

# How to attract angel investors to your business

Just like dating, attracting an angel investor requires making all the right moves. You'll never find that perfect moneyed mate unless you do and say certain things. Become a great catch with these tips for investor dating.

## How much do angels invest in Canada?

**\$89 million**

Amount invested by 2,100 angels in 2013 – or \$42,381 from each one.  
[Source: [NACO](#)]

**\$447,236**

Average deal size made by angel investor groups in 2013.  
[Source: [NACO](#)]

**Under 5%**

Portion of start-up financing coming from angel investors.  
[Source: [Backbonemag.com](#)]

**\$28.8 million**

Dollars Canadian angels invested in companies serving the Information and Communication sector. The next largest amounts were invested in Technology, Life Sciences and Clean Tech companies.  
[Source: [NACO](#)]

## Sweetheart profile: What an angel looks like

An angel investor is someone who invests in a business venture by providing capital for start-up or expansion. They seek a high rate of return and enjoy a personal opportunity to get involved in a business. Angels are likely 40 - 60 years old with previous entrepreneurial experience and a net worth of \$1 million or more.

## Dating an angel investor Follow your heart to find your dream angel

### Date other funders

You may never find your dream angel so pursue other sources of finance as well. You may find the funding you seek from a bank, government grant, relative or friend. Don't forget about your personal savings, too.



### Load up on gold and diamonds

Love costs. Prepare to give your angel what they want – a return of up to 10 times their investment within 5 years. Make sure your business plan supports those numbers.



### Be ready to commit

Angels want to be a part of your life, so be prepared to let them in. Often angel investors have business experience as well as money and will want to play an active role in managing your company.



### Know it won't last forever

Angels want to love you – and leave. The romance may last 5 years before your angel wants to move on to other investments. Don't fight it. Promise them a clear exit strategy, a bag full of money and no hard feelings.



### Expect multiple partners

Understand that angels aren't monogamous – they like to date in groups. Many operate as part of an informal network or syndicate where they can pool their resources to share the risks.



### Get buffed up

Be as attractive as possible with a solid business plan, impeccable market research, early sales wins and a clear exit strategy. Like a gym, join a business incubator or accelerator program to whip your business into shape. Angels pay attention to businesses coming from such programs.



### No secrets

Your angel doesn't want any secrets. Be honest and transparent about your finances, challenges and past business performance. Any undisclosed issues will be discovered in the due diligence process.



### Join the dating scene

Mix and mingle with your local business community to find your angel sweetheart. Join business and trade organizations and attend the meetings. Show up at conferences and conventions. If you don't find true love at an event, you may find a business owner who knows the perfect mate for you.



### Angels invest in groups

It's not unusual to have 15 or 20 investors on a deal.



### Angels are people too

It's not like on TV where entrepreneurs beg angels for money. It's a two-way street: angels want a decent return, and entrepreneurs want helpful partners.

## Cupid strikes! You've found your angel Get your relationship started right with these additional steps.

- Whip your business plan into shape with the [Scotia Plan Writer for business](#) tool.
- Read this article about [sources of financing](#) for your business, including angel investment.
- Contact a [Scotiabank Small Business Advisor](#) about banking products and services to support your plans.