



# CEO PLACEMENT

# PROGRAM

## WHAT YOU NEED TO KNOW

The MVCA is very proud to introduce the CEO Placement Program to Michigan's venture capital community. The program is designed to increase the number of venture-backed executives and the number of successful venture-backed companies in Michigan. The implementation of this program should result in the successful placement of successful, venture-backed CEOs into Michigan-based portfolio companies.

### Eligibility

Any Michigan-based venture capital firm and their new or existing Michigan-based portfolio company may apply to the MVCA's CEO Placement program to receive a loan award for assistance in either one, or any combination, of the following:

- CEO recruiting fees
- CEO's first year salary

The applying company must show its ability to match 1/3 of the funds by having at least \$500,000, or other amount of sufficient capital, readily available or in commitments to operate the company for at least 12 months. The company must also demonstrate in its use of funds a provision to hire a CEO.

### Selection Process

All application submissions will be prescreened to ensure applicants meet the initial program criteria. Applicants passing the prescreening round will be required to meet in front of the program selection committee. All program applicants will be screened against certain predetermined criteria, as well as their program strategy prior to being awarded a loan award.

### Loan Award Guidelines

All CEO Placement awardees will receive a negotiated MVCA loan award not to exceed \$200,000. The loan award will be disbursed as follows:

- For CEO recruiting fees, the MVCA will disburse the loan award upon receipt of invoices provided to the company by the recruiting firm.
- For CEO salary, MVCA will disburse the loan award in four quarterly installments.

The company is required to payback 50% of the loan award to the MVCA in the following manner:

- The payback schedule begins one year after receiving the first MVCA loan disbursement.
- The company will payback the loan in the form of cash; paid in quarterly installments over a two year period.
- If the company receives equity round funding at any time prior to the end of the payback schedule, then any remaining payment becomes due.

### Application Submission

Applications for the CEO Placement Program will be accepted on an ongoing basis until all program funds are fully utilized. To apply, please submit your materials to the following email address: [lauer@michiganvca.org](mailto:lauer@michiganvca.org).

The VC and their Portfolio Company should together submit a package including the following content:

- A description of the company and its management talent needs, including a job description.
- A description of the strategic plan for finding and hiring a CEO.
- A description of the venture firm applying and its history of successes within MI and elsewhere.
- A summary of the most recent and year end financial statements (include audited statements when available).
- A summary of financing history (equity and debt) and captable.