**IdeaFund White Paper**

<https://ideafund.io/coming-soon>

**The problem:**

Very few people can drop everything they’re doing and start a startup company. In Israel, there are approx 5 million adults. Out of which about 1000 new startup companies are founded and set course to change the world for the better. This means that 0.02% of the population actually do decide to embark on the daunting journey of starting a startup company and 99.98% of people, some of which may have fantastic world-changing ideas, choose to stay out of the game.

According to futurist, Prof. David Pasig, there are more world-changing ideas among the  passive 99.98% population than among the people who actually go ahead and start a company in pursuit of their dream. It's like that everywhere in the world, IdeaFund is starting in Israel.

Examples (there are millions!) For 99.98% of people who can’t just leave everything behind to start a startup company:

1. A senior manager in a recycling facility, having worked for 20 years in the field, figures out that if he integrates existing technology used in the construction industry he can completely change the industry.

2. An expert medical sergeant comes up with an idea for a device that could improve surgery by using ultrasound technology that he saw is being applied in an appliance company.

3. A garbage truck driver that dreams about an idea that can optimize the existing field.

4. A social worker who sees how by connecting a geo-location based app she can improve how she treats patients by tracking teenager afternoon activities.

5. Teens who are walking around with ideas that most people over the age of 25 wouldn't even understand and yet have no way of starting up a business.

None of these people are entrepreneurs, they are not wealthy, they are regular everyday people who are busy living their lives - they are the 99.98%.

**The solution:**

IdeaFund is an investment fund designed for ideas hidden among the 99.98% of the people.

**How it works:**

IdeaFund is made up of 3 separate, unrelated "mechanisms" systems, with almost infinite scalability potential, the integrating these mechanisms creates the IdeaFund magic:

Mechanism #1 - Collects and filters ideas

Mechanism #2 - Assigns a  founder/ceo to selected ideas from a pool of proven leaders.

Mechanism #3 - The IdeaFund “Investment Club"

\* The third system is designed for raising venture capital for promising ideas. IdeaFund has raised the capital for funding the first 10 ideas ($ 100K) so we will not elaborate on this third Mechanism at this point.

Mechanism # 1: Signal from noise:  identifying diamonds in the rough

Our system combines AI and the wisdom of professional crowds to identify which ideas are worth developing.

It starts by calling ordinary people that believe they have world-changing ideas and can’t afford to leave everything behind to start a company, and we offer them an exceptional value proposition:

IdeaFund will form a company, assign a founder / CEO (from our database of leaders) to lead the company, and will invest $100K in the idea - which you, as the contributor of the initial idea, will hold 10% equity in the future company without any additional obligation.

IdeaFund's exceptional value proposition and effective media plan will generate a stream of thousands of new ideas that will arrive through our idea submission form. We know that most of these ideas will be irrelevant but we also know that a handful of these ideas may have the key to unlock incredible new ventures.

IdeaFund’s AI system will filter out "really irrelevant" ideas by analyzing the applicant's answers on the submission form (btw, these ideas do not go to waste, but we will return to them later).

Down the funnel, in a secondary filtering stage, IdeaFund harnesses the power of about 200 expert analysts with experience, passion and deep understanding of the startup world.

Every analyst on our goes through an admissions process and after signing a simple NDA agreement will receive password protected access to a list of 50 ideas that have passed the initial AI filter. Each analyst is given ideas that fit his or her areas of expertise as noted in the admission process. Ideas are presented in a simple and convenient way on the IdeaFun website.

Analysts have 2 tasks:

1. To rank the ideas on their list on a scale of 1 (the most promising idea) to 50 (the least promising idea).

2. Analysts must fill out a questionnaire about the ideas they identified as top 10 on their list. This questionnaire includes several factors such as originality, competitiveness, market differentiation, breakthrough, scalability, sustainability, doing-good and more.

All of the ideas that have been listed in the Top 10 position by any analyst qualifies to the next step. By this point, 80% of the ideas for examination and selection for investment have been filtered for the advisory board’s final decision.

The remaining 40 ideas on each analyst list, are returned to the pool of ideas and can be added again to the pool of 50 ideas that the next analyst with evaluate - which means that ideas have more than one chance to be added by an analyst to the top 10 list.

Systematic optimization of ideas in the system:

Ideas that consistently score a rank lower than 35 (out of 50) by at least 5 different analysts are removed from the pool of ideas and go into hibernation as an asset for future examination by the fund. After 12 months in the drawer the idea is pulled back into the system. This allows for ideas that may be premature, lack the right timing or maybe market conditions have changed - to be considered again.

Analyst Fees:

Every idea is assigned a unique ID, a token, allowing IdeaFund to track and know which analyst was responsible for including it to be chosen by the advisory board.

Once the advisory board has selected the 10 ideas for funding in each cycle, the analysts that made the recommendation for one of the final selection will receive a 5,000$ reward.

We now have 10 ideas that have been carefully evaluated and handpicked out of thousands of ideas and have gone through a rigorous and elaborate filtering system.  (Optimization leading to the idea with a clear advantage)

The last and most significant step in selecting investment ventures:

The top 10 ideas, selected by each analyst, are presented to IdeaFund’s advisory board, which consists of successful angel investors and experts in business development. The advisory board is tasked with selecting the 10 ideas that qualify for investment every cycle.

Mechanism # 2: Ideas are worthless without a team.

IdeaFund’s second mechanism is designed to find the best suitable founder / CEO, with proven experience in the idea field, works like this:

By establishing a pool of CEO stars that are standing by, inspired by "Directorate of Directors of the Ministry of Justice" (<https://bit.ly/3jYnp37>)

One of the founders at IdeaFund is Hunter, the leading executive placement company in Israel. In collaboration with Hunter, digital campaigns and PR campaigns will be launched and startup executives will be individually approached and asked to join the Founders / CEO team.

Hundreds of top level CEO’s are expected to apply since it is well known that over 95% of startups never cross the death valley and die. And they suddenly become founders / CEOs (sometimes great) who are "looking for their next project."

Every CEO who turns up will go through a digital filtering system, a convenient and discreet UI. Qualified applicants will be interviewed by Hunter’s team to complete the admission process.

Those who are accepted to the founders team will receive a full explanation of the nature of their contract (which includes at least 30% equity in the company) and go into standby mode. The short list of qualified Founder/CEO’s are only visible to the IdeaFund advisory board as well as a detailed profile of the candidate, areas of expertise, a score on several topics (ability to manage, recruit staff , Raise capital and more).

The list will contain at least 400 stars within 3 months.

There are several sources for the stars.

For example, in Israel alone there are about 1000  new start up companies that launch every year.  Statistics show that roughly 950 of new companies terminate within the first year of operation. (needs source). This means that every year there are approximately 950 talented men and women who have worked very hard, tried everything to succeed but failed. and we believe that there is no better teacher than failure. And we know that 10% (95) of them are superstars.

A processor that connects the 2 machines to magic:

Once IdeaFund has decided on 10 ideas to invest in, and Hunter has selected the 10 best people to lead each idea - the magic happens.

The 1000 startups that stand on the starting line every year in Israel are joined by

IdeaFund’s 10 new startups companies are equipped with an unfair advantage.

1. The ideas were filtered through a brilliant system by experienced professionals. 10 ideas (out of about 5000 per quarter) with the most potential to succeed. Not all of them will become unicorns but you never know.

2. Who said that the person who came up with the idea also knows how to manage, raise capital, raise and manage a team??? In our case, the best qualified founder/CEO was chosen after a deep examination process and the chance of successful leadership combined with the right incentives make for a promising beginning of any project.

3. The ventures are funded by a pre-seep investment by IdeaFund (regular entrepreneurs burn a lot of time at the beginning of getting a pre-lime)

The process the idea went through and the Founder/CEO puts them at a clear statistical advantage for securing a seed investment.

The selected CEO, who has actually become a Founder, in collaboration with IdeaFund’s advisory board, agree on a plan to meet the CEO's singular goal for the next six months:

To raise a seed round of about $300K up to $2M (this happens in Israel about three times a day)

Fundraising will sometimes come from IdeaFund and sometimes from investors who have been given the opportunity to join early.

in brief:

IdeaFund, is an advanced machine for producing quality deal flow that will beat the odds. Generating value "from the floor", from places no one is looking. No other capital system knows how to deal with an underdeveloped good idea. The minimum requirement is an entrepreneur who left everything and jumped off a cliff to start a startup company.