

EBAN 4th European Awards Ceremony for early stage investors

Monday April 27th | Casino de Madrid

Winners of this year 4th EBAN Award Ceremony are:

Business angel of the year: Dr. Cornelius Boersch

Dr. Boersch is a serial business angel and has invested into more than 200 companies in different industries since his first angel investment in 1996. His investment style is to be fast, intuitive and opportunistic and he believes in portfolio theory. His deal-flow is very high with an average of about 4 deals per day and he never invests alone in a deal, but always with further business angels. Moreover, he is closely connected to all major VCs, PEs, banks and industry leaders in Europe. His recent investments include many high performing companies, like Secusmart GmbH (www.secusmart.de), Yasni GmbH (www.yasni.de) or BuyVIP (www.buyvip.com).

Dr. Boersch is regarded as one of the most successful networkers in Europe. He adds clear value to each company by sharing his knowledge and experience, which he gained by going through all stages from a student, to entrepreneur (founder of ACG AG), to CEO with an IPO in Germany, to serial entrepreneur and finally to serial business angel. Dr. Boersch promotes his believe in equity investments into young and fast growing companies: he encouraged many first time business angels and invested together with him. One outstanding remark is the number of events that he initiated and organized, such as the EntrepreneursDay where he annually invites about 250 of the top entrepreneurs and business angels for two days of exchange and networking (www.unternehmertag2009.com), the Business Angel Masters, a golf tournament, where about 100 business angels play golf and share deals together (www.business-angel-masters.com) or his yearly skiing event with about 25 active investors.

European early stage fund manager/team: Guy Rigaud, Rhône Alpes Création, France

Guy Rigaud has been operating in early-stage financing for 25 years. He created and still manages Rhône Alpes Creation (RAC) in Lyon. He is one of the founders of UNICer (the national association of early stage regional funds in France) and he took part as partner in the EASY project.

RAC has invested 35M€ in 180 new innovative companies during 19 years and has become one of the major actors involved in the regional "ecosystem": research, technology transfer, start up creation, first stage financing.

With a capital under management of 25 M€ (51% private funds: banks, insurances.. and 49 % public: Région Rhône-Alpes, CDC..), RAC invests systematically with other investors, mainly Business Angels (60% during the last 3 years), but also local funds. From 1990 to 2003 RAC realised 60 exits on investments with an average ROI per investment of 20,77 % (.. 30 % for the 30 last exits).

RAC Team is composed of 4 professional investors involved for about half of their time in the monitoring of the entrepreneurs and the following of the affiliate company.

RAC supports its affiliates to rise new funds by mobilizing its national and international network of investors (VC's, family offices, "big" angels...).

5 years ago, as chairman of UNICer, Guy Rigaud signed with Claude Rameau (founder and chairman of France Angel) the first agreement, for the cooperation between the French BA network and French network of regional early stage capital funds.

Being partner of EASY program during these last 2 years, Guy Rigaud has contributed to develop this experience whose goal was to stimulate cross border investment in early stage companies.

RAC with other partners of Easy is thinking about a prolongation of Easy program involving 3 or 4 countries in the south of Europe (France, Italy, Spain...).

European business angel group leader/team: Paris Business Angels, France

Paris Business Angels (PBA) had, at the end of 2008, a total of 124 members. This number has approximately doubled every year since 2004 when the network got off the ground with 16 members, thanks to a very active communication policy, based on the image of the “leading French network” and developing an image of the most professional network of Paris Region.

During 2008 PBA received 650 Business Plans, which is 13% more than in 2007, and twice the 2006 number. These 650 BPs belong to all Industry sectors, of which a little less than 50% come from NTIC sectors, and a growing number in CleanTech and Health sectors.

After a careful selection process, PBA have invested in 18 companies, located mostly in the Paris area (95%) for a total amount of more than 2M€.

1 M€ have been called in 2008 in a newly created Business Angels Fund called Paris Angels Capital (PAC). In October 2008, 47 out of the 124 members of PBA became the first members of the PAC, and invested 3M€ in it. The strategy of this BA Fund is first to co-invest with individual members, in one of the 40 companies selected through the PBA process, and thus increases the size of the first round.

As a result the total investment in 2008 on 11 new start-ups have already been twice the PBA amount of investment (i.e. 3.3M€).

Also, PBA has a “Training and induction program”: every new member must attend a 3x4 hours induction/training program, which takes place twice a year. Basics of early stage financing, as well as PBA processes are delivered mostly by the most experienced members of PBA, and some external professionals for more technical matters.

PBA has been the only French BA Network involved in the Easy Program, and has been hosting the first cross border investment forum in Paris at the beginning of the program.

Best cross border deal: Tie between BUY VIP and Louise

BuyVIP: is a fashion and lifestyle eCommerce Community which rose in its early stage (2006) money from about 45 angel investors from 3 different countries with the Help of IESE Business Angels Forum.

By bringing on board investors from Spain, Germany and Italy, the company was able to launch almost simultaneously in the three countries. BuyVIP is the largest pan European shopping community with more than 3.5M members and investors such as 3i, Kennet Capital Partners, Active Venture Partners and Bertelsmann.

Early stage investors helped significantly to shape the business and grow aggressively. One of the lead Business Angels (Michael Kleindl) is today the Chairman of the Board. Another (Rodolfo Carpinter) is actively supporting the international development of the company. Cornelius Boersch, winner of 2009 EBAN award to Best Business Angel of the year, is also participating thru Mountain Partners. The objective of the founders was to get as much talent in the relevant categories (fashion, marketing, internet, technology, HR) as possible.

Regular Extended Board meetings with more than 12 members ensure continuous interaction with the early stage investors and angels.

Louise Entreprises and Go Beyond Ltd. Investors: Go Beyond investors have been involved in the last 3 rounds of financing in Louise Entreprises. Louise Entreprises develops innovative products in the perfume, cosmetic and luxury sectors. www.crazylibellule.com. The company was founded and is run by a woman (still representing only 5% of company owners in Europe and fewer than 5% of angel investors across Europe). It has accessed funding via Go Beyond Ltd. (www.go-beyond.biz), one of the few Business Angel Networks with a European coverage and with a strong female investor membership. It met the company at a Femmes Business Angels presentation in France. Go Beyond's international Angels bring to Louise and other startups they invest in:

- Market knowledge and relationships
- Local “feet on the ground”. For example, with regard to Louise Enterprises, Go Beyond investigated several markets including the US to validate how the products were sold in shops via its distributors and determined customer acceptance,
- Functional expertise and experience in strategy, sales & operations,
- Relay to next rounds of financing and introduction to strategic investors.

Most successful angel backed company: Aventiv, Belgium

Aventiv (www.nomadesk.com)

Aventiv's founders started the company in 2004, investing their own money. The granting of an IWT-subsidy and the finalist position in the Bizidee's business plan competition convinced four business angels from the BAN Flanders network to invest in August 2005 in Aventiv.

Aventiv is the early-stage company that promoted NomaDesk®, a file sharing software for business professionals who work without an office that enables easy and secure access to documents from anywhere. Unlike web-based file sharing tools, NomaDesk automatically synchronizes files across any shared computer, making it possible to access documents even if the Internet is not available.

The involvement of the Business Angels of Aventiv was instrumental to early successes of the company. The angels offered their expertise in the financial, sales and marketing aspects of running a startup business. Furthermore, their contacts within the VC-community proved essential to the further funding of the venture.

Hence, at the end of 2005 Aventiv was able to close a first "seed" round of € 350.000, with: Founders, Business angels, IWT subsidy and Subordinate loan of the Participatiefonds.

In March 2007, the company completed a 3M€ Venture Capital "A" Round with the founders, the initial investors BA's and Gimv, one of Europe's most important private equity and venture capital providers.

In the mean time the name of AVENTIV has been changed to NomaDesk, this is the name of their reward winning product.

Best lobbying initiative (in support of business angels and early stage investors): Italian Business Angels Network

IBAN (www.iban.it)

IBAN, created in 1999, is the Italian Association of Business Angels Networks which aims at the development and growth of the Business Angels phenomena in Italy. Thank to the role played by IBAN in these recent years, a strong relationship network has been created in the country. This network links Institutions, Economic Operators Know-How and expertise, and reaches the full value chain in the early stage phase. Through this, IBAN has been able to effectively support start-up enterprises. Despite the recognition that angel investors usually get in many European countries such as the UK and France, business angels were not sufficiently considered as a distinguished economic category in Italy, remaining therefore often unknown in the political and financial environment of the country.

The new lobby initiative promoted by IBAN together with the Italian Venture Capital and Private Equity Association AIFI and two other active players of the venture capital market in Italy (Assonime and Eversheds Piergrossi Bianchini Lawyer's office) is a first formal appointment of the importance of the role played by business angels in the financial supply chain in Italy.

The new disposition approved foresees that capital gains realised on both qualified and not qualified participations by private individual investors (i.e Business Angels), not in business capacity, are tax-exempt starting from 1 January 2009, if:

- Participations have been owned at least for three years;
- Participations owned in companies which are at maximum seven years old;
- Participations owned in companies which have realised "industrial/productive" investments;
- Capital gains must be reinvested into "start-up" companies within 2 years the gain accrued.

This kind of disposition, already in force in a few European countries although with some local differences, has a clear potential for replicability across Europe, especially in less mature angel market and countries, such as the Eastern and Southern Mediterranean countries.