only you had enough time, money and resources.

Any good investor will have a perspective on where capital will help, but no one knows your business and what has limited your growth potential better than you. Which is why it's important to come to the table with a point of view on what you'd like to see, and to help inform the amount of capital you're requesting.

A FRAMEWORK FOR GROWTH

Because all investments are bets on the future, it's smart to work backwards. Where does the company want and need to be in 2-3 years, and what will it take to get there? To answer that, you need to think through:

- How is the market and competitive situation evolving?
- What are the current weaknesses or risks within the business?
- What is most needed for rapid and sustainable growth?

If you've already considered this in detail, great. If not, Tercera's 5 Elements of Scale methodology might help. We created the 5 Elements based on 20+ years of building services firms from the ground up, and it can be a useful tool to help you understand what levers you can use to drive scale and growth.

CORPORATE STRATEGY

Funding tends to make people think immediately about M&A, and for good reason. Acquisitions can help a company grow quickly, add much needed talent, and fill gaps in offerings. However, M&A is only one component of a growth strategy. You also need to focus on organic growth. M&A takes time, and in services, it's not always the easiest path.

Is it time to expand internationally? This could be needed to add customer support or revenue, or it could be about lowering the cost of your labor pool.

Is it time to go deep into a particular industry vertical? Having an industry-specific approach to the market, with dedicated marketing campaigns, accelerators and even fully productized solutions is increasingly important in the third wave of the cloud, especially if this is the sales motion for your primary partner.

Is it time to pivot to a new market, or expand into a broader segment of your market? If so, does your corporate brand and positioning need to evolve to effectively capture market share? Establishing or repositioning a brand takes time, expertise and money.

LEADERSHIP AND TALENT

This is often the number one place services firms want to invest. Talent is their biggest pain point in today's labor market. Investment capital can help you recruit for new leadership roles and/or upgrade talent across the board. If you've been taking a "just-in-time" approach to talent, funding can also free you to hire ahead of demand and proactively go after talent you couldn't attract before.

Do you need to uplevel total rewards or employee engagement programs as you look to scale? Bringing on new talent might be top of mind, but retention matters more than ever. It might be a good time to take a fresh look at compensation and benefits — before key employees leave.

Do you have the right team, structure and training processes to develop talent internally? When it comes to hiring disruptive tech skills, there is a serious skills shortage and companies looking to scale recognize they need to grow talent, not just buy it.

SALES, MARKETING, AND PARTNERSHIPS

Is your growth engine powering on all cylinders? Are you being proactive enough in bringing on new logos and expanding existing accounts? Are you growing faster than your partner and the competition? If not, you are probably ceding mind and market share to someone else.

What got you to $5 million in revenue won't get you to $50 million, and a dedicated sales, marketing or alliance function is almost always required. If you're lucky, you can uplevel or expand an existing team. But you may need to build these functions from scratch, and that requires an experienced leader and a bigger budget.

Services companies often underinvest in marketing, but an investment here pays dividends in the long term. It not only builds a stronger pipeline for sales, it helps close deals faster and can lead to higher bill rates. It also helps you attract better talent if employees feel like they're working for a company that is bigger, smarter, and more successful than the competition.

Think through how well you're positioned to win and deliver quality work to bigger customers. As a company matures, account management and customer experience must become a bigger focus area.

Finally, could your channel relationships yield more revenue? At the beginning, partnerships can be managed in the cracks, but eventually those relationships will need dedicated attention and investment.

SOLUTIONS AND INTELLECTUAL PROPERTY

Funding means you can turn the best ideas on your roadmap into real offerings, instead of just fighting fires. Many firms get stuck in the pattern of moving from one project to the next, delivering on individual customer needs and moving on. That doesn't work at scale, and it won't work in the cloud's third wave.

How can you evolve your existing services portfolio to create stickier relationships, and what accelerators and productized solutions can automate, add value, or add revenue? A differentiated and documented methodology can support both scale and sales. Accelerators and productized solutions can automate repetitive tasks, add value, or add revenue.

Perhaps it's time for a more formalized product management function. If you consider yourself a tech-enabled services firm, do you have the right team, processes and tools in place to evolve those assets and solutions so they don't become shelfware and contribute to margin? How are you capturing and using customer insights to guide your solutions and IP? Is it time for a formalized Customer Advisory Board?

OPERATIONS AND PROCESSES

Accelerated growth will break processes that once worked well. Beyond a certain point you can't drive revenue reliably if you don't have process scalability. Operations, especially in a services company, always matters.

Are you able to effectively predict and manage staffing requests when the volume and scale of projects is more than what you can manage on Excel or Google Sheets? If so it might make sense to invest in a real Professional Services Automation (PSA) system. Have you reached the point where it's time to hire someone who specializes in project staffing and workforce planning? Or to build out an operations team?

At a certain size, companies find they need to upgrade their current financial systems, or their Customer Relationship Management (CRM) systems. Have you reached that point where QuickBooks or Zoho just isn't cutting it any more?

Investors like Tercera who have real-world operational experience can ask you the tough questions you need to hear to help refine or even expand your plans to reach that next level of growth. They should be able to help you understand hidden dependencies that might not be obvious at first.

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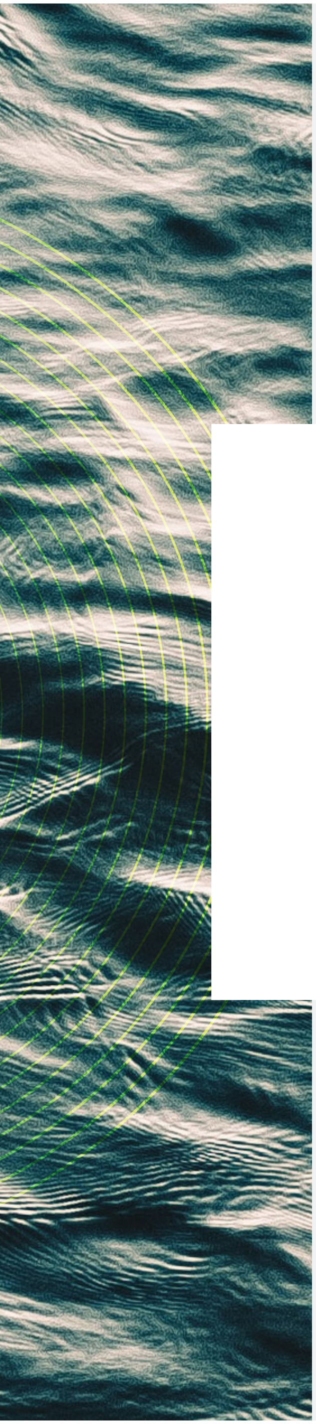

CHAPTER 5:

PICKING THE RIGHT ADVISORS

In the funding process, advisors play a number of critical roles – from educating you on the process, to examining your business infrastructure, to negotiating and preparing the documents that represent the funding itself.

Seeking the right partner within the funding process is akin to hiring the right realtor, agent, inspector or contractor when you're preparing to list or rent your home. You *can* do it yourself, but the outcome will likely be a lot better if you consult a professional. You might be too close or simply need a level of expertise you don't have.

The advisors you need before and during a financing round primarily depend on the phase of your business's growth, the size of the transaction, and the expertise you have internally.

For almost any deal (even early-stage), you'll need financial and legal advisors. If you're looking for a full acquisition of the business (assuming your business is of reasonable size), you may want to involve a good investment banker — and you'll be glad you did.

FINANCIAL ADVISORS

Financial advisors specialize in helping you get your financial house in order before you even sit down with a potential investor. Their job is to help you understand where investors will focus, what documents you have and don't have, and to help you get prepared for the journey ahead. A good financial advisor will help you fix issues that risk derailing or delaying a deal, and they'll help you show well through the process.

They will help you answer questions like:

- Are you calculating your revenues correctly?
- Are your financial statements clear?
- Are your forward-looking financial projections sound?

LEGAL ADVISORS

Finding a good, reputable lawyer with useful and practical experience should be at the top of your list. A good lawyer will set the tone for the process, and save you time and money down the road. A bad lawyer can not only slow down the process and make it more expensive, they can also steer you in the wrong direction – or kill the deal entirely.

A lawyer will help you look at things like:

- How was your company formed?
- Is your infrastructure set up correctly?
- Are your board minutes in order (if you have a Board of Directors)?
- Is your stock option plan and cap table set up correctly?
- What are the risks your company hasn't anticipated?
- Is your IP in order?
- Do you have disputes with customers, employees or competitors to resolve?
- ... and about a dozen other things

Reputations matter, especially when it comes to lawyers. Their expertise isn't easy to evaluate before you start working together, so the very best advice is to find one from a personal referral. You also need to choose legal advisors who are aligned with your interests — which means you'll need to be transparent about what those interests are and where the company will need the most help.

TAX ADVISORS

These advisors may be less important for early stage companies, especially if the founder is already working with an accountant for day-to-day bookkeeping. If a company is not making meaningful (or any) profits, the tax burden generally isn't a major issue, and a solid accounting firm can probably handle the blocking and tackling.

Investors will want to understand any tax liability exposure as part of a diligence process, and may bring in their own advisor here to pressure check existing data.

INVESTMENT BANKERS

For early-stage deals where a founder isn't looking to raise a ton of money, an investment banker may not be needed. However, if a 9-digit transaction is likely, you're heading into banker territory. Bankers typically get paid as a percentage of the total transaction value, so it needs to be worth their time (and their fee needs to be worth yours).

Bankers are not cheap, but they get paid a lot because they do a lot. Their insight, process, connections and execution support can make the difference between a good outcome and a great outcome for a company. They'll help you understand what buyers will look for and why. They'll help shape how buyers view and evaluate your company against your competition. They'll help package and present your company to potential buyers. And in many cases they will run the process for you, which can take anywhere from 90 days to 12 months (or more) from your first meeting with them.

The biggest deals — obviously — will get the bank's best people and the most attention. Ideally, you don't want to be the smallest and least important deal on your investment bank's mind.

If you've had your head down building a great business, you may not have had the time to build amazing connections. But part of your job at that level is to broaden your network and surround yourself with professionals who provide the advice you'll need.

If you're starting from scratch, here are a few natural places to start (in this order):

- **Ask your peers.** Like most things, a referral is always the best place to start. You aren't the first who's gone through this process. In most cases, they'll know someone. Or at least who to avoid. Ask about their own selection process.
- **Potential investors.** If you are already in these conversations, ask who they would recommend. It's probably someone good if they trust them, but keep in mind, there is some affiliation here and they may be on the pricey side.
- **Your senior leaders and other advisors**. The extended team, and the accountants or attorneys with whom you already work may have suggestions or advice. They've seen similar situations before and can help you look around corners.
- **Google and LinkedIn**. You're probably not going to pick someone directly from a search result, but it'll give you a sense for who's out there and how firms compare. You can be a little more targeted on LinkedIn.
- **Industry events and associations.** Bankers and advisors are commonplace at tech industry events like Dreamforce or CES. There are targeted meetings and associations as well. For example, there's a group called Tech GC, and similar groups for CFOs.

ARE YOU READY?

Remember, a good investment process is fundamentally a search for the right partnership, where both partners gain more than either could have won on their own.

Companies partner with us because we are 100% dedicated to accelerating the growth of IT services businesses. We aren't tourists in the services realm, we're experts. Tercera is a team of former operators who know first-hand what it takes to build and scale a successful cloud services business. We listen first, aren't afraid to ask the tough questions, and are real people who guide based on experience, not spreadsheets.

Contact us at **info@tercera.io** if you think we can help!

INTERVIEW QUESTIONS FOR ADVISORS

- Have you worked with a business like mine before?
- Tell me about a relationship that went particularly well?
- Tell me about an experience that wasn't great?
- What kind of challenges do you typically face working with a company our size?
- How will communication work between our firms?
- What is the best way for our company to work with you to get the best results?
- What do you expect from us?
- What should we expect from you?