

# HOW to raise funding 10

**Hall T. Martin:** [00:00:00] Yes. Yes. Michael. Thanks for joining. Looking forward to catching up. thank you. Cool. Cool. Okay. You're doing some cool things here in the travel space and I was just curious how you got into it

**Guest 01:** uh,

like I always tell people, we are once a customer.

So we have been there before. So And we see the challenge, the people like, uh, the traveler usually [00:00:20] face, uh, while making their booking. in fact, I, I have, uh, a practical, uh, example with one of the, the startup, uh, partner that we're working with today, shopping for one, uh, traditional, uh, travel agency to another and still not able to [00:00:40] get the, uh, issue resolved.

So, and. The little demo we have and they were like, oh, thought it was something that's going to be a little bit difficult. Uh, that is how we got there.

Okay.

Because I could remember my experience in 2015 where I was trying to connect a flight from Nairobi to [00:01:00] London. And, uh, after the, I could not get up on the flights, I requested for refund.

And to my surprise, I, I waited for almost 10 days before the refund could get to me. So these are the things that I was just like, how can we resolve this issue? So, and that, make me to think and started thinking, doing some research to see how we can.[00:01:20] I can do something tonight. Reach out to some few friends if they're interested.

And that's how we started in 2019. That's correct. we notched the service. Our, all the license, uh, from the regulatory and the governments. Was ready by

**Hall T. Martin:** 2020. Great. and so what kind of revenue do you guys have so far?

**Guest 01:** Because due [00:01:40] to the pandemic, so we have been facing a lot of challenge in the travel agency, but, uh, in this, uh, the third quarter of this year, it has been picking up, uh, greatly.

So we've seen a lot of increase in the. And people traveling a lot. So both the individual and the corporate, our revenue so [00:02:00] far would be about 300,000 because in 2021, we didn't have a revenue at all due to the pandemic. And, uh, that time, a lot of things were so happening. The tickets, the ticket was so expensive and people really caught their trip.

So, uh, most of the people, our partner were having virtual, meetings. [00:02:20] So. revenue of 2021 was about less than 20,000, but in 2022 and this year, so we've seen an increase, 2022, which was about 100,000 and this year, so, it's not ending yet. So we are still counting. So above 100,000. Okay. And this is the part [00:02:40] that, uh, we have not even launched our solutions fully.

So we are still on the pilot stage, uh, and our partner are glad to using it like that. Okay. So, and we are working, we are building, so, we are at least about 75 percent complete now.

**Hall T. Martin:** Okay. how much are you trying to raise right now in

**Guest 01:** funding? About [00:03:00] 250,

**Hall T. Martin:** 000. Okay. And what's the use of the funds?

Yes. We're doing sales and marketing. Are we still doing product development or other?

**Guest 01:** it's for development, uh, because we just, incorporate our North American office. So, and, uh, we want to put the funds into the development, especially for the UI and, [00:03:20] uh, security aspect, because, our partner, Microsoft.

And Google, they've already helped us with, uh, some, a lot of, uh, infrastructure in time of technology. for example, in a Ws, give us, uh, about about two \$50,000 in credit for cloud. So because my co founder is currently in [00:03:40] Las Vegas, attending a re event program. I was supposed to be there myself.

So, but I'll be joining them by tomorrow.

**Hall T. Martin:** And, uh, have you raised any of the 250 so far or what is the structure? Is that a convertible note or

**Guest 01:** a safe note? Like I said, on the email, we have, , young, angel investor. They are the lead, they are the [00:04:00] one leading the fundraising, so which they committed about 75, 000 already.

**Hall T. Martin:** 75k so far. Okay. Well, I think Angel's is going to be the way to go. is this a convertible note or a safe note? What did you use for the 75 so far?

**Guest 01:** they've not given us the check.

**Hall T. Martin:** Okay. the question is [00:04:20] if I wanted to invest 25k, what would I be signing?

**Guest 01:** it depend on the, what is it called? Is it, it's gonna be on equity base.

**Hall T. Martin:** Well, if you've got a priced round, somebody has come in and diligence it and negotiated the valuation with you and have agreed upon it and have put money in.

You now have a price round. [00:04:40] If you don't have that, well, then normally people use convertible notes or safe notes because you're, you're really not setting the valuation. Instead, you're setting a valuation cap. That means that the valuation will not go above a certain number. And that's a great way to get people into the deal because.

We can, get people to put [00:05:00] money in, but they don't have to have, they don't have to do what I call climb the valuation wall. That means they have to figure out what the valuation is and get a price round and then set the valuation. It just says, we're going to set, let somebody else figure out the valuation later when there's more information available.

There's more revenue, there's more traction, more team, [00:05:20] setting the valuation then will be a lot easier than it is today. So evaluation cap, just make sure we don't get some out of range, out of market, uh, valuation on it. Uh, valuation cap in this case is probably around 5 million or something like that.

And if you got a convertible note, you can go out and start picking up checks from other [00:05:40] investors. And that's, that's what we need to do at this stage is go and find angel investors who write 25k checks. And propose the deal to them, pitch it and so forth. And then it's a rolling close on the convertible note.

They sign the check, you sign the note, the money goes into the business the next day. And this is how you're going to get mostly the 250 is from 10, [00:06:00] 25k check writers from angel investors is what you're going to do. And half of them will be in your network and half will be friends of friends that you, that your network knows.

And so that's the next step here.

**Guest 01:** Uh regarding the document, um, for me because uh, what we currently are doing with [00:06:20] the Okay, uh, let me say something.

So, okay. what we are having with uh, your car investor at the moment base of my uh cfo so it was uh is going to be on equity base for For that, um, based on the agreement. So they said they normally take 6 percent of the equity. So, [00:06:40] uh, that is the, what they said, because this is our first time raising, money.

So all the money we've raised is always, it has been on grants from Microsoft, AWS and Google.

**Hall T. Martin:** And many startups have those grants. That's, that's a great thing to have. It helps you. You get your costs down and get something up and running and selling and so forth. [00:07:00] so now on our side, what we do is run investor relation campaigns, but we're 3, 000 a month.

And at this stage, that's, that's probably not the best use of your, your money. You should be putting your money into building a product and getting more customers and more revenue. That's why I say we should get a convertible note and go out and just start talking to [00:07:20] investors because it's something you'd be surprised how often you talk to investor and don't.

Pull out a checkbook and say, Hey, I'm in. Who do I make the checkout to? Well, you have to have a legal document that goes with that. You can't just take a check. You have to basically say, okay, sign this convertible note document and you'll be in the deal.

**Guest 01:** Yes, yes, yes. We prepare some document. if [00:07:40] you don't mind, I would just reach out to my CFO and I can just share with you on the email.

**Hall T. Martin:** Okay. Yes. If you have a document already, by all means, send it back to me. Let me know what I'll do at the end of this. Just so you know

what we do. I'll send an email about how we work and a campaign proposal. You can look at that. But like I say, I think we're, You know, it's too soon [00:08:00] for us. I think you should take your money and put it into your product.

You're not, not into raising additional funding because at this level, it's mostly going to be family and friends and, uh, friends of friends is what, what it's going to be. So wanted to. Just make sure you had a convertible note or safe note that you can go out and pick up the money on. But some people wait for a lead [00:08:20] investor, but at this stage, precede, very few lead investors come in.

There's just not enough information to go do the valuation and all the work that goes into it. They'll do it later, typically at the Series A. So most of these deals are getting done with convertible nodes and safe nodes. And so if you have one of those, I think you're in a place where you can go out and you can raise [00:08:40] that 250 you're looking for and carry it forward.

And what, what you want to do with the investor is talk about your customers. what are customers saying about the product or doing with it? Uh, most people go out and they want to tell the investor everything about how they built the product. And that's a little bit interesting, but not very much.

[00:09:00] What they really want to know is I'm talking to people who are buying this stuff and they're telling me and guiding me on what I need to do to get there, because that's going to be a more successful outcome in generating revenue than just talking about building the product. So just wanted to do that.

And when you talk to customers, who are you talking to now on the customer side? [00:09:20]

**Guest 01:** across the board when it comes to customer, but our focus is on B2B.

**Hall T. Martin:** Okay, so that's what, whenever you go to an investor, always have one new piece of information available from a customer. I was talking to a customer, they had this problem, I told him how I could solve it, I gave a demo, he liked it, he's going to [00:09:40] test it out.

These are the kind of things that investors want to hear about. Normally what I hear is I got this software program. I'm trying to build a code. I got this feature working and, and there's no customer in the picture. If there's no customer in the picture is, it's hard to engage the investor. You always want to have customers in the picture being a part of it.

Yeah.

**Guest 01:** [00:10:00] actually, whenever the question arise, , because we already have, uh, Pilot, uh, customer on our pilot, uh, uh, program already. So, which is about 87. So I always said them and with the word of the mouth, like I said earlier, so they love what we are doing and they have been using the system. So, and we keep building on the solutions

**Hall T. Martin:** as well.

Okay. [00:10:20] that sounds good. Well, I'll send that information over. What questions did you have for me, if any?

**Guest 01:** okay. I think you've already briefed me, but, can you, I just want to know how your team works. So, and what we should expect. And you also. Do you sit on the board as well after you invest?

**Hall T. Martin:** we sign convertible notes. I [00:10:40] invest in, I often sign convertible notes to get in the deal. Uh, the value of coming in very early is that you get a very good valuation. That's critical to a successful outcome is getting a good valuation. And sometimes you have to be in a very early stage to do that.

So at 10 capital. What we do is we help you raise funding. We take your deck and go out to [00:11:00] our network of investors and say, here's a great deal. And we share with you the list of interested investors, and then we're having you pitch to them in our online events, and then we're going out and going through angel groups and syndicate funds to find more investors.

And then we're closing with in person events. So this is what we're doing with our [00:11:20] program is at heart, getting you more investors and getting you introduced, to them. So yeah, so that's, that's how that works. Okay. All right.

Well, I'll see you in the information about how we work, just so you have it. And, looking forward to getting more information from you and please keep me on the list to get updates as you make progress and we'll go from there. All

**Guest 01:** right. Thank you [00:11:40] so much. We'll be sending that email shortly and I'll be expecting your email.

Cool. All right. Thanks. All right. Thank you so much. Well, thank you.