

ASSESSMENT FOR FUNDING – PROCESS AND REQUIREMENTS

Sydney Angels offers early stage businesses the opportunity to attract investment and time from experienced professionals. Guidelines for the investment criteria are:

- Businesses seeking \$150k-\$1m equity capital
- Angel investors expect >10% equity
- Typical valuations are \$500k-\$3m
- Deals that are fresh and have not been shopped all over town

Assessment for funding needs to be submitted through Angelsoft. This can be accessed at the Sydney Angels website (www.sydneyangels.net.au). The form is described below and costs AUD\$100 to submit.

The completed form is reviewed by a screening committee made up of angel investors, those of interest will be invited to present to the screening committee and the top ranked businesses will be invited to present to the full angel group of 30-50. This process will take up to two months.

After the presentation to the full angel group, interested investors will contact the company directly. Typically the due diligence and investment process will take up to six months.

For more information go to the website or email Sydney Angels at contact@sydneyangels.net.au.

Title	Description	Max. Characters
One Line Pitch	When investors browse through deals they see three pieces of information: your company name, whether or not you have a video, and the one line pitch. Your goal is to summarize your company as succinctly as possible, giving investors a reason to click to find out more.	150
Summarize your business	Investors fund businesses, not ideas. So tell them about the business you are building. Use this to summarize your whole plan. Don't include specific financial information here, or repeat what's said in any other field.	450
What specifically makes your management team most qualified to build this business?	It is important that your management team has a proven track record in leadership and performance. Give specifics. Experience in the target business segment is key.	450

Title	Description	Max. Characters
Define customer problem	Investors fund pain killers, not vitamin pills. What critical customer need does your company address? If you are a web company, you may need to make a hard decision here on whether to talk about your audience or the people who will ultimately pay you (like your advertisers).	210
Describe the solution you sell	How does your product solve the customer pain you have described above?	450
Define your market	Define your SPECIFIC market. "Males between the ages of 18-30" is not specific enough and shows a lack of analysis. Include market size data, growth rate, customer segmentation, and market structure where applicable. Also, keep in mind that Angel Investors are unlikely to fund ventures unless they can demonstrate scalability to at least \$20 million in revenues in five years, and VCs look for \$100 million over the same period.	450
List your current or potential customers	Investors are more likely to invest after talking to customers who will purchase your products. List several current or potential customers for your solutions.	210
Sales and marketing strategy	How are you going to acquire and maintain customers? Direct sales? Sales representatives or distributors? What is your distribution model? How will customers find you?	450
Describe your business model	How do you plan to make money? Are you selling products or services? Are you giving away razors in order to sell razor blades? If you are an Internet property, how will you monetize those who visit your site?	
Describe the competitive landscape and list your competitors	Every product has competitors (typewriters replaced pencils). What products are your customers now using as pain killers? Who is providing these products to your potential customers? Are these competitors small companies or large public companies?	450
Define your competitive advantage and list barriers to entry	Do you have patents or other proprietary technology? How will you keep your competitors from quickly copying your products and selling them to your customers? Describe the difficulties your competitors will have in duplicating your solutions.	210

Financial Summary

Title	Description
Company Stage:	Investors typically invest at the Prototype Ready stage or later. They are looking for businesses, not ideas.
Select Currency to Use:	Select the currency in which you are entering your financials below.
Previous Capital:	The total amount that has been invested in your business including your own money and investments from friends and family. Investors like entrepreneurs that "have skin in the game".
Monthly Net Burn:	Total monthly expenditures minus current monthly revenues.
Premoney Valuation:	The value of your company before receiving any additional investment. Angel Investors typically look for valuations in the \$500k-\$3m range. Do not put 0 in this field. We understand that it is easier to put off this issue, but it allows investors to have a better sense of what you're looking for and how well you understand your business.
Capital Seeking:	The total amount your company is looking to raise this round. Do not put 0 in this field, as this is a crucial vetting criteria for most investors. The investors will try to look at your business goals and calculate how much capital you require to get there, then compare it to what you are asking.
Additional Information (Optional):	150 max. characters

Financial Forecast

The forecast should calculate sales based on YOUR activities. The thought process should be: "We will spend X on advertising to X people and expect to convert X% into paying customers which = X" as opposed to "If we only get 1% of our potential market we'll make \$100 million." The second example is a wish, not a forecast.

	2009	2010	2011	2012	2013
Revenue					
Expenditures					
Net					

Other Information

- Referred by
- Management
- Advisors
- Previous Investors