

HOW ANGEL INVESTORS SUPPORT LOCAL STARTUPS

FUNDING THE FUTURE



IN 1995 I FOUNDED

ANONYMIZER



PIVOTED TO GOVERNMENT
AND EXITED IN

2008

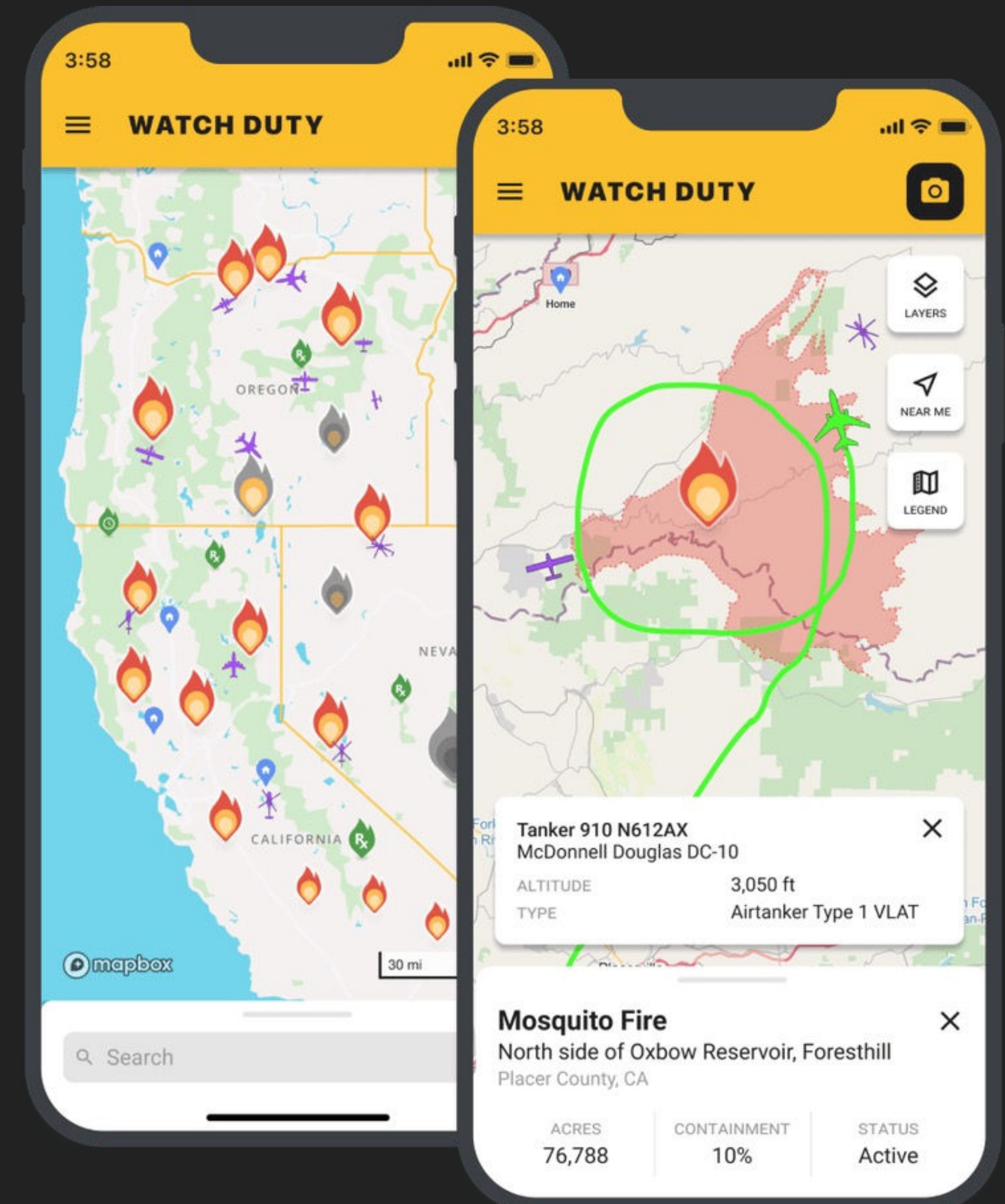
INVESTING & ADVISING





VIBRANT LOCAL STARTUP ECOSYSTEM

- ▶ North Bay Angels
 - ▶ Screens over 100 local startups per year
- ▶ Marin Sonoma Impact Ventures
 - ▶ Considered 248 local startups over 3 years



DIVERSE SECTORS

- ▶ Food and Beverages
- ▶ Ag-tech
- ▶ SaaS
- ▶ Fintech
- ▶ Hospitality
- ▶ Greentech
- ▶ Construction
- ▶ Marketplace

SOME EXAMPLES

- ▶ Invino: Wine e-commerce
- ▶ Verdant Robotics: Autonomous farming
- ▶ Blentech Corporation: Food Manufacturing Tech
- ▶ Wuuii: AI fire mitigation tech

SOURCES OF STARTUP FUNDING



Grants



Venture Capital



Debt



Bootstrap



ANGEL INVESTORS

WHAT IS ANGEL INVESTING?

- ▶ Investing your own money
- ▶ In early-stage startups
- ▶ Long-term
- ▶ Illiquid
- ▶ High Risk
- ▶ Very high potential returns



Photo by RDNE Stock project

HOW TO INVEST

- ▶ Direct investment
 - ▶ ~\$25k minimum
 - ▶ Must be accredited
 - ▶ Maximum access to the Founders
- ▶ Equity Crowdfunding
 - ▶ very low minimum
- ▶ Syndicate
 - ▶ Lower minimum
 - ▶ Usually requires accreditation



Photo by RDNE Stock project

YOU CAN'T MAKE JUST ONE ANGEL INVESTMENT

- ▶ If you do, it's FF&F
- ▶ Because:
 - ▶ Failure Rates
 - ▶ Time Frame
 - ▶ J-Curve



PORTFOLIO MODEL



- ▶ Plan to make at least 20 investments
- ▶ Set investment size to make them within 10 years
- ▶ At least one investment should be a winner
- ▶ That winner needs to support the whole portfolio

HOW DO YOU MAKE MONEY?

ACQUISITION

IPO

HOW TO CHOOSE YOUR INVESTMENTS



- ▶ Potential for >50X returns
- ▶ Validated assumptions
- ▶ Realistic plans
- ▶ Strong team
- ▶ Moat

WHY BECOME AN ANGEL?

- ▶ High Returns
- ▶ Pay it forward
- ▶ Fun & Excitement
- ▶ Learning
- ▶ Mission



HOW TO GET STARTED

- ▶ Join an Angel group
 - ▶ Maybe the North Bay Angels?
- ▶ Wait One Year
 - ▶ Shadow Portfolio
 - ▶ See the spectrum



BE MY GUEST



NORTH BAY ANGELS

- ▶ Come to an upcoming NBA meeting
- ▶ See local companies pitch
- ▶ Meet other investors
- ▶ Contact me: lance@lancecottrell.com