

Norman Strate: Angels

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How Much Do Angels Invest?

Angels historically invested \$20 b per year in 40 thousand ventures.

Angels focus on the seed and start up rounds

Launch pad fund rate is 300 + plans per year, 20 presentations, making 5 new investments at an average of \$250 thousand per deal.

Ham Lord, Launch Pad presentation 2006

Raising funds from Angel Group

Strong management knows market

Potential for large market

Technology with barriers to entry

Product is in Beta test with customer

Reasonable expectations on value of
company

Ham Lord Launch Pad 2006 presentation

Angel Investing – Tripp Peake of Long River Ventures

Benefits

Early access to capital

Experienced business people

More flexibility on structure than most VCs

Cautions

Do your homework these are long term partners- they are not necessarily angels

Usually not professional investors – can lead to issues with expectations

Can be inefficient-i.e., hard to organize

Center for Venture Research at University of New Hampshire

50,000 deals done in 2006 by groups

Healthcare 21 % largest share

Software 18%

Biotech 18%

Retail 8%

Financial 6%

Energy 6%

Angel Information sources

- Lawyers like John Hession
- Bankers like Silicon Valley Bank
- Accountants like EY, PwC, DT and GT
- Networking Groups like Enet, MDG
- www.kauffmanfoundation.org
- www.marksguide.com
- www.americancapitalnetwork.com
- www.unh.edu/cvr