



Transforming a College Project into an Industry Leading Bio-Tech Company

Early Growth Financial Services (EGFS) is proud to count Micromidas, a chemical and bio-technology company, amongst its 160+ clients.

How did Micromidas go from a college project to an industry leading bio-tech company that has raised \$25 million in equity capital to date? Strong leadership, strategic support, and knowing when and where to outsource...

**EARLY GROWTH FINANCIAL SERVICES:
CASE STUDY**

THE CLIENT: MICROMIDAS' BUSINESS CHALLENGES

ABOUT MICROMIDAS

Micromidas enables bio-plastics made from renewable materials. Founded in 2008, Micromidas has developed an innovative chemical process technology to make a variety of commodity chemicals from cellulosic biomass and ethylene. The first commodity chemical Micromidas is addressing is para-xylene, the primary feedstock in the manufacturing of polyethylene terephthalate (PET) and polyester.

THE FOUNDING TEAM

Co-founders John Bissell and Ryan Smith are chemical engineers by trade. Facing the end of their college careers, the students chose to create a company and raise the necessary funding to procure a lab and begin the research that would lead to a large-scale deployment of their technology.

Young, fresh out of college, and with no real business background, they struggled with where to go first. They took a shot in the dark to create a business model and growth projections, unsure how it would look in real-world practice.



THE CHALLENGES

1. **SOURCING FUNDING**
2. **SETTING UP ACCOUNTING AND TAX PROGRAMS**
3. **ORGANIZATIONAL STRUCTURE**

Micromidas knew they needed to secure funding, and participated in a few incubator programs, but still felt unsure about the **best way to approach the VC community**.

In addition, John and Ryan recognized they needed to **set up proper accounting and tax programs**. "This was particularly daunting," said John. "We didn't know what we didn't know when it came to corporate financial matters and we didn't want to spend all of our time and resources on internal issues. However, we also recognized that if we put the proper systems in place early on, it would ensure smooth transitions as we grew."

Finally, the company struggled with the human element of structuring a business. Three of the original members of the team chose to leave early on to pursue other interests, and John and Ryan were uncertain as to the best way to navigate their exit. They also needed to hire new talent and wanted to find the right people for the organization while also providing the **best structure for their employees to thrive**. All of this required a deep understanding of Human Resource practices, something for which neither John nor Ryan had any formal training.

THE SOLUTION: INFRASTRUCTURE AND STRATEGY

With all of these concerns at the forefront, as the two men worked to build their technology and business, John was busy meeting with anyone he thought might be beneficial for Micromidas.

One chance meeting led him to David Ehrenberg, CEO of Early Growth Financial Services (EGFS), and John quickly realized that he'd found **the perfect way to address all of their business concerns.**



EGFS specializes in providing strategic financial consulting, day-to-day accounting services, and business operations resources and support to small and early-stage companies. The company was founded by David Ehrenberg to address the need he saw in the market for startup companies who require a breadth of business services but are

not in a position to hire a full-time CFO or other necessary support positions.

David met with John early on in Micromidas' development, and the first thing he did was to go through their VC deck and help them to sort out their best opportunities.

"When I first met David, I didn't realize how important the business issues were. **I thought we could focus on the technology and the rest of it would be figured out easily enough,**" said John.

"However, in our first meeting, where we discussed VCs and our options for funding, I immediately recognized the value that David and his team at EGFS could provide. From that point on it seemed we found more and more issues where Early Growth's input proved invaluable."

EGFS's first efforts with Micromidas were to help the company raise capital. **Micromidas completed a successful A round with \$3.5 million in funding,** and used it to build out its technology as

well as acquire additional technologies to help grow the business.

"I am confident that without Early Growth, we never would have raised the capital that we have," said John. "They were pivotal to our work with the VC community and -- even more importantly -- they taught us how to think strategically in order to achieve a strong outcome."

In addition to funding, EGFS stepped in to help Micromidas finesse its business projections and to structure and manage its employee base. EGFS also assisted John and his team in creating financial systems that were simple and effective.

"John and Ryan weren't looking for complex business systems that would take a team of people to run," said David Ehrenberg, CEO of Early Growth Financial Services. "What they needed were smart, straightforward solutions that would scale easily as the company grew. That is what we helped them to develop and put into place."

SUCCESS: AWARD-WINNING BIO-TECH COMPANY

In the few short years it has been in business, Micromidas has seen a great deal of industry success. John and Ryan attribute part of that success to the strategic consulting they received from EGFS on everything from funding to taxes to operations.

“At this stage of our company, we hardly have to think about our internal financial controls, and I credit Early Growth because they helped us to make everything so simple and functional,” said John. “Our strategic partnership with David and the entire Early Growth team has allowed us to funnel our internal resources toward what we are best at: developing a unique technology that will help the planet better utilize its resources.”



**Micromidas enters
bio-PX research**
Green Chemicals Blog

**Micromidas plans to turn
cardboard into oil substitute**
THE SACRAMENTO BEE

“Working with Micromidas has been a seamless effort because they have been so eager to build an efficient business model and have allotted the necessary resources toward creating smart and sustainable financial and operational processes,” said David. “I am confident that the company will see continued success because it is poised and ready for whatever growth comes its way.”

“I think [Micromidas has] definitely shown the flexibility that a startup needs in adapting their business model for market realities.”

- [Meg Arnold](#), executive director of the Sacramento Area Regional Technology Alliance


Micromidas is moving forward with its first demonstration plant and plans to take their technology all over the world, with an end goal of replacing oil in plastics and finding a smarter use for waste materials.

When asked whether he would do anything differently when he looks back on the last few years of growing his business, John has only one answer: “I would have brought on Early Growth a lot sooner, and found many more reasons to use them.”

MORE INFORMATION

Contact Micromidas to learn about how they are enabling renewable bio-plastics

Email or call Early Growth Financial Services, to find out how we can help you to focus on your core business.



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