

## Preferred Investment Criteria

Item	Criteria	Explanation
Stage	Early to Mid	We look for existing businesses which have passed through the proof of concept stage and developed an initial and loyal customer following. The leadership should be looking to significantly grow revenues and increase margins.
Revenue	\$1M to \$20M	This size of business we have found to be underserved and one which, with the right leadership and investment, can achieve exceptional returns.
Industry & Market	General	The product should be long-lasting in a growing market and have a diversified customer base.
Business Model	Cash Flow & Margins	The business model defines the money-making formula of your company. What are the actual requirements to achieve break-through performance? Can the business be positioned to realize an exceptional return on capital invested?
Investment & Co-investment	Up to \$1,500,000	We typically take a leadership position in portfolio companies. With many of our opportunities we utilize a network of co-investors to allow for larger investments.
Geography	Mostly Midwest	South Dakota, North Dakota, Minnesota, Iowa, & Nebraska. Our preference is a day's drive from Sioux Falls.
Board	Representation Required	Our aim is be a trusted-advisor to an existing and experienced management team which is ready to make something happen.
Management Team	Proven; Entrepreneurial	The management team needs to be experienced and entrepreneurial. It is preferred they have a track record of successfully working together. Strong outside advisors or distinguished members of the board is highly advantageous.
Founder/CEO	Committed Financially	A Founder/CEO with a significant financial stake in the enterprise makes for an important business partner.
Sales & Marketing	Active & Strategic	It is important to show actual sales to actual customers through an established distribution channel. What is the compelling competitive advantage and are people buying into it?