

**VANJ Luncheon Meeting**  
**February 15, 2011**

# **The Entrepreneur's New Customer**





## **The Angel Investor**

**Casabona Ventures, LLC**  
**Mario M. Casabona**

# Industry Experience

- 25+ Year Career in Defense Electronics Industry
- Electronic Engineer with 12 Patents issued.
- Industry experience at ITT, Raytheon, ERI, Honeywell
- Founder & CEO of Electro-Radiation Inc. (ERI)
- 1998 SBA National Tibbett Award winner
- 2004 sold ERI to Honeywell
- 2010 NJTC Financier of the Year
- Member IEEE, VANJ, NJTC, NDIA, AOC...
- Chairman, Jumpstart NJ Angel Network
- Board Member of For-Profit and Non-For-Profit Organizations
- Currently Angel Investor and Business Advisor

# Typical Company Evolution & Funding

Development	Launch	Growth	Maturity	Reinvention
<p><b>Founders, Friends, Family &amp; Fools</b></p> 	<p><b>Angel Financing</b></p> 	<p><b>Venture Capital Financing</b></p>		
<p><b>Creative idea</b></p>	<p><b>Prototype and Pre-Production</b></p>	<p><b>Production &amp; Product shipped</b></p>	<p><b>Revenue Flattens</b></p>	<p><b>Company seeks new Opportunities</b></p>

# Angel Investors



Bridge Gap Between

Founders  
Financing



Venture Capitalist

# Presentation Objective

The objective of this presentation is to present the application of basic Customer Relationship Management (CRM) principals to Angel Investors.

A comparative paradigm for success.

# CRM Principals

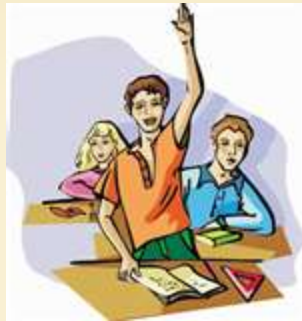
- IDENTIFY The Customer (Angel)
- FIND The Customer (Angel)
- ATTRACT The Customer (Angel)
- SATISFY Customer (Angel)
- ACQUIRE Customer (Angel)
- NURTURE Existing Customer (Angel)
- ACQUIRE New Customer (Investor)

# ***IDENTIFY* Type of Investor (Customer)**

- The 4 F's:
  - Founders, Friends, Family and Fools
- Angel Investors
  - Passive investors (provide money only)
  - Value-added investors bringing operational and entrepreneurial experience
  - Ideal angel investors (bring BOTH Money and Experience)
- Venture Funds (institutional)
  - Much less active than before at early stages

# ***FIND*** The Angel (Customer)

**Entrepreneur**



**NETWORKING**  
and Introductions  
by another Angel  
Investor, Banker,  
VC, Professor,  
Accounting or  
Law Firm,  
Internet, etc.

**ONE Page  
Executive Summary**



**10 – 15 Minute  
Presentation**

# ***ATTRACT* the Angel (Customer)**

- Clearly Define and Describe the Product or Services
- Show Understanding of Market and Need
- Demonstrate Founders Commitment
- Sound Business Plan
- Strong and Experienced Management Team
- Proof of Concept Achieved?
- Strong IP Strategy for Sustainable Advantage
- Reasonable Valuation
- Realistic Exit Strategy
- Great Board of Advisors and Directors



# ***SATISFY* Requirements of Angel (Customer) – Due Diligence Phase**

- Business Plan Review
- Management Team Discussions
- Corporate Structure Definition
- Financial Information Validation
- Disclose Material Agreements and Review
- IP Strategy
- Customer Information and References
- Open, Pending and Threatened Litigation



# ***ACQUIRE* via Closing Documents**

- Stock Purchase Agreements or Loan Agreement or Convertible Promissory Note
  - Type and Rights of Shareholders
  - Capitalization Charts and Related Dilution
  - Selection of Board of Directors
  - Shareholders Information and Rights
  - IP Ownership
  - ETC.
- Agreements Between Shareholders



# ***NURTURE* Your Angel (Customer)**

- Communicate & Execute the Plan
- Take the Angel Rights Agreement Seriously
- Provide Monthly or Quarterly Updates
- Provide Annual Financial Statements
- Return Investor Calls
- Honest Representation of Company Status
- Use Social Media to Communicate
- Invite Investors as Observers in Board Meetings
- Anticipate Investor Concerns



# ***ACQUIRE* New Investors/Angels**

- Demonstrate Fulfillment/Success of Current Milestones
- Continue Marketing Your Business Plan
- Continue Networking
- Communicate Progress via e-Newsletter
- Ask Current Angels for referrals and distribution of e-Newsletter
- Take Action Before the Need of Funds

# ***Customer & Angel Satisfaction***

- It may seem that focusing on investor satisfaction is a distraction BUT if financing dries up so does your business.
- Find a balance between investor and customer satisfaction by assigning primary responsibility for each to the executive team.
- As an Entrepreneur, everyone you “touch” is a potential customer.

# Thank You for the Opportunity

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