

Module 303: An Entrepreneur's Guide to Angels

Description

This module is designed for entrepreneurs who want to improve their ability to attract angel investment, and who want to build a positive ongoing relationship with their angel investors once they have invested.

Overview

Angel investors are a key part of the venture capital investment continuum and play a critically important role in the life of most start-up ventures. But many entrepreneurs find the experience of seeking angel investment frustrating, and are ultimately unsuccessful in closing an angel round. Usually this is because the entrepreneur does not understand the business of professional investing and how angels think, work and analyze an investment opportunity. As a consequence, the entrepreneur enters the process poorly prepared with a low likelihood of closing an angel round. This module will give students an inside peek at how new ventures are viewed by angel investors. This knowledge and insight will ensure that students are fully prepared for the process of looking for angel investment, and will also help them avoid the common mistakes and pitfalls that may get in the way of getting their angel round done.

Learning objectives

By the end of this module the student will be able to:

- Assess a new venture from an investor's perspective
- Describe the investment decision-making process of angels and angel groups
- Present a new venture to an angel in the most attractive light
- Work more effectively on an ongoing basis with their current angel investors.

Prerequisites

Students should have some prior experience in a start-up venture, or be actively pursuing the launch of a new venture.

Pedagogy

A mix of lectures, exercises, and instructor-led group discussions will predominate the methods used in this module.

Detailed topics

This module will cover:

- What are angels and where do they play in the venture financing continuum
- Who are the right angels for your venture and how do you find them
- What do angels look for in a new venture
- What are the key questions you must be able to answer if you want to be successful in raising angel financing
- What materials need to be in place and what steps do you need to take to maximize your ability to secure angel investment
- What are the common mistakes made by entrepreneurs in looking for angel investment
- What do angels expect by way of deal terms and what does a typical angel Term Sheet look like
- How do you ensure that you maintain a positive relationship with your angels once they are in the deal and improve your likelihood of closing follow on rounds with them

Assignments

Several exercises will be provided for students to follow up on subsequent to the presentation of the course to ensure that they are ready to pursue angel investment and then manage their relationships with their angels post-investment. .

Schedule

Ad hoc, as demand warrants.

Student prep work

None required.

Delivery infrastructure required

A seminar room with capacity for 36 students, at six circular tables of six. Standard PC projection equipment, plus whiteboard. Instructor notes. Workbook with slides, readings, exercises.