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

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

Sales

Expansion
- regional market segment

Entrepreneur, 3 F’s

Business Angel (syndicate)

Venture Capitalist

Bank
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

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Agreement on further procedure

↓

Educate entrepreneurs concerning BA-financing

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Draw up anonymous file with core details of the project

↓

Informing business angels of the project via newsletter

↓

Matching events

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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
17. Synergy: Government actions

Pre-seed | Seed | Start-up | Early-growth | Expansion

High Risk

- BA+ Loan Participatiefonds Max. 125,000 €
- Win-Win Loan 50,000 €
- Participatiefonds Starleo/Starters loan
- Participatiefonds Optimeo
- Vinnof 100k-250k €

Low Risk

- Arkimedes 500,000 €
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
Groeigazelle.be

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
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