



Unicorn vs. Looser: how angel investors can spot future stars

'Top-down' process

Disruptive technology

Emerging business models

Startups/founders

Focus on
disruptive
technology
+
particular
individuals




The key is founder's personality and motivation

- ◆ Work for the sake of idea but not 'budget utilization'
- ◆ Significant personal contribution (made or planned)
- ◆ Ability and readiness to do all you can and assume the risk
- ◆ Minimum acceptable experience / competencies



Basic principles

'How' is just as important as 'who' or 'what'



Price/time minimization of the experiment instead of 'grand construction'. Less resources increase chances.

Focus on maximum fast reward/growth, in ideal case – income/profit. 'Long-term constructions' fail the motivation test.

Constant 'finger on the pulse' to the investor.

Control 'in case we fail' scenario.

Focus on the product rather than marketing.

'Unit economics' is more important than scale.

Focus on 'complex iteration' rather than linear progression.

Instruments

- ◆ Position of 'Sweet minority' around 10-20% with extended rights.
- ◆ 'Convertible note' instead of stockholding at the initial stage.

- ◆ Syndicates with leading/passive participation.
- ◆ 'Hands on' approach with active participation.



Questions?

