Things for Entrepreneurs to Know about Angel Investors
1. Startup Funding
2. Venture Capital vs. Angel Investment
3. Angel Investing
4. Centennial Investors
5. Tips on Investment Presentations
New Company Formation
Source of Funds – Typical Year

- ~500 VC Seed/Early-Stage Financing Deals
- 40,000 to 50,000 Angel Deals
- >200,000 Friends & Family
- 500,000 Startup Companies
- **Friends & Family**
  Typical round: $25,000 – $100,000

- **Angels**
  Typical round: $300,000

- **Venture Capital**
  Typical round: $6,000,000
Markets Large, Complementary

Early Stage

$18B
57,000 deals
Mostly early stage

2009 Angel Investment
source: UNH CVR

Late Stage

Mostly later stage
2,868 deals
$18B

2009 VC Investment
source: NVCA/PWC/VE
Angel Investors

- Invest **money** in seed, startup and early stage companies
- Invest **time** in entrepreneurs and their companies
Companies Backed by Angels

- AMBIT® Broadband
- myspace.com
- BEST BUY
- facebook
- Yahoo!
- Amazon.com
- bitpipe
- Costco
- ALCOA
- Red Hat
- Cisco
- Starbucks
- Google
- green dot
- Regeneration
- Ask.com
- PayPal
Is your business right for Angels?

• Am I willing to give up some amount of ownership and control?
• Can I demonstrate significant revenues and earnings in the next 3 - 7 years?
• Can I demonstrate a significant return to investors?
• Am I willing take the advice from investors and accept board of director decisions I may not always agree with?
• Do I have an exit plan for the company in 3 - 7 years?
Centennial Investors

- Founded in 2006
- Ties to the Columbia Chamber of Commerce
- 50+ Accredited Investors
- Members make decisions individually
- $1.7 million invested to date
  - leveraged with an additional $4 million+ of equity, debts and grants
Investment Process

1. Online Application
2. Prescreening
3. Member Screening Committee
4. Dinner Meeting
5. Due Diligence
6. Negotiations/ Closing
Variety of Companies

- Lameness detection in horses
- Multiple-Source online news video site
- Psychiatric medical records software
- Nasal wash system
- Marketing company that targets newcomers
- Implantable therapy for cardiac arrhythmias
- Middle ear fluid detection
- Laser-assisted immunotherapy
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Centennial Investors gratefully acknowledges the Kauffman Foundation for its support and for many of the materials provided in this presentation.