ONE PAGE SUMMARY

Entrepreneurship & Startup › Fundraising & Investment › Alternative Funding

Angel network basics

Unlocking Startup Potential Through Angel Networks

DEFINITION

> Angel networks are groups of wealthy individuals who invest in startups. They provide funding and mentorship to help new businesses grow.

KEY CONCEPTS

Angel Investors

Wealthy individuals who provide capital for startups, often in exchange for equity.

Network Structure

Angel networks consist of multiple investors collaborating to share risks and opportunities.

Investment Stages

Angel investors typically fund early-stage companies, often before venture capitalists get involved.

Mentorship

Along with funding, angel investors often provide guidance and industry connections to startups.

Equity vs. Debt

Investments from angel networks usually involve equity stakes rather than loans.

EXAMPLES

→ An angel network invests $100,000 in a tech startup for a 20% equity stake.

→ A group of angel investors provides mentorship to a new food delivery app.

→ An entrepreneur pitches to an angel network and secures funding for product development.

MEMORY TIPS

★ Think 'Angels' for early-stage funding and guidance.

★ Remember 'Equity over Debt' for angel investments.

★ Visualize a network of investors as a safety net for startups.

COMMON MISTAKES

✗ Confusing angel investors with venture capitalists.

✗ Underestimating the importance of mentorship.

✗ Neglecting to prepare a solid pitch for investors.

QUICK RECAP

Angel networks are crucial for startup funding, providing both capital and mentorship. Understanding their structure and investment approach is key to leveraging these resources effectively.