

# ***FEE Roundtable: Business angel financing as a source of finance for early stage and technology businesses***

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Board member, Be Angels, BE  
July 6<sup>th</sup> 2011

# IMPORTANCE OF EQUITY BACKED COMPANIES

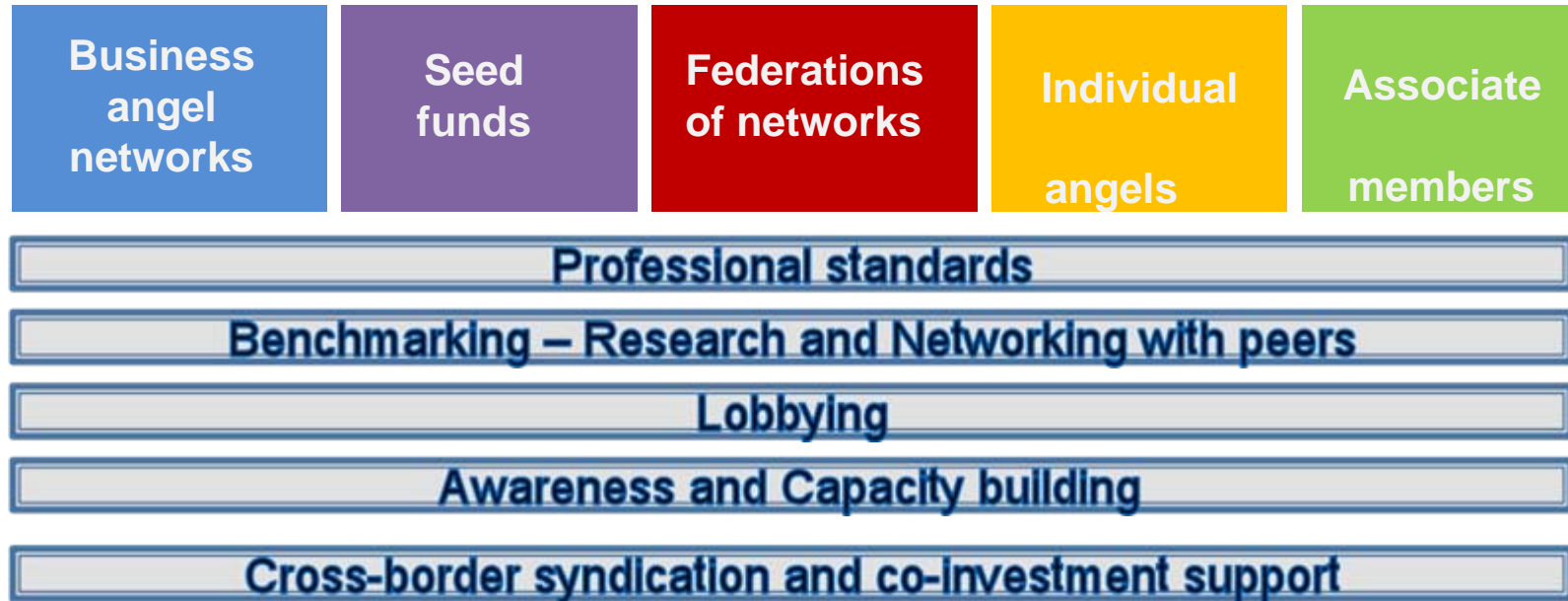
Vision for growth of > 20% pa, most likely to seek external equity, financing for growth, make up only **around 4%** of current start-ups,

**but**

In ten years time they will provide **about 50%** of the employment of those firms remaining.

(comparison of Business Angels & Venture Capitalists, Mark van Osnabrugge, Said Business School, University of Oxford [www.nelsongray.com](http://www.nelsongray.com) )

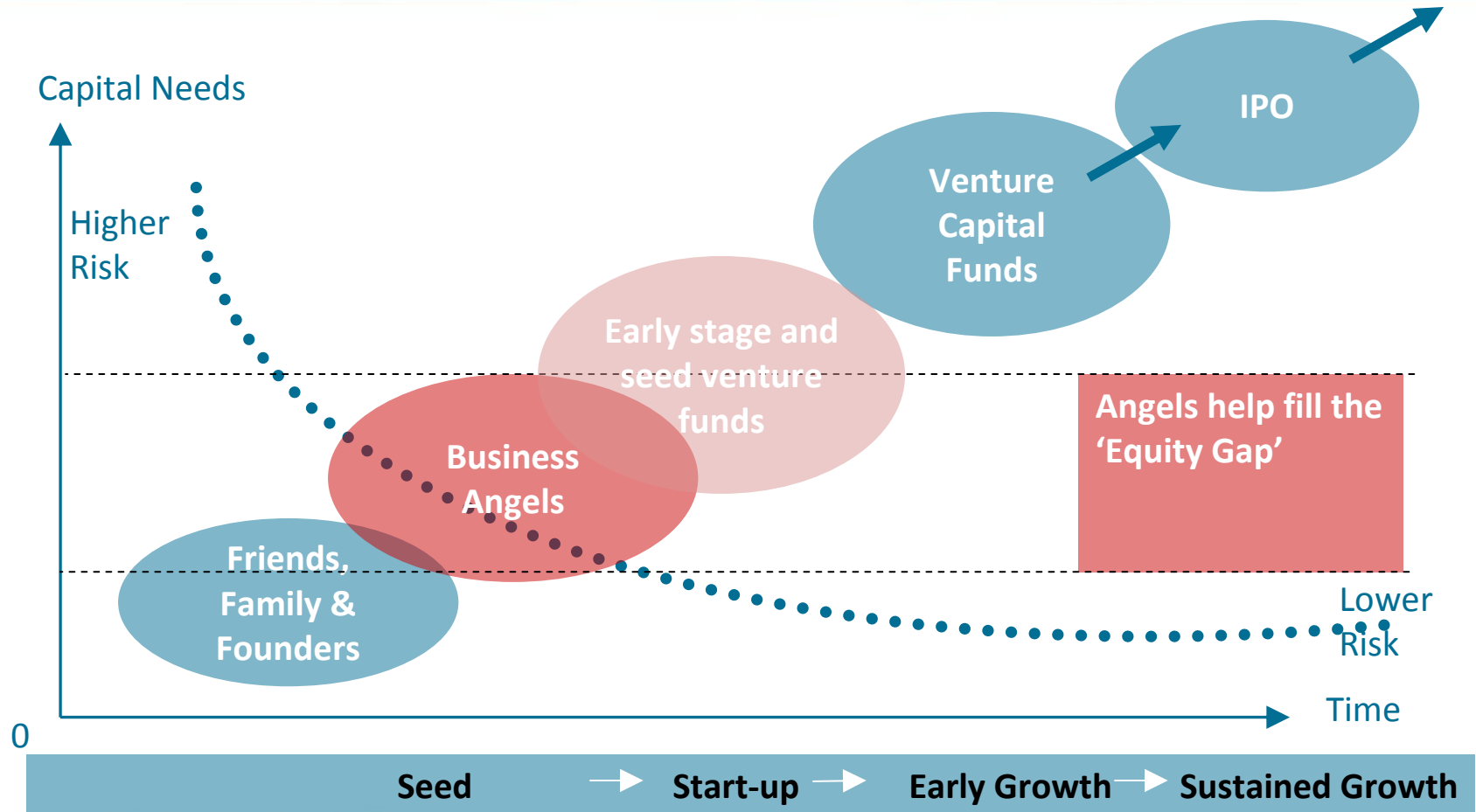
# ABOUT EBAN



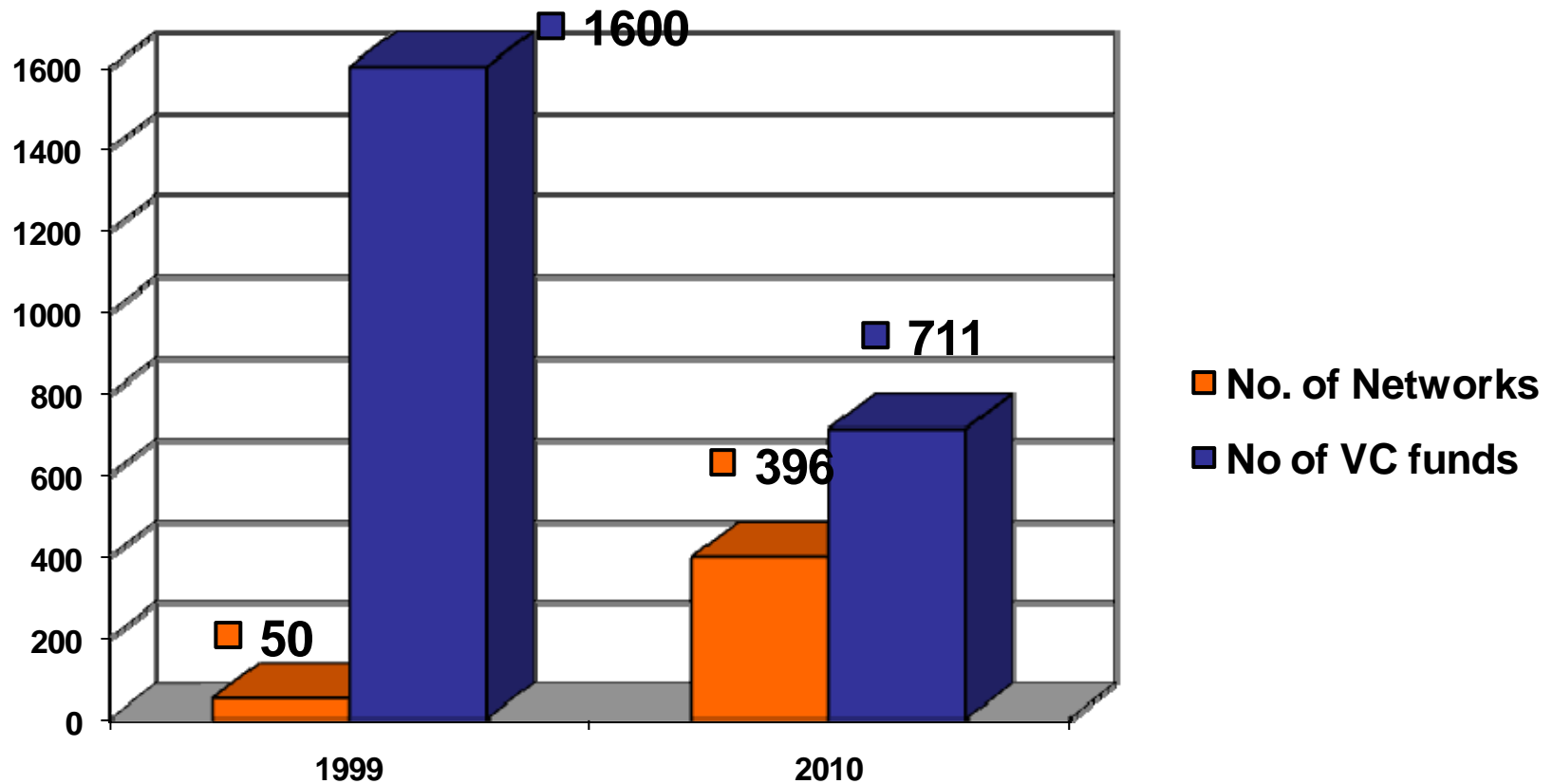
**115 member organisations – Representing 300 BANs – 26 countries**



# ANGELS AND OTHER SOURCES OF FINANCE



# RISE IN BANS VS CONSOLIDATION OF VC FUNDS



Source: EBAN Statistics Compendium; EVCA Data

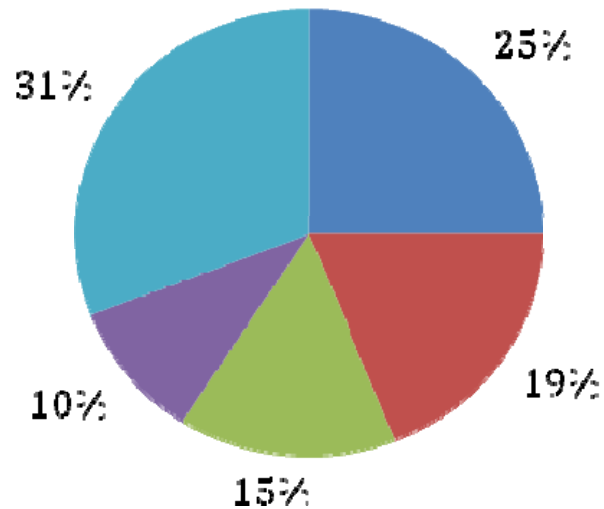
# SUMMARY OF INDUSTRY STATISTICS

2010 (2009 activities)		EU	US
<b>Networks</b>	↑	396	340
<b>Commercial</b>		20%	n/a
<b>Estimate # of angels</b>	→	75k	259k
<b>Investment per round</b>	↓	200k€	158k€
<b>Total estimate invested annually by angels</b>	→	3-4 billion €	17.7 billion \$
<b>VC Investments in seed and start-up/early stage</b> Source: EVCA, NVCA	↓	Circa 2 billion €	6.3 billion \$

**EUROPEAN ANGEL MARKET=25% OF US ANGEL MARKET**

# SECTORS OF INVESTMENT

## Amount Invested



■ ICT/Mobile

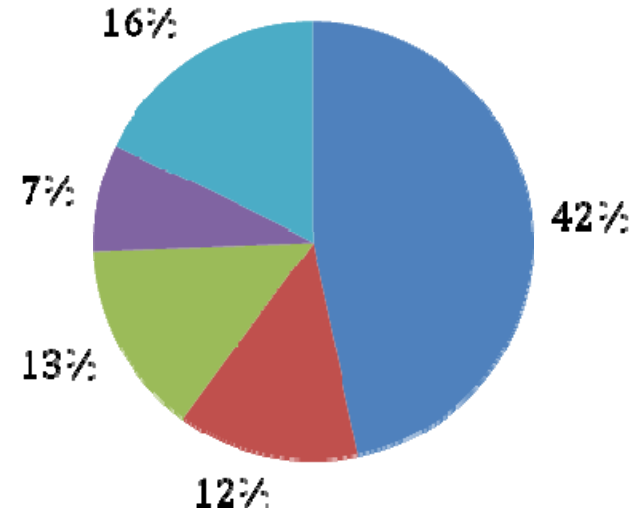
■ Creative Industries

■ Blotech

■ Energy

■ Other

## N deals



Source: EBAN Statistics Compendium 2010

# THE CONTRIBUTION OF BUSINESS ANGELS

- 2 wings: capital + mentoring/coaching
- Invest early – take a higher risk and in different sectors
- More flexible and reactive than other investors
- BA give access to networks and new potential customers and act as ambassador for the business
- Easier to raise follow-on funding

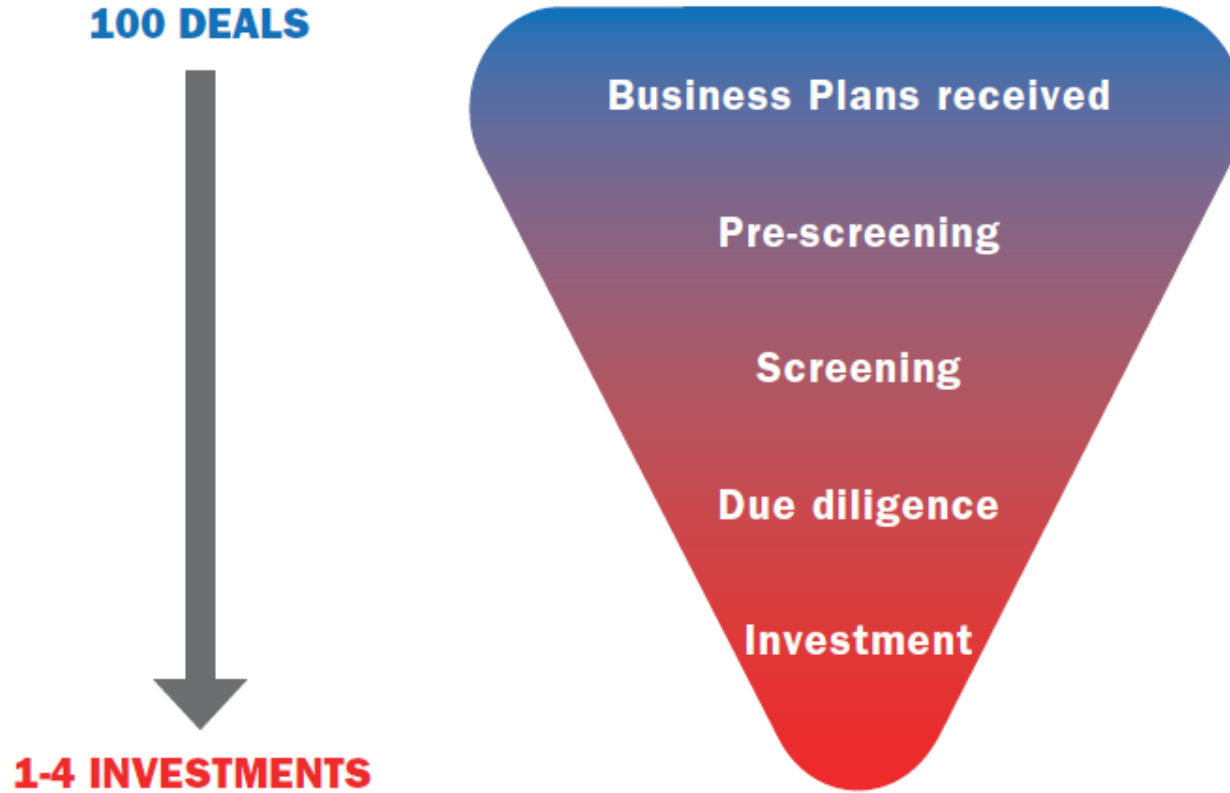


# WHAT BUSINESS ANGELS LOOK FOR

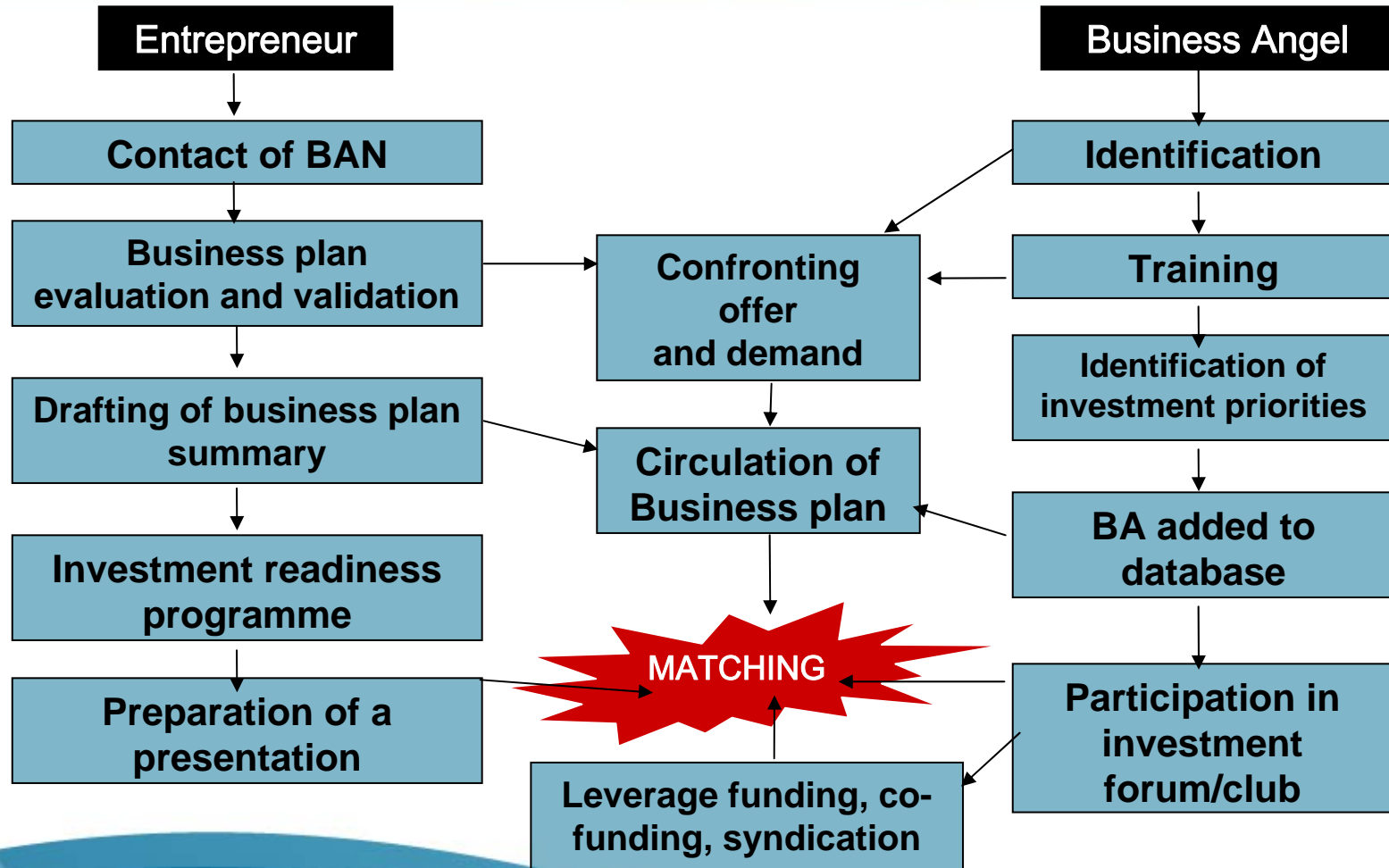
- Current & comprehensive Business Plan
- Proven market - USP
- High growth / scalable / strong business forecast (5m€/3yrs)
- Intellectual property protection
- Realistic pre-money valuation
- Exit strategy

BUT Entrepreneur's qualities are most important i.e. strong and committed management team

# A VERY COMPETITIVE PROCESS



# THE ROLE OF BUSINESS ANGEL NETWORKS



# COLLABORATION B/W BANs AND FEE Members

- Deal flow sourcing
- Hosting of events/trainings
- Training of about role of BA
- Professionalisation

Pre-event EBAN Institute Trainings, BAN and seed fund managers (October 20<sup>th</sup>)

**«EBAN Annual Winter University»**

**Co-hosted by Be Angels and BAN Vlaanderen**

**Brussels October 20/21<sup>st</sup>**

<http://www.amiando.com/ebanwu2011.html>

# CONTACT DETAILS

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