

DOYENNE

BE AUDACIOUS

INVESTOR ACCELERATOR PROGRAM: WORKSHOP #1

Women Investors & Startup Investment Basics

PART I: WOMEN INVESTORS ARE IMPORTANT!



**WOMEN RECEIVED A RECORD
AMOUNT OF U.S. STARTUP VENTURE
CAPITAL IN 2019!**

IT WAS 2.7%.

WHY?

- *Deal Flow?*
- *Returns?*
- *Investor Bias?*

THE DIVERSITY OF ENTREPRENEURS IN THE U.S.

APPROXIMATELY
550,000
NEW BUSINESS
OPEN UP EACH MONTH

What's their gender?



RATE OF WOMEN STARTING NEW BUSINESSES

1. African American women
2. Asian American women
3. Latina
4. Native American women
5. Native Hawaiian women
6. Non-minority women

African American women are the fastest growing demographic of female entrepreneurs.

They are starting businesses at a rate of 6 times the national average.

Why Women-Owned Startups Are a Better Bet

JUNE 06, 2018

By Katie Abouzahr, [Matt Krentz](#), John Harthorne, and Frances Brooks Taplett

WOMEN ENTREPRENEURSHIP REPORT

When It Comes to Revenue, Women Entrepreneurs Are Pummeling the Guys Women are pulling in more sales, even though they start with less investment. [↗](#)

BY KIMBERLY WEISUL @WEISUL

The Trillion-Dollar Opportunity in Supporting Female Entrepreneurs

by Shalini Unnikrishnan and Roy Hanna

October 31, 2019

JUNE 6, 2018 | PRESS RELEASES

Women-Owned Startups Deliver Twice as Much Per Dollar Invested as Those Founded by Men

Research by The Boston Consulting Group and MassChallenge Finds that Women Entrepreneurs Receive Less in Financial Backing Than Their Male Counterparts Yet Generate More Revenue for Every Dollar They Receive

Venture capital's stunning lack of female decision-makers

BY **DAN PRIMACK**

February 6, 2014 5:30 PM CST

MPW • MOST POWERFUL WOMEN

Venture Capital's Funding Gender Gap Is Actually Getting Worse

BY **VALENTINA ZARYA**

March 13, 2017 10:24 AM CDT

Dec 2, 2020, 07:00am EST | 3,786 views

Funding Female Founders: If Male VCs Won't Do It, Women Angels And Limited Partners Will



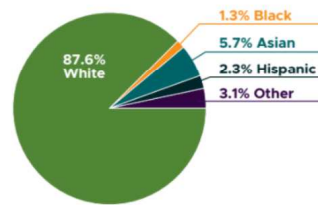
Angel Background

Gender



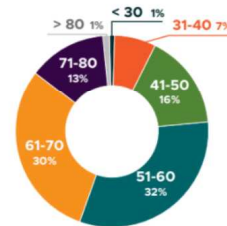
Angels are more diverse than VCs, with considerably more women investors. **30%** of new angels are women.

Race



The numbers highlight the racial gap vs the general population.

Age



Mean age of first investment: **48**

PART II: BUILDING THE WOMEN INVESTOR NETWORK

HOW DO WE CREATE MORE WOMEN ANGELS AND LIMITED PARTNERS? (AND MAYBE EVEN MORE WOMEN VCS?)

- *Education*
- *Service Providers*
- *Network/Community*

LEARNING THE LANGUAGE

Governance:

- *Securities Exchange Commission (SEC), Securities Act of 1933*
 - Section 504 - under \$5 million offering
 - Section 506 (b) - private placements “safe harbor”
 - Section 506 (c) - “general solicitation”
- *Investment Company Act 1940*
- *Investment Advisors Act 1940*

LEARNING THE LANGUAGE

Investor qualifications and vehicles:

- *Accredited v. non accredited
(sophisticated)*
- *Angels*
- *Syndicates*
- *Limited Partners*
- *Venture Capitalists*
 - *Carried interest/Carry*

LEARNING THE LANGUAGE

Documents:

- *Confidentiality Agreements*
- *Operating/Shareholder agreements*
- *Offering Documents*
 - *Executive Summary*
 - *Private Placement Memorandum*
- *Term Sheets*
- *Equity Agreements/Notes/SAFEs*

LEARNING THE LANGUAGE

Investment rounds/timelines

- *Founders/Family/Friends*
- *Pre-Seed*
- *Seed*
- *Series A*
- *Series B*
- *Bridge*
- *Runway*
- *Burn Rate*

LEARNING THE LANGUAGE

Investment instruments and factors:

- *Valuation (pre and post)*
- *Equity*
 - Common
 - Preferred
 - Dilution
- *Convertible Notes*
- *SAFEs*
- *Options/Vesting*

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SERVICE PROVIDERS

Who might you need on your team?

- *Investment broker*
 - Depends on license/affiliation
 - May need to ask directly
- *Lawyer*
 - LLC or trust creation
 - Document review
- *Accountant/CPA*
 - Taxes for business entity
 - Personal taxes (K-1s)

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NETWORK AND COMMUNITY



Wisconsin
Technology
Council

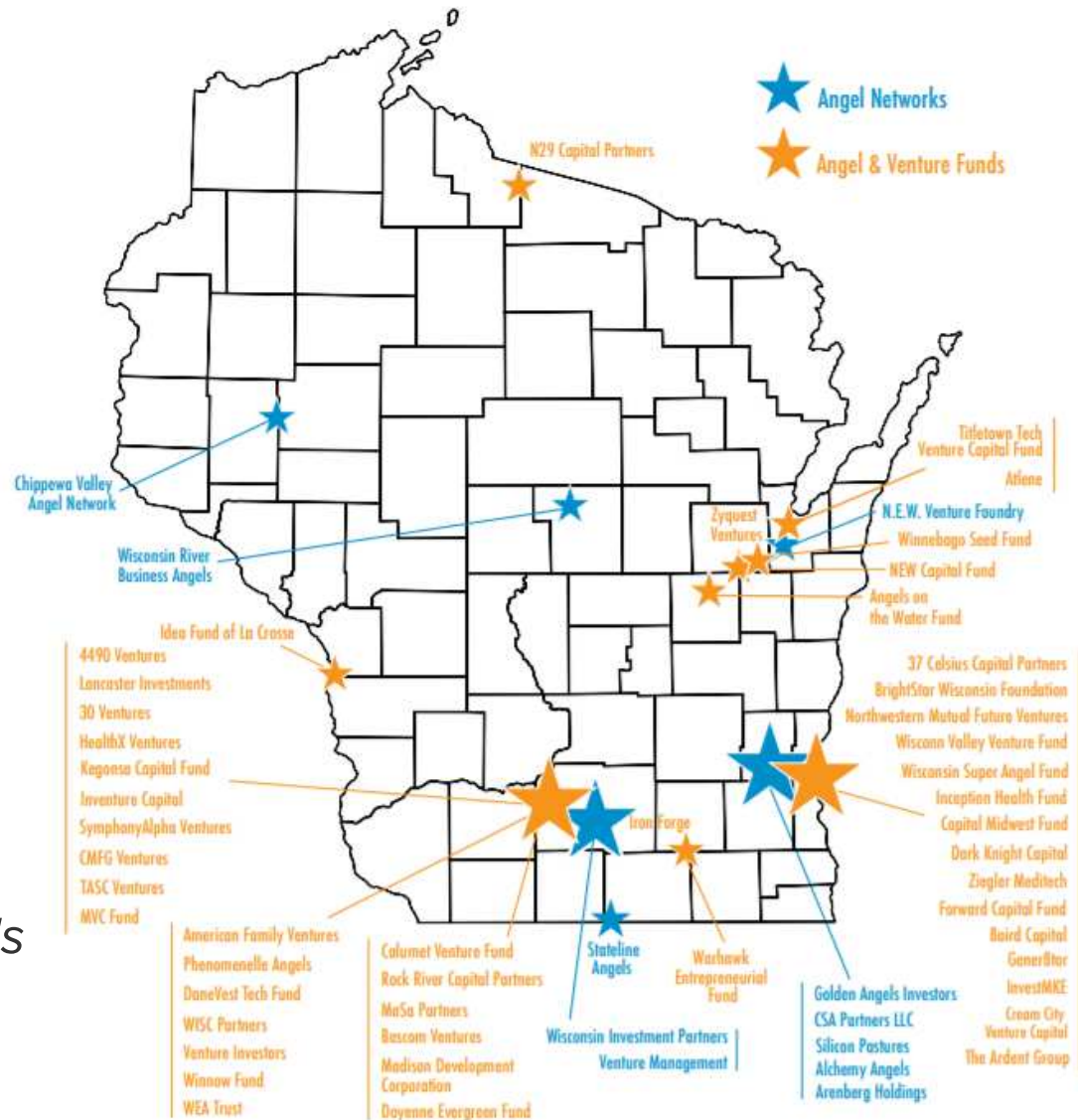


WISCONSININNO

■ THE
■ FORWARD
■ FESTIVAL
MADISON, WI

NETWORK AND COMMUNITY

- Accelerator/Studio Programs
 - WARF/WiSys/D2P
 - Gener8tor
 - Titledown Tech
- Colleges and Universities
 - Pitch/business model competitions
 - Students/faculty/staff
- Angel/VC groups
- Investment Professionals (maybe)



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NEXT WEEK: WEBINARS!

APPENDIX A: CITATIONS/RESOURCES

- *Part I: Data and articles on women investors and startup funding for women*
 - <https://about.crunchbase.com/blog/business-investment-to-women/>
 - <https://pitchbook.com/news/articles/the-vc-female-founders-dashboard> (updated Jan. 2021)
 - <https://www.entrepreneur.com/article/286574>
 - <https://www.inc.com/kimberly-weisul/boston-consulting-group-female-founders-higher-revenues.html>
 - <https://hbr.org/2019/10/the-trillion-dollar-opportunity-in-supporting-female-entrepreneurs>
 - <https://www.bcg.com/publications/2018/why-women-owned-startups-are-better-bet>
 - <https://fortune.com/2014/02/06/venture-capitals-stunning-lack-of-female-decision-makers/>
 - <https://fortune.com/2017/03/13/female-founders-venture-capital/>
 - <https://www.forbes.com/sites/geristengel/2020/12/02/funding-female-founders-if-male-vcs-wont-do-it-women-angels-and-limited-partners-will/?sh=3dfce225405f>
 - https://837b2671-fd28-41c0-ac4a-dcf98b033f50.filesusr.com/ugd/ecd9be_aa3c0cd8a09e4116a3f88967a5232949.pdf (American Angel Study)
 - <https://medium.com/allraise/more-women-became-vc-partners-than-ever-before-in-2019-39cc6cb86955>

APPENDIX A: CITATIONS/RESOURCES

- *Part II: Regulations, vocabulary, sample documents, and networking contacts*
 - Code of Federal Regulations
 - Crowdfunding, Chapter 227: <https://www.ecfr.gov/cgi-bin/text-id?SID=7e525c7c02bb9ee12b843e9c4e17dd39&mc=true&node=pt17.3.227&rgn=div5>
 - Securities Act of 1933, Chapter 230: <https://www.ecfr.gov/cgi-bin/text-id?SID=7e525c7c02bb9ee12b843e9c4e17dd39&mc=true&node=pt17.3.230&rgn=div5>
 - Investor.gov glossary: <https://www.investor.gov/introduction-investing/investing-basics/glossary>
 - Sample Documents:
 - Model Confidentiality/Non-Disclosure Agreement: <https://ilpa.org/wp-content/uploads/2021/01/2021.1.14-ILPA-Model-NDA.pdf>
 - Model investment-related docs: <https://nvca.org/model-legal-documents/>
 - Network and Community
 - <https://wisconsintechcouncil.com/>
 - <https://www.bizjournals.com/milwaukee/inno>
 - <https://www.1millioncups.com/madison>
 - <https://5lakesforum.org/>
 - <https://wedc.org/>
 - <https://forwardfest.org/>