



Obtaining Angel Financing: Best Practices

1. Understand the Due Diligence Process: Identify, Eliminate and/or Neutralize Your Skeletons and Weaknesses.
2. Develop Realistic Valuation Expectations and Be Prepared to Defend Them.
3. Understand Yourself and What You Need/Expect From Your Investors (i.e., funding, mentorship, contacts, etc.).
4. Assemble Your Deal Team Early (i.e., accountants, valuation experts, counsel and others).
5. Focus on the Exit – Both Yours and Your Investors
6. Prepare to Manage Both the Deal Process and Your Business in Tandem.
7. Understand the Deal Puzzle: Learn the Key Variables To Be Negotiated & Develop a Hierarchy of Needs vs. Wants.
8. Adopt A Relationship (not Transaction) Approach.
9. Watch the Documentation: "The Devil is in the Details".
10. Develop Your Own Term Sheet – Be Prepared to be Flexible and Creative.