



## Angel Investor Guide for South Mississippi Angel Network (SMAN)

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## 1 What is an Angel Network?

An angel network is a combined effort by investors, entrepreneurs, and the surrounding community to help early-stage companies grow rapidly and successfully.

The definition used by Mississippi Technology Alliance is, "A group of accredited investors interested in reviewing fundraising presentations from early-stage companies seeking capital."

## 2 What is South Mississippi Angel Network?

The South Mississippi Angel Network (SMAN) is a collaborative partnership of Pine Belt organizations, individuals, and early-stage companies with two goals:

1. Creating successful and competitive regional companies
2. Offering attractive investment opportunities for regional investors

## 3 What size of investments does SMAN offer?

The opportunity to invest in SMAN companies varies depending on the early-stage company's funding requirements and the attractiveness of the business to the investor(s). Nationally, Angel Networks typically invest anywhere from \$50,000 to \$5,000,000.

## 4 Joining SMAN

Before a potential investor formally joins SMAN, they are welcome to sit in on a network meeting. At the SMAN meeting, the investor will experience the structure of our meetings, preview the information presented to our angel investors, and sit in on the presentations of actual start-up businesses.

Becoming an SMAN investor is simple. We use Mississippi Technology Alliance's membership application process. A \$500 annual fee will cover all member privileges such as quarterly meetings, access to the SMAN database, and network communications. All investors must also show an interest and willingness to evaluate opportunities and to invest in deals. It is our sincere desire to have a network of investors who are willing to commit their time to listen to presentations provided by the local companies in whom they have an interest.

Investors must be "accredited investors" as defined by SEC Rule 501(6 and 7). The full SEC definition can be found at: <http://sec.gov/answers/accred.htm>

To begin the application process, contact Sunny Corral at 601.266.5515 or [sunny.corral@usm.edu](mailto:sunny.corral@usm.edu)

## 5 Where does SMAN find Early-Stage Companies?

Early-stage companies come from individuals and organizations that interact with early-stage companies on a daily basis within the community. If the early-stage company has an exceptional business model and is in need of capital in order to grow, they will be referred to SMAN.

SMAN will work with early-stage companies that have developed an innovative product or service, regardless of industry.

Organizations involved in referring early-stage companies include:

1. The Area Development Partnership
2. Noetic Technologies
3. Jones County Junior College Small Business Development Center
4. The Trent Lott National Center for Excellence in Entrepreneurship and Economic Development
5. Pine Belt Innovators
6. Students in Free Enterprise (SIFE) at Southern Miss
7. South Mississippi Youth Entrepreneurship Program
8. Local Business Incubators (Business Launchpoint)
9. The University of Southern Mississippi
10. Hub City Business Network
11. Hattiesburg Rotary
12. Petal Rotary
13. Mississippi Polymer Institute
14. Mississippi Development Authority
15. Mississippi Power

## 6 Deal Quality

All early-stage companies will have successfully met at least twice with the SMAN Screening Team, which is composed of:

1. Director of Business Launchpoint
2. Vice President of Economic Development for The Area Development Partnership
3. Director of the JCJC Small Business Development Center
4. Noetic Technologies representative
5. Local Attorney with small business expertise

After the initial meeting with the Screening Team, companies will be assigned a business coach and given a list of revisions necessary to make the business investor-ready. The business coach will work with the company to develop areas identified by the Screening Team.

The Screening Team will then evaluate the company's progress and determine if the company is investor-ready.

## 7 The SMAN Meeting

SMAN will meet on a quarterly basis, or as needed. SMAN staff will coordinate meeting logistics, and notify investors of upcoming meeting dates and potential deals.

### 7.1 Pre-Meeting

SMAN staff will inform investors of scheduled meeting dates one month before meeting and distribute executive summaries for potential early-stage companies two weeks before meeting.

Prior to the actual SMAN meeting, the Screening Team and local business coaches will aggressively work with the early-stage companies to create an attractive and high-quality presentation and deal proposal.

### 7.2 During Meeting

At the SMAN meeting, investors will receive a final executive summary, hear a 15-minute business pitch, and have a 15-minute question and answers session for each presenting company. No more than three potential deals will be presented at a given SMAN meeting.

A sample meeting agenda is as follows:

|         |                        |
|---------|------------------------|
| 7:00 am | Introduction           |
| 7:05 am | Company 1 presentation |
| 7:20 am | Company 1 questions    |
| 7:35 am | Company 2 presentation |
| 7:50 am | Company 2 questions    |
| 8:05 am | Adjourn                |

### 7.3 Post-Meeting

After the network meeting, investors are given the opportunity to discuss investment possibilities with companies that they find attractive. Investors are allowed to invest either as a group or individually.

Investors and companies are responsible for constructing the contract and negotiating necessary terms.

SMAN will send out a post-meeting message highlighting the companies and announcing the next scheduled SMAN meeting.

## 8 Become Actively Engaged

It is the sincere interest of SMAN to provide high-quality potential investment opportunities for regional South Mississippi investors. In order to provide high-quality deals, SMAN needs active and engaged angel investors to act as Deal Champions, refer early-stage companies to SMAN, act as business coaches, attend SMAN meetings, and invest in local high-quality deals.

A Deal Champion is an investor who acts as a point of contact for an early-stage, which increases the investor's interaction and communication within the SMAN group and also with the early-stage company. One can become a Deal Champion by referring early-stage companies to SMAN and by acting as an advocate for these companies. Providing business coaching and mentoring prepares early-stage companies for the SMAN meeting and will more importantly increase the quality of each company. This helps to create a very attractive deal for other SMAN angel investors.

## **9 Questions?**

Questions can be directed to Sunny Corral at 601.266.5515 or [sunny.corral@usm.edu](mailto:sunny.corral@usm.edu)

We look forward to working with you to secure a successful future for the Pine Belt and Coastal regions of Mississippi.