

ANGEL INVESTING

SHOW ME THE MONEY!

ENET

Waltham

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Henry Kay

WHO IS HENRY KAY?

- 40+ years in health care
- Retired Group VP Boston Scientific-Bus Dev/Strat Planning
- Active Angel Investor- more than 30 investments
- Several good exits
- Member of Boston Harbor Angels and Sky Venture Group
- Board member: Covina Inc*; Cannuflow, Cristcot medical, MyndTec, EP Sciences
- Mentor for Canadian Consulate

Fund Raising- Where to Start

Let's Start from the end of the process!

What do acquirers want to see from a technology or a product before they express any interest at all.

Can You Answer These 4 Questions?

**“White Space”
Opportunity**

**“Drop In The
Bag”**



- 1. Does The Technology Work?**
- 2. Can It Be Proven?**
- 3. Will Customers Believe In It?**
- 4. Can we execute/financials make sense?**

Sources of Funding

- Grants
- Friends and Family
- Angels- Equity or convertible note
- Usually 3-5 million and 3-5 years to exit
- VC's- Venture Debt/Equity
- Potentially 10's of millions needed

Angels, or angels???

Know your audience

There are 4 types of angels

Broadly, these individuals fall into 4 categories as defined by a study on angel investors by MIT's Entrepreneurship Center:

Guardian Angels: who bring both entrepreneurial experience and industry expertise. May have been successful entrepreneurs in the same sector as the new companies they back

Entrepreneur Angels: who may have experience starting companies but come from different industry sectors.

Operational Angels: who bring industry experience and expertise, but it is gained in large companies and may lack hands on experience in a start up.

Financial Angels: who typically invest purely for financial return.

Investors want to hear that...

Team brings sector, start up skills

Product changes market dynamics

Value proposition to customer

Radical design changes economics

Sound business model

Market growing, easy to reach

Regulatory approval process understood

Competition exists but is manageable

Financial projections make sense for investors

Always remember to tell these 7 stories well!

- The fundamental business logic story
- The total available market story
- This is a \$50m to \$100 m business story
- The product can be differentiated story
- The product/service can be sold story
- The management team can do it story
- This is a good investment for the investor story

Thank You

Henry Kay

Email: Henry@HLHAssociates.com