

15 Sources Who Can Help You Meet Angel Investors

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One of the hardest parts of being an entrepreneur is raising capital.

According to the Angel Capital Association, only 2 percent of entrepreneurs are able to pry much-needed cash from the tight hands of angel investors, and less than a half of a percent raise money from venture capitalists, according to Price Waterhouse study.

At the international conference for the Angel Capital Association in Philadelphia in May, entrepreneurs asked angel investors how one gets access to these well-heeled men and women.

There are 15 sources that you should cultivate who can make introductions or ease the way to meet investors.

1. Accountants

Partners of accounting firms who work with early-stage companies or do estate planning either know the angels in their region from working with their portfolio companies or know wealthy people who want to diversify their portfolio.

2. Angel investor platforms

There are online platforms like Gust that serve angel groups from all over the world. Entrepreneurs enter their information and an e-mail is sent to angels about the new company. Many angels said they are now giving serious consideration to companies and entrepreneurs they have never met because of the popularity of applying online for capital.

3. Attorneys

Nationally, there is a sizable group of attorneys that work with angel investors putting together the documents that handle the investment or represent the companies taking in capital. They have a lot of credibility with investors because they see a lot of deals. They learn a lot about what investors are looking to invest in and what they don't like.

4. Bankers

Banks often meet companies that have great potential and don't have the sales and/or assets to get a loan, so they make introductions to angels and venture capital investors.

5. Business consultants

There is a group of business consultants that write business plans and make introductions to investors. Those people can be found by doing online searches, referrals from attorneys, accountants and university small business development centers.

6. Business plan competitions

Almost every university with a business school, science and/or engineering department runs a business plan competition. Angel investors descend on these competitions looking for the next Mark Zuckerberg and the next wave.

7. Conferences

Angel investors are constantly trolling for deals. They can be found at entrepreneurship, business and technology transfer conferences.

8. Economic development organizations

Every county has an economic development organization to attract businesses to their regions. They know who has money and often bring them deals to get those companies to settle in their region.

9. Entrepreneurs

Look for entrepreneurs who have received money featured in local online and print publications. Reach out to them to see if they would make an introduction. At the Angel Capital Conference, angel investors said next to other angels, the second most common place investment prospects come from is referrals from companies in which they have already invested.

10. Financial planners

These folks know who has the money. They usually don't like to see their clients invest in anything risky and/or reduce the portfolio they are managing because it reduces their fees. That said, there are many successful entrepreneurs and retired corporate executives that are looking for something with high risk/high reward, a company that they can help and go on the journey with.

This came up often at the Angel Capital Conference as a primary incentive for wealthy people to take a chance on a company that has less than a 20 percent chance of survival, according to the Small Business Administration, and even lower chance of going public, less than 1 percent.

11. Investment bankers

Many investment bankers deal with family offices, chief executive officers (CEOs) who acquire companies and former CEOs looking to put their money into something that they can either run or where they can be on the board.

12. Service Corps of Retired Executives (SCORE)

There are SCORE chapters throughout the United States. This group is made up of former small business owners and executives from large companies. Some of these people invest in companies or know others that are interested in getting involved in early-stage companies.

13. Small Business Development Centers (SBDCs)

These organizations are typically found on university campuses. They provide advice, classes and events for entrepreneurs to attend. They often invite angels to teach classes and participate on panels at events.

14. Speaking

Angels love to hear themselves speak about what they like to invest in, success stories and even failures. The groups that bring them in to speak are technology trade associations, chambers of commerce, university entrepreneurial conferences, technology transfer and economic development conferences.

15. Universities

Many angels teach entrepreneurship at universities. Contact the business department of your local community college and university and see if they have a class in entrepreneurship. There's a good chance the instructor is a current or former entrepreneur that is an investor.

If you are throwing your hands up in the air because you don't know any angels personally, then you don't deserve any funding. There are so many ways to raise capital there is no reason you can't procure a meeting.

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