



WOMEN/BUSINESS/ANGELS

The Role of Business Angels in the Innovation Ecosystem

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Presentation by Women/Business/Angels Association (WBA)

<http://www.wbusinessangels.com/en/>

Today I talk about:

- The business angels as investors
- The Women/Business/Angels Association
- - Our key projects
 - Opportunities to join us

Who are the business angels?

Our definition:

“A business angel investor:

- is a **private investor** with accumulated private funds, risking his/her own money
- ● with accumulated **expertise** (business & sectoral)
- with accumulated **social capital**

... who invests into **innovative young firms**, in return for **equity**. The foreseen timeframe of the investment is usually **5-10 yrs**.

- Often group in syndicates and associations

What are they doing?

- Looking for potential investment opportunities
- Select companies
- Evaluate them (instincts a/o numbers)
- Make the deal - funds for equity
- Mentoring and sharing their network
- Fail or exit or co-exist with VCs
- Move on, build portfolio, collaborate with other BAs

What are they looking for?

- Scalable startups
- In a perspective industry / sector (typical : IT, health, environment, finance, etc)
- Services preferable or really good products on MVP stage (Minimal Viable Product - one step after a prototype)
 - B2B preferable to B2C
 - Diverse founder team - 2-4 persons
 - English speaking, internationally open

How do BA look like in reality?

How the exact BA community looks like and works -> depends on the exact innovation ecosystem.

- A.) Global level
- B.) European level
- C.) Local (=national/regional level)

Business angels and their activity differ across the EU and its neighborhood region!

Influencing factors: level of general economic development, wealth distribution across the society, entrepreneurial spirit, availability of other funds, etc.

Differences in nr of investments, investment size, nr of angels, etc.

CEE specificities ...

The whole innovation ecosystem, including business angel activity is somewhat lagging behind the US or Western EU level. The BA concept is not yet widely known, there are less business angels and the investment sizes can also be smaller.



While in the US apx. 25 billion USD is invested per year angels, and the typical size is 25 thousand USD, CEE trends are significantly smaller.

While in the US 22% of angels are women, in CEE their share is minor.

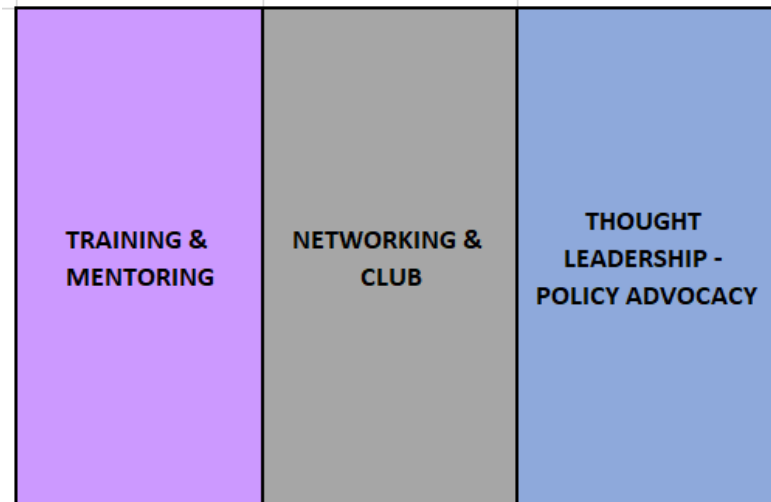


Women/Business/Angels Association

- Based in Budapest, Hungary
- Founded in 2017
- Operates in the CEE region with ties to the WB and ENP countries
- Funded through memberships fees and projects financed with various international donors
- WBA carries out trainings, mentorings, organises events, conferences and participates in research efforts
- Candace Johnson, former president of EBAN called WBA a unique **best practice** worth following

WBA main pillars of activities

- Training and mentoring: involving angel-to-bes: a wider round of spreading the message
- Networking & Club: women with sleeping capital (from any sector or industry, but a significant segment comes from ex-multis) - the opportunity to talk to more experienced angels as well as start-ups (dry-run pitches)
- Policy advocacy targets policy stakeholders, governance



Our approach to education

- Trainings, mentoring takes into account **this mindset**. The understanding of the innovation ecosystem, of investment methods and portfolio building is rather limited in **countries with just some decades of market economy experience**.
- **Co-education**: Strengthening female participation in the economy is not going to work against, but together with, their male counterparts. While we aim to create a safe space for training & mentoring - where women dare to ask and feel valued and appreciated - we open these opportunities for men as well, working together with them.
- Early-stage investment means **lack of track record - lack of metrics**. More emphasis on instinct and experience. Our trainings focus at examples and sharing of cases, less at textbook-type learning on investment measures.

Our networks

- Domestic networks with other investor communities (HUNBAN, etc.)
- Network with research institutes (ICEG, HETFA)
- Connections to collaboration hot-houses, shared offices, local innovation hubs (Impact Hub, Design Terminal, etc)
- International level: partners from across the CEE and ENP working with female entrepreneurs, start-uppers and business angels

Challenges

- Reaching out to women in such a stimuli-rich environment, with so many opportunities and messages
- COVID emphasized the already existing dilemma: personal vs online
- Ecosystem size: ecosystems usually work in a strict geographical setting - our cities may be too small, our region (CEE, ENP) may not be small enough for proximity and personal connections
- Too much money is a problem - when VC ventures into BA territory and squeezes out angel investment
- ICT brain drain to the west - there are good-sounding start up ideas from business brains but often the IT behind is the bottleneck
- Young angels and early startups: problematic. Young angels: look for syndicates or an “FFF2.0”

THE WINGATE project (wingateproject.com)



Wingate Project

wingateproject.com

Incognito (3)

Iceland
Liechtenstein
Norway grants grants

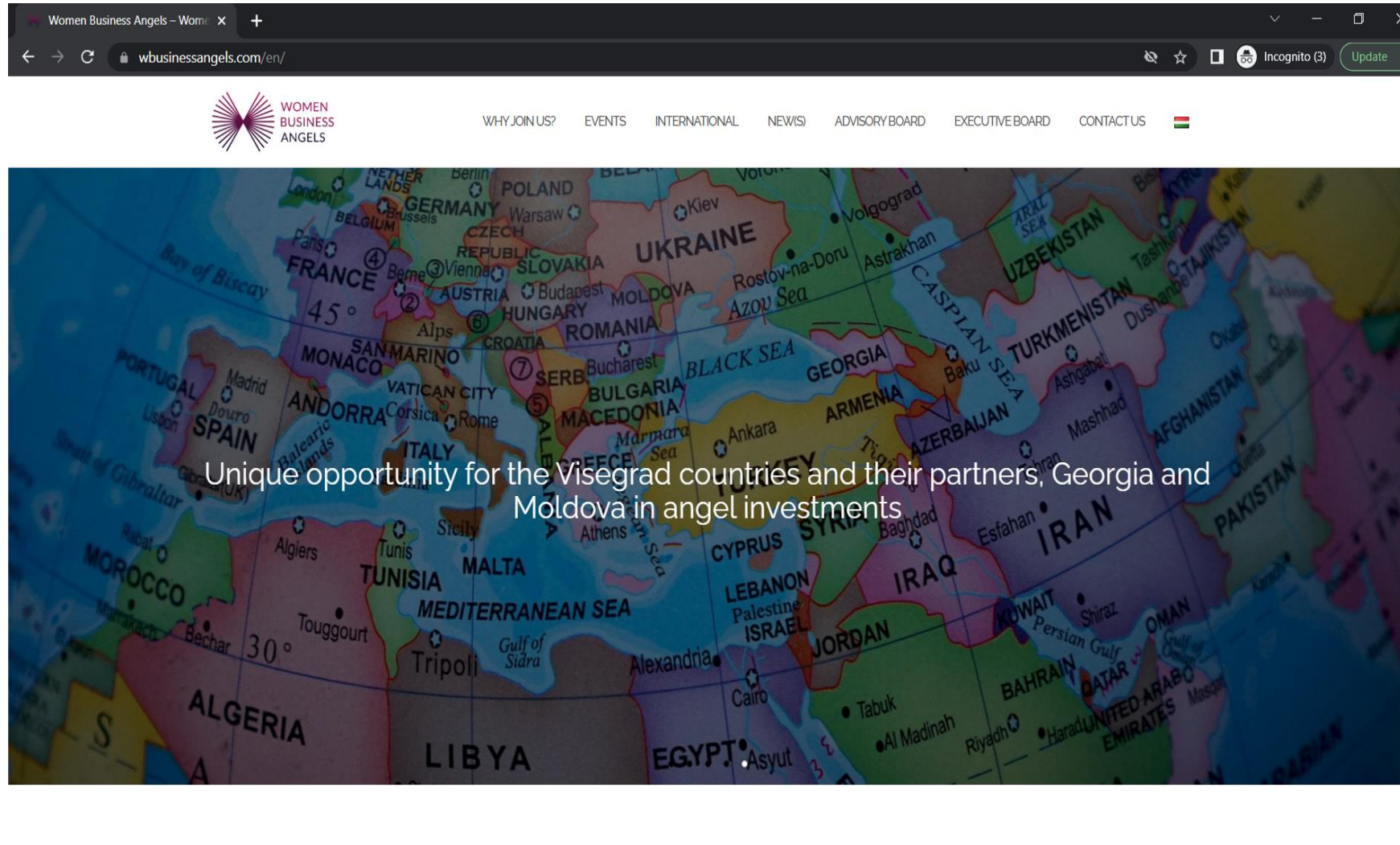
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Wingate helps female entrepreneurs across Europe to start and grow their own businesses!

Creativity, talent, perseverance – these are all common in innovative women. We are the same here in Europe, without borders on this great continent. The recipe for success is always the same: you are persistent, bold, inspiring. A network of successful businesswomen in Central-Eastern Europe

WINGATE

V4+ENP partnership supported by the IVF



The image shows a screenshot of a web browser displaying the website for Women Business Angels. The browser's address bar shows the URL wbusinessangels.com/en/. The website's navigation menu includes links for 'WHY JOIN US?', 'EVENTS', 'INTERNATIONAL', 'NEWS', 'ADVISORY BOARD', 'EXECUTIVE BOARD', and 'CONTACT US'. The main content area features a map of Europe and the Middle East. A text overlay on the map reads: 'Unique opportunity for the Visegrad countries and their partners, Georgia and Moldova in angel investments'. The map highlights several countries, including France, Germany, Poland, Czech Republic, Slovakia, Hungary, Romania, Bulgaria, Serbia, Macedonia, Albania, Georgia, Armenia, Azerbaijan, Turkey, Iraq, Iran, and others. The text overlay is positioned over the Visegrad region (Poland, Czech Republic, Slovakia, Hungary) and extends towards Georgia and Moldova.

Our projects all include:

- Trainings - set for the specificities of the target group
- Individual mentoring opportunities
- Networking, business breakfast, connecting startups with potential angels (! But this is a learning curve!)
- ▪ Advocacy - stakeholder and governance included
- We always look beyond national borders
- Smaller events combined with larger conferences
- ... we wish... there was more room (=budget, time 😊) for measurement, needs assessment, size-up

How to become a business angel?

- Warning: do not try it on your own!
- Being a business angel is risking your own money. Make sure you have safe savings, other investments and only a portion of your capital is invested in this risky game.
- Summarise not only your financial capital but your knowledge and social capital as well: list out the areas you are good at and focus at those. Dare to be sector-specific!
- Look for others: it is easier and safer to be done together. Contact WBA at the address at the end of this presentation.
- Try first with smaller amounts.
- Be open but have a clear target

Thank you for your attention!

This presentation has been prepared by Women/Business/Angels
Association

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