

## APPENDIX 6

### ANGELS ANONYMOUS<sup>1</sup> FUNDING APPLICATION<sup>2</sup>

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*[Note: Company applications should be limited to an executive summary or response to specific questions. Accepting entire business plans can be an exercise in futility as business plans can often exceed 30 to 40 pages, in addition to attachments. Members seldom have the time or patience to read through numerous, lengthy business plans, and often the essential information needed for this initial screening step is not readily apparent in a large document.*

*You should also have a page limit for the company application. Requiring answers to specific questions, as opposed to accepting executive summaries, gives greater assurance of receiving all information your screening committee desires in reviewing applications, but you risk losing the unique story-telling quality that an executive summary has, which often tells you much about management style and communication skills. Additionally, some companies will not want to take the time (or have the time) to answer a series of questions, and these are often the “hot deals” that do not need to go through additional processes to raise money. The brevity requirement may seem harsh, but through experience, the companies able to clearly articulate their mission, product, market, and future in five pages or less most likely have the greatest chance for success.]*

Please submit your executive summary of **NO MORE THAN FIVE PAGES** (including attachments, appendices and exhibits), which contains information on the subjects identified below. Materials beyond the five-page limit will not be reviewed or considered. The list below is not intended to suggest any particular order of information, but rather the entrepreneur should consider the arrangement best suited for describing his/her company.

<sup>1</sup> “Angels Anonymous” is a fictitious angel group and is merely a name used for example purposes.

<sup>2</sup> Note: The submission process described in this document is for angel groups in which members select presenting companies through a screening committee structure. If your group is manager led, your manager will likely do screening, which can facilitate receiving more information from companies and provide for a more intensive up-front review process. As discussed in the Guidebook, MBA students can also be valuable in conducting initial screening of applicant companies.

## **SUBMISSION CONTENT:**

- ▶ The Company
  - ▶ History, including accomplishments to date
  - ▶ Mission
- ▶ Product(s)/Services
  - ▶ Description of product(s)/services
  - ▶ Ownership
  - ▶ Development stage
  - ▶ Timing of, and process to, commercialization
  - ▶ Unique attributes and opportunities
- ▶ Market
  - ▶ Size and definition
  - ▶ Industry trends
  - ▶ Needs for product(s)/services
  - ▶ Customers
  - ▶ Sales/distribution plan
  - ▶ Necessary partnerships and status
- ▶ Competition
  - ▶ Comparative analysis, including key features and benefits
  - ▶ Competitive advantage/market differentiators
  - ▶ Barriers to entry for competitors and company
- ▶ Management
  - ▶ Experience of all senior management, including previous start-ups
  - ▶ Previous experience working together
  - ▶ Needs/key vacancies
  - ▶ Board of Directors
  - ▶ Advisors

- ▶ Financials
  - ▶ Founder's investment
  - ▶ Fully-diluted capitalization table (i.e., including options, warrants, and debt)
  - ▶ Summary projected financials (one and three to five years)
  - ▶ Funding needs for this round and subsequent rounds
  - ▶ Use of funds
  - ▶ Exit strategy and timing
  - ▶ Business milestones for next six months and next two years

### **SUBMISSION PROCESS:**

- ▶ All executive summaries received by the 5th of the month<sup>3</sup> will be considered for presentation at the member investment meeting held in the same month. Any submissions after the 5th of the month will be held for the following month's review and consideration. Companies must submit executive summaries on-line through the Web site at [www.angelsanonymous.com](http://www.angelsanonymous.com) or directly to [submissions@angelsanonymous.com](mailto:submissions@angelsanonymous.com).
- ▶ Submissions must be accompanied by a payment of the processing fee of \$100, which is payable on-line at [www.angelsanonymous.com](http://www.angelsanonymous.com). Companies failing to make such payment will not be considered by the screening committee.
- ▶ All executive summaries are posted under a members-only section of AA's Web site and will remain posted for approximately 120 days.
- ▶ The screening committee will consider all timely filed and completed submissions and will inform selected companies by the 12th of each month.<sup>4</sup> Non-selected companies will be informed by the 15th of each month and will receive standardized feedback from the screening committee.
- ▶ Selection criteria are based on review of each executive summary against a screening matrix, a copy of which is available on the AA Web site.

<sup>3</sup> Should any date fall on a Saturday, Sunday or holiday, the date will be extended to the next business day.

<sup>4</sup> Note: An additional step you may wish to consider is selection of semi-finalists, who are then personally interviewed to make the final selection of presenting companies. This process works well for manager-led angel groups.

- ▶ Selected companies must agree to coaching in preparation for their presentation at the member investment meeting. Coaching sessions will be scheduled at the time of selection notification.
- ▶ **Materials for Member Investment Meeting:** Selected companies must give a PowerPoint or equivalent presentation of no more than 15 minutes in length, followed by a five- to-seven-minute Q&A period. Copies of the presentation must be provided to members at the investment meeting and an electronic copy provided to AA for posting under the members-only section of the AA Web site. Companies may offer other materials at the member investment meeting. Space will be made available for a company display or demonstration immediately prior to, during, and after the investment meeting.
- ▶ Neither investment solicitation nor commitment will be made at the member investment meeting, and presenting companies are expected to bring with them information on the timing and location for a follow-on meeting with interested AA members.
- ▶ Any questions should be directed to [submissions@angelsanonymous.com](mailto:submissions@angelsanonymous.com).