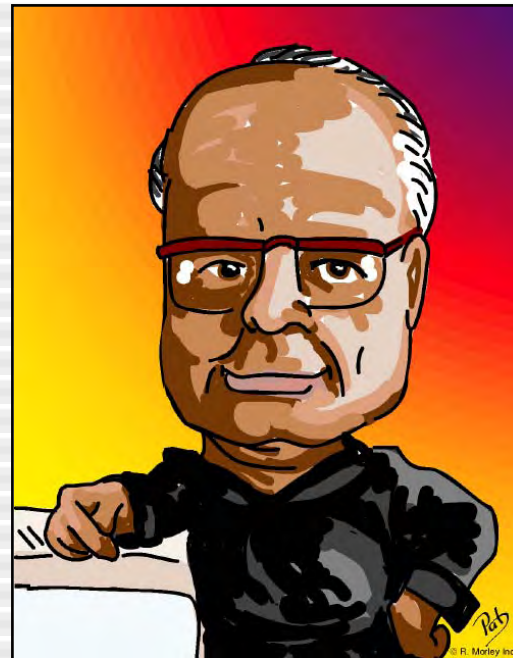


# The Angels' View

## Perspectives of an Angel

# Who Am I?

- Angel
- Physics
- 100+
- Father
- Skier / Biker
- 80 / 20



# Why Are We Here?

- To get money
- To make money
- To have some fun
- Ashtray... take the money

# Money... The Real Aim

- Liquidity
  - New issues
  - Merge buy
  - Perks
  - Salary
  - “Living dead”
- Standard of living

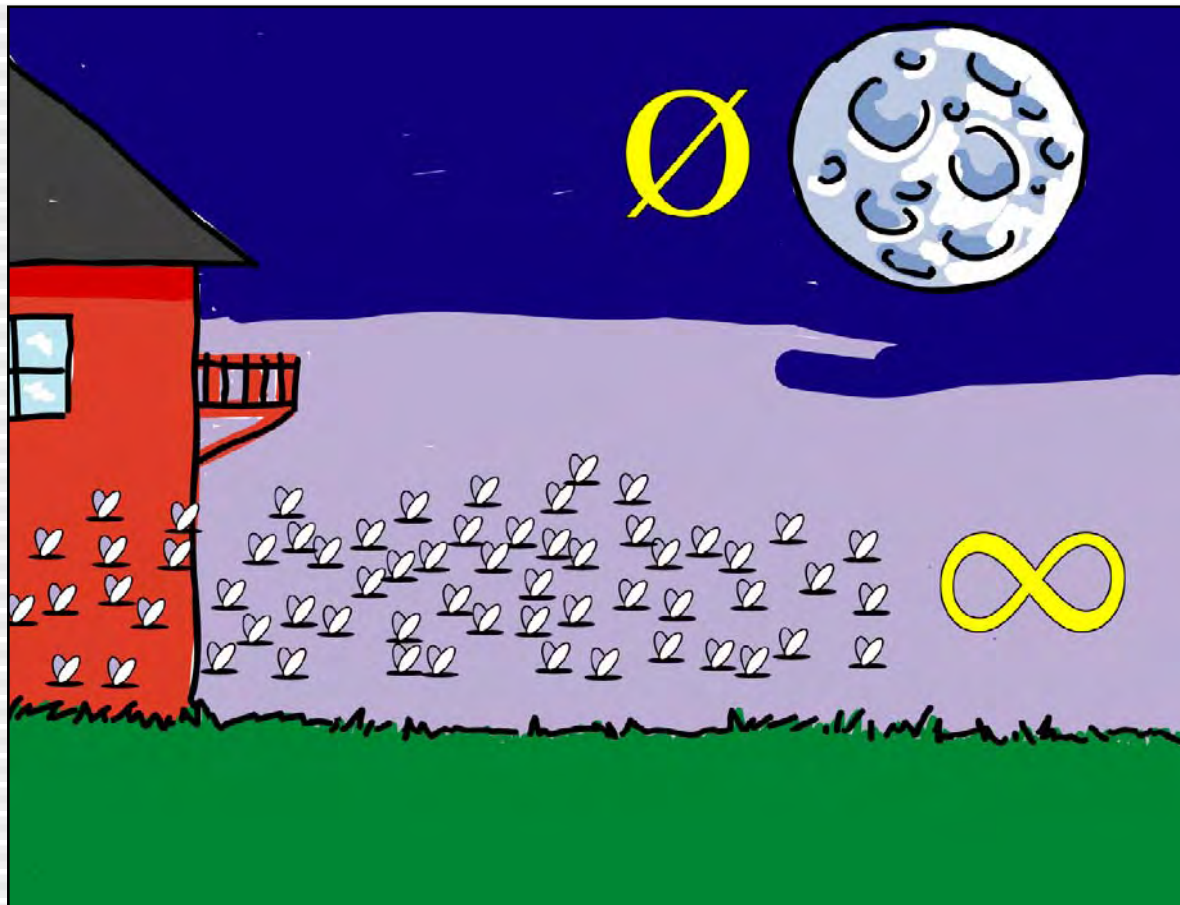
# Getting Out

- Worry at the start
- Going public
- Who gets the \$\$
- Sell / merge
- At \$10 million
- Time value
- IPR

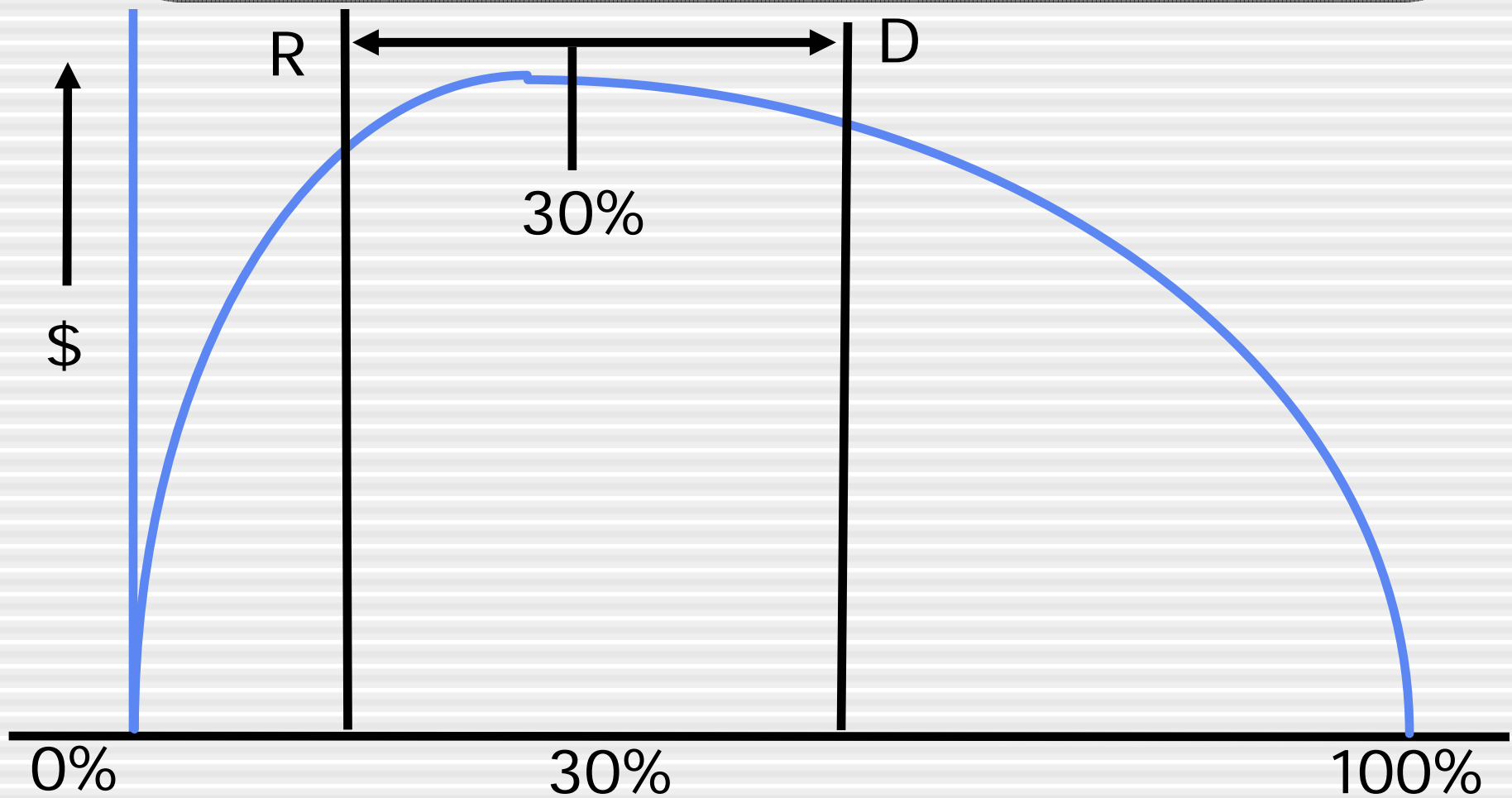
Angels Take Advantage of...

...Technology

# The Solution Set

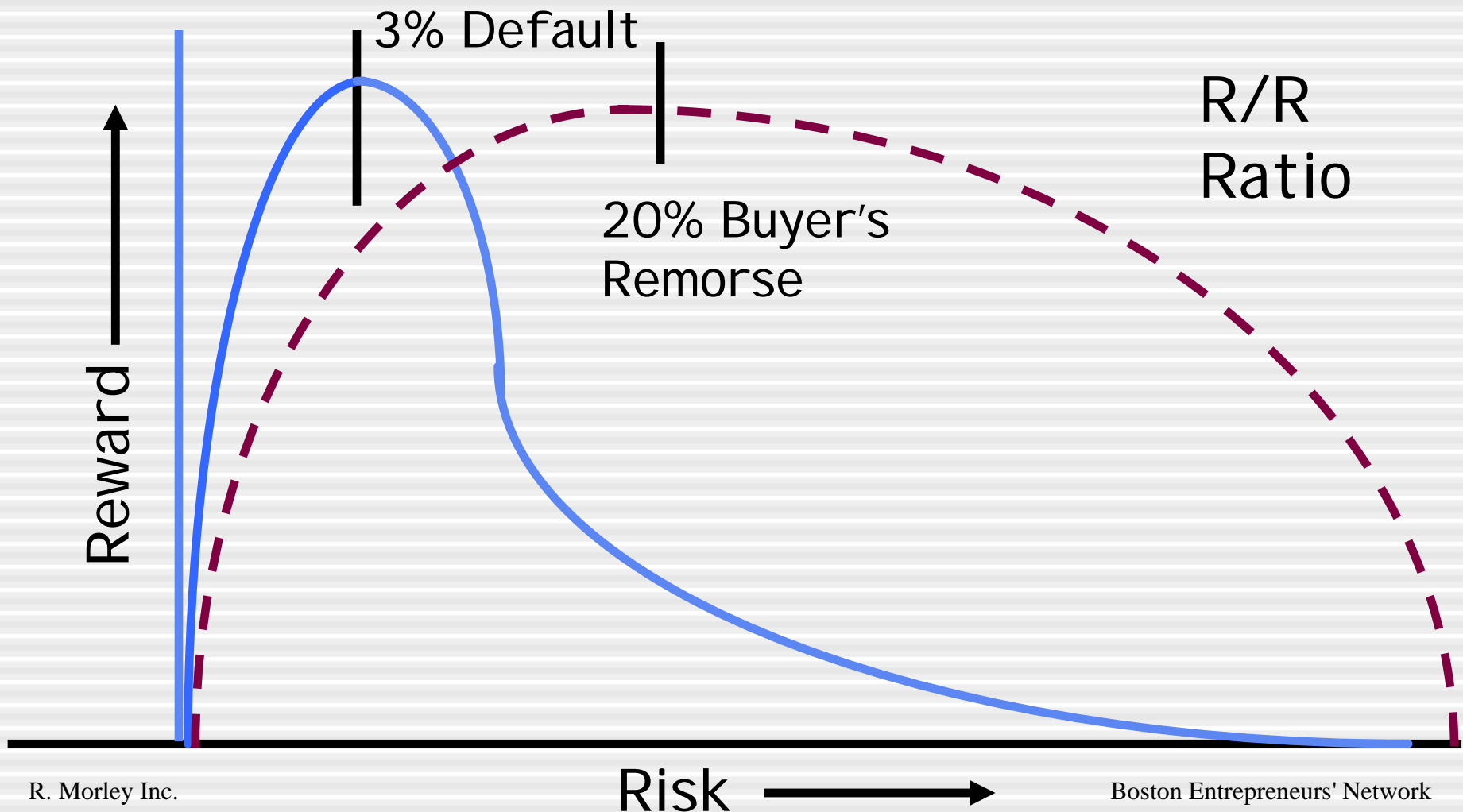


# The Tax System

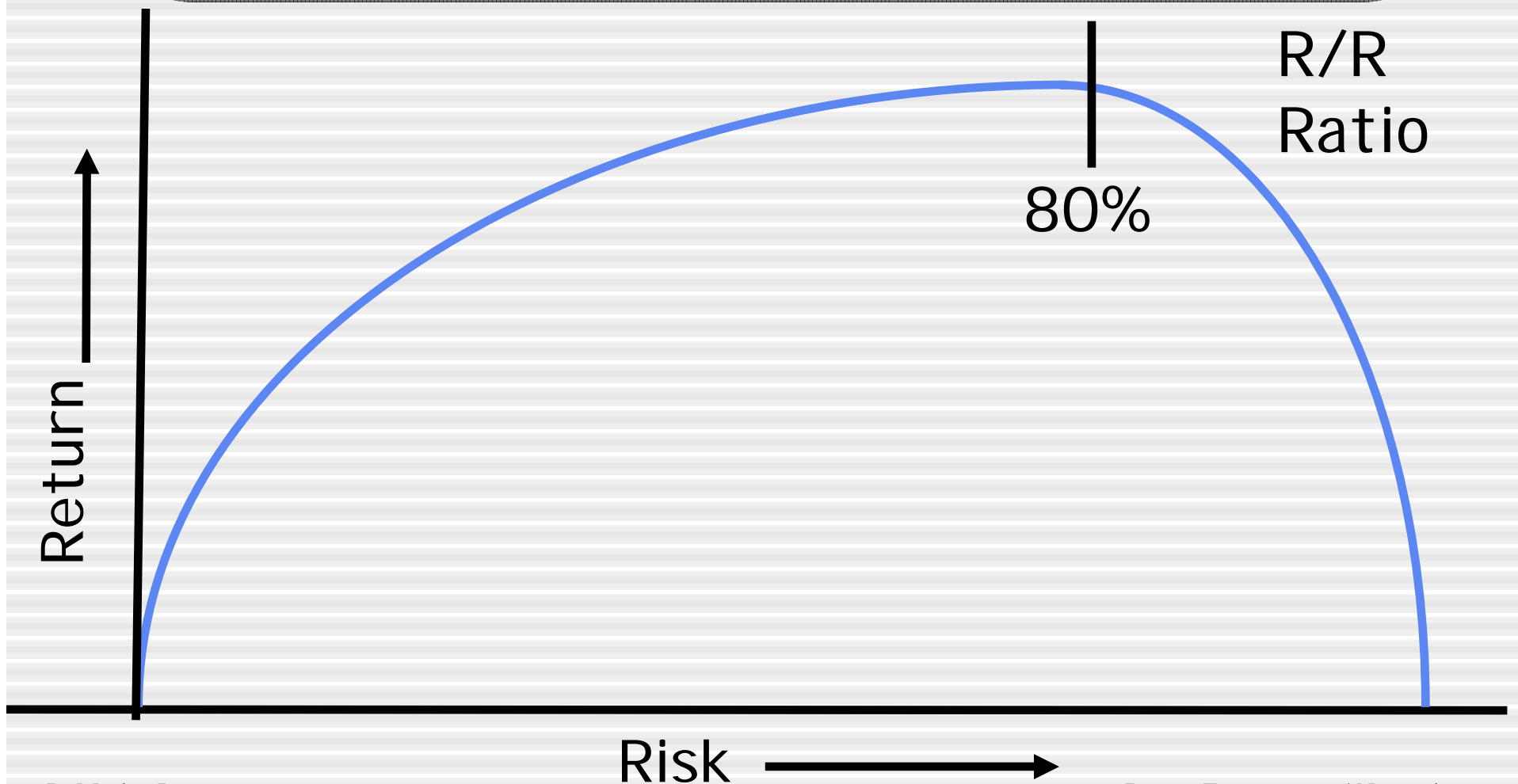




# Banks & HSN



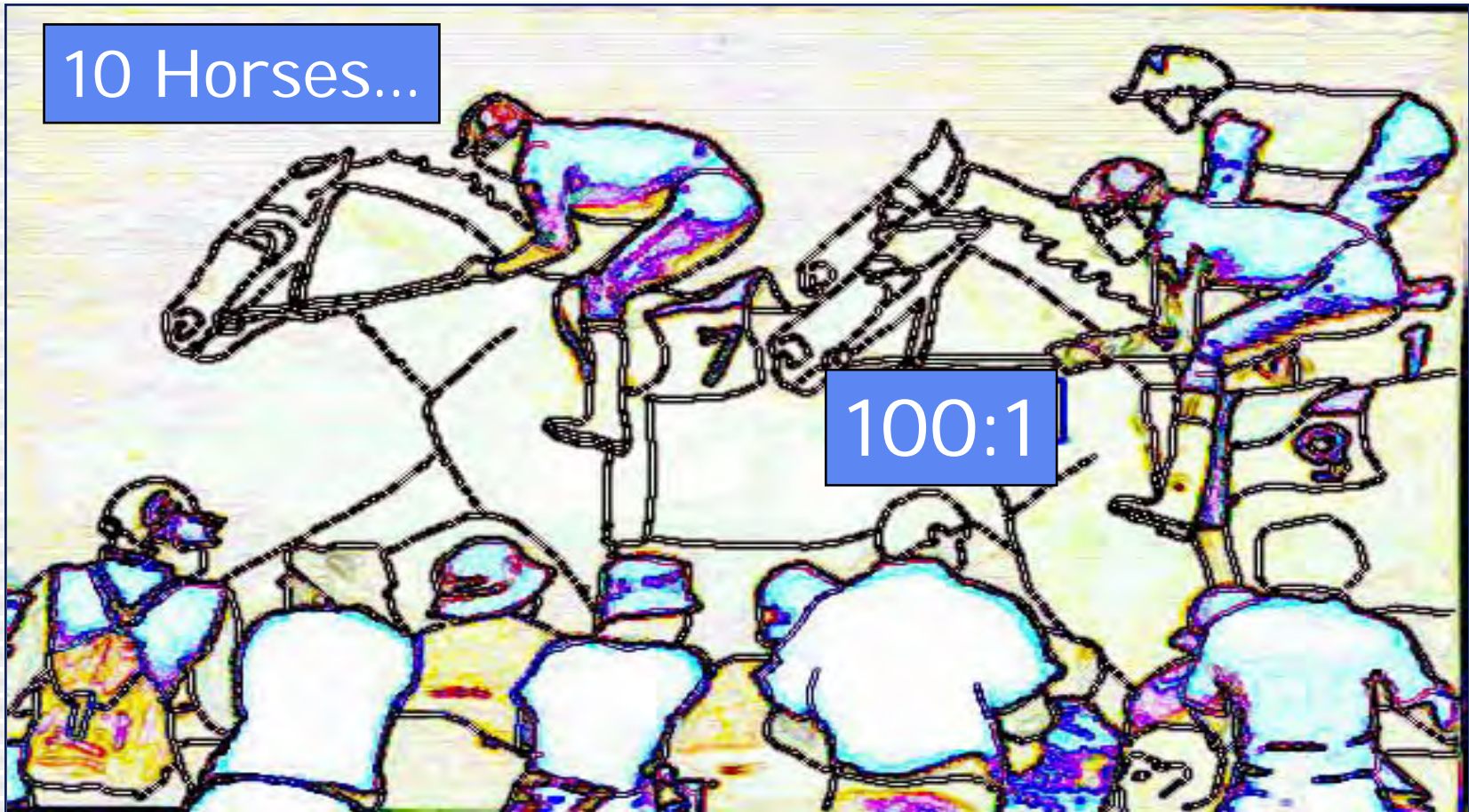
# Angel Portfolio



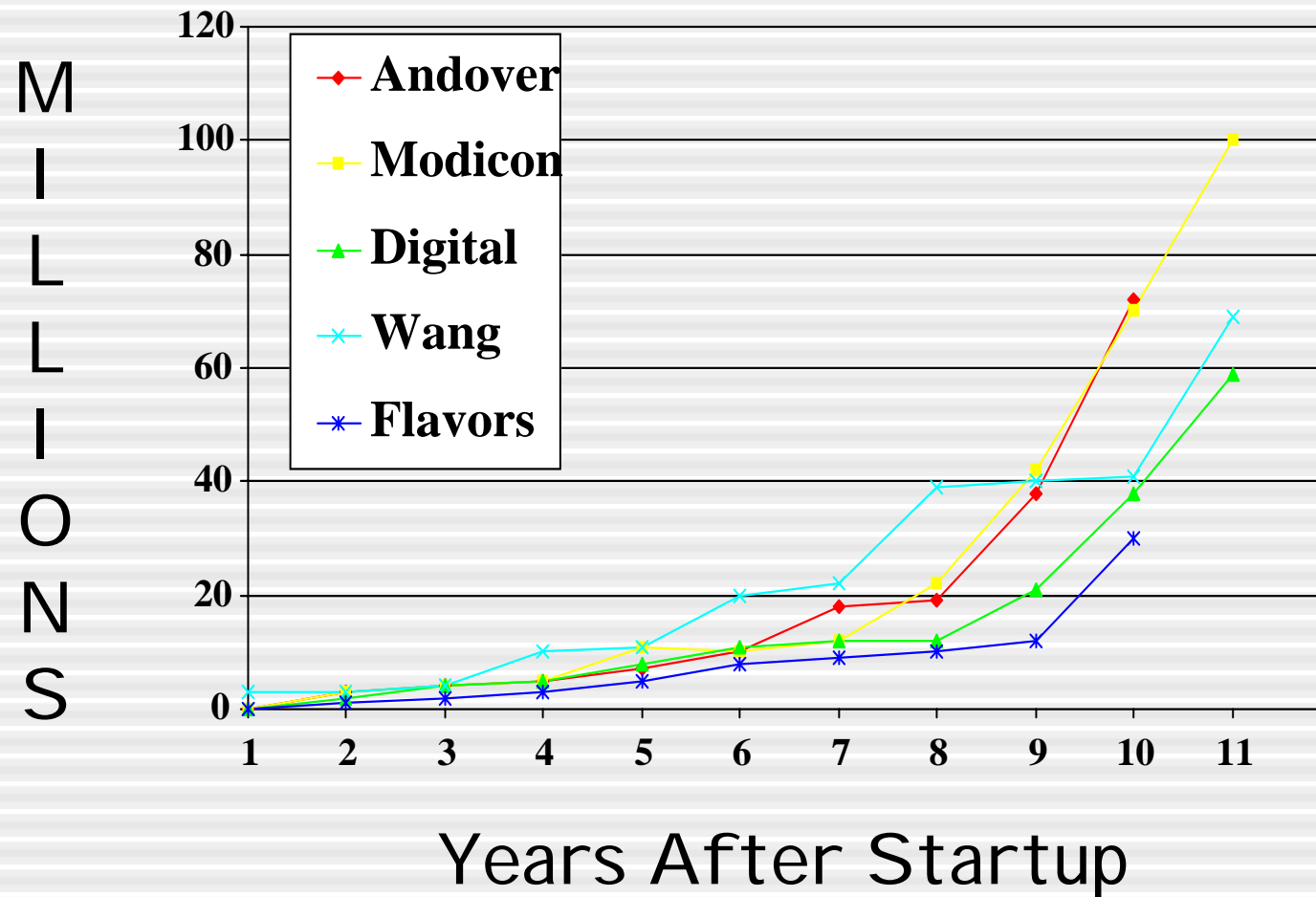
# It's a Wager

10 Horses...

100:1



# Startup Times



# The Breakfast Club

A Group of Angels



# VC Angel FAQs

- Who needs angels?
- Vulture capital
- Why be an angel?
- Why a business plan?
- West coast / East coast
- Bail out?



# Angel?

- Individuals
- High risk
- Small \$\$
- Quick decisions
- Lifestyle
- Criteria (?)



# Rules

- One-hour drive
- 100% of zero
- High tech
- Initial investors
- Lawyers (?)

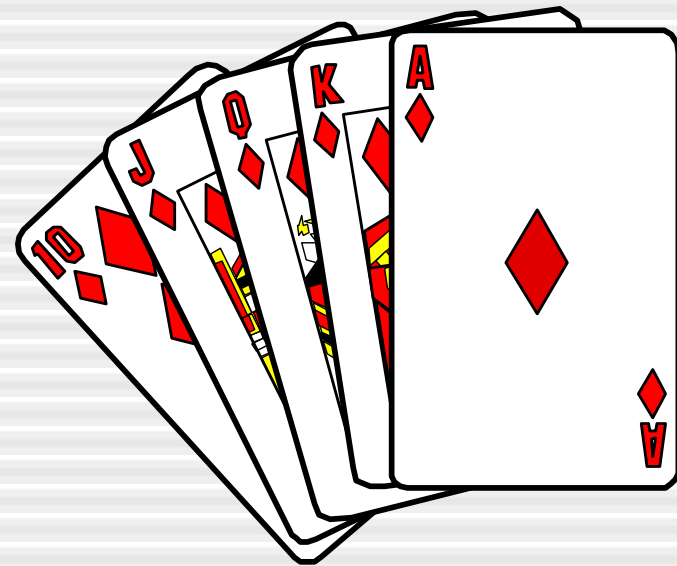


# A Checklist

- 100% of a market
- Appreciation of customer interest
- The best people (3)
- The hardware / software works
- Barrier to entry
- Money

# The Guidelines (Survey)

- 7 years
- 3 gurus
- 100% of the market
- 10X performance
- 5-legged dog
- 3X rules
- Fold important
- Passion



# How Many Rounds?

- Monotonic value increase
- Cellar inventor ... falls in love
- Three rounds

# An Angels' Portfolio

- 11% to 38% compounded return
- Target > 20% CR
- Money in 7 years
- Value in 5 years
- Knowledge

# The Value Target

- X10 in 5 years
- X2 each year
- Liquid in less than 7 years

# The Value Question

- Absolute vs. %
- Before vs. after \$\$
- The dilution question
  - **The % play**
- Results — not power
- Dilution “history”...

# Source of \$\$

- Family
- Doctors
- Venture capitalists
- Banks
- Profits
- Corporations
- Vendors (AP)

# Business Plan

- **Readable**
- **Who reads it?**
  - How do you benefit investor?
- **Items of Concern**
  - Who buys the product and why?
- **Cover**
  - People
  - Market
  - Financials
  - Products



# Effects on People

- Family problems
  - **Half days – 12 hours**
  - **Daddy who?**
- The mafia code

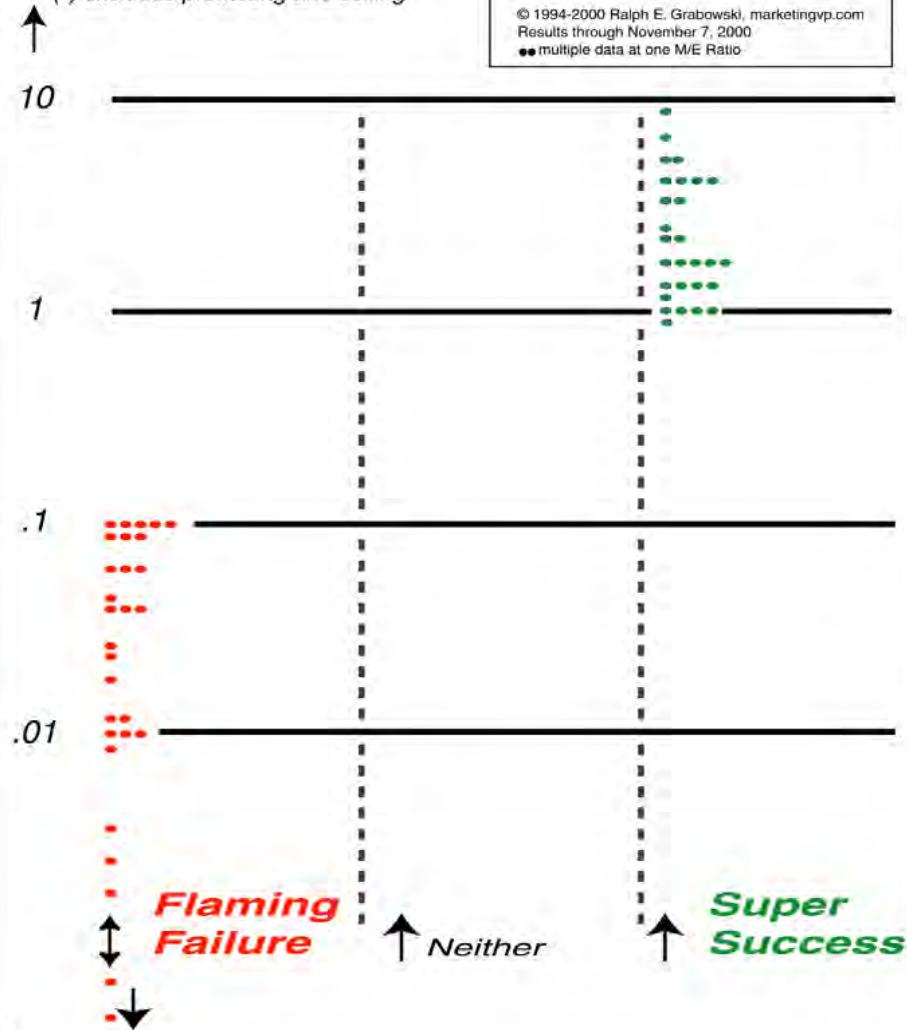
# Marketing\*/Engineering Investment Ratio

(\*) excludes promoting and selling

Financial and human impact:

- >400 Billion Dollars
- >200,000 jobs created or lost
- >75,000 engineering slots developed or gone

© 1994-2000 Ralph E. Grabowski, marketingvp.com  
Results through November 7, 2000  
● multiple data at one M/E Ratio



# The Technology

- More impact than politicians
- Has legs
- Work defines – tech changes work

*Invention is the mother of necessity!*

The Only Way to Create Wealth...

...Is With New Technology!

# Value

- We sell it
- We have it

## *The Future Vision*

#^%\$\*! Wall Street!



R. Morley Inc.  
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Boston Entrepreneurs' Network  
April 4, 2006





[www.barn.org](http://www.barn.org)