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# Private Investment and Space Commerce

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# Major Points

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- Basic Types of Capital Financing
- Sources of Investment Capital
- Risk Factors
- Risk Mitigation Factors
- Business Plan Needs
- Closing Remarks

# Questions

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- Capital:
  - What kinds of financing are potentially available for various types of projects?
- Risks:
  - What risks are investors most concerned about, and what kinds of risk mitigation approaches are most attractive when projects are proposed?
- Plans:
  - What sorts of business plans are most useful in promoting investment opportunities?

# Basic Types of Capital Financing



- Equity = Ownership
- Debt = Owing
- Grants, Guarantees, Tax Credits, Prizes, etc... = Gifts
- Plus
- Bootstrapping
- Combinations of the Above

# Sources of Capital

The background of the slide is a dark space scene. On the left, a portion of the Earth is visible, showing the Americas. On the right, the reddish surface of Mars is partially visible. A circular logo in the top right corner features a satellite in orbit around Earth, with the text 'SATELLITE APPLICATIONS CENTER' around the perimeter. A blue horizontal line is positioned below the title.

- Personal Funds
- Family and Friends
- Bootstrapping
- Banks
- Grants or other Government Funding
- Angel Investors
- Strategic Corporate Investors
- Venture Capital
- Public listing/Underwriting

# Risks Specific to Space Industry Investments



- Perception
- “Giggle Factor”
- Lack of understanding of the industry
- Angels not from the industry
- Size of Capital needed
- Legal Issues
- Political and regulatory environment
- Insurance
- Other alternatives
- Exit Strategies

# Risk Mitigation

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- Private/public partnerships
- Prizes
- Multiple investors
- Tax credits

# Business Plans



“I have always found that plans are useless,  
but planning is indispensable”

*Dwight D. Eisenhower*

- Value Proposition
- Solution to a Problem
- Current Reality
- Market Analysis vs Action Plan
- Business Model
- Performance targets
- Insight into real competition
- Dual use technologies/other applications

# Closing Remarks

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- Opportunities
- Belief in Diversification
- Past Investors in Exploration
- Passion and Persistence



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# Implementing the Vision

**Space Exploration Conference  
2006**