

# Engaging Diasporas to Invest

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# David Beatty

## Angel Investor

35 investments

 Golden Seeds

Irish Diaspora Angels

Gaingels

  
ANGEL CAPITAL ASSOCIATION



 MercyCorps

 **USAID**  
FROM THE AMERICAN PEOPLE

 **FSVC**  
Financial Services Volunteer Corps

## Entrepreneur

 **EMPIRE MESSAGING**  
DATA EXCHANGE & INTEGRATION SOLUTIONS

 **PROSEEDER**

  
GORANN

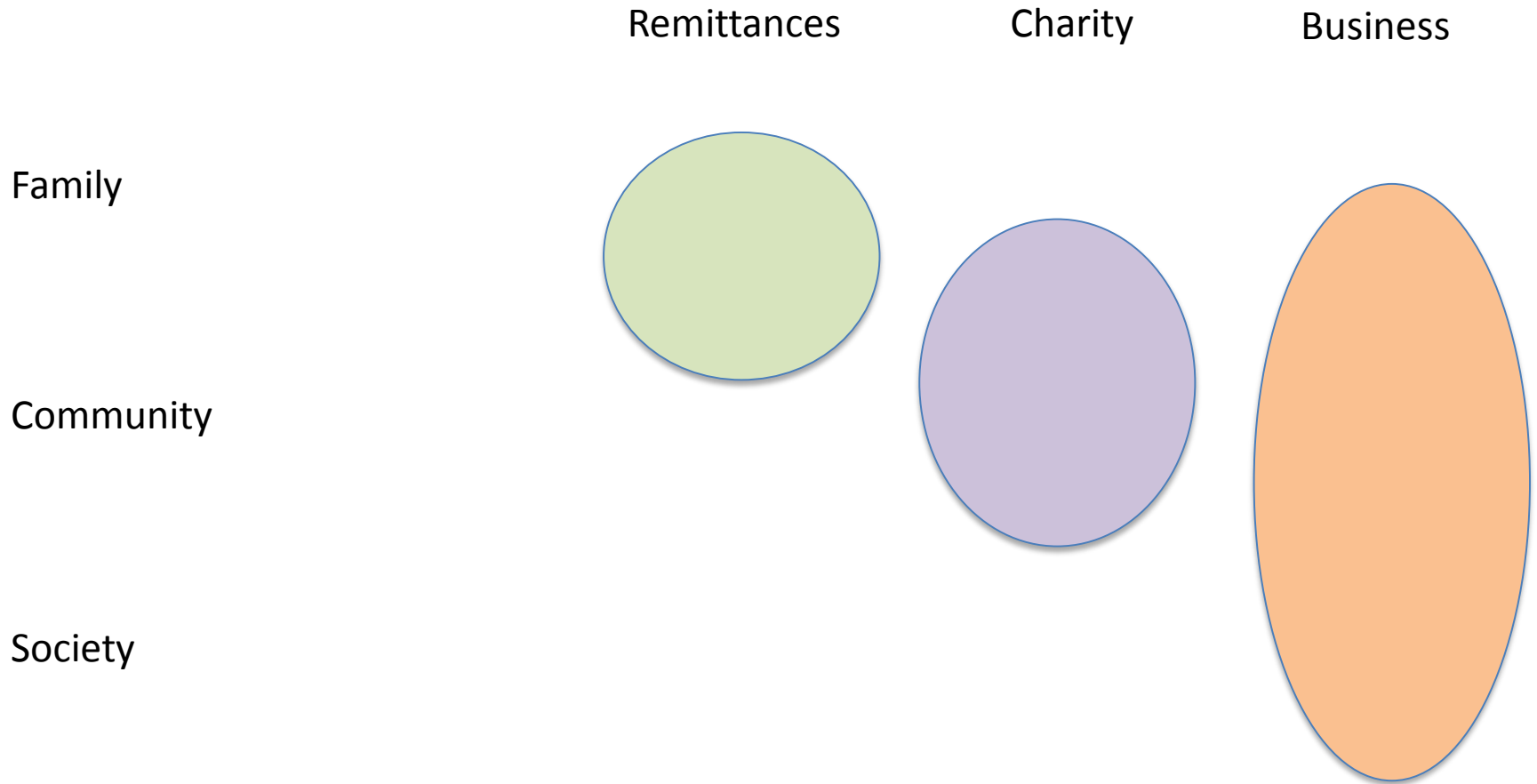
 **MEDICAL  
IMAGING  
SPECIALISTS**

  
**Healthology**

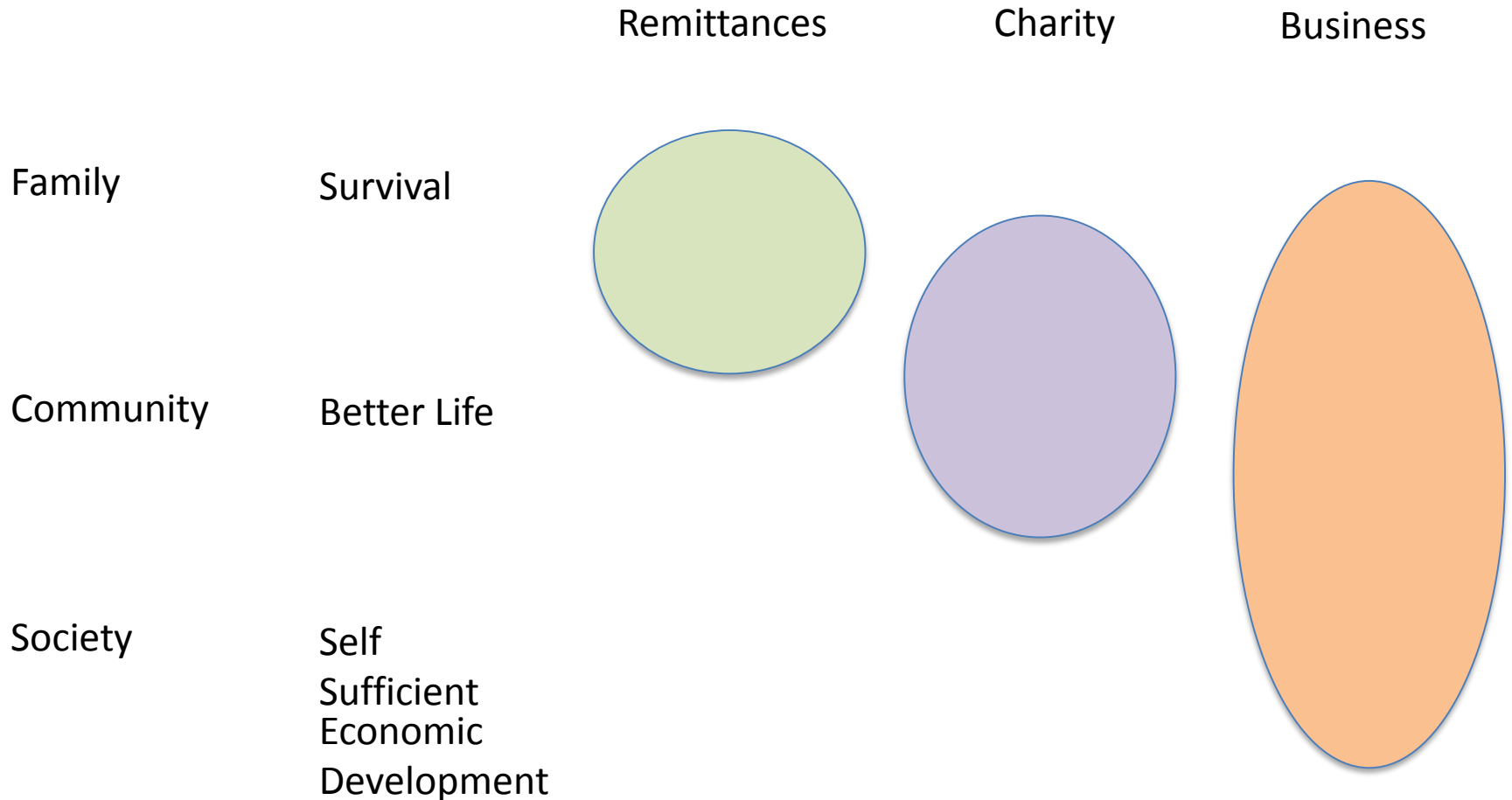
  
DELTA-ENERGY

 **R2R**

# Effects of diaspora engagement



# Effects of diaspora engagement



# Entrepreneurs Need



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Network

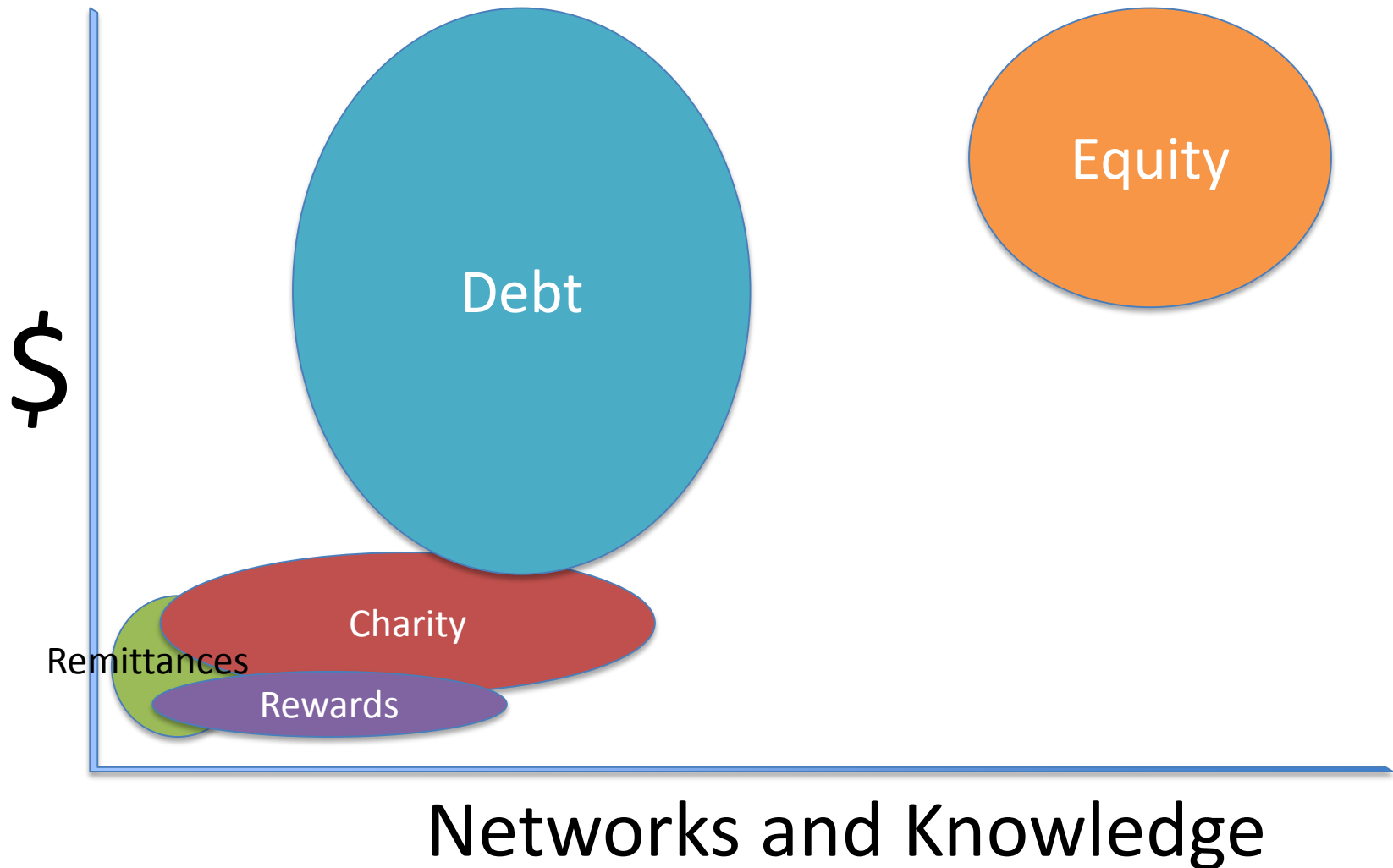
Knowledge

Financial capital

# Ways to “invest” - Crowd funding

Type	Giving	Rewards	Debt	Equity
What	Charity	Pre-Purchase Prizes	Loans	Stock ownership
\$ per	\$	\$	\$ - \$\$\$\$	\$\$\$-\$\$\$\$
Time	Low	Low	Low-med	Med-High

# Engagement by individuals





# Angel Investor/Business Angel

Individual who invests their own money into an early stage company where they do not know the founders

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## **Investor**

- Return on investment

## **Business**

- For Profit

## **Angel**

- Guiding Influence
- Patient
- Supportive
- Trusting

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Individual who invests their own money into an early stage company where they do not know the founders

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Mission, Passion, Engagement, identity, ect.

Who are Angel investors?

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<5% of <5% of <5% of <5%

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US

AI

Angels

ACA

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US AI Angels ACA

1 in a 1,000

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But make a huge  
difference



# Angels and VC's - 2013

	Angels	VC's
\$ invested	\$24.8 Billion	\$29.7 Billion
Deals	70,730	3,382 companies 4,106 deals
Average Deal size	\$350,000	\$7,233,000
Investors	299,000 individuals	548 active firms
ACA Groups	~300 ~15,000 members	
Funds	Own	Other peoples
Source, NVCA and CVR, University of New Hampshire		

# Affinity Angels groups



Israel Syndicate



Irish Diaspora Angels



CAIRO ANGELS



Gaingels



Georgetown Alumni Angels

# Why a group

- Reduce risk
- Increase deal flow
- Stronger network
- Build reputation
- Diversify portfolio
- Spread workload
- More fun

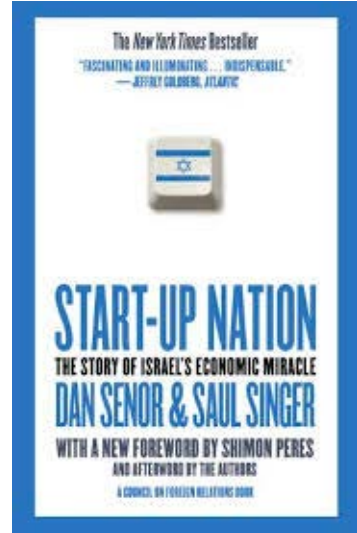
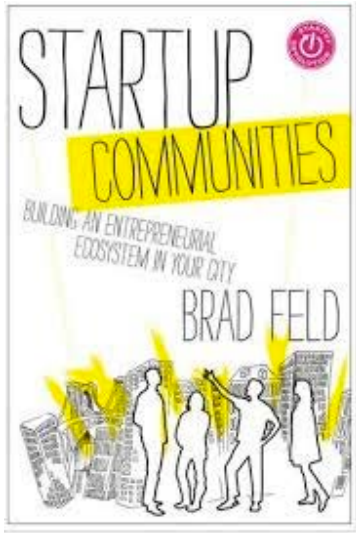
# Different models

- By deal
  - Each member decides how to invest by deal
- Pledge syndicate
  - Members pledge to invest a minimum if majority vote
- Fund syndicate
  - Invest in fund, majority vote
- Fund
  - Invest in fund, others manage
- Online Syndicates
  - Single deal VC. Co-invest w-th lead who gets a carry

# resources



ANGEL CAPITAL ASSOCIATION



How to start?

How to start?

1 person

# Cairo Angels

Egypt's first & only formal network of business angels.

- Founded in 2012 as entrepreneurial eco-system in Egypt grew to focus on early-stage companies
- 80 members (in 6 cities globally)
- Invested \$1.8 million in 15 start-ups across a variety of industries
- Regional leader
  - Co-founded MENA Angel Investor Network
  - Hosting African Angels Investors Summit in October



# London Angels

To engage Egyptians based in London to invest in start ups in Egypt and in the region.

- Meet quarterly at London Business School to watch pitch event in Cairo live via Google Hangouts
- 12 active members (mostly first time angels)
- 6 have invested in at least one company
- 2 have led due diligence from London
- 2 have brought in deals

# How to build a diaspora network

1. Establish a strong local network at home first
1. A “champion” & “anchor” angel investors to lead, mobilize networks & give credibility
1. Utilize technology but make it personal
1. Ensure diaspora and home network ties are strong

# Irish Diaspora Angels



## Agenda

- Origin of the idea
- How we started it
- Event Details & follow up
- Lessons learned

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# Irish Diaspora Angels



## Origin of the idea



### **Came out of NY Digital Irish group**

- Founded December 2012
- 950 Members
- 70 Startup pitches so far
- Focus on entrepreneur “asks” and introductions

# Irish Diaspora Angels



## How we started it

- From thinking big to small
- Key advisor(s)
- Filtering firms to pitch
- Targeting list of investors
- Getting platform going
- Locking date & location down





# Irish Diaspora Angels



## **Event Details and Format**

- Attendee stats
- Format of event
- Explaining investment options
- Guidance on target investment level

## **Follow up**

- Due diligence
- Closing people down!

# Irish Diaspora Angels



## Lessons Learned

- Start small!
- Don't underestimate the effort
- Better ways to structure things?
- Still a work in process
- Should get easier from here on in....





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INTERNATIONAL DIASPORA ENGAGEMENT ALLIANCE

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