Business Angels Network Flanders
Business Angels Network
BAN Vlaanderen vzw

The platform where capital seeking entrepreneurs and private investors meet.
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1. History

From 1997 until 2003, four independent Flemish BAN’s:

- Limburg BAN vzw
- Bizzbees bvba
- Vlerick BAN vzw
- Flanders Business Network vzw

January 2004: foundation of **BAN Vlaanderen vzw** by merging the 4 existing Flemish networks.
2. Regional presence
3. Core tasks

- making entrepreneurs and candidate business angels aware of business angels financing
- informing, training, educating and preparing the entrepreneurs and business angels
- Establishing contact between entrepreneurs and business angels (the actual ‘matching’)
- Bringing business angels together for syndication
4. Business Angel profile

- Wealthy entrepreneurs, executives, families, relevant VC’s
- Investments usually between €25,000 and €250,000
- Dispose of extensive networks and specific knowledge
- Passionate about entrepreneurship and investing
- Offer strategic vision and act as mentor
- Invest preferably locally
- Searching for chemistry with the entrepreneur
5. More than just money!

The unique aspect of Business Angels

The two “wings”:

1. Capital
2. Relevant knowhow

> Key Success Factors for business growth
6. ‘Equity Gap’: The need for BA-financing

• Banks: do not provide venture capital and demand guarantees

• VC & PE-funds: mainly interested in larger projects

• Conclusion: the need for Business Angel financing in start-up fase or growth fase
7. Choice of funding sources

Entrepreneur, 3 F’s

Sweat equity
Seed money
Start-up
Expansion

Concept
- know how
- time
- research
- engineering
- prototype
- marketing plan

Prototype
- proof of concept
- business plan
- production
- prototype
- marketing plan

Product introduction
- 1st personnel
- start marketing
- management team
- market studies

Marketing
- working capital

Product support
- helpdesk
- maintenance
- product enhancements

Expansion

Sales

- regional market segment

Bank

Venture Capitalist

CF
8. BAN Vlaanderen vzw in figures

- Investment pool of +/- 175 business angels
- Inflow of approximately 500 files per year
- Launch of +/- 100 projects per year
- Organisation of +/- 20 matching events per year
- Realisation of appr. 25/30 investment deals per year
9. Procedure

First analysis investment proposition and business plan

Agreement on further procedure

Educate entrepreneurs concerning BA-financing

Draw up anonymous file with core details of the project

Informing business angels of the project via newsletter

Matching events

Feasibility and profitability assessment (by investor)

Negotiations and deal making take place autonomously between entrepreneur and investor (dealmaking support possible on demand)
10. Added value for the entrepreneur

✓ Contacts with experienced (ex-) entrepreneurs
✓ More chances in finding “smart money”
✓ Lower search costs
✓ Feedback from the network team and from the business angels
✓ Education sessions
✓ Alternative financing source
✓ Discrete approach
11. Which sectors?

All economic sectors except retail, horeca, pure real-estate projects
12. Which amounts?

Median amount requested in 2010: € 500,000
Median amount invested in 2010: € 110,000
13. First leverage: BA+ loan Participatiefonds

- Subordinated loan
- Max. 125,000 € and dependent of BA-investment
- Duration 5 / 7 / 10 years, with exemption from capital repayment of at least 1 year
- Low and fixed interest rates
- Request via BAN Vlaanderen
14. Second leverage: ARK Angels Fund - Concept

- Flemish venture capital fund
- At the initiative of BAN Vlaanderen
- Founded in Arkimedes scheme (ARKIV-statute)
- With capital OF Flemish Business Angels
- As co-investment FOR Flemish Business Angels
- Supported by a differentiated network of capabilities among its managers and members

“SIDE-CAR” Fund
15. Ark Angels Fund: Investment objectives

- Initial investments
  - Approx. 10 investments per year
  - An average of 100-200 k€ per project
  - Total investment of +/- € 5 million over 3 years
- Follow-up investments
  Available investment volume +/- € 2 million
- Investment fund of and for Business Angels
  Good investment project = good corporate file + good BA
- Co-investment
  - Up to twice the investment amount BA
  - Pari passu with BA
- BA as board member
16. Ark Angels Fund: Portfolio

- business angels netwerk vlaanderen
- Cotw
- REstore
- Ruban
- LEUVEN air bearings
- CarsOnTheWeb
- gatewing
- tesin
- vision
- EggCentris
- Center of Excellence for Reproductive Function Testing
- EQCOLOGIC
- MDA
- sbae industries
- elsyca
- sustainable bio-engineering for the aquatic environment
17. Synergy: Government actions

- **Pre-seed**
  - Win-Win Loan 50.000 €
  - BA+ Loan Participatiefonds Max. 125.000 €

- **Seed**
  - Participatiefonds Starteo/Starters loan

- **Start-up**
  - Participatiefonds Optimeo

- **Early-growth**
  - Arkimedes 500.000 €
  - Vinnof 100k-250k €

- **Expansion**
Conclusion: great "leverage" through joint funding for BA & entrepreneur

- Example: investment demand 750 k €
  - Contribution Business Angel (s) 125 k €
  - Contribution Ark Angels Fund 250 k €
  - BA + loan 125 k €
  - Bank funding 250 k €

⇒ Nowadays, Business Angels can create a significant leverage with a ‘limited’ amount of money in the financing of an enterprise project.
18. COMBIFIN (combined financing)

• Project of BAN Vlaanderen to grant companies easier access to capital
• Project supported by the Flemish Government until the end of 2010
• Bringing capital seeking companies in contact with the various financial channels, through panel sessions
  – equity
  – debt
  – grants
• Panel members: Business Angels, VC’s, corporate bankers, government initiatives, grant experts, …
• www.combifin.be
18. Groeigazelle.be

- Project supported by Flemish government
- Project in collaboration with Concentra
- Duration: October 2010 until April 2012
- Region: Antwerp – Limburg
Fases:
• Communication fase
  – Testimonials: 2 x 7
  – Recruiting
• Guidance fase
  – 2 x 15
• Assurance and Communication
  – book
Target:

Through a number of potential role models, attract growing gazelle companies and support them in their critical growth fase through BA-coaches.
19. Bizidee

- Business plan contest for candidate-starters
- About 500 participants / year
- Contest + coaching + networking + ….
- …. Access to financing
19. Conclusion

BAN Vlaanderen vzw:

- Flemish player with regional access
- Supplier of venture capital and knowhow
- Smooth and discrete procedure
- Leverage towards other financing sources
- Wide scope
Contact

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