

At the ACA Leader's Workshop in Philadelphia, PA on November 4, 2010, Ellen Weber (Robin Hood Ventures) and Antonio Tedesco (Delaware Crossing Investor Group) discussed technology tools used by angel groups. A survey of 32 angel groups found over 81% use AngelSoft in some capacity, although adoption of it within each group is not widespread. In half of the groups surveyed, only 25% or less of the members use AngelSoft and only one group has more than 75% of the members using the software.

Within the lifecycle of a deal, AngelSoft is used primarily early in the process during the sourcing and screening phases. The table below provides more detail.

<b>Deal Phase</b>	<b>AngelSoft Use</b>
<b>Sourcing Deals</b>	65%
<b>Screening Deals</b>	53%
<b>Due Diligence</b>	37%
<b>Finalizing Investment</b>	12%
<b>Monitoring Company</b>	9%

The only other prevailing software is Quickbooks, used by 44% of the angel groups for their bookkeeping. For meeting logistics and communications there is not a dominant technology used by the angel groups. Remote transmission by video is not common. Recruiting is largely done by word of mouth.

Social Media adoption is slow. Only 3 of 32 groups actively blog and only 3 have Twitter accounts.

As part of the workshop, the attendees broke up into four groups to discuss the following four areas in more detail.

1. Public Relations and Community Outreach
2. Remote/Virtual Communications and Information Sharing Logistics
3. Due Diligence
4. Portfolio Company Management and Communication

#### **Public Relations and Community Outreach**

Community outreach tools currently used by angel groups are as follows: email blasts, Skype, Twitter and LinkedIn Groups. Blogging and podcasting were also mentioned. The following suggestions were made to help build a blog audience.

1. Participate in other blogs to establish credibility.
2. Use RSS feeds to subscribe to other blogs.
3. Content licensed under Creative Commons can be used freely.

### **Remote/Virtual Communications and Information Sharing Logistics**

Communication tools currently used by angel groups are as follows: Angelsoft, Box.net, Calliflower, DropBox, FreeConference, GoogleDocs, GoToMeeting, iChat, Mailchimp, Meeting Wizard, Screencast, Skype, TalkShoe, Vokle, Wiggio and YouTube.

One of the significant pain points in this area is the need for so many tools and not having a more comprehensive single suite. Also, there are challenges faced by angels less familiar with these new technologies. There is a need to foster more deal discussion to keep deals alive without clogging up email inboxes.

### **Due Diligence**

Due Diligence tools currently used by angel groups are internally developed checklists and boilerplate term sheets. These documents are often stored in virtual storage areas (e.g. dropbox or box.net) or Angelsoft.

One of the significant pain points in this area is the coordination of knowledge among members and the process itself. There is a need for an interactive software tool to manage the process and store due diligence documents and reports.

### **Portfolio Company Management and Communication**

There is not a portfolio company management tool used by angel groups. Some groups have internally developed Excel dashboards but they can be difficult to maintain and grading can be subjective.

One of the significant pain points regarding portfolio company management is being unaware of a company's status over the years following an investment. If a follow on round is raised, the angel group should learn of it directly from the company and not get the terms from the company's lawyer. One of the reasons for the communication breakdown is due to angel group turnover. If the member leading the deal leaves the group, it can break off communication from the company. There is a need for a tool to manage portfolio company's financial statements (actual versus budget), significant milestones or financing event announcements.

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