Aligning Companies & Seed Investments

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Working with Angels, VCs, Both?

- Individual “Angel” or “Private” Investor
  - Invests own money, gets full return
  - Typically industry veterans

- Venture Capitalists
  - Compensated on fees, profit share
  - Dedicated, institutional investor

- Angel Groups
  - Large networks of industry experts
  - Usually 2-3 with greatest skills lead + “bench”
  - Organized, institutional structure
Working with Investors Today

• Match Company’s Strategy, Needs with Investors’
• Most Tech Focus on Lower M&A, Smaller $
  ▪ High M&A, IPO closed for big exits
  ▪ Very hard to move the needle on a big fund
• Shouldn’t be Focused on Today’s Market
  ▪ Targeting 5-7 years for exit
• Cash is King of Kings
  ▪ Cash-flow break even on 1 round
Venture Investing Market Segmentation

- Venture Market Driven by Several Variables, Not Just Dollars, Team
- Chart Shows Some General Categories; Exceptions Exist but are Exceptions
- Teams Can Earn Experience, Move Along X-Axis with Market Validation
Our Structure: Members + Committed Funds

- **CommonAngels established**
- **1998**
- **2000**
- **2005**
- **2010**
- **Fund I**
- **Fund II**
- **Fund III**
- **Board of Directors & Managing Director**
- **Members**
- **$20M**
- **$13M**
- **CommonAngels Fund III**
- **Funded Companies**
Examples from CommonAngels Portfolio

Mobile
- Skyhook Wireless
-.OwnerIQ
- apperian

Digital Media/Online Marketing
- Linkable networks
- xconomy
- practically green

Web enabled businesses
- Carbonite
- disruptbeam
- AI Exchange

Software
- Vela Systems
- timeTrade
- infuitive
- Parelastic
- crashlytics

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Main Areas of Assistance

• Access to Capital
  - Initial Rounds: often lead investor
  - $23M from us; >$200M from other investors

• Business Development & Sales
  - Large Network = Wide Reach
  - 70 active investors -> 100’s of companies, boards, CEOs

• Organizational Evolution
  - Companies evolve
  - Takes experience to foresee, guide transitions