

New Zealand insights

Jack McQuire & Bridget Unsworth

Ice Angels, Angel Association NZ



 **#AANZ20**



New Zealand Insights

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2020 in Numbers...



#AANZ20

Portfolio construction

Less than 10 portfolio companies
36%



More than 20 portfolio companies
31%



Deal Breakers



Pre-seed – just at
concept stage = **14%**

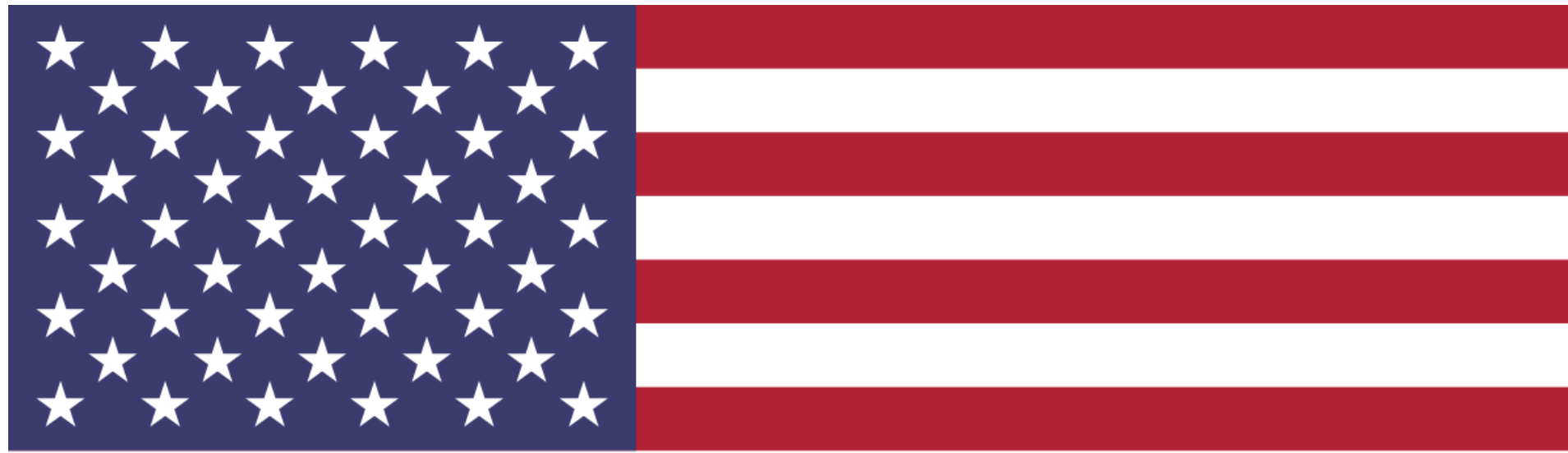


Not internationally scalable – **65%**



No paying
customers – **8%**

Geographic focus for Founders

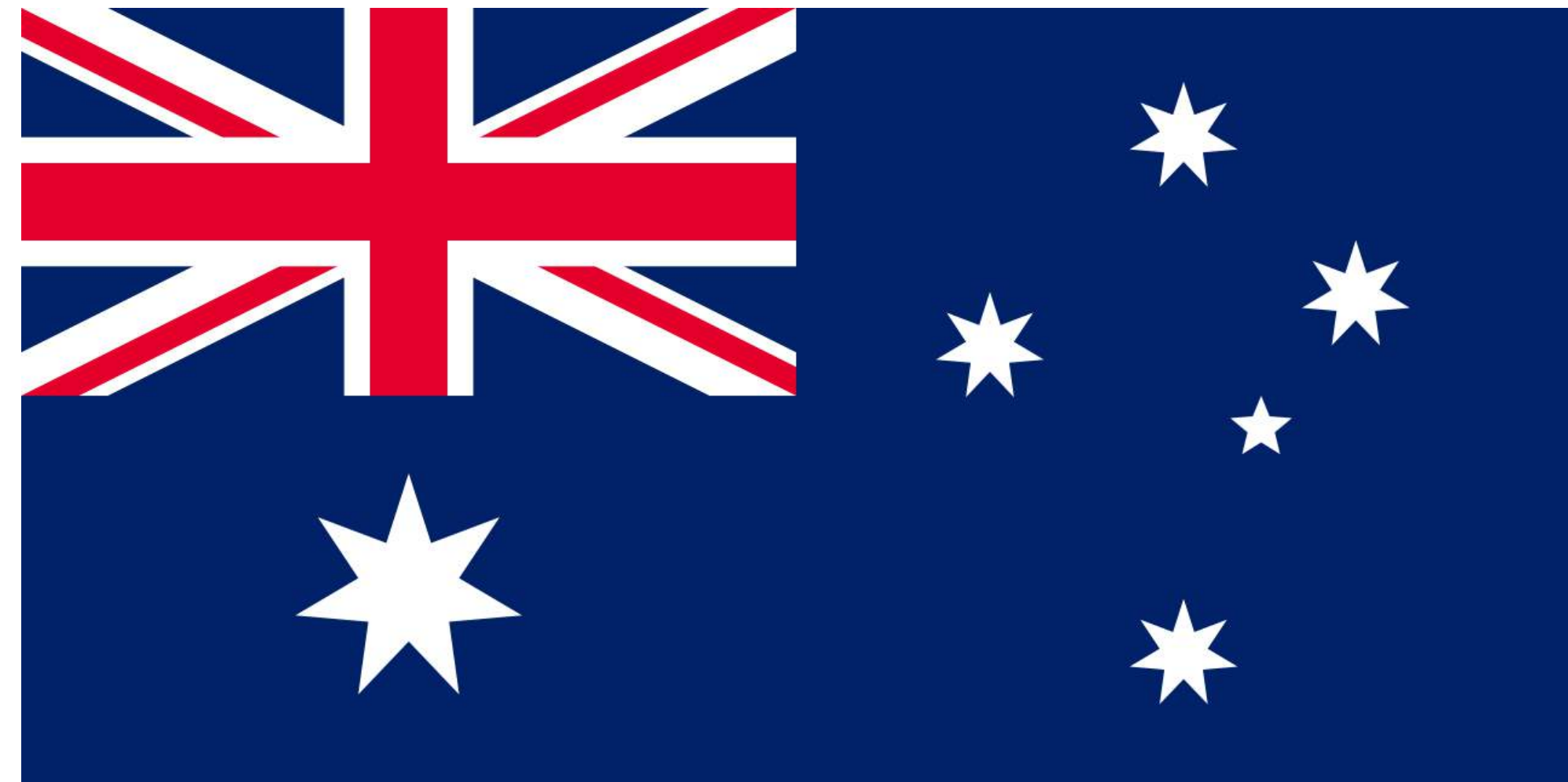


2019

45% US
27% Australia
18% Asia

2020

35% Australia
22% US
19% Asia



Where are they raising from?

- In 2019, they were raising from:
 - Offshore VC Funds 29%
 - Angel/Angel networks 25%
 - High Networth investors 10%
 - Domestic VC Funds 10%



In 2020, they are raising from:

- High Networth investors 27%
- Angels/Angel networks 25%
- Offshore VC Funds 16%
- Domestic VC Funds 14%

To be the best NZ angels we can be, we need to live up to the idea that “it takes a village”

Have our main reason to invest changed....?

- To support/help the next generation of young cos
- 2019 = 43% 2020 = 43%
- To make an investment return
- 2019 = 35% 2020 = **25%**
- Other reasons:
- 2019 = 4% 2020 = **19%**



Why do we do this?

- An **incredibly stimulating** environment where we can hopefully add value and maybe get a return
- For my own satisfaction (hopefully)
- Satisfying personal projects
- So that we can **work in high** pressure environments
- For the joy of it
- I think it is part of our support system, and
- Because it is exciting to **the journey** when you don't know what the end destination might be.
- **It's fun, it's important, and it "might" be worthwhile ... :-)**

I love this space and always have done from the time 20 years ago when I saw these investors building some crazy products like HIV "cures" and wind turbines and batteries (all failures of course) but it was fascinating to me and it allowed me to dive into areas of knowledge I'd never had exposure to before.

What do we think our founders want from us?

- Availability of a **comprehensive** functional set of skills.
- Trust and support through the **difficult times**
- Sustainable financial support, networks and where appropriate advice
- Networks & connections, taking an **interest in them personally**, advice when asked
- Insight and sense checking. Someone else who is thinking about their business. Someone who they can turn to for **support, guidance**.
- "The full package" - i.e. money + skills/experience + networks.
- **fast decision making**
- Connections to markets and customers
- **Honesty** and a fresh perspective
- Time, experience, advice. **Mostly time**.

What do you think is the most value you can give them?

Governance so that they can focus solely on the business.

Patience

Ask them really good questions. A good question makes people think long after the conversation has finished.

Self-awareness of limitations and a lack of ego - i.e. it doesn't always have to be the investor who knows everything but often you know who does so find the best for each situation.

A shoulder to lean on, an ear, understanding

The “angel” brand renaissance

What do you value from your investors?

- Experience and honesty
- Sounding board, alternative opinion, **devil's advocate**, previous corporate experience. transparency & honesty
- Strategic thinking, experience, putting the finger on the sore spot
- **Honesty, integrity, ethics**, belief in what we are doing
- Challenging me and causing me to reexamine and think differently. bringing other links and resources and pointing me in the right direction to solve my own problems.

What do you value that you didn't expect?

- Emotional support and **understanding**
- **Camaraderie**
- Deep dive on certain topics/issues when we need
- Friendship
- Awareness of **mental health challenges**/a degree of emotional support (within professional boundaries).
- Wisdom and life experience that **keeps the bigger picture in mind**
- Reassurance. I have questions and my own answers, but I want a **sanity check** from someone else to make sure I'm not way off

What didn't you get that you were expecting?

- Direct guidance
- More timely meetings each week, good communication about commitments and how over extended they are.
- Negative pressure to execute to forecast at all costs
- the answers!
- More financial knowledge for growth
- Feedback on monthly updates
- More aggressive capital growth strategic thinking

What they want from the ecosystem?

- Take a different approach to evaluating potential **outside their usual networks**
- Acknowledge that CEO's should be paid their worth. Just because they're a Founder, doesn't mean they should be paid less.
- Stop the **obsessive focus on tech**. It feels incredibly intimidating and that your company isn't worth bothering with if it's not tech focused a lot of the time.
- Opportunities to **trade future upside for early stability** when finding your feet as an entrepreneur.
- **Take due diligence seriously**. It's not a hobby to be 'dabbled with' by ex-bankers and part-time investors. It's a significant time commitment from founders to prepare detailed DD information, and too much founder time is wasted trying to placate tyre-kickers

Closing the gap between when advice, input or support is given and when it is recognised/
valued by founders



Angel Summit 2020



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WIFI: Brix Hospitality PW: H0sp1t@l1ty