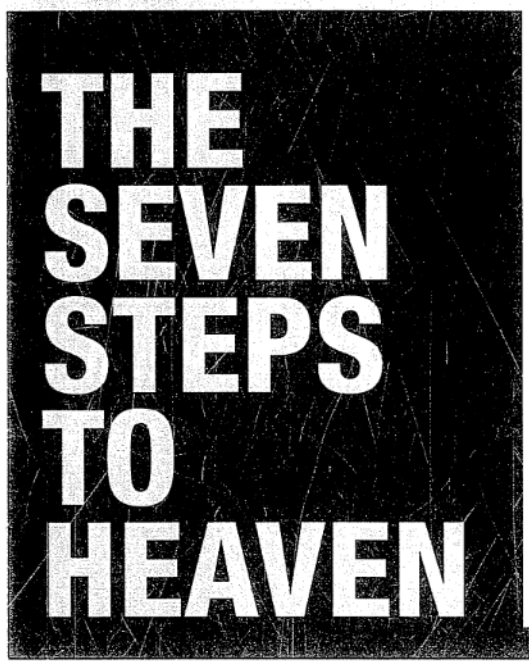
Scan reading

5 **Read the seven steps in an application procedure. Number the steps in the correct order.**

Seventh HEAVEN

Angel Investors Group



☐ **Screening meeting** If they didn't *turn you down* at Step 2, our review committee will invite you to a screening meeting. Be prepared to make a ten-minute pitch and answer any questions that *come up*.

☐ **Self-assessment** Before *putting forward* your business plan for our consideration, you must *work out* if angel capital – and specifically capital from our group – is right for your company.

☐ **Due diligence** If your presentation is successful, interested investors will *check out* the statements made in your business plan, presentation and financial projections. They will go over your team's background and track record in detail.

☐ **Funding** When all parties are happy with the terms and language contained in the term sheet, the deal can *go through*.

☐ **Online application** Once you have decided to submit a plan, complete our application online. This is designed to identify the most important details about your business so that our internal review committee can *weed out* the non-starters.

☐ **Term sheet** On successful completion of the due diligence process, interested angel group members will *draw up* a term sheet that *sets out* the structure of the investment deal, including type of equity and board of directors representation.

☐ **Presentation to membership** If you *get through* the screening meeting, you will be invited to make a 30-minute presentation to our full membership, the goal being to convince members that your proposal is worth investigating in detail.

6 **Complete the sentences with the phrasal verbs in *italics* in Exercise 5.**

1 Only two per cent of business plans _____ the complete funding process.
2 Problems often _____ in the early stages.
3 Business angels may _____ proposals for no apparent reason.
4 Angels always _____ an entrepreneur's background thoroughly.
5 It's worth getting a lawyer to _____ any contracts rather than trying to write them yourself.
6 The term sheet _____ all the conditions of the deal.
7 A lot of hard work is necessary before the deal finally _____.
8 In your pitch, you should _____ clear and convincing arguments.
9 Get help if you can't _____ how much finding to apply for.
10 The screening meeting allows investors to _____ poor applications at an early stage.

Glossary PAGE 155

asset
household
outstanding
pitch
raw materials
temping agency
track record
weed out

Listening

7 2:23–2:26 **Listen to four entrepreneurs explaining why their proposals were turned down. Decide which reason from the box each person mentions.**

financial forecasts based on assumptions inadequate financial returns
lack of market awareness lack of skills in the management team
lack of trust no clear exit route no growth potential
no track record or proof of concept too complex

Internet research

Search for the key words *business angels* to find out more about their role in financing start-ups.

Discussion and presentation

8 **Work in small groups. You work for a corporate finance firm bringing together investors and entrepreneurs. Using relevant phrases and vocabulary from the previous exercises, draw up a list of Dos and Don'ts for start-ups looking for funding.**

9 **Work with a partner from a different group. Present and compare your lists.**