



**GO BEYOND**

Angel Investing For the Future

*"Whatever you can do, or dream you can, begin it  
Boldness has genius, power and magic in it" Goethe*

# ***Managing Risk in my career and investing in start-ups***

**Brigitte Baumann's Choices & Learnings**

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Zurich, ETH

February 6, 2008



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# Agenda

Overall theme:

managing risk when attracted to high risk

- ◆ My career – from low to high risk
- ◆ Angel Investing – reducing risk in a high risk activity



## My Leadership Journey

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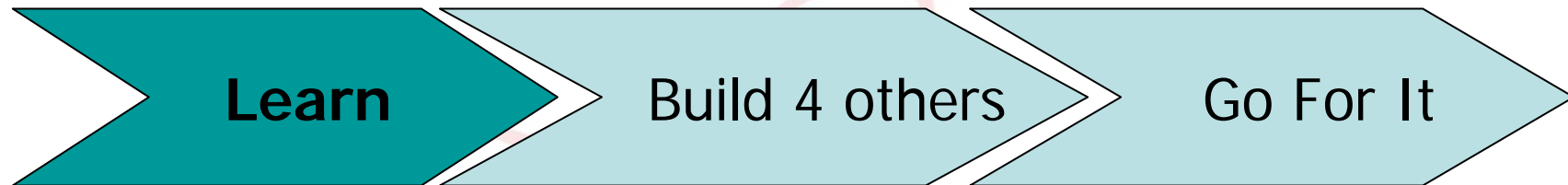
- ◆ Phase 1    17 - 33 yrs old  
*Study technology and build credentials*
- ◆ Phase 2    34 - 45 yrs old  
*Build businesses for others & be a CEO*
- ◆ Phase 3    46 - ? yrs old  
*Go on my own to follow my passions*



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## Phase 1. Learn and Experience : Do what it takes to get to a position of power to make a difference



### Professional

- **Chemical Engineer; MBA Wharton; McKinsey consultant**
- **Learn** : On the job and in classes; See the trenches & the Boardroom
- **Cross Functional; Cross Border; Cross hierarchical levels**
- **Multi Technology and industry**: Chemicals, Advanced Materials, Pharmaceuticals, Cosmetics
- **Top Names for credibility**



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## Risks in Phase 1 and +/- consequences

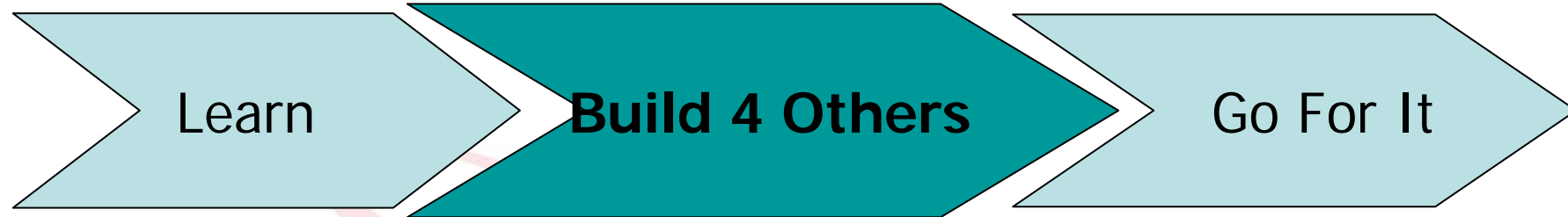
- ◆ Go for the best/top
  - Learn to manage deceptions
- ◆ Don't follow traditional path at
  - Rohm and Haas change functions
  - McKinsey change countries
- + Great personally but
  - Can slow down short term progress and may seem that I don't know what I am doing
- + Overall built very strong foundation



## Phase 2: Build Tech Businesses for Others

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**Professional**

- **Jobs:** Get bigger and broader P&L positions, SVP American Express Internet, President Gemplus smart cards, CEO iWG (VC backed start-up) mobile content
- **Pay:** Negotiate hard for top pay
- **Ongoing Development**
- **Networking:** Young Presidents Organization



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## Risks in Phase 2 and +/- consequences

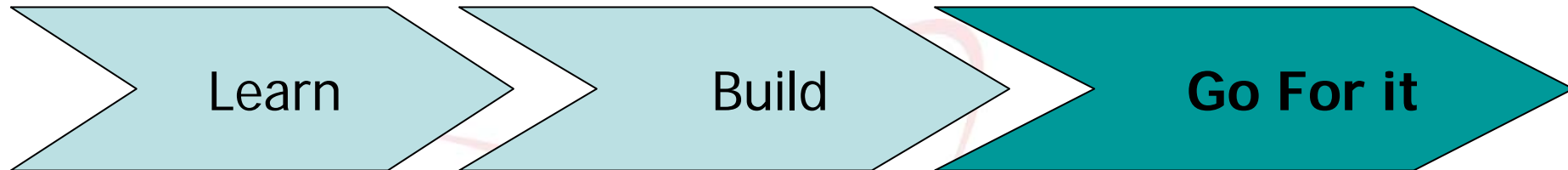
- ◆ Switch from strategy to management
- ◆ Go from big to small and back companies
- ◆ Play the game in leadership
- ◆ Stay on fast track
  - + Great personally
  - Workaholic
  - . - Tough to find husband
  - Biological clock for having children
  - Lost authenticity in leadership



## Phase 3 Become an Entrepreneur

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- Turning point :
  - Stand for who I am and what I want to transform
  - Vision of business I want to build:  
*Re invent Angel investing in Europe*
- The new questions :
  - How transformational do I want to be ?
  - What to launch first ?
  - Is the market ready ?
  - What is a good idea vs a potential defendable product
  - How fast should I grow ?
  - Who could beat me ?
  - Do I use free lancers or hire a team ?
  - How much to invest, when and for what ?
  - Do I use my money or others ?
  - Can I start small or should I shoot big right away ?
  - What will I do if it fails ?





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## Risks in Phase 3 and +/- consequences

- ◆ Personal Paradigm shift
- ◆ Dare to be different, to be me
- ◆ Try to bring new paradigm in a sector new to me

### Results

- + Great personally
- + Fantastic highs when it works OK if it does not
- Takes time, sustainability and intensity
- Always need to break barriers



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## Summary

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# My new life



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# The Angel Investing Spectrum

## Warning: This is a high Risk Activity

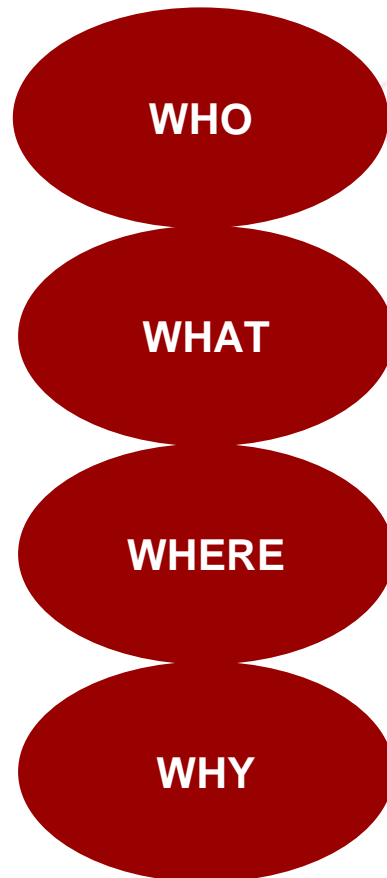
	Typical Angel	Micro Angel
<b>Who</b>	<ul style="list-style-type: none"><li>✓ Successful Entrepreneurs</li><li>✓ 50+ retired executives</li></ul>	<ul style="list-style-type: none"><li>✓ 35-50+ yrs old</li><li>✓ Active or 'in transition' executives or professionals</li></ul>
<b>What</b>	<ul style="list-style-type: none"><li>✓ € 100k+ per year</li><li>✓ 0 to 10 days a month</li></ul>	<ul style="list-style-type: none"><li>✓ €10-50k per year for 1-3 years,</li><li>✓ 1 to 10 days a month</li></ul>
<b>Where</b>	<ul style="list-style-type: none"><li>✓ High tech</li><li>✓ Some services</li><li>✓ Venture Philanthropy</li></ul>	<ul style="list-style-type: none"><li>✓ Services and some technology</li><li>✓ Sustainable growth/social</li></ul>
<b>Why</b>	<ul style="list-style-type: none"><li>✓ Make money</li><li>✓ Mentor</li><li>✓ Socialize</li></ul>	<ul style="list-style-type: none"><li>✓ Learn; Stay marketable</li><li>✓ Make a difference</li><li>✓ Make money</li><li>✓ 'Entrepreneurial' track</li></ul>



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# Business Angel vs Venture Capitalist



	Business Angel	Venture Capital
<b>WHO</b>	Private individuals, Ex. Entrepreneurs, retired, in transition or active executives/ professionals	Professional investors usually in a partnerships
<b>WHAT</b>	Invest between 2-5% of total wealth - ~€100k per year Invest €200k – 1million per investment ~25% share of company	Money raised to be invested ' <b>must make more money</b> ' Closed period of 8 -10 years Invest €5 - 20 million per investment
<b>WHERE</b>	Timing is open	Technology focus
<b>WHY</b>	Range of companies, technology and services	Career Make money Raise a new fund

Source: Go Beyond [www.go-beyond.biz](http://www.go-beyond.biz)



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Make money

Mentor [www.go-beyond.biz](http://www.go-beyond.biz)

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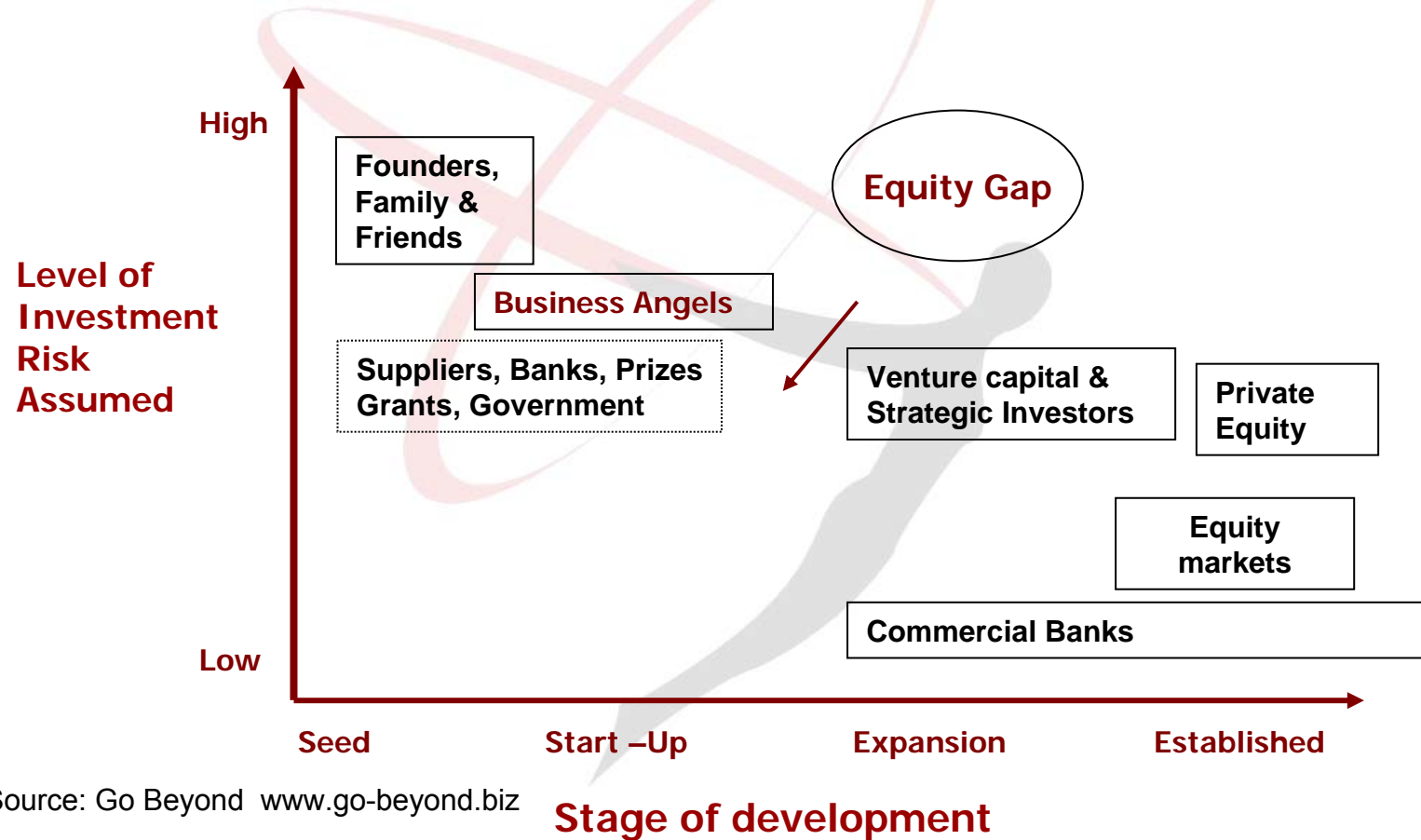


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# Early Stage Financing

Sources of cash at different stages of a company's development



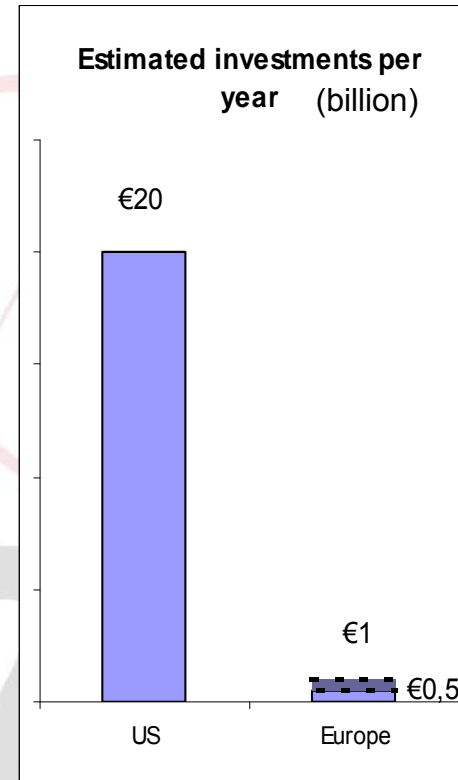
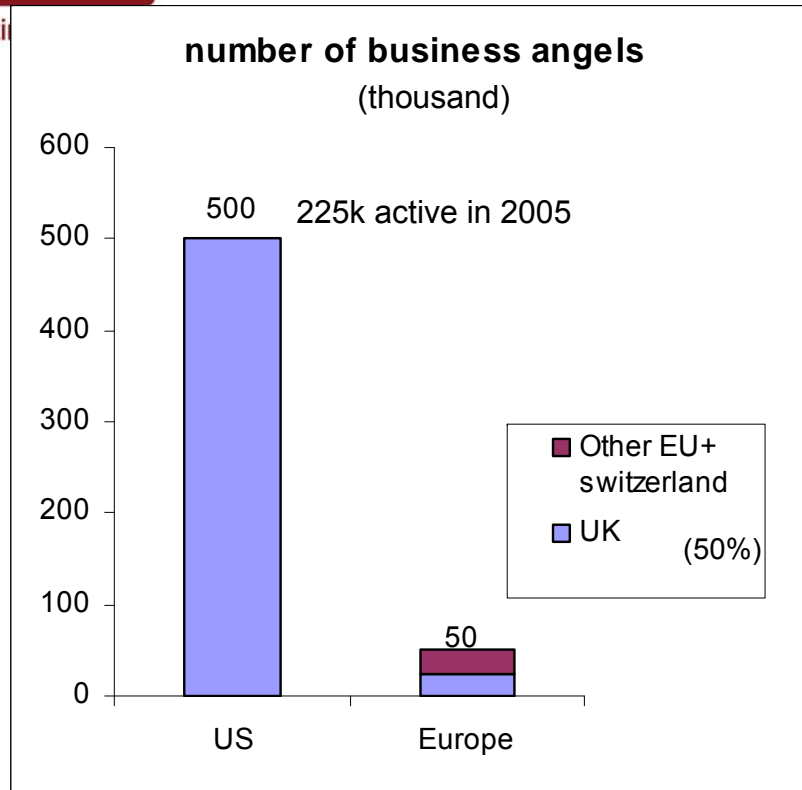
Source: Go Beyond [www.go-beyond.biz](http://www.go-beyond.biz)



# Angel financing US & EU

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Why few BAs in Europe? :

- ◆ risk averse
- ◆ lack awareness,
- ◆ assume they do not have the right profile (time, money, skills) for being a BA,
- ◆ want to stay in trusted group





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## High Risk

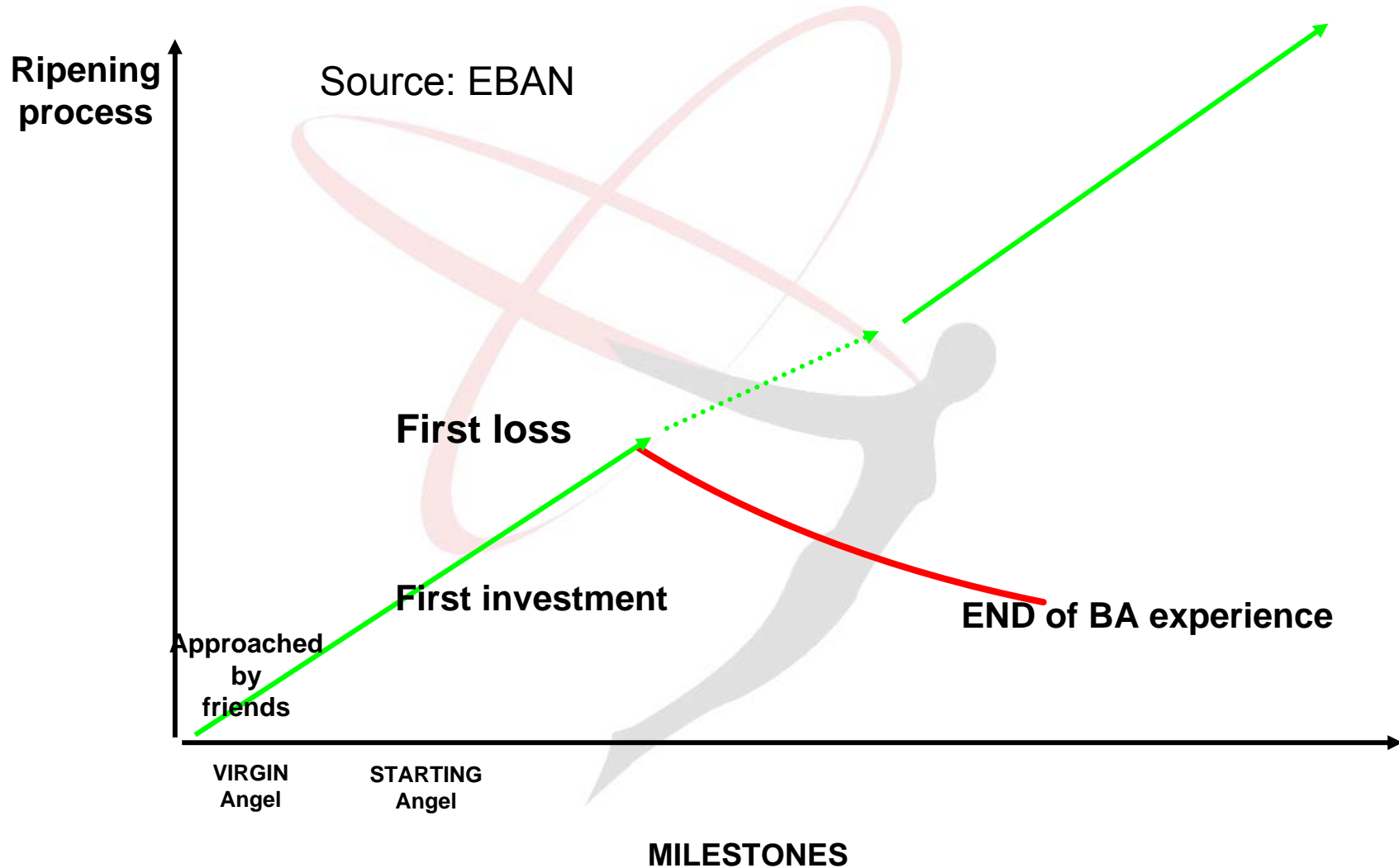
- ◆ Out of 10 start ups
  - 4 to 5 loose all
  - 3 to 4 recoup
  - 1 to 2 make alot



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# FREQUENT BUSINESS ANGEL CYCLE

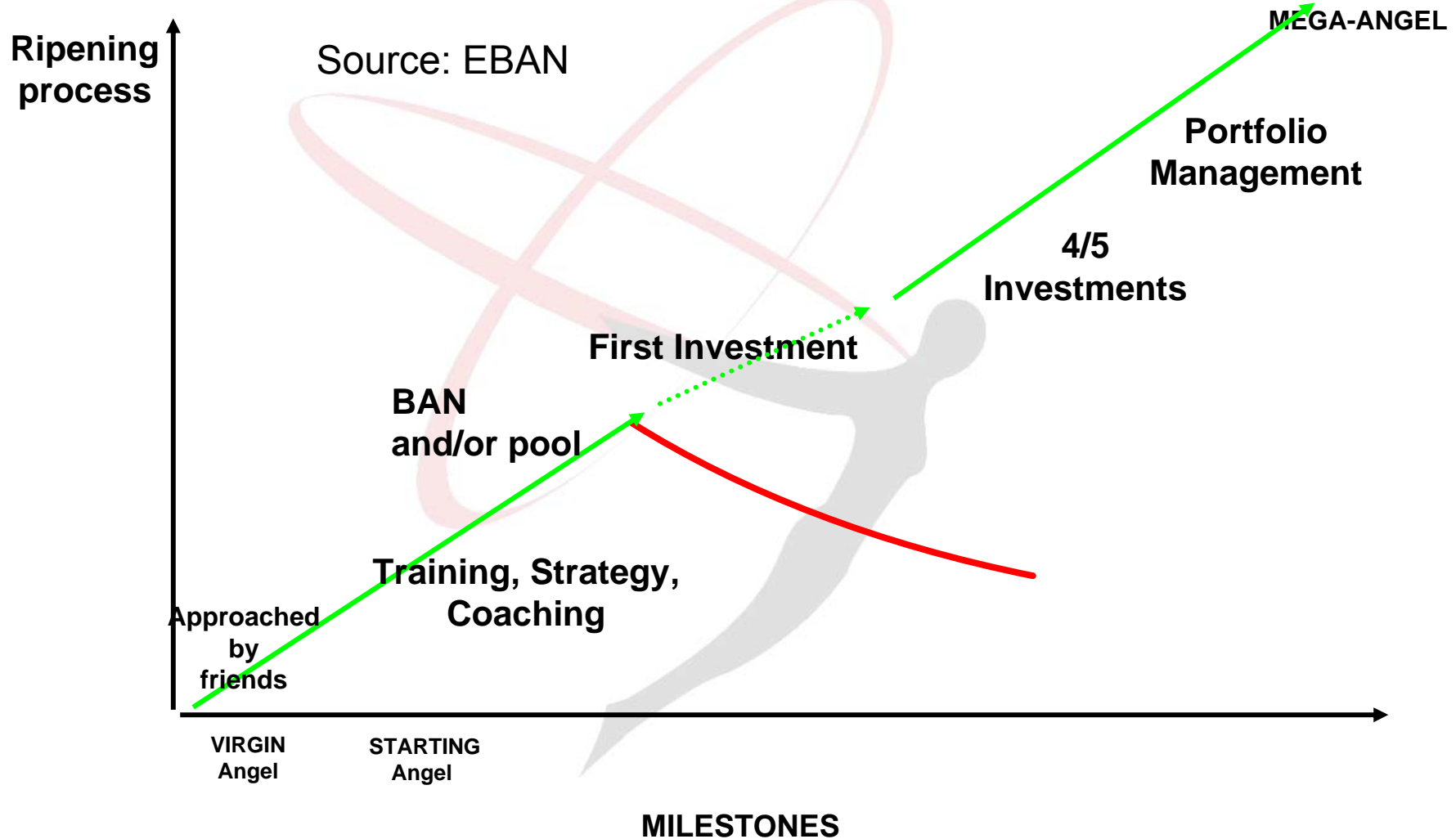




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# BETTER BUSINESS ANGEL CYCLE





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# Managing Risk in angel Investing

## ◆ My approach

- Start with small amounts
- Take my time to learn
- Build a portfolio



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# Go Beyond

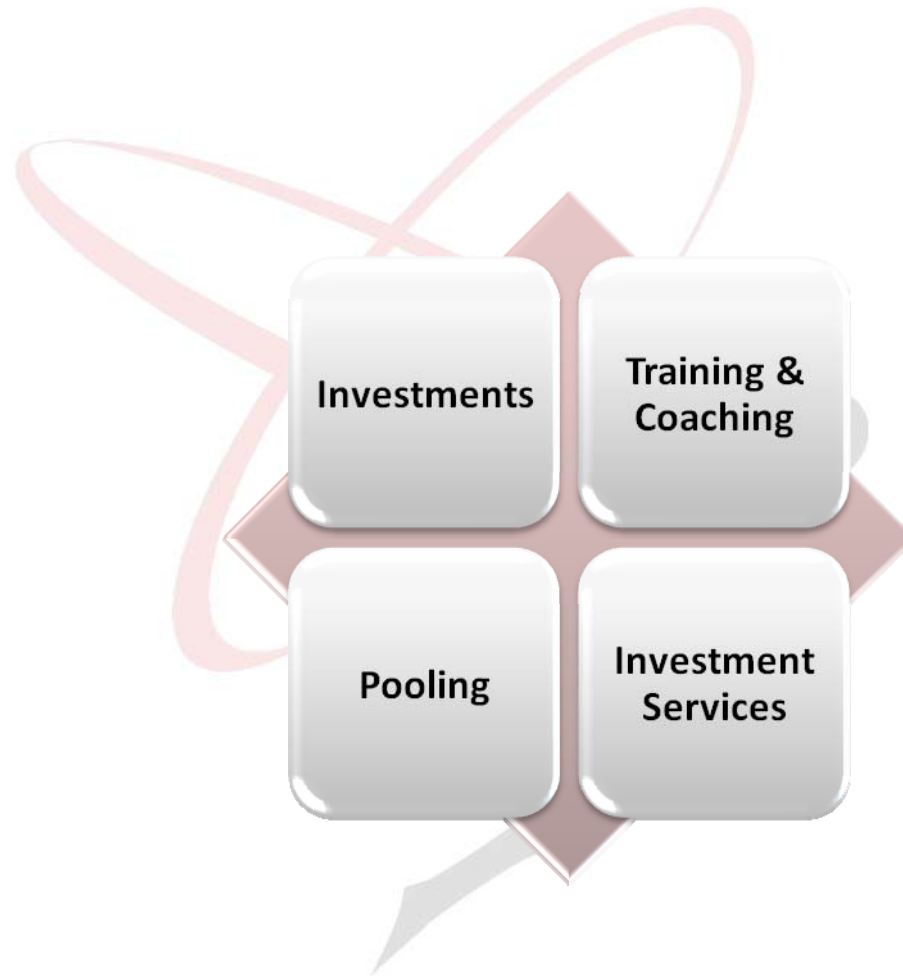
- ✓ **Passionate about making the European Angel Investing Sector more:**
  - ✓ Dynamic
  - ✓ Efficient
  - ✓ Diverse
- ✓ **Currently operating in London, Paris, Zurich and Geneva/Lausanne**
- ✓ **Service Private Investors, family offices, professional groups, corporations and individuals**



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## Go Beyond Activities





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## Conclusions

Risk can be managed

- ◆ Know what you want and can “handle”
- ◆ Have contingencies
- ◆ Go for it

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# Thank You

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