Angel Funders Report – Frequently Asked Questions

- **What is the Angel Funders Report?**
  The report is part of a new, strategic initiative of the Angel Capital Association to provide angels with information which reveals the true factors that impact the outcomes of startup investments. The second report covers 2018 data from 68 angel groups and includes new and interesting insights for one year of investments. The project will include a public report liked the initial pilot as well as a searchable data platform that allows your group to benchmark your activity to the averages for other groups in your region, structure, or industry focus – in real time.

- **What is the purpose of the Angel Funders Report?**
  ACA members want better and more actionable information about angel group deals, so they can get to better decisions and results. This report will provide insights and highlight key trends and statistics among angel investors, initially about deal and portfolio company data, growing to include exits and other return data. When we have a larger number of investors participating and historical data, the report will provide outcome related analytics. It will also provide the startup community, policy makers and the public a better understanding of angel investor practices and their impact on supporting the startup economy.

- **Why should my group or platform participate?**
  Research repeatedly shows that decisions based on data and analytics lead to the best results. This report and the platform are important for the angel industry and ACA members. In addition to eventually allowing you and your group to make better decisions and get better results, ACA has constructed a compelling set of benefits for ACA members, including:

  - New insights – even the pilot report with limited data includes new insights about angel group investing.
  - Complete privacy of your data. You own your data and decide if and what you want to share with other data providers.
  - Easy data submission, as the platform easily accepts data however you collect it and also offers export ability, so you can share your data with others if you'd like.
  - The data platform has great visuals and the ability to do real time reports and aggregated data searches between public reports.
  - Public reports will highlight most active/ top performing groups.
  - It will provide a way to learn from your peers and have enough data to confirm theories or help get to the new "right questions to ask."

- **What does outcomes-based analytics mean? Can you provide some examples?**
  Three ACA member angel groups have done some extended analysis of their own group data and come up with examples that the Angel Funders Report is likely to review:

  CEO Experience Counts - One group found that companies led by a CEO who had previous experience in leading a startup was more than twice as likely to have a successful exit than a venture led by a first-time startup CEO – 32% of their portfolio with experienced CEOs had a positive exit compared to 13% of companies with first-time CEOs.

  Successful Exit Secrets - Another organization, which has had three "home run" exits of more than 100X of their investments, found that 2% of its exits were responsible for 74% of their returns - a small percentage of exits generated three quarters of returns. Further, each of these large returns came after the company boards chose not to take "early exit" options and instead pursued exits that took longer. Had the earlier options been accepted, the group's overall portfolio return would have dropped by half, from 4.8X to 2.4X.

  Follow-ons Can Bring Higher Returns - Leaders of a third group found that participating in follow-on rounds is key to long-term success, finding that the Internal Rate of Return for later rounds often showed more returns and reduced risk. Investing longer and later can increase the Internal Rate of Return.

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- **Is data at the individual angel or angel organization level?**
  Angel group/platform. As the project moves forward, we'll work to expand the dataset to more types of angel investing vehicles.

- **Isn't the data entry difficult and time consuming?**
  No! We have partnered with the data management company, Hockeystick.co to create an easy, user-friendly way to provide data that will contribute to future versions of the Angel Funders Report. Their platform allows you to submit data directly into the system, but they can also easily import data if your group collects data in a different way. Your data administrator can add data anytime, including immediately after an investment or exit. As a research firm, Hockeystick may be able to fill in some data points that you don't collect.

- **Will our data be safe/kept confidential?**
  Privacy of our members' data is extremely import to ACA and Hockeystick. We ensure that you will be able to keep your data private through participation in the Angel Funders Report. Hockeystick does not sell data, you will own your data and only aggregated data will be shared with you, the public and other data providers. Your group will continue to own the data on the ACA database on the Hockeystick platform.

- **How can we use this data?**
  There are many ways you will be able to use the data available through Hockeystick. You will have immediate access to reports and real time information, including doing searches of aggregated data and reports. Aggregated data will be available by category and you will eventually be able to benchmark your investments with aggregated data to your region, similar types of organizations and by industry. If you choose to share your data with other data platforms (e.g. CrunchBase and the Center for Venture Research at the University of New Hampshire), you will be able to export your data to those reports.

- **How much does it cost to participate?**
  This data project is currently included in the ACA membership fee. Your "payment" is your participation and the contribution of your data. There is no cost to store and analyze your data and conduct aggregated searches on Hockeystick.

- **How often will public reports be published?**
  Our current plans are for two reports to be published per year and then go to quarterly publication when the dataset is larger.