



Golden Seeds



Office Hours Agenda

- **Overview of Golden Seeds**
- Introduction to Angel Investing
- What Angels Look for Before They Invest
- What Happens Next
- Q&A

What is Golden Seeds?

Golden Seeds is dedicated to funding high-potential, women-led businesses for the purpose of participating in a successful financial return to our investors

Investment focus

- Gender diversity: C-level woman with a meaningful position, influence, and equity
- Sectors
 - Enterprise Services and Technology (B2B)
 - Consumer Products and Applications (B2C)
 - Health Care
- US domiciled

Investment Thesis – Gender Diversity

- Large companies in the top quartile for gender diversity on their executive teams were 21% more likely to experience above-average profitability than companies in the fourth quartile¹
- Companies founded or cofounded by women generate 78 cents of revenue for every dollar of funding, while male-founded companies only generate 31 cents²
- Shark Tank’s Kevin O’Leary (aka 'Mr. Wonderful') thinks women make better CEOs: *“I’ve invested in 20 entrepreneurial and mid-cap companies and I’ve made more money with the women executives. It’s that simple.”*³ *“Not some of my returns, (but) all of my returns, have come from the ones run by women or owned by women.”*⁴

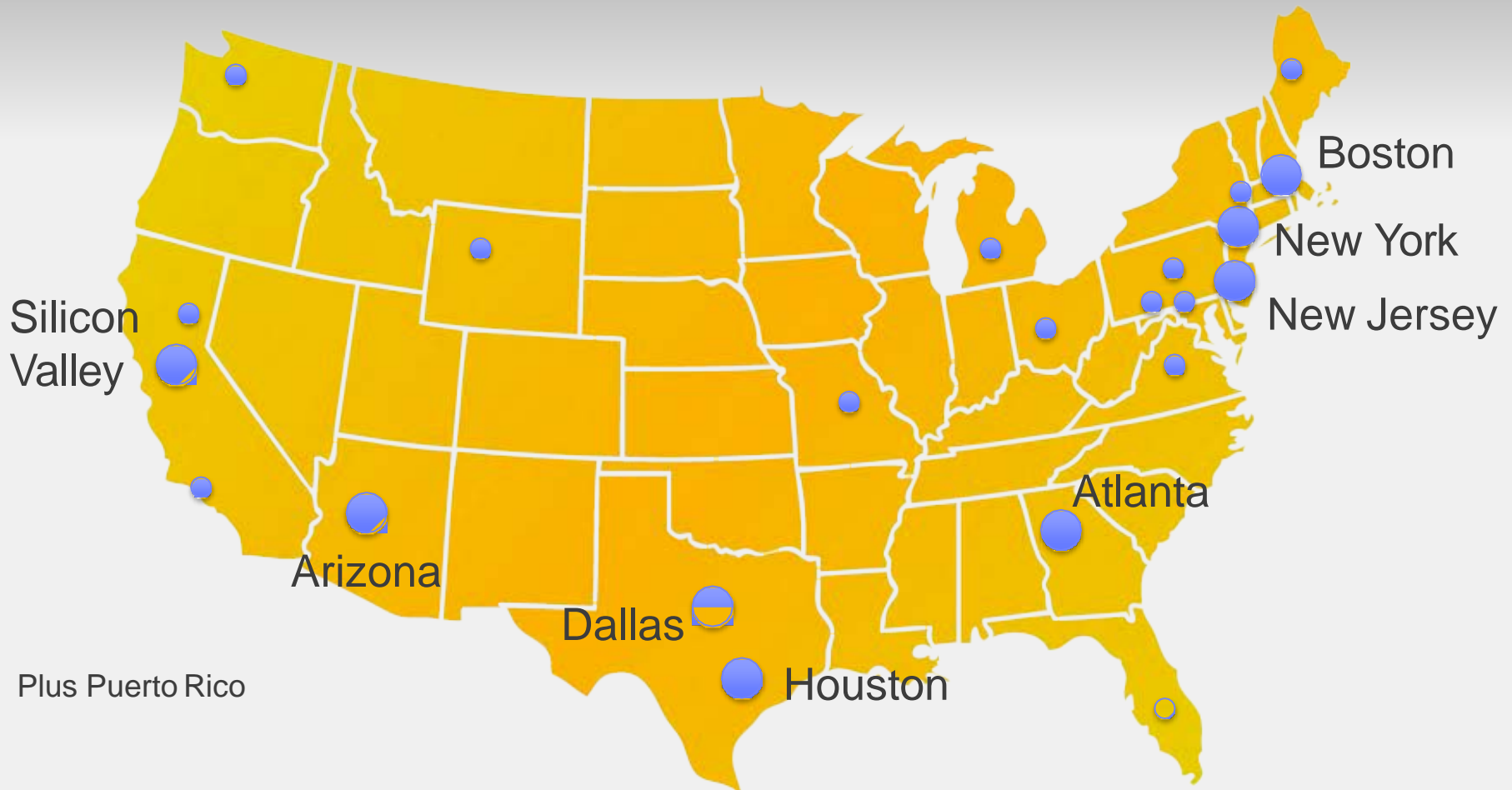
¹ Hunt, Vivian, et al. Delivering Through Diversity. McKinsey & Company, Jan. 2018, <https://www.mckinsey.com/business-functions/organization/our-insights/delivering-through-diversity>

² Abouzahr, Katie, et al. “Why Women-Owned Startups Are a Better Bet.” Boston Consulting Group, 6 Jan. 2018

³ [Entrepreneur.com \(2015\) Why Shark Tank's 'Mr. Wonderful' Thinks Women Make Better CEOs](#)

⁴ [CNBC \(2017\) Kevin O’Leary: I get higher returns from women-led businesses](#)

Nationwide Network of Angel Investors



About 300 Members in 21 States – Eight Chapters

Why Companies Apply to Golden Seeds

- One of the largest of the 250 angel investment groups in the US. Since 2005, has invested over \$190 million in more than 245 companies;
- Access to the capital of a nationwide group of about 300 investors, plus the potential of investments from its venture fund;
- Members are knowledgeable about early-stage investing, as many are former entrepreneurs and they receive training in the Golden Seeds Knowledge Institute;
- Entrepreneurs who receive Golden Seeds investment may have the ability to leverage the Golden Seeds network to expedite company growth;
- Golden Seeds members often provide strategic and financial guidance, as well as assistance in building boards, advisory and executive teams.

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What is an Angel Investor?

- An individual who makes a direct investment of personal funds into an early-stage business venture
- Angels are typically “accredited investors” as defined in the Securities Act of 1933
- Angels often join angel groups for the benefit of deal flow, due diligence collaboration and deal influence - the Angel Capital Association is our trade organization

Angels vs. Venture Capital Funds

- Angels invest their own money and make individual decisions about which companies to invest in (“active investing”)
 - They typically invest earlier than VCs and thus take on more risk
 - They invest in considerably more deals than VC’s, but in smaller amounts
 - They are strong supporters of entrepreneurship and are often former entrepreneurs
- Venture Capital Funds invest on behalf of investors, known as Limited Partners (LPs),
 - LPs have no say in the investment process (“passive investing”)
 - All investment decisions are made by the General Partners (GP’s) of the fund.

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What do Angel Investors Look for?

- An extremely capable and coachable management team
- A scalable business model with limited capital expenditure requirements
- Multiple streams of revenue (recurring is a bonus)
- An addressable market of >\$500M
- A clear, plausible exit strategy within 7 – 10 years
- Opportunities that resonate and can be accelerated with support from our angel investors and fund partners

Are You Ready for Angel Funding?

Almost all of the companies in which we invest meet these tests of readiness:

- Product is in beta (versus alpha) stage of development and has been created with input from clients or potential clients;
- Company has some “proof of concept” revenue, except for health care companies;
- Typical pre-money valuation below \$5M;
- Typically seeking to raise \$250K-\$2M;
- Consumer product companies that have annual run rate revenue of over \$1M and gross margins over 40%.

Creating an Effective Investor Deck (10 Slides)

1. What problem are you solving?
2. What is your solution to the problem?
3. Who has this problem?
4. Who are your competitors and why is your solution better?
5. How are you going to attract customers and how much will it cost?
6. What are your sources of revenue and gross margin assumptions?
7. Who is on your team and why have you chosen them?
8. How much money do you need and why?
9. How do you intend to give investors a return on their investment?
10. Summary: Why should we invest?

Top Ten Reasons Startups Fail

- No market need – 42%
- Ran out of cash – 29%
- Not the right team – 23%
- Get outcompeted – 19%
- Pricing/cost issues – 18%
- User unfriendly product – 17%
- Product without a business model – 17%
- Poor marketing – 14%
- Ignore customers – 14%
- Product mistiming – 13%

<https://www.cbinsights.com/research/startup-failure-reasons-top>

Advice to First-time Entrepreneurs

Without a startup track record, funding can be a challenge

- Communicate relevant experience
- Hire a compelling management team
- Surround yourself with experts (Board of Advisors)
- Show us some milestone accomplishments
- Consider joining an accelerator or incubator program
- Always have your 30-second and 2-minute elevator pitch ready
- Be authentic

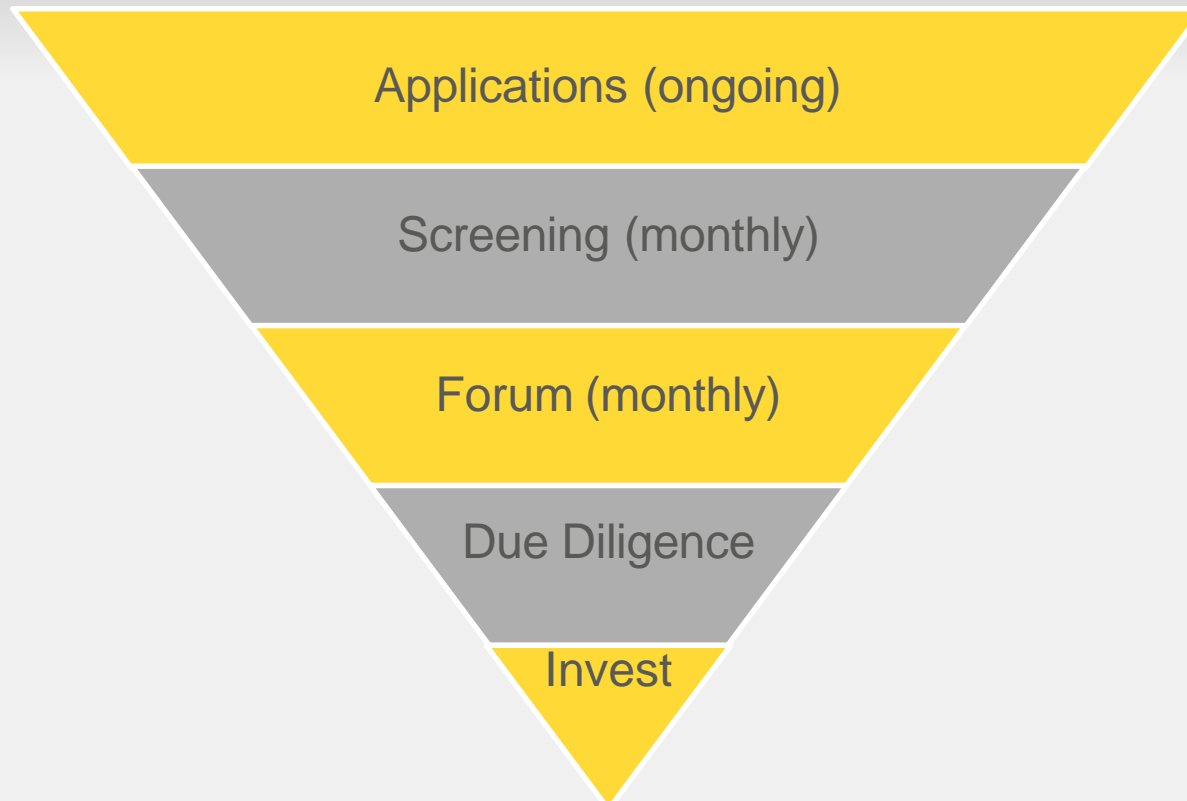
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What Happens Next?

- Use your time in the investor session/office hours to get answers to your questions and feedback on your idea.
- Review our Investment Criteria
<http://www.goldenseeds.com/entrepreneurs/investment-criteria>
- If you think you are ready, register at GS office hours:
<https://goldenseeds.com/entrepreneurs/office-hours/>
- Be prepared for Due Diligence

Golden Seeds' Investment Process



Golden Seeds invests in ~3% of companies that apply for funding.

New Jersey Centric Incubators

- 1776*
 - Accenture Innovation Center
 - Advanced Technology Laboratories
 - Aha!
 - Avaya Labs
 - Business Energy*
 - C3Workspace
 - Celgene Incubator
 - Co-Co Collaborative LLC*
 - CoLab (BellWorks)*
 - CoWerks*
 - Cowork Street*
 - En Masse Coworking*
 - Equal Space*
 - FUSE
 - In Mosaic
 - Incutate*
 - Industrious
 - Kearny Point*
 - Kings Hall
 - L'Oreal Innovation Lab
 - Lakes Workspace
 - LaunchPad
 - Media Labs
 - Nat'l Aviation Research & Technology Park
 - NJ Bioscience Center*
 - Office Evolution*
 - Primework*
 - Princeton Innovation Center BioLabs*
 - Rutgers EcoComplex Incubator*
 - Rutgers Food Innovation Center*
 - Serendipity Labs
 - SkyDesk
 - Small Business Growth Center
 - South Jersey Tech Park*
 - SquareOne
 - VentureLink*
 - WorkSocial.com LLC
- *incubator qualifies for NJ Ignite program

Golden Seeds neither endorses nor vouches for the accuracy of the resources noted above. All information is compiled from public sources.

Startup Resources (NJ-Centric)

- [Angel Capital Association](#)
- [Business Action Center](#)
- [Fashinvest](#)
- [FastTrac](#)
- [Founder Institute Startup Resources](#)
- [Founder Institute Ecosystem Canvas](#)
- [Jumpstart](#)
- [Kauffman Foundation](#)
- [Newark Venture Partners \(Accelerator\)](#)
- [New Jersey Ignite Workspace](#)
- [New Jersey University Entrepreneurial and Innovative Center: Princeton, Montclair, NJIT, Rutgers, FDU](#)
- [Small Business Development Center – Rutgers, Newark](#)
- [Small Business Administration](#)
- [SBIR/STTR \(Federal Grants\)](#)
- [SheWorx](#)
- [Siskar.co](#)
- [Springboard Enterprises](#)
- [Tech Launch](#)
- [New Jersey Tech Council](#)
- [UCEDC](#)
- **NJ Pharma Resources:**
- [Pharma Tech Directory](#)
- [Pharma Manufacturing/Suppliers](#)
- [Association for Women of Science](#)
- [BioNJ](#)
- [BioPharma Networking Group](#)
- [Healthcare Business Women's Assoc](#)
- [Healthcare Institute of New Jersey](#)

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Questions or Suggestions, please email:

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