

CHANGING HOW STARTUP START, AND HOW INVESTORS FINISH





OUR
MISSION

“OUR GOAL IS TO TURN \$1
INVESTED INTO \$5, BY CREATING
AN UNFAIR ADVANTAGE AND NOT
MAKING BLIND BETS.”

- FOUNDER, **KP REDDY**



OUR FOUNDER
KP REDDY



WORDS HE LIVES BY

EXTREME SACRIFICE IS NOT
GLAMOROUS. FOCUS ON
GETTING RESULTS NOT
CREATING ATTACHMENTS.

STARTING IS EASY,
FINISHING IS HARD.





OUR FOUNDER KP REDDY



25+ YEARS OF SUCCESS



WRITTEN WORDS

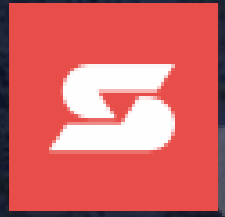
What you know about Startups is Wrong, BIM for Building Owners and Developers

FEATURED IN

The Wall Street Journal, The Huffington Post, Atlanta Business Chronicle and other industry publications.

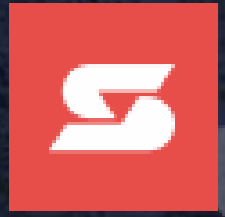
AUTHORITY ON

Built Environment, artificial intelligence, robotics and automation, collaborative communication, mobile applications and cloud computing.



BUZZWORD BINGO

- ARTIFICIAL INTELLIGENCE
- 3D PRINTING
- MACHINE LEARNING
- DEEP LEARNING
- ROBOTICS
- NEURAL NETWORKS
- BIG DATA

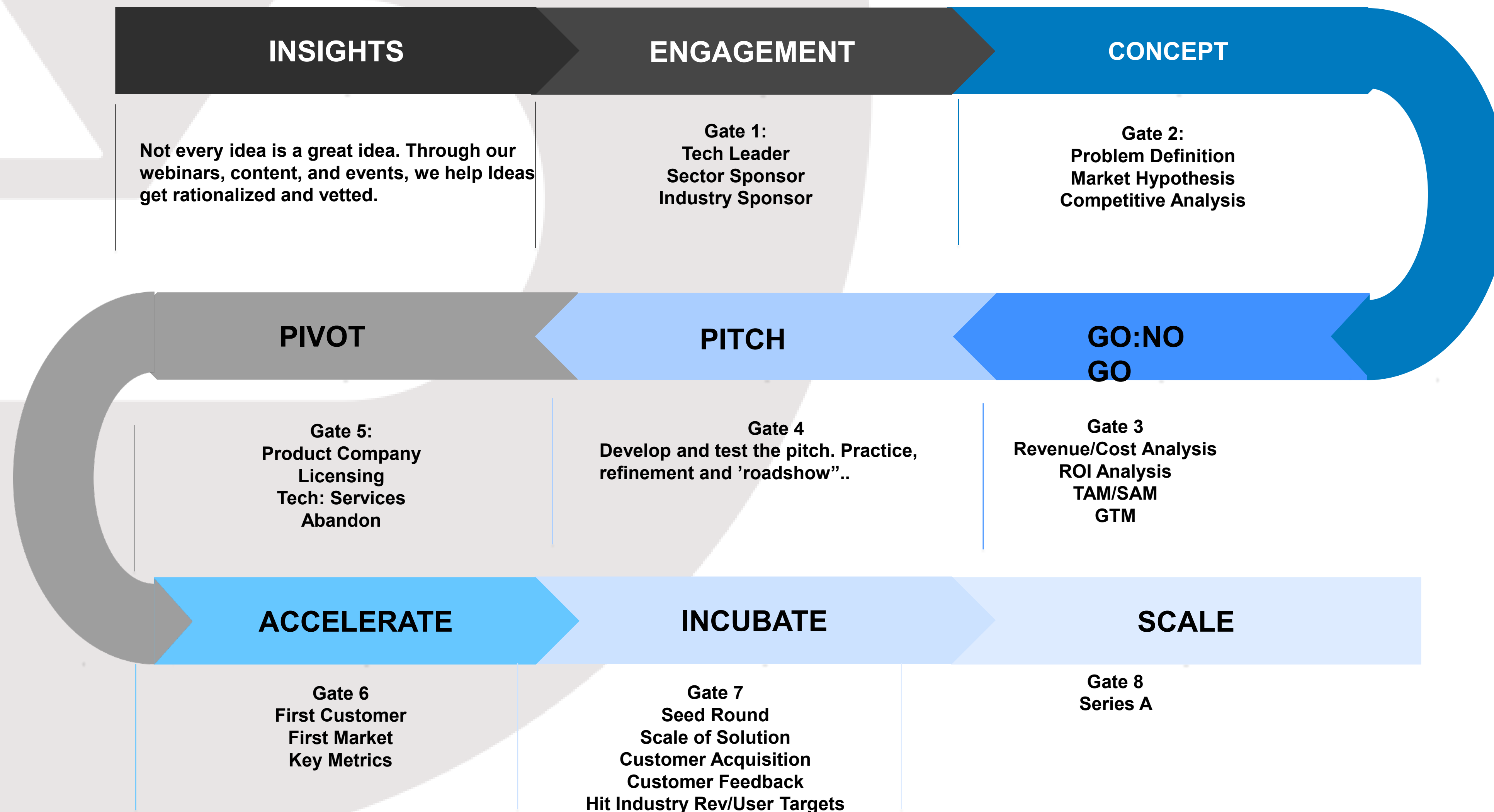


THE NEW NORMAL: POLYMATH

- KNOWLEDGE BEYOND GOOGLE
- YOU ARE NEVER “SET FOR LIFE”
- FUNCTIONAL EXPERTISE = AUTOMATION
- INNOVATION IS REAL, CORPORATIONS CAN'T INNOVATE (IT'S MATH)
- DAILY LEARNING...Minutes, Hours, Days...Quarters are for chumps.
- RESULTS BASED WORK
- BROKERS ARE DONE: “RELATIONSHIPS”



The Innovation Journey





Building a Startup Ecosystem

Key aspects: Narrow variables and focus.

- Sector Clusters
- Talent
- Ideas
- Capital
- Connections
- Media and Buzz



Sector Clusters

- Do not invent Sectors.
- Use existing; BuiltTech, FinTech, RetailTech, ConsumerTech, etc..
- Pick 3; 1st (Top 10), 2nd (Top 20) and 3rd (Aspirational)
- Align to Corporate Partners
- Be known for something



Talent

- Attract Leadership that aligns with your Sectors.
- Work with Educational Institutions to align with Sectors and leadership.
- Institutionalize the Sector Vocabulary
- Create network outside of your geography for mentors, advisors, etc that are leaders in the Sector.



Ideas

- Hackathons
- Accelerators
- Incubators
- Events



Capital

- Identify High Net Worth Community
- Educate them on Angel Investing
- Market to VCs that are focused on your target Sectors
- Host Demo Days and Annual Events



Connections

- Corporate Match Making
- Innovation Districts
- Alumni Networks
- 1:1 Mentoring/Coaching



Media and Buzz

- Create original content
- Highlight success stories
- Identify “natives” that are doing well outside of your market. Promote their success
- Curate the stories.



My process in Atlanta

- Credible Serial Entrepreneur
- ATDC (State of GA + Georgia Tech)
- Narrowed to a few Sectors
- Created EIR Program Focused on Sectors
- Attracted Corporates Interested in Sponsoring (WorldPay, etc)
- Architected Engage Fund
- Left ATDC



Next Challenge

- Build a global ecosystem.
- Focus on a single **Sector** (Fixed Variable+Focus)
- Identified Global **Talent** with narrow expertise
- Weekend Accelerator **Ideas** to MVP
- Started Shadow Ventures for Seed **Capital**
- Leveraging technologies like SLACK and VC to keep community **Connected.**



OUR
APPROACH

SHADOW VENTURES IS A VENTURE
CAPITAL FIRM FOCUSED ON INVESTING
IN STARTUPS IN **UNDERSERVED**
MARKETS WHERE STRATEGIC CAPITAL IS
SCARCE.

Our process and ecosystem are driven by both experience and technology to provide best-in-market returns for our investors and unparalleled opportunities for our startups.



WHY THE SEED STAGE?



01 BEAT THE OVER CROWDED VENTURE SPACE

Hit this sweet spot of Seed funding!

02 DUE DILIGENCE

Perform adequate due diligence with available data.

03 REDUCE MARKET RISK

The companies at this stage have proven their idea and have garnered traction reducing the market risk.

04 DRIVE HIGHER VALUE

Small revenue increase can drive substantial value enhancement.

05 MAINTAIN FLEXIBILITY

The capital requirement is low in seed funds providing more flexibility and risk management.

Rev = \$500k Value X = 5 Valuation = \$2.5M

\$1M INVESTED AFTER 24 MONTHS...

Rev = \$2.5M Value X = 5 Valuation = \$12.5M



WHY THE
SEED STAGE?

HOWEVER, SEED STAGE ISN'T EASY...

The cost of the effort does not typically support the returns. Hence,
our Labs programs.



ENTRY

Due diligence on Seed Stage companies requires not just the fundamental facts and figures. It requires careful observation and interaction.

ENGAGE

Delivering high multiple returns in seed stage requires a hands-on approach to supporting portfolio companies.

EXIT

Series A is where we end and others begin. Series A Funds seek our pipeline.

Our unfair advantage is to leverage our proprietary data and industry knowledge to our capital in the right companies at the right time. We do not believe in a level playing field.

Our labs program is self funding and has zero impact on our fund economics.



A PERFECT STORM

CONSTRUCTION WILL SOON BE CHARACTERIZED BY CONNECTED SYSTEMS OF SENSORS, INTELLIGENT MACHINES, MOBILE DEVICES, AND NEW SOFTWARE APPLICATIONS—ALL INTEGRATED ON A CENTRAL PLATFORM OF BUILDING INFORMATION MODELING (BIM).

- THE TRANSFORMATIVE POWER OF BUILDING INFORMATION MODELING, BCG

UBIQUITY OF TECH

Unlike a decade ago, owners, investors, lenders, appraisers, builders, designers, and subcontractors carry smart devices in and around buildings/sites constantly.

The basic technological platforms are already on-site and readily used by all parties for the first time.

PRICE OF TECH

With the proliferation of Open APIs, Cloud Computing (AWS), Rapid Prototyping, and Startup tools, young companies are able to start and grow less expensively.

CRISIS TO INNOVATE

There is a crisis to innovate in the building industry as it becomes more crowded and less profitable, experiences shortages of labor, and races to keep up with population growth.



BUILT ENVIRONMENT

71K + INTERIOR DESIGNERS
120K + ARCHITECTS
40K + PROGRAM MANAGERS
45K + OWNERS
550K + ENGINEERS
+ CONTRACTORS
BUILDING PRODUCT MANUFACTURERS

\$40 TRILLION GLOBAL MARKET

HOW DOES OUR LAB PROGRAMS WORK?





OUR PARTNERS



**SHADOW
VENTURES**
LABS

wework



**Nine
Labs.**

**Thornton
Tomasetti**

Schneider
 **Electric**

JBB
&
JAROS BAUM & BOLLES



OUR AEC STARTUPS



**SHADOW
VENTURES**
AEC



4URSPACE



HAVYN



knowify



PassiveLogic





OUR CRE STARTUPS



COLLEGE@HOUSE





THE SHADOW PORTFOLIO



amenify

icón

THE COMBINE PORTFOLIO

 **KONSTRU**

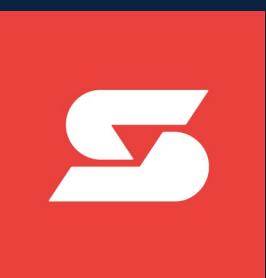
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 **InfoTycoon**
BUILDING INSIGHT



HUMMINGBIRD
k i n e t i c s





THE BUILTTECH FUND STRUCTURE

TOTAL FUND INVESTMENT STAGE	\$25,000,000 - \$50,000,000 USD SEED TO A ROUNDS
REVENUE	PRE-REVENUE TO \$1M/YEA
INVESTMENT PER COMPANY	\$500K - \$1M
FOLLOW-ON INVESTMENTS	\$1M - \$2M PER COMPANY
GEOGRAPHY	US ONLY
FUND LIFE	10 YEARS + TWO 1-YEAR EXTENSIONS (IF NECESSARY)



YOU'RE WELCOME