



ITC Entrepreneurs' Forum

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Business Angels

- High net worth individuals (“HNWIs”)
- Usually senior executives who have cashed out
- Often invest via an angel network
 - List of 30+ on www.itcmentoring.com
- Typically invest between £25,000 and £150,000
- Do 50x as many seed investments as VCs
- An extremely diverse bunch, so persist!



What are Angels Looking For?

- An original, scalable concept
- A team with the capabilities to realise it
- An exit with a positive return on investment



ITC's Investment Readiness Criteria

1. Demand / opportunity
2. Compelling and sustainable solution
3. Resilience to external threats
4. IP and competitive advantage
5. Competitive positioning
6. Business model
7. Team, experience
8. Business partners
9. SWOT / PEST / 5 forces
10. Organisation
11. Funding needed
12. Financial return

Full details on www.itcmentoring.com



Becoming Investible

- Bootstrap yourself as far as you can
 - Build a product or a prototype
 - Use your own money or “family, friends & fools”
(But be mindful of FSMA & Financial Promotion)
- Sort out your team’s roles & equity splits
 - Manage expectations and grasp any nettles early
- Allow enough time to raise money
 - 3 to 6 months, maybe much longer



Becoming Investible

- Understand the investment process
 - Shareholder agreement, warranties, indemnities
- Be realistic about your valuation
 - Five years' work doesn't mean you're worth £500,000
 - Valuation is a negotiation, not a science
- Understand the investor's point of view
 - Avoid "giving away equity" and "vulture capitalist" mindsets



The Business Plan

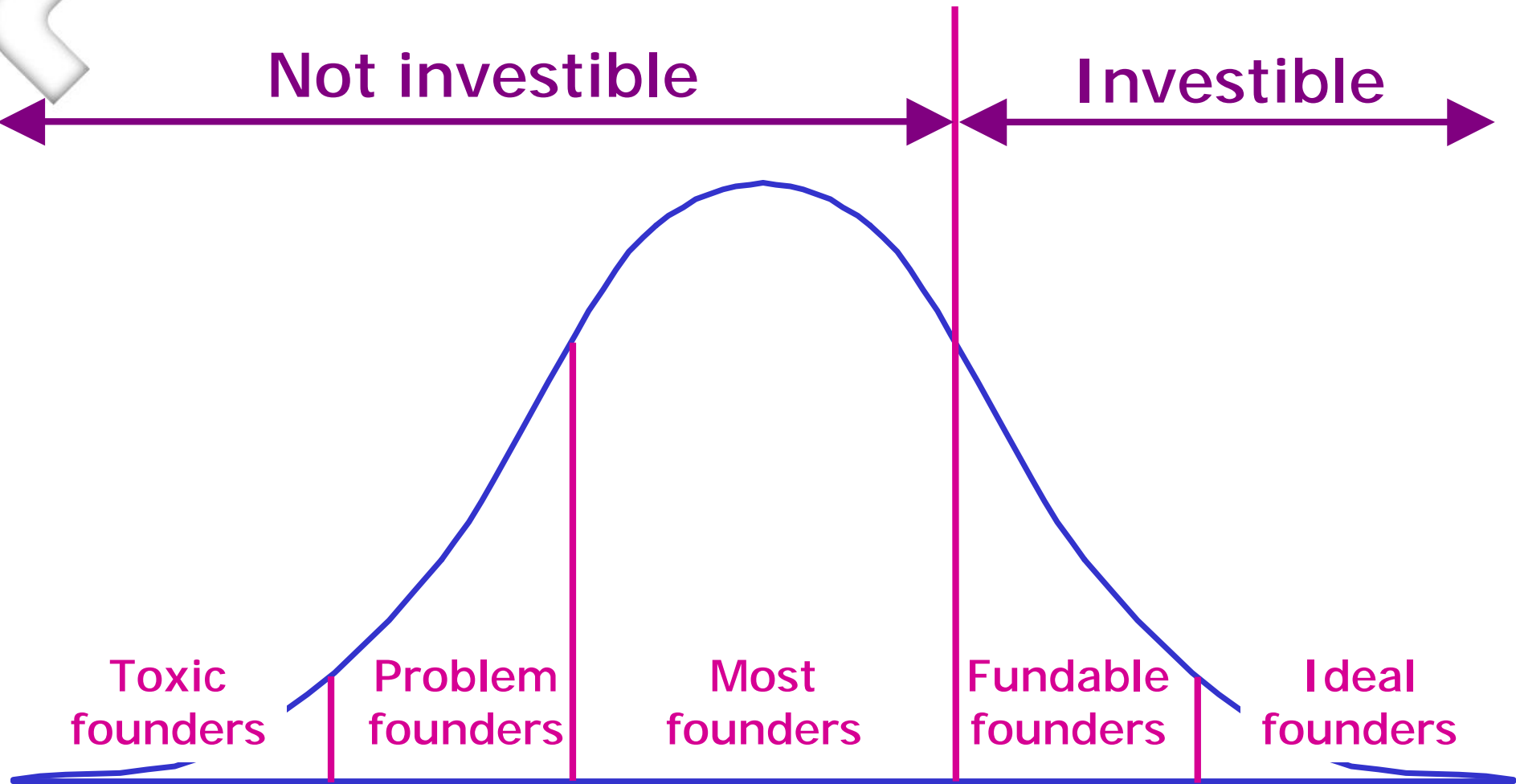
- Demonstrates your ability to communicate
 - With your marketplace and with your investors
- Quality is always preferable to quantity
- Financial plan
 - Should include balance sheet & proper cashflow
 - Proves that you understand your business model
 - Becomes the dashboard and satnav for your business

How Some Investors See Founders



Not investible

Investible



Toxic
founders

Problem
founders

Most
founders

Fundable
founders

Ideal
founders

Egomaniacs,
control freaks

Flawed
characters

Worthy, but
don't stand out
from the crowd

Talented,
balanced,
reasonable

Excel in their
discipline,
in business &
in leadership

Source: "Seed-Stage Venture Investing" by William L Robbins