

Knowing a lot – Knowing nothing

Business Angels Europe Conference on Angel Investment Research 2016

Monday, 22nd of February 2016

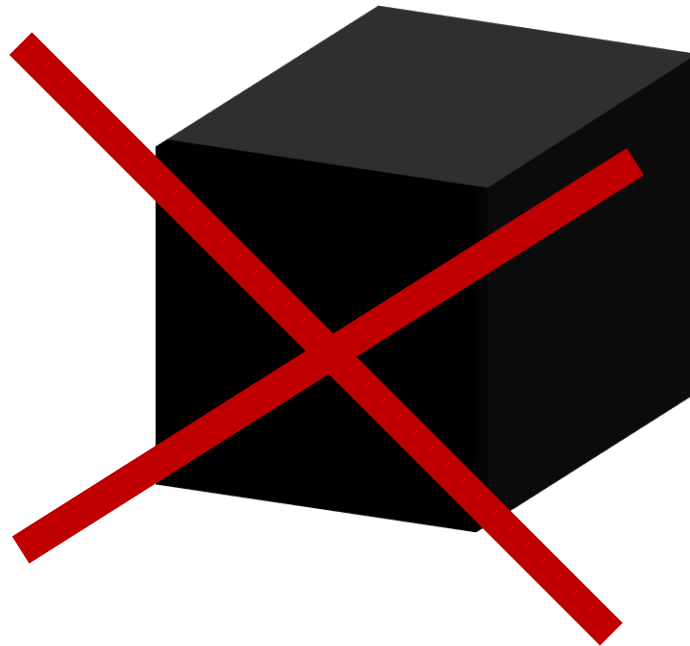
ZOLLVEREIN UNESCO World Heritage Site, Essen

Dr. Ute Günther, Vice-President, BAE Business Angels Europe,
Co-President Business Angels Netzwerk Deutschland e.V. (BAND)

Dr. Roland Kirchhof, Co-President Business Angels Netzwerk Deutschland e.V.

Exploring Angel investing = a huge challenge

Good news: We know a lot
Angel investing in Europe is not a black box



**Lessons learnt: Increased awareness
how difficult angel investment research really is!**

Knowing a lot –knowing nothing!

**No need to start from zero
No one underestimates the value and the challenges of
angel investment research**

**So everything is going well?
By no means!**

What's a lot for some is nothing for the others.

Everyone wants more and indeed we need more

Extracts from the wish list

- How many BAs are there in Europe? How many women BAs exist?
- How much is the yearly average amount invested by BAs?
- How many BA groups are there in Europe?
- How many BAs leverage on other source of financing?
- How many training courses exist for BAs?

Nice to have! But not at all costs!

Who ever believes that?

For Europe

- Angel investment in Europe increased to 5.5 billion Euros in 2013.
- 271.000 angel investors in 2013
- 33.430 deals in 2013
- Jobs created: 184.170

Value of those data Germany for example

Source: EBAN statistics 2014

- **1.510 angel investors**
- **185 companies financed**
- **916 jobs created**
- **35.1m € per year**

Source: ZEW study 2014

- **between 6.200 and 9.100 active Business Angels in Germany**
- **?**
- **?**
- **650m € per year**

Worst impact

Bad data destroy reputation, bring more harm than benefits, cause market failures.

Dissemination of bad data is irresponsible

Researchers withdraw more and more from angel investment research and leave this topic behind to people with specific interests or to amateurs. Only a few scientists are brave enough to be engaged in angel investment research.

Bad mood among experts and researchers, high level of frustration, a lot of nightmare

Process of rethinking is on the way

The expert community remained silent for too long
Opposition against bad data is growing
Critical voices are getting louder
Facts are no longer being ignored

Stop unrealistic expectations
Reduce utopian wishes to something reasonable

Any brilliant ideas?

Combine the desirable with the feasible!

**Stay confident towards decision makers in politics and project funders
projects!**

Say what is possible and what not

Take time! Much patient is needed!

Start step by step! Don't put the cart before the horse!

Research strategy

Provide a new level of robust data on the visible market, but have in mind the level of actual investing by private individuals in small businesses across Europe will never be fully known (unfortunately).

The today's congress's agenda is on its way

- Researchers are creative and imaginative. They will find solutions even if their field of research is extremely challenging (look at session 1)
- Carry out explanatory work, demand realistic expectations, orient public funding for angel investment research on what is feasible (look at session 2)
- Disseminate good data, design more qualitative than quantitative studies, build solid knowledge bases about angel investing (look at session 3)