HomeStake Partners

a Montana Benefit Corporation

Preparing Businesses for Growth and...

Creating Access to Appropriate Capital
Which came first?

Healthy and growing communities of small businesses...or professional growth & training for entrepreneurs?

An equity fund of “Main Street” capital.....or a way for investors to identify vibrant businesses and entrepreneurs?
Why Now?

“Perfect Storm” of changes and needs

GLOBAL COMPETITION. AND OPPORTUNITIES.
1) Fierce competition from national invaders like Amazon.
2) But also opportunities to “export” goods / services.

BOTH REQUIRE SOPHISTICATED MANAGEMENT TECHNIQUES
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SIGNIFICANT DEMOGRAPHIC CHANGES...COMING SOON.
1) Retirement-age Montanans growing by ~90,000 in 15 years, to 26% of population from 18%.
2) ~20,000 small business owners are currently at retirement age... 6,000 of are employers.

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SMALL AND “LIFESTYLE” BUSINESS ARE THE NORM...WHO WILL FUND TRANSITIONS?
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1) Major universities launching “MOOCs”.
2) Code Schools targeting specific industry skills.

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MAIN STREET MONTANA PROJECT – KEY FINDINGS

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“...lack of adequate support...”
“Along with investment capital...companies not aware of resources and lacked the business networking connections...”

HomeStake Partners, Inc.
A Montana Benefit Corporation
Lots of Resources...  
...but all “101” level...and/or niche-focused

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How did we get here?

By Experimenting!

“Venture Roundtable”
3 Events, 7 Presenting Companies, ~75 Mentors

Even great businesses/founders get “stuck” sometimes. Community of volunteers helps move things forward.

“Strategic Finance 201”
17 Participants in ~10 months

3 – completed funding deals
5 – highly capable entrepreneurs
4 – mid-scale opportunities
1 – small-scale opportunity
>10 – non-client funding opportunities
The Formula

- SELF-MOTIVATED ENTREPRENEURS
- ADVANCED TRAINING TOPICS & COURSES
- “MAIN STREET” EQUITY FUND

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COMMUNITY ECONOMIC GROWTH & RESILIENCE
Dual Business Model

**ADVANCED / “201 LEVEL” TRAINING FOR ENTREPRENEURS & TEAMS**

- Online and offline content
  - Finance
  - Marketing
  - Legal
  - HR
- Virtual workshops
- One-on-one coaching
- Data analysis
- Custom prof services

**“MAIN STREET” EQUITY FUND**

- NOT another RLF
- NOT a venture fund that can only invest in 10-15 businesses by design
- Main Street businesses
- Sophisticated and motivated ownership teams
- Slow growth businesses
- Exits for BabyBoom owners
- Entrances for Employee Ownership
Proof of Concept

BOZEMAN-FOCUSED
SALES/MARKETING

17 “SF 201” clients in
~10 months

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STATEWIDE/REGIONAL
SALES/MARKETING

12 cohorts of 10
clients per year

21 – potential funding deals
35 – highly capable entrepreneurs
28 – mid-scale opportunities
7 – small-scale opportunities
??? – non-client funding opportunities

What if...

HomeStake Partners, Inc.
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confidential
Launching Now: First “Channel” of Training

*Helping Entrepreneurs become their own CFOs*
HELPING SMALL- AND MID-SIZED BUSINESSES LEVERAGE THEIR CRITICAL BUSINESS DATA

By delivering tools and concepts that are easy to understand and use, we help businesses and their management teams to improve the value of their customer relationships and the efficiency of their income statements, balance sheets, and financial assets.

CUSTOMER LIFETIME VALUE

By better understanding the behaviors and profitability of your customer segments, setting strategy and achieving team cohesiveness comes within reach. Among other things, Customer Lifetime Value can help you to identify profitable customer segments & profiles, compare and prioritize marketing channels and growth objectives based on ROI, set financially sound corporate strategy, and create a common language among your entire team.

FINANCIAL BASICS AND LITERACY

The topic of finance can be intimidating or even boring for many entrepreneurs, especially when they went into business because of a passion rather than for “the numbers”. But with basic fundamentals and an understanding of the financial underpinnings of a business, you can discover many ways to make it more profitable and efficient. We focus on tested and proven techniques that will give your business “just enough” to begin to better manage the most important areas of business finance.

NO-NONSENSE STRATEGIC PLANNING

As Benjamin Franklin famously said: If you fail to plan, you are planning to fail! Still, the concept of strategic planning is often surrounded with too much non-action for many entrepreneurs and business owners. We agree. But we also know that some basic planning tools and processes can result in a higher degree of innovation and execution in any business. And by establishing planning goals that tie directly back to customer lifetime value, you really can move the needle. Otherwise, what’s the point?!?

HOURLY SUPPORT SERVICES

Sometimes you need a little boost to get your growth projects rolling. Or maybe your team and resources are already maxed out, and you need some short term help to “get over the hump.” And sometimes it can be helpful to bounce your ideas off of an experienced set of ears. In almost all of these situations, we are available to help.
START USING YOUR BUSINESS DATA

It may be trite but it is also true...the business world is changing because of data and the internet, allowing large corporations to easily invade local spaces. Fortunately, this is also allowing small/niche brands to develop into sustainable rational or regional brands.

Transform Your Culture. Become Data Driven.

Customer analytics is NOT just for big businesses. Although many large corporations are taking advantage of the fact that small- and mediums often do not leverage theirs. With the right tools and knowledge, you can become a data driven organization. Any business can and should make the transition. It’s a lot easier than it may sound. Start today!

OUR HAPPY CLIENTS

MAIN STREET & LOCAL BUSINESSES
Meet some of our current and former clients that operate locally-focused businesses.

FAST-GROWTH SERVICE BUSINESSES
Fast growth can create a whole new set of “good problems to have.” Setting strategy and goals takes on a whole new meaning.

SOFTWARE & HIGH TECH START-UPS
Starting at “square one” doesn’t mean you shouldn’t use financial strategy in your decision making.

NATIONAL & REGIONAL BRANDS
When you manage inventory and a far-flung supply chain, the importance of sound financial management can quickly become magnified.
CLIENTS: Main Street Businesses

We believe that a strong entrepreneurial climate is the bedrock of any growing and vibrant local community. We are proud to work with so many small businesses that make a difference in so many ways. And it really goes to show that the importance of "the basics" of finance really are the same across all types and sizes of business.

Some examples of current and former clients that might have similarities to your business:

- Sola Cafe & Market
- Tyler Electric
- Ghost Town Coffee Roasters
- The Foundry
- Gangbusters Pottery
- Montana Bride
- Everything Golden
Sample of Course Catalog

Teaching CFO-Level Skills

- **Introduction**: Customer Lifetime Value
- **Intermediate**: Financial Literacy
- **Advanced**: Strategic Planning

- Setting up Data Sources for LTV Analysis
- Mapping the Profitability of Your Retail Footprint
- Financial Statements for Non-Financial Team Members
- Calculating Lifetime Values for Marketing Channels/Campaigns
- Creating a Data Driven Culture: How to Teach the Common Language of LTV
Next Up: HomeStake “Main Street” Fund

Revenue-based payback profile
Targeting $10-20mm as proof-of-concept
Potentially HUGE national market

Competitive and Flexible Payment Profile

$2.6 Trillion of Sales in 910,000 Mid-Sized Businesses

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Next “201” Channels

Additional Training Channels
- Digital Marketing
- HR / Legal
- Sales

BUT....
WHAT OTHERS DO YOUR CLIENTS AND COMMUNITIES NEED?