



ANGEL CAPITAL ASSOCIATION

2017 Leadership Workshop *Texas Medical Center Accelerator (TMCx)* *2450 Holcombe Blvd, Houston, TX*

AGENDA

Monday, November 13

7:30 Registration

12:00 Luncheon and Keynotes

Join your colleagues for a great lunch and get a window into Houston's innovation ecosystem, including their new "Houston Exponential" (HX). The public and private sectors have partnered on some large initiatives to take the area to new heights. We know Houston has many tools just from hearing about how startups helped the city recover from Hurricane Harvey, not all that long ago.

Welcome to Houston and TMCx

Erik Halvorsen, Texas Medical Center Innovation Institute (TMCx)

Houston's Innovation Community/ Lessons from Hurricane Harvey

Amanda Edwards, Houston City Council

New Innovation Ecosystem Leader: Houston Exponential

Dick Williams (Houston Exponential), Gina Luna (Luna Strategies), John "JR" Reale (Station Houston), and Guillermo Borda (Mercury Fund)

1:45 Concurrent Sessions

Learning from Our Failures – From Real Data

John Lynn, John Paulos, Rick Timmins and Rosa McCormick of the Central Texas Angel Network

As a key strategic goal, Central Texas Angel Network completed a post-mortem study of failed portfolio companies. The study surveyed lead investors in 34 out-of-business companies to discover the most common reasons for failure. The goal: identify key learnings to improve the likelihood of success for future investments. Four of CTAN's most seasoned investors share study results and their experiences and analysis from investing in some of these companies in this interactive, high-energy session.

What's Keeping Group Managers Up at Night? Leaders Swap Perspectives

Christopher Mirabile, Launchpad Venture Group

You have one of the most unique jobs in the world – leading angel funds and networks. This is the time and place to ask your peers how they are solving the same issues you are – or at least commiserating. The attendees pick the topics to discuss in a lively session for all involved. A special presentation on angel group leader compensation and new statistics on angel groups will start the session.

2:45 Break

3:00 Concurrent Sessions

Mental Models: The Secret to Effective Due Diligence

Mark Thorsen, Central Texas Angel Network

Beverly Byers, CliftonLarsonAllen

Sonia Mathur, Houston Angel Network

Matt Todd, Polsinelli

You already know how important due diligence is to your investing process because you've been involved on DD teams many times. But how do seasoned angels use to speed up the DD process, while getting the information they need? The answer: mental models. A term made famous by Warren Buffet's business partner, Charlie Munger, mental models give us the ability to quickly identify patterns that allow us to make better decisions. In this session, you'll learn about the most common mental models used by accountants, attorneys, and two of the most active angel groups in the country.

How One Group Improved Its Funding Cycle with a National Survey and More
Claire England, Central Texas Angel Network

One of the most active angel groups faced a conundrum: while deal flow had almost tripled in the previous two years, the existing narrow funding process led to more side deals, and both members and entrepreneurs expressed dissatisfaction. So, Central Texas Angel Network benchmarked more than a dozen peer groups nationwide. It then went through a rigorous restructuring of its funding cycle. Hear what CTAN learned, and share your angel group's experiences with funding processes.

4:00 Networking Break

4:15 Keynote Speaker and Update on ACA

The Thriving Medical Ecosystem in Houston - JLABS and TMC

Dr. William E. (Billy) Cohn, Johnson & Johnson Medical Devices Companies, JLABS

Dr. William E. "Billy" Cohn is the Vice President for Johnson & Johnson Medical Devices Companies and the Director of the new Center for Device Innovation at the Texas Medical Center. A heart surgeon, Dr. Cohn has a passion for medical device development and has more than 90 US patents granted or pending for his medical innovations that have provided the core technology for six venture-backed medical startups.

ACA's New Strategic Initiatives: New Services for Members

Tony Shipley, ACA Vice Chair

ACA is working on a strategic plan that will deliver more value and benefits for ACA members. Hear from the leader of the initiative on the new activities aimed at enhancing the outcomes of your own investing.

5:15 Networking Reception – Leaders of the Houston and Texas innovation ecosystem will join us

7:00 Networking Dinners

RSVP at the registration desk for a remaining spot at one of several planned networking events this evening. Several are planned around discussion topics such as Sidecar Funds, Growing Women's Capital, Life Sciences, and Cleantech. We also have information on local restaurants to help you make plans with colleagues.

Tuesday, November 14

7:15 Optional Angel Group Managers and Operators Breakfast

Jump start your morning over coffee with colleagues who are also leading groups of angels. Please grab your breakfast and join us in a special discussion.

8:00 Breakfast and Plenary / Keynote

How to Pull Together a Regional Umbrella Angel Network

Jamie Rhodes, Jorge Varela, Laurie Simmons, and Ryan Reber, all of the Alliance of Texas Angel Networks

The Alliance of Texas Angel Networks (ATAN) was created several years ago to foster collaboration and opportunities in large metros and rural areas of the state. Please join this discussion and learn more about how this could be done in your area. We will hear how it started, how it has grown and how many smaller Texas towns are able to take advantage of the entrepreneurship thriving throughout the state.

ACA Activities: The American Angel Report and Capitol Hill Update

Elaine Bolle, RTP Capital Partners

Chris McCannell, Eris Group

ACA, working with researchers at Wharton and Harvard Business School, is releasing “The American Angel” at the Leadership Workshop. Get the lowdown on the demographic makeup of US angels, their path to becoming angels, and different types of investment activity. After that quick briefing, hear about ACA’s work with Eris Group to represent angels in Washington, DC. It’s a busy time!

9:15 Break

9:30 Concurrent Sessions

An M&A Expert Provides Tips for Angels on Prepping Companies for Exits

Ross Finlay, First Angel Network

Jeff Brown, Corum Group

Preparing your portfolio company for exit is a team effort. Teams work together in a variety of ways to find success: some are like basketball teams where success comes from well-organized collaboration, others are like relay teams where success comes from individual effort and quality handoffs. Preparing for exit and getting a good deal done requires skillful execution and a team effort. Mistakes are paid for with our own money. This workshop will look at what we angel investors can do to support the M&A process and a great M&A outcome; how we execute our roles in support of the other team members and provide the best individual effort. Angels can be Board members, employees, mentors and/or influencers and we will discuss how we best fulfill those roles to improve valuation and lower execution risk for exits.

How to Build an Efficient and Effective Angel Portfolio

Tuff Yen, Seraph Group

Randall Foster, Seraph Group

The most successful angels in the world have strong portfolios and great strategies to grow the performance of their portfolios. Hear about Seraph Group’s 12-year experience operating 7 angel funds, with 80-plus investments and the lessons two leading angels have learned in building and managing efficient and effective portfolios. You will leave with great ideas and methods for building your own individual or angel group portfolio. Topics include deal sourcing, due diligence, deal structuring, co-investing, portfolio management, follow-on rounds, exits, write-offs, and investor communications.

10:15 Break

10:30 Concurrent Sessions

Structuring Investments for Outcomes

Andrew Clark, Houston Angel Network

Gene Betts, Central Texas Angel Network

Too often, we just fall into the Delaware C-corporation structure because that is what Venture Capitalists require to invest in follow-on rounds. Angels are unique because not only can we act like VCs, but as individual investors we have a wider range of options to generate returns. We will discuss strategic considerations that then lead to structuring decisions. Hear how a well-thought-out investment strategy and proper structuring decisions can lead to outcomes 140% greater than other corporate structures.

Building Relationships with Family Offices and VCs for Follow-on Funding & Exits

Joe Milam, AngelSpan

Hanley Sayers, III, Goldman Sachs

David Verrill, Hub Angels Investment

There is a growing interest from “ultra” high net worth investors – often described as family offices – in direct investing. This panel will clarify what a family office (or multi-family office) is, what their unique interests in investing, their similarities to VCs - and their differences. We will discuss how to find them, and who the ‘typical players’ are in the decision-making process. The panel will discuss some overlooked tax laws that help open doors with family offices, and could help accelerate VC investments in your deals. We will clarify what is real ‘Impact’ for family offices, and why ‘risk management’ is more important than “the next unicorn.”

11:15 Break

11:30 Concurrent Sessions

To Follow-on or Not – Your Decision Template

John Huston, Ohio TechAngel Funds

Since we have more data points when we are asked to make follow-on investments, surely we should make wiser decisions, but do we? If not, how can we? Participants will participate in a discussion of smart follow-on vetting practices and leave with some vetting templates for making wiser follow-on investment decisions.

The Latest in Structuring Sidecar Funds

Paul Pryzant, Houston Angel Network

Marcia Dawood, BlueTree Allied Angels/ The BlueTree Enova Fund

Brian Fenske, Norton Rose Fulbright

Christy Luquire, Texas Halo Fund

Structuring and operating a small Angel Sidecar Fund involves numerous challenges - keeping the expenses low, providing sufficient incentives for the “volunteer” managers, and most importantly, finding and making good investments, and providing a return to investors. Come hear how two angel funds have dealt with these challenges in structuring their latest funds.

12:15 Luncheon and Keynote

Houston’s Space Community and Innovations

Vanessa Wyche, Johnson Space Center at NASA

NASA and Johnson Space Center are important components of Houston’s innovation ecosystem, and make the city unique. Vanessa Wyche has an amazing story of connection to NASA and growth in leadership at the Johnson Space Center. She is one of the ‘hidden figures’ behind the Center.

2:00 Unconference

Bill Payne, Frontier Angels and Sarah Dickey, Angel Capital Association

As angel investing undergoes constant change, it is important to check in on the issues that are most important to you as we approach the end of 2017. The moderators will conduct a brief survey, solicit your priorities, and lead a discussion on addressing these issues.

3:00 Thanks, Next Steps and Adjournment

3:15-4:30 Optional Impact Investing Program by Station Houston and Houston Angel Network

Juliana Garaizar, Houston Angel Network

Joe Milam, AngelSpan

Roberto Moctezuma, Good Works Houston, Fractal River

Chris Knapp, Collaboration Capital

Philip Yates, Houston Urban League

Impact investing is rising, with more than \$60 billion in assets under management and the potential to grow quickly into the trillions. At the same time, income inequality is increasing in the United States and, as a recent Pew Research Center poll attests, there remain striking differences in Americans’ perception of economic opportunity depending on one’s race or ethnicity. Could impact investing help reverse these disparities and perceptions by making entrepreneurship more accessible to diverse populations?

There is great potential for impact investing to stimulate local and global economies. But for that to happen, investors need to overcome entrenched barriers and practices that often result in decreased social equity. Key topics include: definition of impact investing; the entrepreneur’s perspective: social entrepreneurship; the investor’s perspective; impact investment funds; impact investing and foundations, venture philanthropy; and impact measurement or ROI.