

## Me too, I can become a Woman Angel Investor

22<sup>nd</sup> of January 2019

During the 59<sup>th</sup> session of the *INSME Academy* Mrs. Marie-Elisabeth Rusling, CEO and Board Member at BAE – Business Angels Europe (*INSME Member from Belgium*) shared interesting figures and trends angel investment.

According to the most common definition, as declared by Mrs. Rusling, when we talk about angel investors we refer to individuals – no matter if they are women or men – who invest their own money, time, contacts and expertise into innovative startups.

The presentation focused on the role of women in angel investing and by referring to the data collected by BAE within the framework of the [WA4E project \(Women Business Angels for Europe's Entrepreneurs\)](#) the speaker reported that only 5-25% of women in Europe are in business angels networks. By looking at the United States – that always represent an interesting benchmark – ten years ago women in business angels networks counted for 10% but as of November 2018 data show that their presence reached the 40%. Nevertheless a change in direction has been reported in EU too: i.e Portugal registered an increase of 400% of women in networks and more than 10% in Armenia in just one year. A relevant example of this exponential growth is represented by FBA - Femmes Business Angels, a network of business angels that started in France with 2/3 women and that now counts on over 150 members.

Companies need support in their first years of life to avoid they cross down the valley of death and angels investors position themselves in that phase when companies do not have the capacity to attract larger investors. Data show that the percentage of survived companies among the ones supported by angel investors is the 43% and as of today, the most important challenge companies have to face is not finding money to startup a business, but keeping investors committed and convince them to support the scale up process. This need finds its fulfillment among angel investors as demonstrated by the amount invested annually by BAE that is around Eur 2.5 billion. In this context an increasing number of women angel investors would mean to double the money available to SMEs to scale up.

The need for more women angels investors is evident:

- **On an 'economics' side** different studies and analysis have demonstrated that having more women in executive teams brings more efficiency.
- **On the 'affinity' side as it is proven** that people tend to invest and work with someone they know and feel like, therefore the affinity creates like a snowball effect as more women investors will tend to invest in women led companies.

Although the benefits of having an higher number of women investors are well recognized, women are often reluctant to take their first steps toward this long journey because of a mix of real facts and mindsets. As measured in a research carried out under the W4EA project,

before taking the first steps women want to do things perfectly and understand more about the process, meaning that they look for education. Women also perceive existing networks as closed and this limits the access to potential opportunities. In addition since they tend to invest smaller tickets they are often taken less seriously into consideration and have less return. Furthermore they also have to consider life priorities and how to deal with them.

As evidenced by the results of a sample BAE submitted to 50 women, the key obstacles they identify are: 1) balance life priorities before considering angel investment; 2) most of these women are not aware of angel investments, 3) women also perceive angel investing as too risky, 4) according to the 60% of women angel investment is something for very rich people; 5) people feel they lack the right contacts.

Despite these obstacles, the scarcity of figures or stories that can inspire women, there is a movement that is now swelling and as said by Jenny Tooth from the UK Business Angels Network, we have now the perfect storm.

By taking this positive trend into account, Mrs. Rusling shared her ABC to take the first steps towards the angels investment universe:

**A – Assess your motivation:** it is crucial to consider the availability both in terms of **time**, bearing in mind that on average the commitment requires from 7 to 10 years and **expectations**, meaning that it has to be clear if the investment will be made to have an impact, to promote the angel investor expertise sector or to give back and help other entrepreneurs. Other elements to be assessed are: the amount of time the angel investor is available to dedicate to educate his/herself about angel investment as well as the role he/she wants to play within the company.

**B – Be informed:** by **mapping** where advices can be found (i.e. among clubs, colleagues, former students from the same university) and analyzing **how to mitigate risks**. It is also important to be aware of how to access good quality deal flow, how to work with the startup team and be sure to be involved with the right people. Another element to look at is what other investors do and on this regard a huge source of information is given by events and publications related to the sector the angel is investing in.

**C – Compass:** meaning that a successful journey finds its foundation in a well-structured plan that includes a very clear risk profile.

By talking to investors Mrs. Rusling suggested to start with small investments and build a community that could offer advice, guidance and support. She also highlighted the importance of keeping on learning, growing and enriching their experience as well as sharing their stories because **as affirmed by Mrs. Rusling** *“as more you share as more you get back and you will gain new insights and find new opportunities”*.

Tips have been also offered to entrepreneurs who have to carefully identify their angel and have a clear idea of the role they wish to give him/her.

In conclusion a few advices for women entrepreneurs have been shared:

- Be bold, more assertive and ambitious in the financial projections
- Be clear about the strategy on why someone might prefer a woman.

The very last advice Mrs Rusling shared with the audience was: *“Put your wings on and keep in mind it will be hard work and long journey but it will be fun. It’s inspiring, It’s enriching.”*