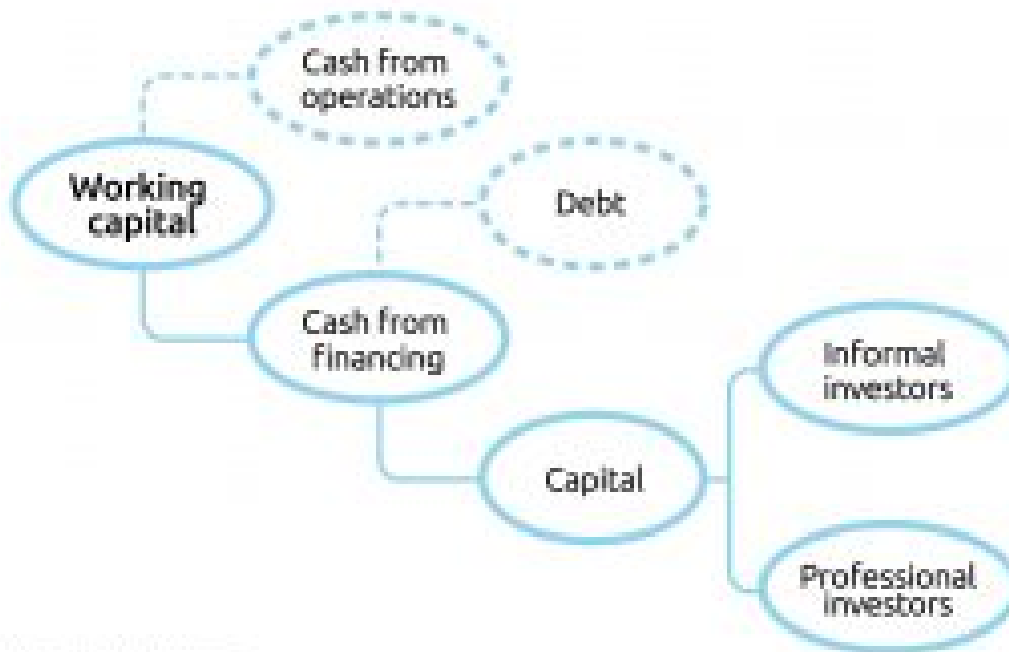


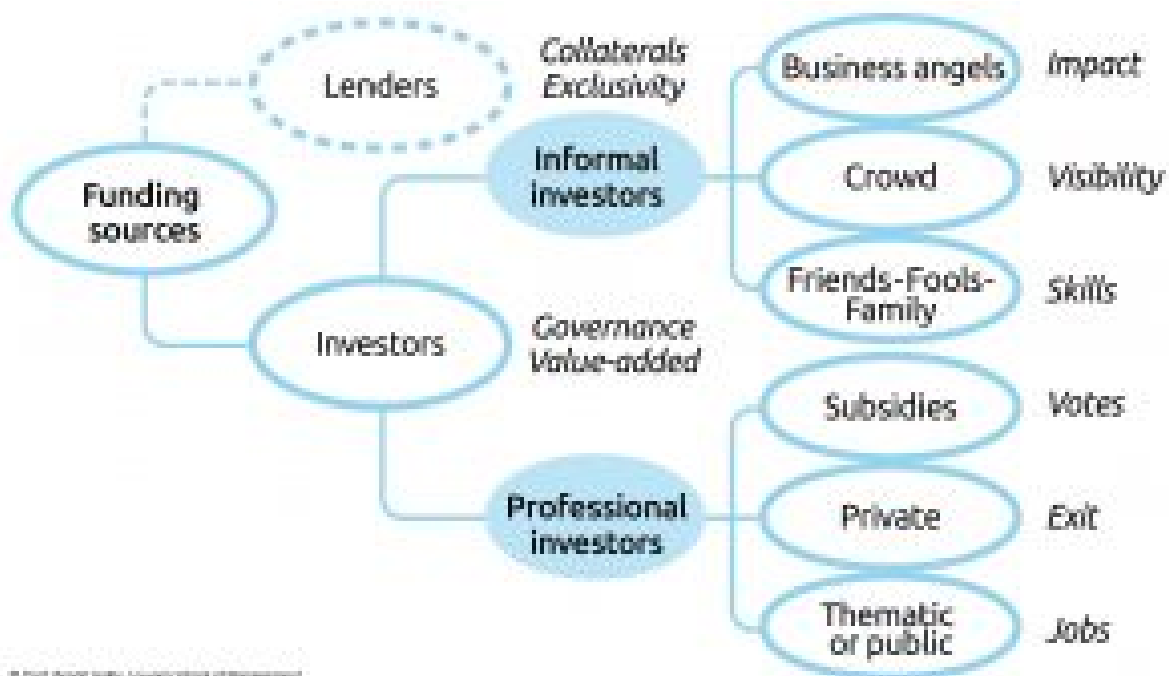
By Benoît Gailly, 17 January 2018

Smart money: funding innovation projects



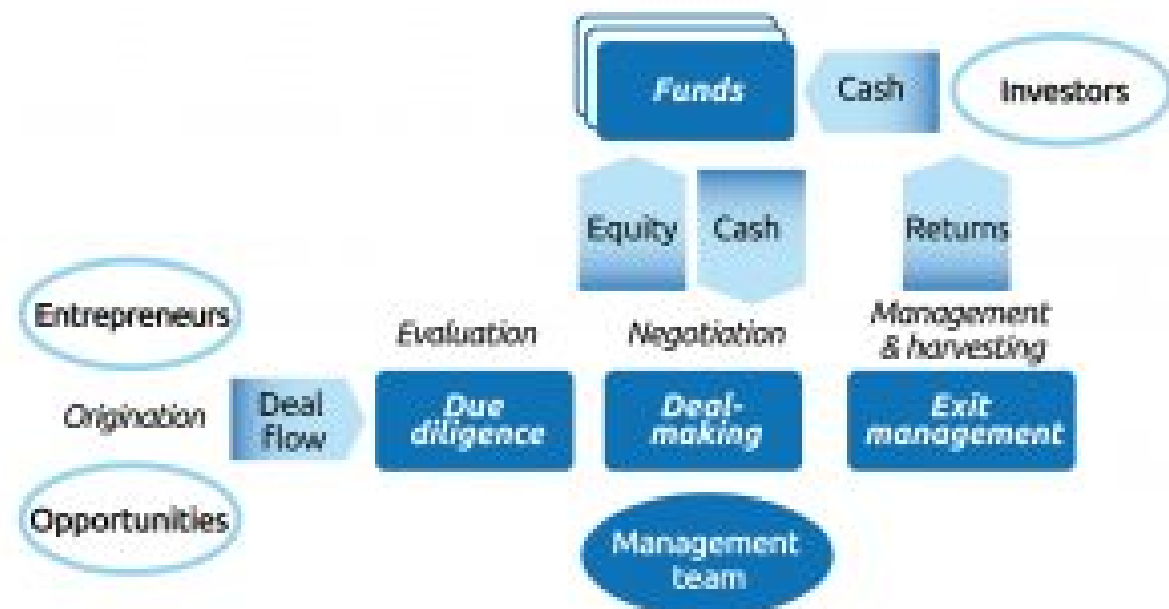
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The lack of track record, the ambiguity and the specificity of most innovation projects mean that innovation managers should consider alternative specialized **sources of financing**, such as informal and professional investors, to (co-)invest in the development of their opportunity.



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Innovation managers and entrepreneurs looking for specialized outside (co-)investors must identify, target and engage effectively the right type of **financial stakeholders**, based on available offers, expectations and potential value-added.



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Innovation managers and entrepreneurs can in some cases leverage the value-added and support of **venture capitalists** as (co-)investors, provided they master the business model of these

specialized investors, their selection criteria and their negotiation process.

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Keywords: *adverse selection, agency costs, early-stage investors, information asymmetry, funding, smart money*

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Navigating the innovation financing fauna: financial stakeholders

Keywords: *business angel, crowdfunding, FFF (friends, fools and family), investment funds, seed investing*

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Professional innovation investors: Venture Capitalists

Keywords: *bargaining, deal making, due diligence, syndication, venture capital*

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