

New Mexico Angels – New Mexico Start up Factory

John Chavez

President New Mexico Angels

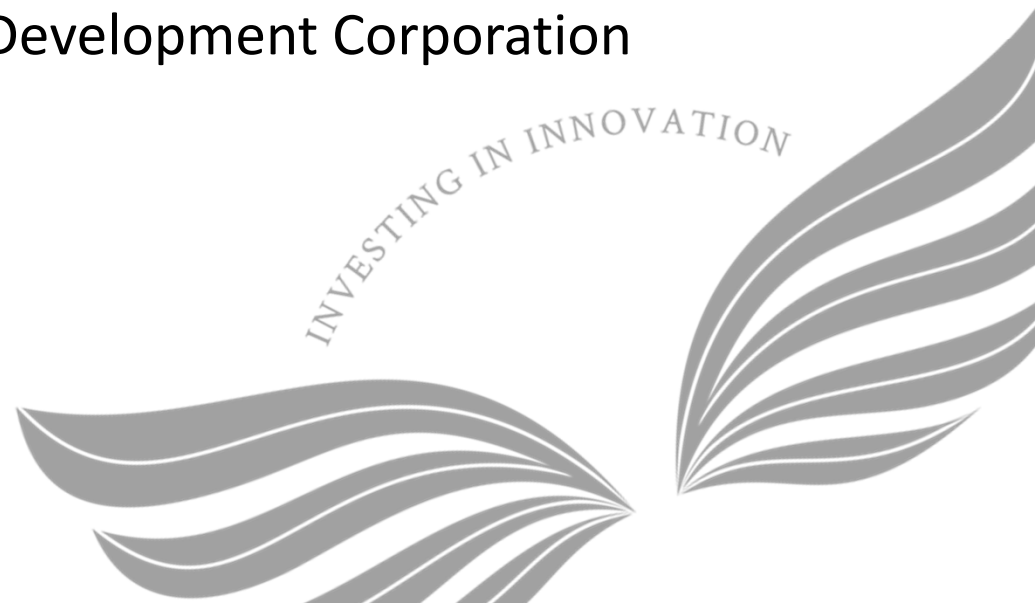
NMA Ventures General Partner

New Mexico Start Up Factory Managing Director



Thank You to Our Partners

- US Economic Development Agency
- NMA Ventures
- Sandia Science & Technology Park Development Corporation



Introductions

- Your Name
- Your Company/ Idea
- What You'd Most Like To Learn Today

INVESTING IN INNOVATION



Agenda



WHAT IS EQUITY

WHAT IS EQUITY

- Equity is ownership shares of your company
- Equity is not a loan
- Investors buy ownership shares of companies to help them grow
- Once an investor buys equity shares, they are an owner and your partner in the company



Examples – Learning the Lingo

- Company A
 - Raising \$100,000
 - At a \$500,000 pre-money valuation
 - Investor now owns 20% of the company

OR

In Shark Tank Format

- Seeking \$100,000
- In Exchange for a 20% stake of the company

INVESTING IN INNOVATION



Taking & Giving Up Equity

Giving Up Equity

- Why would you give up equity?
 - To raise money for your company
 - Used to grow the company by funding:
 - Manufacturing
 - Marketing & Advertising
 - Hire additional staff
- If you had the option today, what would you raise money for?



Investors: Taking Equity

- Why would investors take ownership in your company?
- They want to provide funding to help grow the company
- They could be a strategic partner
- They may have connections to help grow your company
- They have the advice and expertise to help you succeed



Capital Stack In New Mexico

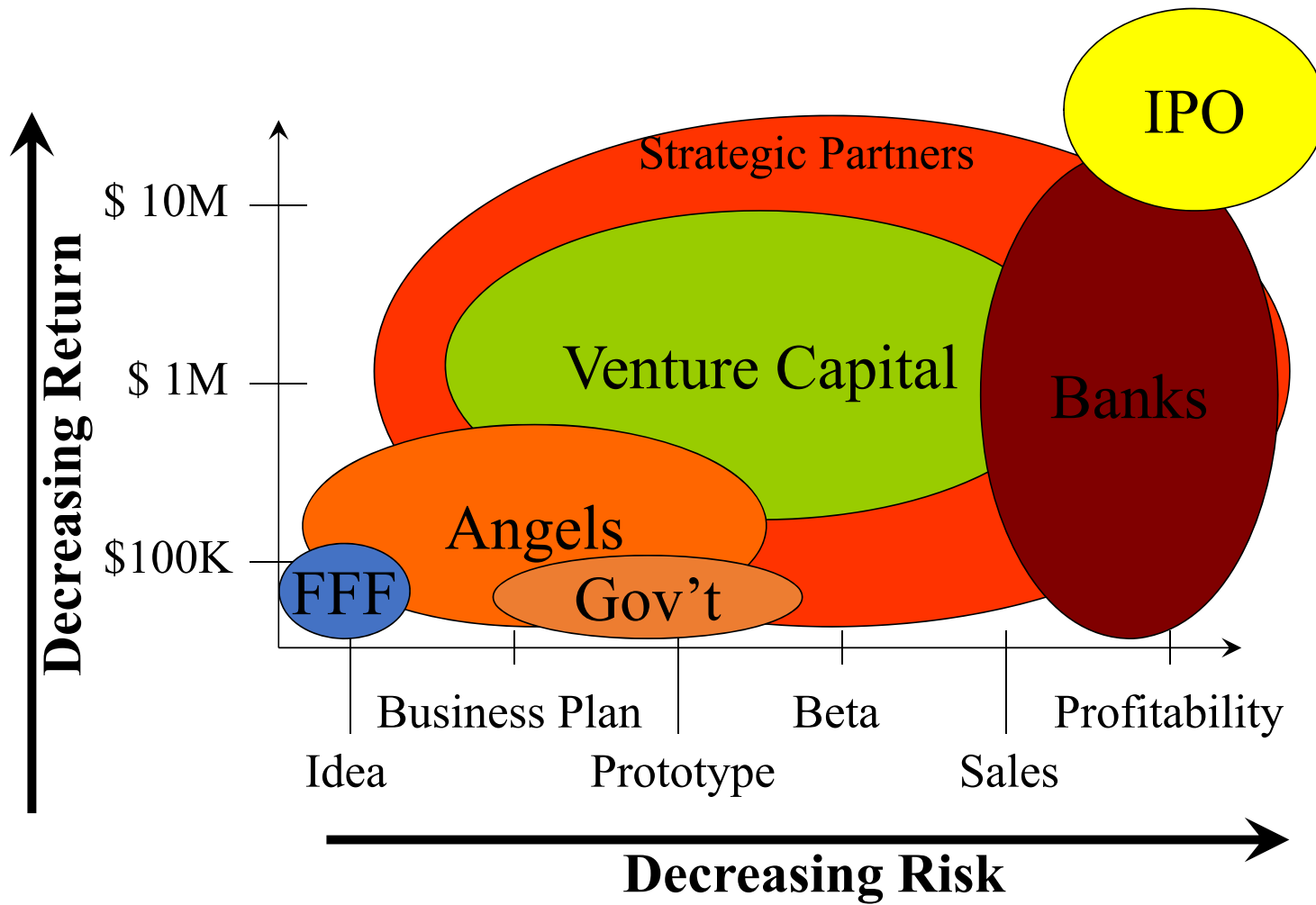
The funding that is available

Small Company Financial Ecosystem in NM

- Funding sources:
 - Entrepreneur funds company (bootstrapping)
 - Friends and Family
 - Micro Lenders (WESST, ACCION)
 - Crowdfunding
 - Angel Investors
 - Catalyst Venture Funds
 - Venture Capital Funds

*Loans, Grants and Strategic Partners are also available in some cases





Reference: Tom Stephenson, Verge

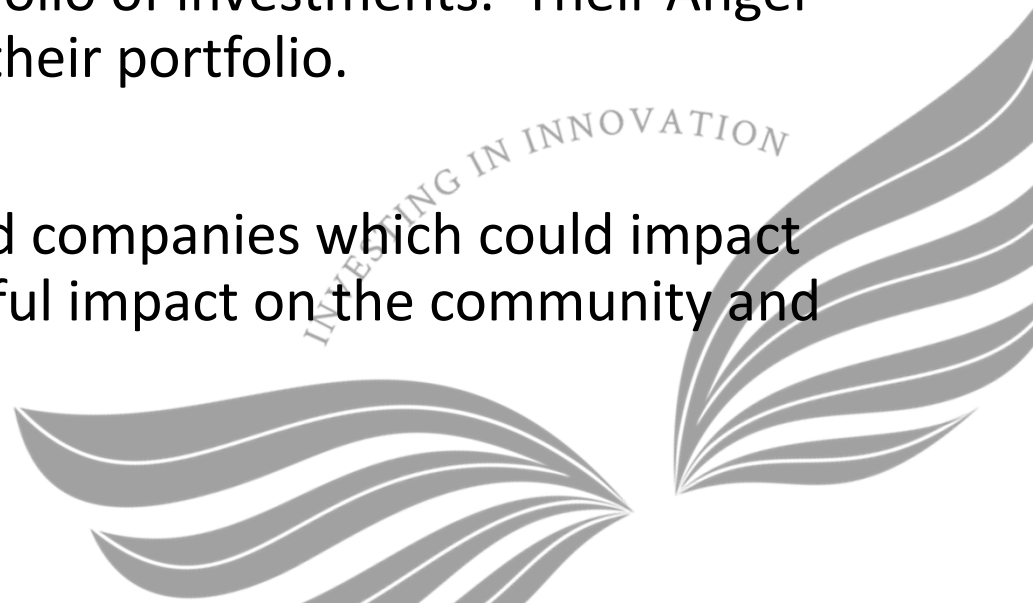
Angels vs VCs

John Chavez

President, New Mexico Angels

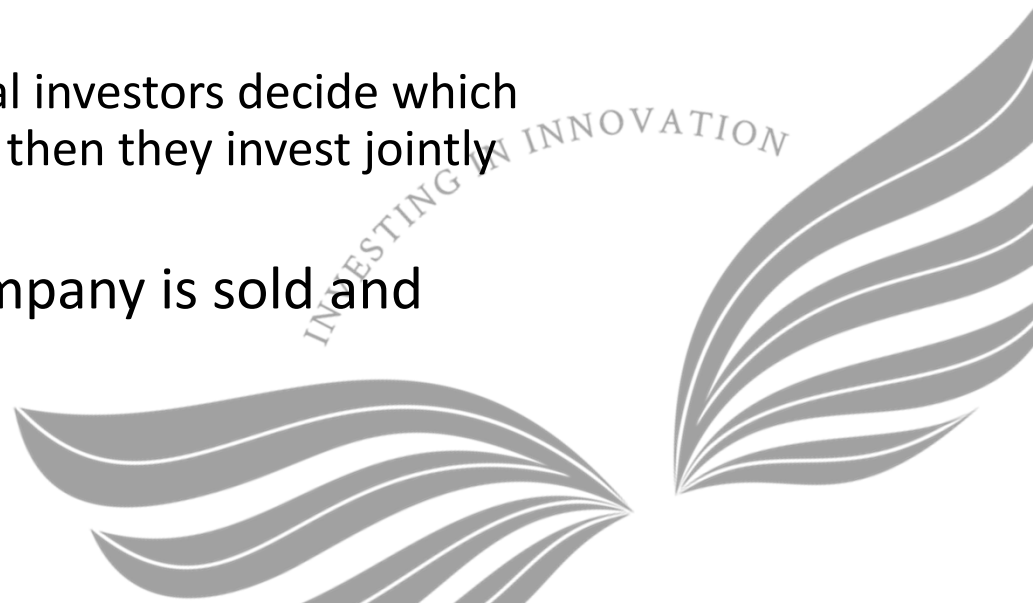
Who and What is an Angel?

- Angel investors comprise of wealthy individuals. Many Angel investors are “been-there, done-that” entrepreneurs.
- Angel investors usually have a portfolio of investments. Their Angel investments are a way to diversity their portfolio.
- Angel investors are looking for good companies which could impact their portfolio and have a meaningful impact on the community and the world



Angel Investing

- High Risk/High Reward (return)
- Angels make equity investments of less than \$500K and usually purchase less 20% of company funded.
 - NMA is not a fund; individual investors decide which deals they are interested in, then they invest jointly
- Return is realized when company is sold and money distributed.




Angel Investing Stats in 2016

- \$21.3 Billion in investments
- 64,380 companies received funding from 297,880 angel investors
- Angel dollars allowed for the creation of 263,950 new jobs
- Average deal size \$330k at an average \$2m valuation

Source: Angel Market in 2016 by Jeffrey Sohl, Director of Center for Venture Research

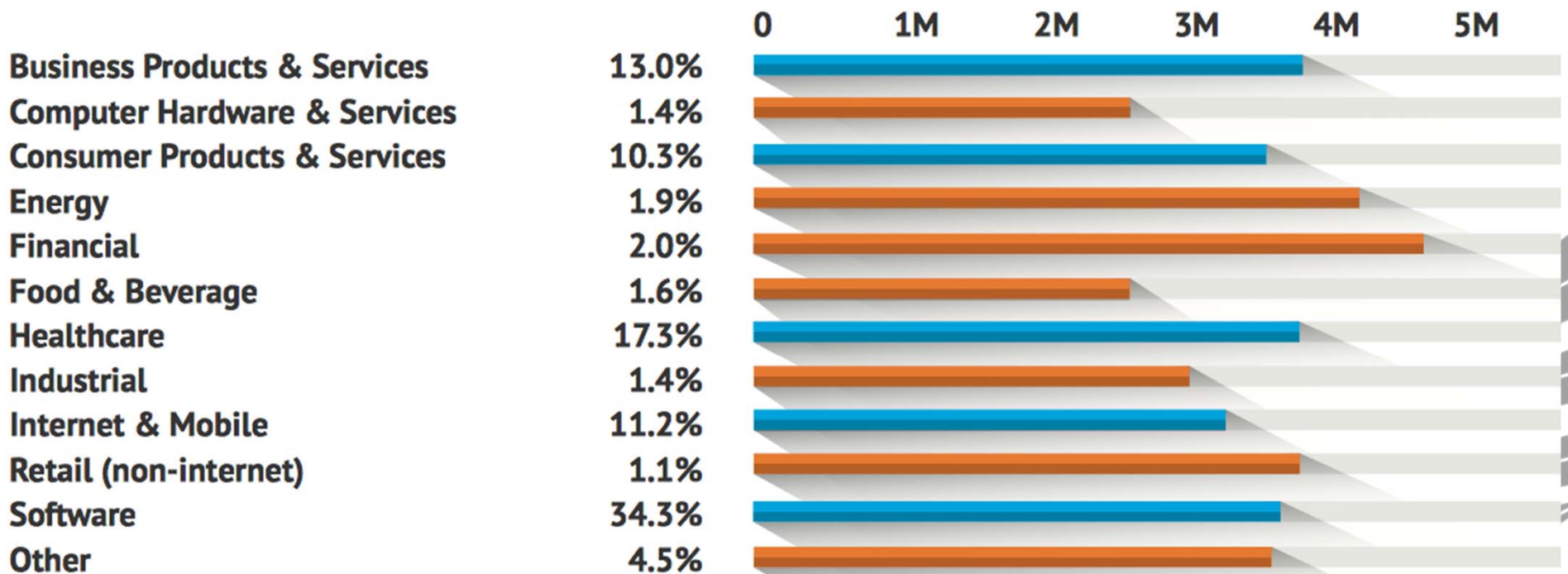
INVESTING IN INNOVATION



Investment by Stage & Industry

INDUSTRIES ANGELS LIKE & NATIONAL MEDIAN PRE-MONEY

(INDUSTRY PERCENTAGE OF DEALS AND PRE-MONEY VALUATIONS ARE AGNOSTIC TO GEOGRAPHY)



Source: HALO Report 2016 by Angel Resource Institute

Angel Investing

- What Angels Are Good At?
 - Having lunch and drinking coffee!
- Why Is This Important?
 - Angel investors are the front-line educators of entrepreneurs who want to utilize outside capital in their companies.



Angel Investing - Stats

- One in ten start-ups obtains Angel financing.
- One in ten Angel deals sees VC money
- 80% of Angel deals are seed or start-up capital



An Angel Deal

- The usual size of an Angel investment is per angel \$10,000 to \$100,000.
- The usual size of an Angel deal is \$100,000 to \$500,000
- The typical investment is a seed or early stage investment



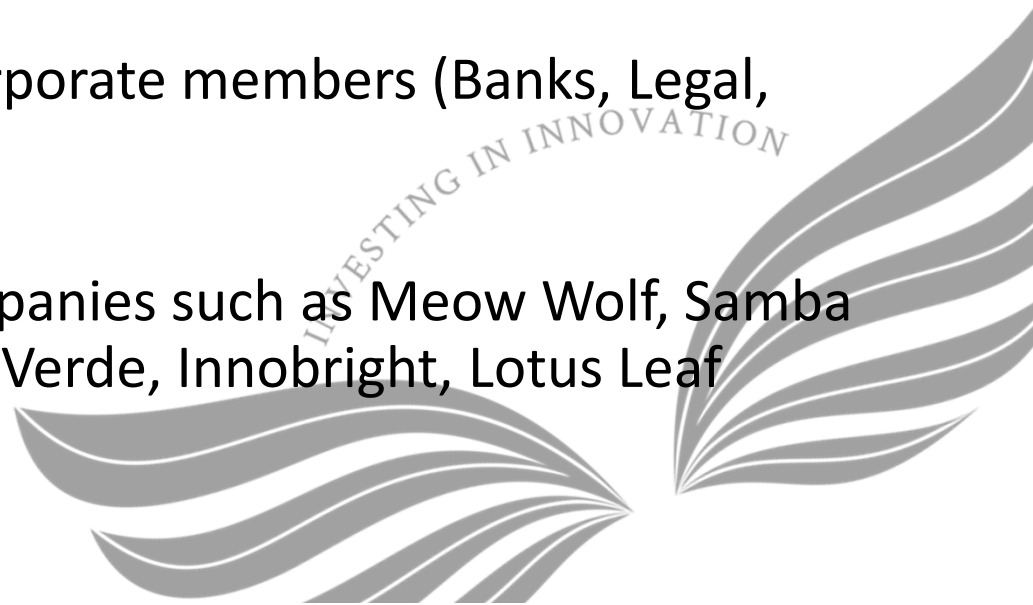
Angel Investing

- Angel investors do not want to control the companies in which they invest. However, they do like to influence the company.
- Angel investors usually take two to four months to process an investment.



About the New Mexico Angels

- Founded in 2003 , a 501-c-6 Tax exempt business service organization
- 55 + high-net worth individuals as core members
- 12 industry service providers as corporate members (Banks, Legal, CPA, Marketing)
- Early investors in New Mexico Companies such as Meow Wolf, Samba Safety, EcoPesticides International, Verde, Innobright, Lotus Leaf Coatings and many, many more!



About the New Mexico Angels

- We invest in deals all across the country
- If we don't have enough money, we will try to syndicate the deal with a VC or another angel group
- Sometimes, the Angels are a partner for life!
 - We have been known to reinvest in companies as they grow



NMA's Broad Funding Approach

- New Mexico Angel funded Companies
 - Knowledge Reef: Web & Social Networking
 - Acoustic Cytometry Systems: Medical Device
 - Vista Therapeutics: Nano Bio-Science
 - The Teaspot: Retail
 - Preferred Produce: Retail & Agriculture
 - Zocere, Inc.: Stroke drug
 - Vibrant Corp: Aircraft testing services
 - Patrick's Fine Foods



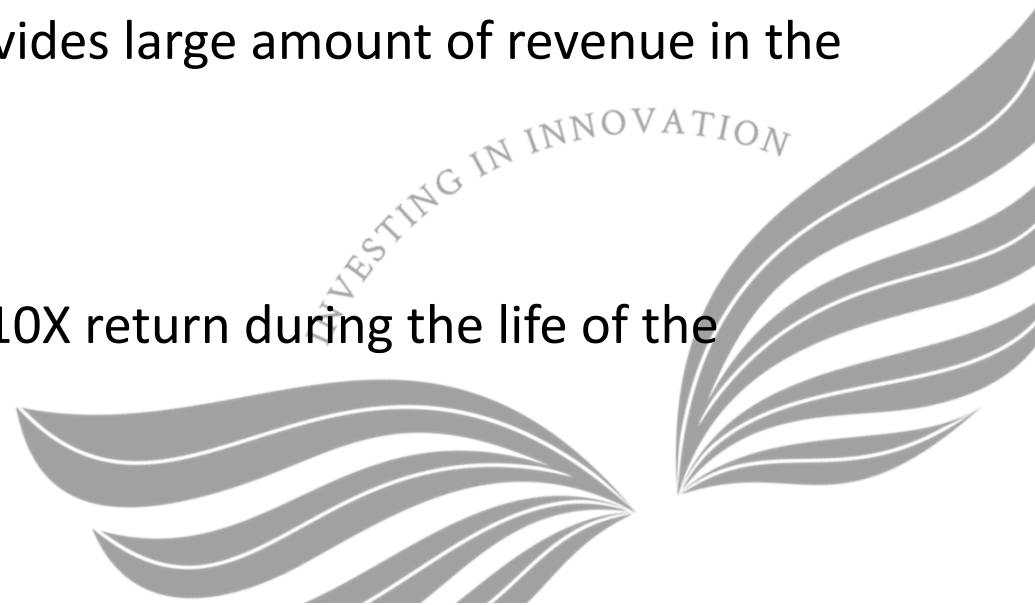
NMA – By the Numbers

- Number of investments and dollars invested
 - 2008: 7 investments; \$1.31 million
 - 2009: 6 investments; \$750,000
 - 2010: 5 investments; \$562,000
 - 2011: 5 investments; \$1.3 million
 - 2012: 2 investments; \$1.6 million
 - 2013: 5 investments; \$1.41 million
 - 2014: 4 investments; \$1.4 million
 - 2015: 5 investments; \$1.4 million
 - 2016: 7 investments; \$1.6 million
 - 2017: 5 investments; \$900K
 - 2018: 6 investments; \$760K



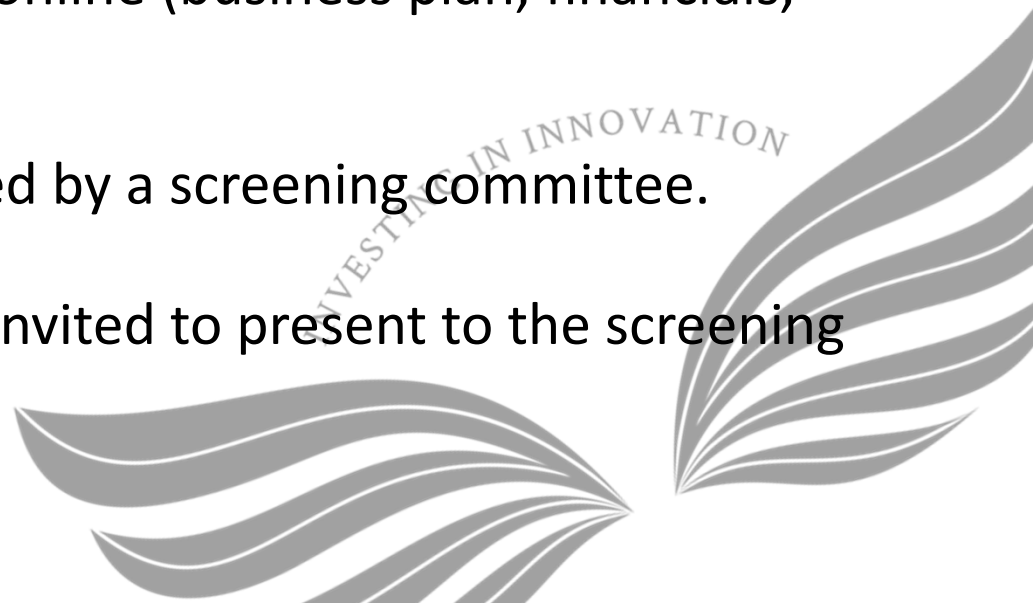
What NMA Looks for in a Company

- Barriers to entry such as patents, trade secrets or other proprietary advantage.
- A solid management team.
- A scalable product or service that provides large amount of revenue in the short timeframe.
- A desire for advice and coaching.
- A potential return that will provide a 10X return during the life of the investment, 3-5 years.



New Mexico Angels - Process

- The Process- How a start-up company engages the New Mexico Angels
- Entrepreneur submits information online (business plan, financials, use of funds, etc.)
- Business plan is reviewed and vetted by a screening committee.
- Once a quarter 4-6 companies are invited to present to the screening committee.



Looking for Angel Money

- Determining Fundraising Strategy, What questions should you ask?
- How much capital do you require?
 - Sweet spot for regional angel groups: \$100K-\$500K
- What Stage is your company?
 - Depending on the industry, stage will vary?
- Angels bring more to the table than money!!



Looking for Angel Money

- Assess which Angel groups to apply to
- Angel group nuances:
 - Highly regional, some groups will not review deals outside their area
 - There are now targeted angel groups (life science, women-only, etc.)
 - Quick No's
 - Quick Yes's compared to VC's
 - Thorough due diligence review



Looking for Angel Money

- General Do's and Don'ts

- **DO:**

- Try to find a referral sources into an angel group
- Make sure that you're the right fit for the group
- Listen to their specifics on what to prepare
- Send a "Current" executive summary

- **DON'T:**

- Assume your deal will be funded
- Assume your company is worth what your friends and advisors tell you
- Give up



Myths About Angels

- Angels fund an idea on paper
- Angels fund high-paying exec. salaries
- Angels don't need to see a business plan
- Angels don't care about their return on investment



Intro to Venture Capital

What is Venture Capital?

- Professionally managed risk capital
- Focused on Innovative and High Growth Companies
- Funds new ideas that could not be financed with traditional Bank Financing
- Long Term investment horizon
- Minimal liquidity until sold.



What type of Companies get VC \$

Who fits Typical VC Investment Criteria? Companies Who...

Have products that have dynamic high growth potential

Have founders who want to grow then sell the business

Address large markets

Have Leading Edge Technical Differentiation

Want involved, hands on, value add investors

LAVU

exagen™
DIAGNOSTICS



TRI LUMINA

There's a VC for most stages

	Idea/Seed	2014 202 Deals \$823M	2013 242 Deals \$1,029M
	Early Stage	2014 2,186 Deals \$15.9B	2013 2,194 Deals \$10.4B
	Expansion	2014 1,163 Deals \$21.4B	2013 1,034 Deals \$9.8B
	Later Stage	2014 861 Deals \$12.2B	2013 811 Deals \$8.9B

Bit of Perspective

VCs are investing other
peoples money

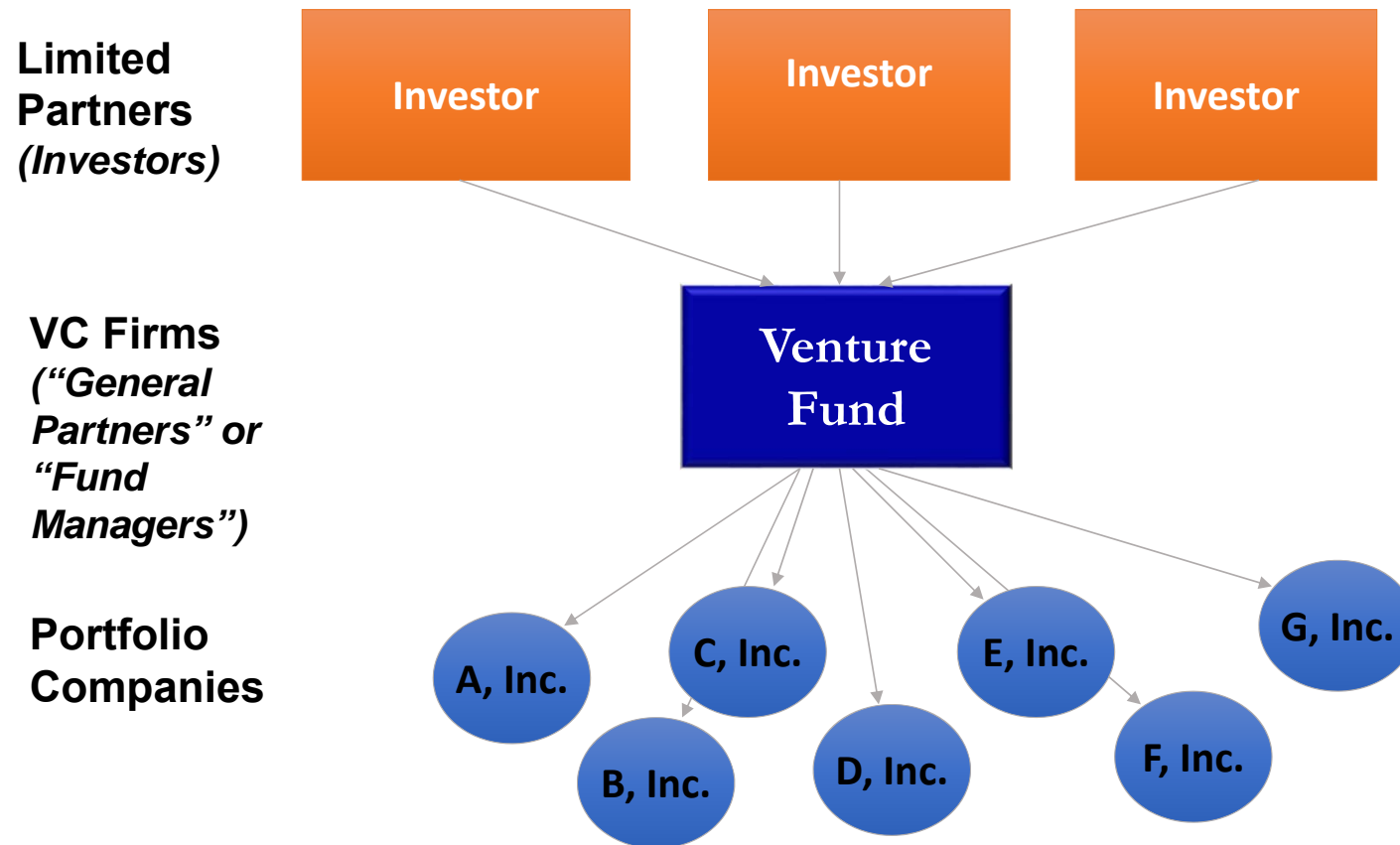
They are accountable
on how they invest
that money



They have to raise
funds just like
entrepreneurs



Structure of the VC Industry



Key Points VC's evaluate

Team

- Investible
- Coachable
- Alignment on the Future
- Passionate & Capable

Market

- Is there value to customers?
- High Margin
- High Growth/High Potential

Financial/ROI

- Investment size vs. Market
- Return Potential
- Can investment make a difference?

Technology

- Advantages
- Scalable
- Defensible

Questions?

- www.NMAngels.com
- info@nmangels.com
- Submit your business plan for funding:
 - <http://www.nmangels.com/entrepreneurs/>



Stacy Sacco

The University of New Mexico

INVESTING IN INNOVATION



Strategic Networking

Maximizing Your Personal and Professional ROI

July 16, 2019
Old Martina's Hall
Taos, NM

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Give it Back Better Than You Got it!

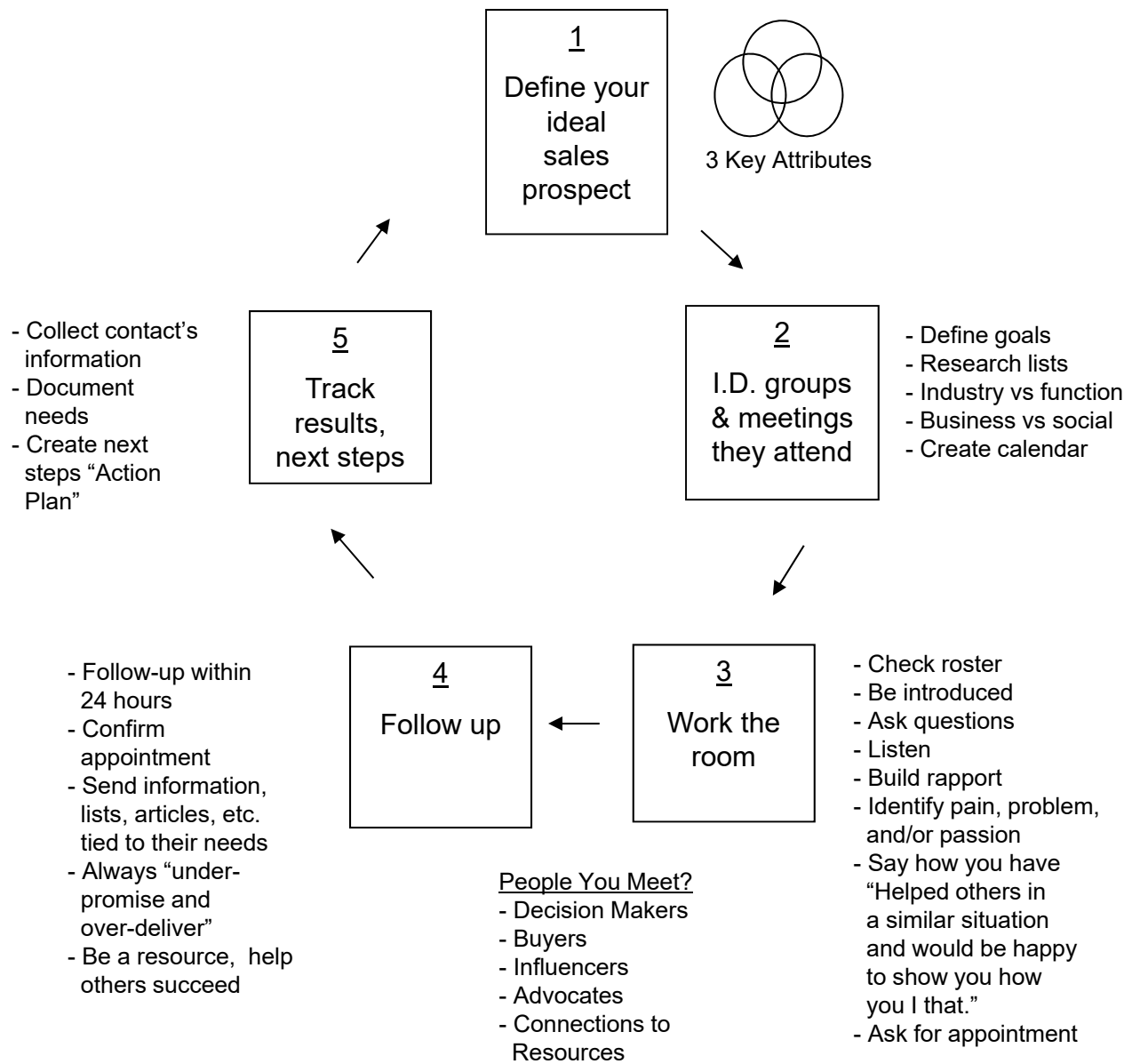
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Advisory Board, Workforce Connections of Central New Mexico
Host, ABQ Sales and Business Development Professionals Meetup Group
Host, MarCom Mixer
Host, NM NetLinks

Strategic Networking Process

Listen Actively and be a Resource



Top 10 Tips

1. DEFINE YOUR GOALS:

Who do you want to meet and why?

- Business: Expand your network, sell more products and services
- Resources: Expand your network to collect information
- Education: Learn new skills, meet industry experts, enhance your resume
- Career: Meet prospective employers, get a promotion
- Social: Make new friends

2. DEVELOP A PLAN:

- Research which groups to target, research, etc.
- Call group leaders to make a connection before attending their event
- Keep it Simple... meet 1-3 people at each meeting you attend...
- Invite guests to attend who you would like to know better

3. ARRIVE EARLY AND DO SOME HOMEWORK:

- Arrive early and check out the room,
- Review the roster when you arrive to identify people you want to meet

4. USE YOUR PROPS TO YOUR ADVANTAGE:

- Place your nametag on right lapel (most people are right-handed)
- Put your cards in one pocket and place their card in your other pocket.
- Note any promises and follow-up items on the back of their card

5. ACTIVELY GREET OTHERS:

- Ask the association's President to introduce you to anyone you want to meet
- Introduce yourself to people standing alone, or when they get in a line
- Give everyone a confident handshake!

6. PREPARE A BENEFIT-FOCUSED ELEVATOR SPEECH:

- Prepare a 20-30 second description of yourself and your work to begin the conversation (make it simple, memorable, focus on benefits)
- Customize your follow-up elevator speech to meet their specific needs

7. LISTEN ACTIVELY:

- Ask questions, listen actively
- Don't interrupt or talk about yourself too much

8. REMEMBER THEIR NAME:

- Slow the introduction down in your mind... "be present"
- Repeat their name, read their name tag, etc.

9. IDENTIFY HOW YOU CAN BE A RESOURCE:

- Identify how you can be a resource to help them accomplish their goals

10. FOLLOW-UP WITHIN 24 HOURS:

- Under-promise and over-deliver
- Send them an article or link to something you talked about
- Invite them to a future meeting
- Refer them to a potential customer, resource information, etc.

Who Knows YOU!

- **Join their Board or a Committee**
 - Tie to your business goals
 - Perception as industry leader
- **Speak at Meetings:**
 - Choose topic to promote your business
- **Contribute Articles:**
 - Blog, newsletter, website
- **Promote Your Business:**
 - Sponsor an event
(microphone minute, banner behind stage, logo placement, etc.)
 - Advertise in their newsletter on their website, etc.

**“Give it Back Better
Than You Got it”**

**Jack F. Kemp
American Politician
Professional Football Player
1935-2009**

What's Your "Why?"

How Great Leaders Inspire Action, Simon Sinek, (18:34)
<https://www.youtube.com/watch?v=qp0HIF3SfI4>

Start With Why, TED Talk Short Edited, Simon Sinek (5:00)
<https://www.youtube.com/watch?v=IPYeClXpxw>

The 9 Whys, Dr. Gary Sanchez, Albuquerque, NM
<http://whyinstitute.com/>

1. **Contribute:** To contribute to a greater cause, make a difference, add value or have an impact
2. **Trust:** To create relationships based on trust
3. **Make Sense:** To make sense out of things, especially if complex or complicated
4. **Better Way:** To find a better way and share it
5. **Right Way:** To do things the right way
6. **Challenge:** To think differently and challenge the status quo
7. **Master:** To seek mastery and understanding
8. **Clarify:** To clarify or create clarity
9. **Simplify:** To simplify

Entrepreneurial Ecosystem – Northern New Mexico

7/15/19, Stacy Sacco, sasacco@unm.edu, 505-489-2311, www.nmnetlinks.com

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Business / Start-up Organizations:

- American Business Women’s Association (4 Chapters), www.abwanm.org
- Center for Nonprofit Excellence, www.centerfornonprofitexcellence.org
- Creative Santa Fe, www.creativesantafe.org
- CreativeMornings Santa Fe, <https://creativemornings.com/cities/sfe>
- Design Corps of Santa Fe, <http://design-corps.org/> and <http://www.meetup.com/Design-Corps/>
- FUNDIT, <https://gonm.biz/business-development/edd-programs-for-business/finance-development/fundit/>
- High Desert Discovery District, www.hddd.org
- Los Alamos Connect, <http://losalamosconnect.net/>
- National Association of Women Business Owners, www.nawbonm.org
- National Federation of Independent Business, www.nfib.com/new-mexico
- NM Association of Regional Councils, www.ristraproject.com
- NM Consortium, <http://newmexicoconsortium.org/>
- NM Economic Development Department, www.gonm.biz
- NMED Business Resource Directory, <https://gonm.biz/business-development/brc-directory/>
- NM Film Office, www.nmfilm.com
- NM FUNDIT, <https://gonm.biz/business-development/edd-programs-for-business/finance-development/fundit/>
- NM Hospitality Association, <http://newmexicohospitality.org/>
- NM Manufacturing Extension Partnership, www.newmexicomep.org
- NM Partnership, www.nmpartnership.com
- NM Restaurant Association, www.nmrestaurants.org
- NM Small Business Assistance, www.nmsbaprogram.org
- NM Small Business Development Center (Española, Farmington, Santa Fe, Taos), www.nmsbdc.org
- NM Society of Association Executives, www.nmsae.org
- NM Tourism Department, www.newmexico.org
- NM Workforce Solutions, www.dws.state.nm.us
- North Central New Mexico Economic Development District, www.ncnmedd.com
- Project Management Institute, Los Alamos Chapter, <https://pmi-ob.org/>
- Santa Fe Business Directory, <http://web.santafechamber.com/search>
- Santa Fe Business Incubator, www.sfbi.net/
- Santa Fe Council on International Relations, www.sfcir.org
- Santa Fe Estate Planning Council, www.sfestateplanning.com
- Santa Fe Office of Business Growth, www.santafenm.gov
- SBIR/STTR, <https://www.sbir.gov/state-contacts?state=New+Mexico>
- SCORE Santa Fe and Northern New Mexico, <https://santafe.score.org/>
- Taos Entrepreneurial Network, <https://www.taosten.org/>
- The Transition Network, <https://www.thetransitionnetwork.org/chapters/chapters-ttn/chapters-santafe/>
- U.S. Small Business Administration, www.sba.gov/about-offices-content/2/3132
- UNM Small Business Institute, <http://sbi.mgt.unm.edu/>
- WESST Santa Fe (6 Offices Statewide), www.wesst.org/santa-fe/

Calendars / Directories:

- Discover Taos, www.discovertaos.com
- Discover, Los Alamos Monitor, www.lamonitor.com
- Inside Santa Fe, www.insidesantafe.com
- Jemez Thunder, www.jemezsprings.org/planyourvist/64-community/services/9-jemez-thunder.html
- Las Vegas Destinations Visitors Guide, www.lasvegasoptics.com
- NM Business Calendar, www.bizcalendar.org
- NM Magazine, www.nmmagazine.com
- Rio Grande Sun (Espanola), <http://www.riograndesun.com/>
- Santa Fe New Mexican, www.sfnm.com
- Santa Fe Reporter, www.sfreporter.com
- SuCasa Magazine, www.sucasamagazine.com
- The Taos News, <https://www.taosnews.com/>

Chambers of Commerce / Merchant Associations:

- Angel Fire Chamber of Commerce, <http://www.angelfirechamber.org/>
- Chama Valley Chamber of Commerce, <http://chamachamber.com/visitor.html>
- Espanola Valley Chamber of Commerce, <http://www.espanolanmchamber.com/>
- Jemez Valley Business Cooperative, www.jemezsprings.org
- Las Vegas/San Miguel Chamber of Commerce, <https://lasvegasnewmexicochamber.com/>
- Los Alamos Chamber of Commerce, <http://losalamoschamber.com>
- NM Association of Commerce & Industry, www.nmaci.org
- NM Green Chamber of Commerce, Santa Fe, www.nmgreenchamber.com
- Raton Chamber of Commerce, <http://www.raton.info/>
- Santa Fe Chamber of Commerce, www.santafechamber.com
- Santa Fe Downtown Merchants Association, <http://santafedowntown.org/>
- Taos County Chamber of Commerce, <http://www.taoschamber.com/>

City/County/State Government:

- City of Farmington, <http://www.fmtn.org/>
- City of Las Vegas, <http://lasvegasnm.gov/>
- City of Raton, <http://www.ratonnm.gov/>
- City of Santa Fe, www.santafenm.gov
- City of Taos, <https://www.taosgov.com>
- Los Alamos County, <https://www.losalamosnm.us/>
- State of New Mexico, www.newmexico.gov
- Taos County Economic Development Corporation, www.tcedc.org
- Village of Cimarron, <http://www.villageofcimarron.net/>
- Village of Jemez Springs, www.jemezsprings-nm.gov
- Village of San Ysidro, www.sanysidronm.us

Community Service Groups:

- Civitan International, www.civitan.org
- Elks Club, www.elks.org
- Kiwanis International, www.kiwanis.org
- Lions Club International, www.lionsclubs.org
- Optimist International, www.optimist.org
- Rotary International, www.rotary.org

Contract / Procurement Connections:

- Federal Business Opportunities, <https://www.fbo.gov>
- Los Alamos National Laboratory, www.lanl.gov
- NM Veterans Procurement Assistance Center, www.vpacinc.org/
- Procurement Technical Assistance Program, www.nmsbdc.org/ptap-government.html
- Procurement Technical Assistant Center – Native American, <http://ptac.ncaied.org/>
- Professional Aerospace Contractors Association, www.pacanm.org

Co-Working Spaces / Business Incubators / Temporary Offices:

- FatPipe ABQ (Santa Fe Location TBA), www.FatPipeABQ.com
- Navajo Tech Innovation Center, www.navajotech.edu/
- Project Y Cowork (Los Alamos), <https://www.projectYLosAlamos.com>
- San Juan College, Enterprise Center (Farmington), www.sanjuacollege.edu
- Santa Fe Business Incubator, www.sfbi.net/

Funding Sources:

- ABQid, <https://www.abqid.com/>
- ACCION New Mexico (Microlender), www.accionnm.org
- Coronado Ventures Forum, www.cvf-nm.org
- Credit Union Association of New Mexico, www.cuanm.org
- Enchantment Land Certified Development Company, www.elcdc.org
- FUNDIT, <https://gonm.biz/business-development/edd-programs-for-business/finance-development/fundit/>
- Independent Community Bankers Association of New Mexico, www.icbanm.org
- Los Alamos Venture Acceleration Fund, <http://losalamosconnect.net/venture-acceleration-fund-vaf/>
- Los Alamos Venture Accelerator, <https://www.facebook.com/LosAlamosVentureAccelerator>
- NM Angels, www.nmangels.com
- NM Bankers Association, www.nmbankers.com
- NM Community Capital, www.nmccap.org
- NM Economic Development Department, <https://gonm.biz/>
- NM Venture Capital Association, www.nmvca.org
- Prosperity Works (Individual Development Accounts), www.prosperityworks.net
- Rocky Mountain Venture Capital Association, www.rockymountainvca.com
- The Loan Fund (Microlender), www.loanfund.org
- The Velocity Project (City of Santa Fe), <http://thevelocityproject.com>
- U.S. Small Business Administration, www.sba.gov/about-offices-content/2/3132
- WESST (Microlender), www.wesst.org

Leadership Organizations:

- Leadership Los Alamos, <http://leadershiplosalamos.com/>
- Leadership New Mexico, www.leadershipnm.org
- Leadership San Juan (Farmington), <https://www.sanjuacollege.edu/community/leadership-san-juan/>
- Leadership Santa Fe, <https://leadershipsantafe.org/>

Workforce Training / Human Resources / Educational Programs:

- Association for Talent Development, www.atdnm.org
- CNM Community College, www.cnm.edu
- Dale Carnegie Management Training, <http://newmexico.dalecarnegie.com/>
- Human Resource Management Association, www.hrmanm.org
- Innovate: Educate, www.innovate-educate.org
- Job Training Incentive Program (JTIP), <https://gonm.biz/business-development/edd-programs-for-business/>
- Junior Achievement, www.newmexicoja.org
- LifeLong Learning for New Mexicans, <https://www.lifelonglearningnm.org/>
- Networking For Introverts, <https://www.networkingforintroverts.solutions/>
- NM Career Development Association, www.careers-nm.org/about.html
- NM Counseling Association, <http://www.nmca-nm.org/>
- NM Workforce Solutions, www.dws.state.nm.us
- Quality New Mexico, www.qualitynewmexico.org
- Santa Fe Community College, www.sfcc.edu
- Santa Fe Institute, www.santafe.edu
- Santa Fe University of Art and Design, <http://santafeuniversity.edu/>
- Startup Weekend, <http://communities.techstars.com/usa/santa-fe/startup-weekend/5504>
- TEDxABQ, www.tedxabq.com
- Toastmasters International, www.district23.org
- UNM Taos, <http://taos.unm.edu/home/>
- WESST (6 Offices Statewide), www.wesst.org

- Workforce Connections of Central New Mexico, www.wccnm.org