

THE JAMAICA VENTURE CAPITAL PROGRAMME

MARKET AND STRATEGIC PLAN

DEVELOPMENT BANK OF JAMAICA LIMITED

Sponsored by IDB-MIF



THE VENTURE CAPITAL AND PRIVATE EQUITY INDUSTRY LANDSCAPE



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ECONOMIC ENVIRONMENT



THE VENTURE CAPITAL AND PRIVATE EQUITY INDUSTRY LANDSCAPE

ECONOMIC ENVIRONMENT

INVESTMENT



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ECONOMIC ENVIRONMENT

INVESTMENT

ENTREPRENEURSHIP



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ECONOMIC ENVIRONMENT

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PRIVATE EQUITY INITIATIVES



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ECONOMIC ENVIRONMENT

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REGULATORY



THE VENTURE CAPITAL AND PRIVATE EQUITY INDUSTRY LANDSCAPE

ECONOMIC ENVIRONMENT

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REGULATORY

R&D



THE VENTURE CAPITAL AND PRIVATE EQUITY INDUSTRY LANDSCAPE

ECONOMIC ENVIRONMENT

INVESTMENT

ENTREPRENEURSHIP

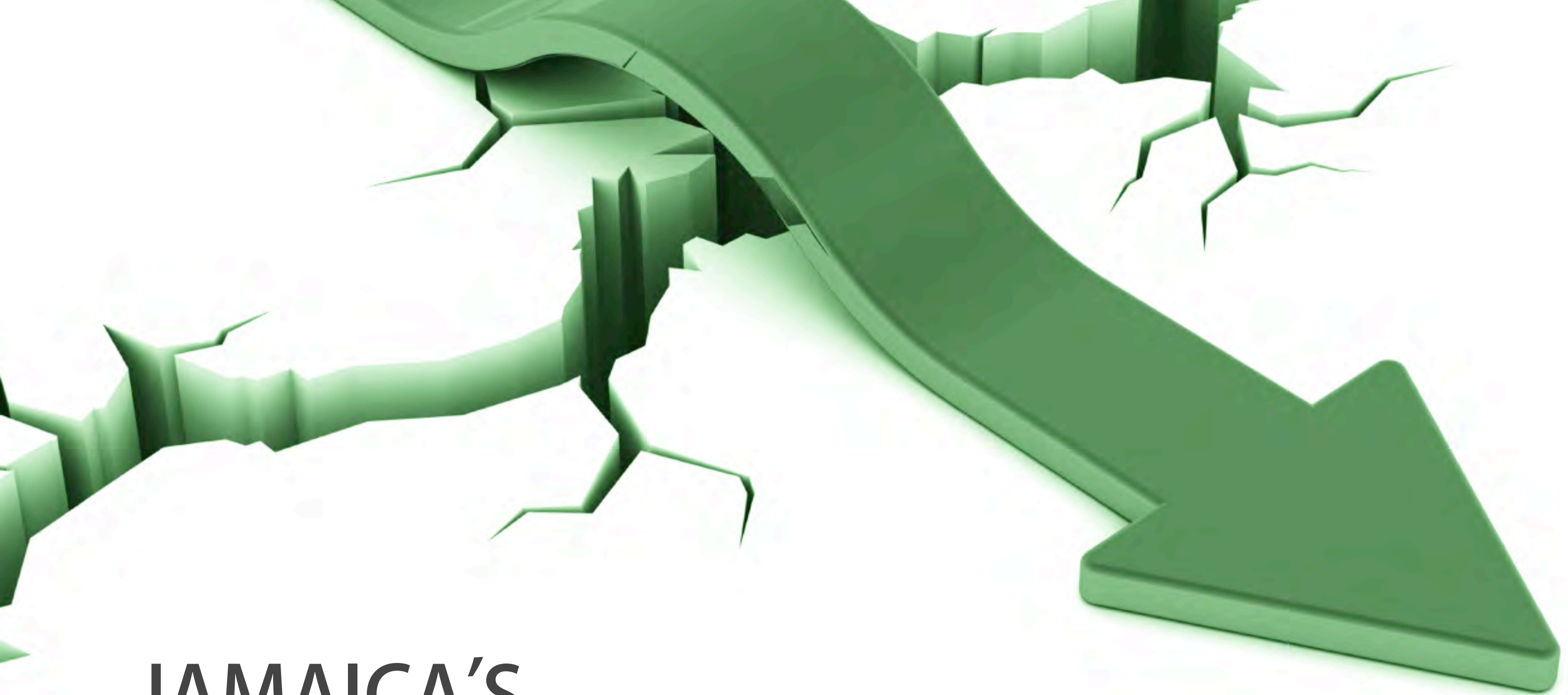
PRIVATE EQUITY INITIATIVES

REGULATORY

R&D

CAPITAL MARKETS





JAMAICA'S **MAIN CHALLENGES** GAPS



JAMAICA'S **MAIN CHALLENGES** GAPS



▶ IMPROVE UNDERSTANDING OF THE ASSET CLASS

JAMAICA'S MAIN CHALLENGES GAPS



IMPROVE UNDERSTANDING OF THE ASSET CLASS

- ▶ **DEVELOP DATA-BASES AND TECHNICAL INFORMATION ON VENTURE CAPITAL, PRIVATE EQUITY, COMPANIES AND INVESTORS**

JAMAICA'S MAIN CHALLENGES GAPS



IMPROVE UNDERSTANDING OF THE ASSET CLASS

**DEVELOP DATA-BASES AND TECHNICAL INFORMATION
ON VENTURE CAPITAL, PRIVATE EQUITY, COMPANIES
AND INVESTORS**

▶ **COORDINATE THE MANY DIFFERENT INITIATIVES
PROMOTING NEW COMPANIES**

JAMAICA'S MAIN CHALLENGES GAPS



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**DEVELOP DATA-BASES AND TECHNICAL INFORMATION
ON VENTURE CAPITAL, PRIVATE EQUITY, COMPANIES
AND INVESTORS**

**COORDINATE THE MANY DIFFERENT INITIATIVES
PROMOTING NEW COMPANIES**

▶ **STIMULATE PROFESSIONAL FINANCIAL MANAGEMENT
SERVICES TO COMPANIES**

JAMAICA'S MAIN CHALLENGES GAPS



JAMAICA'S **MAIN CHALLENGES** GAPS



▶ INCREASE START-UPS ACCESS TO SERVICE PROVIDERS

JAMAICA'S MAIN CHALLENGES GAPS



INCREASE START-UPS ACCESS TO SERVICE PROVIDERS

▶ PROMOTE CORPORATE GOVERNANCE PRACTICES



JAMAICA'S MAIN CHALLENGES GAPS



INCREASE START-UPS ACCESS TO SERVICE PROVIDERS

PROMOTE CORPORATE GOVERNANCE PRACTICES

▶ **INCREASE FOCUS ON INNOVATION AND HIGH-GROWTH
POTENTIAL COMPANIES**

JAMAICA'S MAIN CHALLENGES GAPS



INCREASE START-UPS ACCESS TO SERVICE PROVIDERS

PROMOTE CORPORATE GOVERNANCE PRACTICES

**INCREASE FOCUS ON INNOVATION AND HIGH-GROWTH
POTENTIAL COMPANIES**

▶ **STIMULATE LOCAL PENSION FUNDS INVESTMENT IN VC/PE**

JAMAICA'S MAIN CHALLENGES GAPS

INCREASE START-UPS ACCESS TO SERVICE PROVIDERS

PROMOTE CORPORATE GOVERNANCE PRACTICES

**INCREASE FOCUS ON INNOVATION AND HIGH-GROWTH
POTENTIAL COMPANIES**

STIMULATE LOCAL PENSION FUNDS INVESTMENT IN VC/PE

- ▶ **DEVELOP SPECIFIC LEGAL AND REGULATORY FRAMEWORK
FOR VENTURE CAPITAL FUNDS**

JAMAICA'S MAIN CHALLENGES GAPS



JAMAICA'S **MAIN CHALLENGES** GAPS

- 
- 
- ▶ PROMOTE LOCAL FUND MANAGERS AND VENTURE CAPITAL FUNDS

JAMAICA'S MAIN CHALLENGES GAPS



PROMOTE LOCAL FUND MANAGERS AND VENTURE
CAPITAL FUNDS

▶ FOSTER NETWORKS FOR ANGEL INVESTORS AND
DIASPORA CONNECTION

JAMAICA'S MAIN CHALLENGES GAPS



**PROMOTE LOCAL FUND MANAGERS AND VENTURE
CAPITAL FUNDS**

**FOSTER NETWORKS FOR ANGEL INVESTORS AND
DIASPORA CONNECTION**

▶ **BUILD EXPERIENCE IN DEVELOPING THE VENTURE
CAPITAL INDUSTRY**

JAMAICA'S MAIN CHALLENGES GAPS

THE ECOSYSTEM APPROACH



THE ECOSYSTEM APPROACH



THE ECOSYSTEM APPROACH

DEMAND

MARKET'S INTEREST IN INVESTING IN COMPANIES

THE ECOSYSTEM APPROACH

DEMAND

MARKET'S INTEREST IN INVESTING IN COMPANIES

SUPPLY

EXISTING INVESTMENT OPPORTUNITIES AND THE CREATION
AND DEVELOPMENT OF NEW BUSINESSES

THE ECOSYSTEM APPROACH

DEMAND

MARKET'S INTEREST IN INVESTING IN COMPANIES

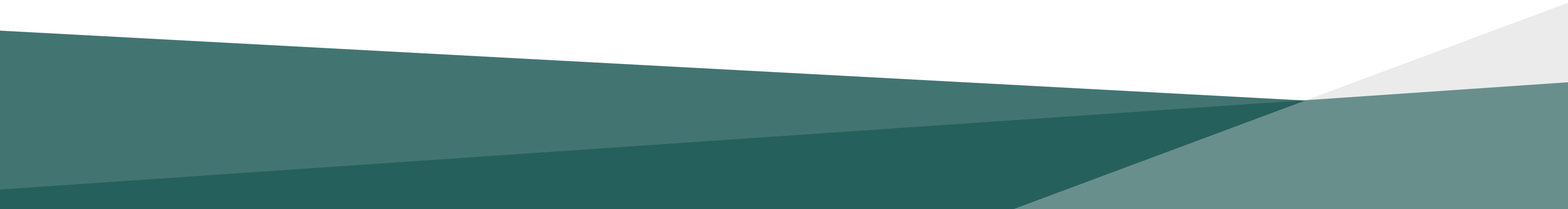
SUPPLY

EXISTING INVESTMENT OPPORTUNITIES AND THE CREATION AND DEVELOPMENT OF NEW BUSINESSES

ENVIRONMENT

REGULATORY SYSTEM, THE EFFICIENCY OF LIQUIDITY MECHANISMS, MACROECONOMIC CONDITIONS, THE AVAILABILITY OF HIGHLY QUALIFIED PROFESSIONALS

BRAZIL'S INOVAR



BRAZIL'S INOVAR

STRUCTURED PROGRAM TO DEVELOP THE VENTURE CAPITAL INDUSTRY IN BRAZIL

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ECOSYSTEM APPROACH METHODOLOGY

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STRUCTURED PROGRAM TO DEVELOP THE VENTURE CAPITAL INDUSTRY IN BRAZIL

ECOSYSTEM APPROACH METHODOLOGY

CONNECTED COMPANIES, FUND MANAGERS AND INVESTORS IN BRAZIL

BRAZIL'S INOVAR

STRUCTURED PROGRAM TO DEVELOP THE VENTURE CAPITAL INDUSTRY IN BRAZIL

ECOSYSTEM APPROACH METHODOLOGY

CONNECTED COMPANIES, FUND MANAGERS AND INVESTORS IN BRAZIL

ATTRACTED THE MAJOR PENSION FUNDS TO INVEST IN THE ASSET CLASS

BRAZIL'S INOVAR

CASE STUDY AND LESSONS LEARNED



BRAZIL'S INOVAR

CASE STUDY AND LESSONS LEARNED

FOCUS ON RESULTS, RATHER THAN INTENTIONS

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CASE STUDY AND LESSONS LEARNED

FOCUS ON RESULTS, RATHER THAN INTENTIONS

BOARD OF DIRECTORS COMMITMENT

BRAZIL'S INOVAR

CASE STUDY AND LESSONS LEARNED

FOCUS ON RESULTS, RATHER THAN INTENTIONS

BOARD OF DIRECTORS COMMITMENT

INTERNATIONAL SUPPORT

BRAZIL'S INOVAR

CASE STUDY AND LESSONS LEARNED

HIGH-LEVEL STAKEHOLDERS CONSULTATION AND COMMITMENT

BRAZIL'S INOVAR

CASE STUDY AND LESSONS LEARNED

HIGH-LEVEL STAKEHOLDERS CONSULTATION AND COMMITMENT

LISTEN TO THE MARKET

BRAZIL'S INOVAR

CASE STUDY AND LESSONS LEARNED

HIGH-LEVEL STAKEHOLDERS CONSULTATION AND COMMITMENT

LISTEN TO THE MARKET

INFORMATION: THE MAIN TOOL TO DECISION-MAKING

BRAZIL'S INOVAR

CASE STUDY AND LESSONS LEARNED

DEDICATED TEAM, TRAINED AND MOTIVATED

BRAZIL'S INOVAR

CASE STUDY AND LESSONS LEARNED

DEDICATED TEAM, TRAINED AND MOTIVATED

ULTIMATE GOAL: GOVERNMENT BECOMES UNNECESSARY

BRAZIL'S INOVAR

CASE STUDY AND LESSONS LEARNED

**MAKE
IT SIMPLE!**

THE JAMAICA VENTURE CAPITAL PROGRAM

- ▶ **KEEP THE ECOSYSTEM APPROACH**
- ▶ **CONSIDER THE LONG TERM SUSTAINABILITY OF THE ACTIONS**
- ▶ **CREATING THE RIGHT INCENTIVES**
- ▶ **IMPORTANT! REGULATORY FRAMEWORK**

COMPONENT I

KNOWLEDGE DEVELOPMENT

OBJECTIVES

- ▶ To foster greater understanding of venture capital and private equity's role in supporting entrepreneurship and innovation in Jamaica.
- ▶ Promote the professional development of the industry through training, workshops, conferences and awards.
- ▶ Act as a platform for dialogue on regulatory and policy issues relating to VC and PE.
- ▶ To foster long term education in venture capital and private equity among universities, incubators and research institutes.

COMPONENT I

KNOWLEDGE DEVELOPMENT

PROJECTS

Venture Capital Training

Workshops for companies, investors and fund managers

Venture Capital Training Abroad

Training for community leaders

Venture Capital in Education System

Strengthen entrepreneurship courses and foster venture capital classes within universities

OBJECTIVES

- ▶ Increase transparency and understanding about jamaica's venture capital market.
- ▶ Support and speed the decision making process.
- ▶ Measure results on program goals and facilitate evaluations of these efforts.
- ▶ Help keep track of successes and failures so that lessons can be learned and not repeated in the future.

PROJECTS

Creation of a local Venture Capital and Private Equity Association.

Local database on investors, funds, fund managers, companies, investments, exits and returns.: Annual VC/PE Reports issued (status and numbers of the Jamaican industry regarding investors, venture and private equity funds, companies invested and divested, as well as local practices progress).

OBJECTIVES

- ▶ Coordinate the ongoing entrepreneurial initiatives in Jamaica adding professional coaching to companies as well as helping the current schemes to find the best way to approach potential investors for these companies.
- ▶ Increase the practical venture capital experience among entrepreneurs.
- ▶ Foster a service providers network to increase the access to this expertise by young companies.
- ▶ Include innovation as a key element in companies' competitiveness and growth potential.

PROJECTS

Venture Forums

Innovative, high-growth potential companies (from any sector and innovation profile) presented to qualified investors as well as investors prepared to invest in the asset class.

Service Providers

Provide legal support and audits for selected companies, starting with the ones in DBJs Venture Forums and the Incubators.

Innovation Awards

Awards promoting innovation and entrepreneurship in Jamaica, or DBJ will select the major Award Scheme and the one that fosters more entrepreneurship and innovation in Jamaica to sponsor.

OBJECTIVES

- ▶ Include venture capital as an important asset class for local investors.
- ▶ Ensure that potential investors are prepared and aligned with best practices to invest in venture capital in Jamaica.
- ▶ Foster and develop the local fund management capacity.
- ▶ Foster the creation of angel networks and diaspora connection.

PROJECTS

Creation of local venture capital funds: establish local venture capital funds ideally through partnerships between international fund managers and local firms.

Foster the creation of an institutional investor network.

Foster the establishment of local and regional Angel Networks.

COMPONENT V

INSTITUTIONAL DEVELOPMENT

OBJECTIVES

- ▶ Strengthen the program by supporting DBJ in the coordination of the JVCP.
- ▶ Train the management team and program partners keeping them updated on venture capital and private equity international best practices.
- ▶ Add external and experienced support in specific projects of the program.

COMPONENT V INSTITUTIONAL DEVELOPMENT

PROJECTS

Courses and training for DBJ's investment team.

Consultants: to help with business coaching in the Venture Forums and fund analyses.

Foster the establishment of local and regional Angel Networks.

Subscription to specialized industry-specific magazines and newsletters.

EXPECTED RESULTS

2016

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INVESTORS, FUND MANAGERS AND ENTREPRENEURS WITH DEEP UNDERSTANDING ON VENTURE CAPITAL ASSET CLASS

**INVESTORS, FUND MANAGERS AND ENTREPRENEURS WITH DEEP
UNDERSTANDING ON VENTURE CAPITAL ASSET CLASS**

**LOCAL FUND MANAGERS PARTNERING WITH INTERNATIONAL FUND MANAGERS
AND LAUNCHING FUNDS TO INVEST IN JAMAICAN COMPANIES**



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LOCAL INSTITUTIONAL AND CORPORATE INVESTORS INVESTING IN THE ASSET CLASS



INVESTORS, FUND MANAGERS AND ENTREPRENEURS WITH DEEP
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LOCAL INSTITUTIONAL AND CORPORATE INVESTORS INVESTING IN THE ASSET CLASS

JAMAICA INCLUDED IN THE VENTURE CAPITAL MAP (LAVCA SCORECARD, LAUNCHING THE
JAMAICAN VC ASSOCIATION, PROVIDING INFORMATION ON THE JAMAICAN INDUSTRY)



INVESTORS, FUND MANAGERS AND ENTREPRENEURS WITH DEEP
UNDERSTANDING ON VENTURE CAPITAL ASSET CLASS

LOCAL FUND MANAGERS PARTNERING WITH INTERNATIONAL FUND MANAGERS
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LOCAL INSTITUTIONAL AND CORPORATE INVESTORS INVESTING IN THE ASSET CLASS

JAMAICA INCLUDED IN THE VENTURE CAPITAL MAP (LAVCA SCORECARD, LAUNCHING THE
JAMAICAN VC ASSOCIATION, PROVIDING INFORMATION ON THE JAMAICAN INDUSTRY)

LOCAL ENTREPRENEURS BEING INVESTED BY LOCAL AND INTERNATIONAL
INVESTORS AND SELLING THEIR PRODUCTS AND SERVICES REGIONALLY.



FINAL REMARKS

THIS IS A
LONG TERM INDUSTRY



THIS IS A
LONG TERM INDUSTRY

PATIENCE IS KEY

**THE ECOSYSTEM APPROACH IMPLIES AN
ENGAGEMENT OF THE MAJOR STAKEHOLDERS,
SO DBJ IS INVITING YOU TO**

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ENGAGEMENT OF THE MAJOR STAKEHOLDERS,
SO DBJ IS INVITING YOU TO

COME ON BOARD!

**JAMAICA HAS A VIBRANT AND YOUNG
ENTREPRENEURIAL ENVIRONMENT**



**JAMAICA HAS A VIBRANT AND YOUNG
ENTREPRENEURIAL ENVIRONMENT**

**LETS TAKE ADVANTAGE OF IT AND
ENCHANT THE WORLD**

THANK
YOU

