



PHOTO: KATE SHAW/KTPA

How to tame your Dragon

Want to know the secret of a great pitch? We asked some Dorset Business Angels to reveal what would tempt them to invest

Four times a year companies are invited to attend investment events, hosted by Dorset Business Angels (DBA), in which they pitch their business to a panel of savvy Angels in a *Dragon's Den* type scenario. DBA was formed in 2013 with the aim to bring investors and entrepreneurs together to accelerate the growth of early stage businesses.

"The main idea is to find entrepreneurs who have a good business opportunity and enable them to raise the money locally,"

says DBA Investor Don McQueen. "At a time of low interest rates, backing start-ups can be an attractive opportunity for those seeking to make investments, thanks to attractive tax breaks available. For every £100,000 you invest, the maximum you can lose is £38,000, if you're paying enough higher rate tax."

Fellow DBA investor Max Wright adds, "The average term of an investment is anywhere between 3- 8 years, with a potential investment return being achieved of between 300 – 500%.

"Businesses seeking Angel investment might find interest from a single investor or it could be 2 or 3 Angels pooling funds together to support a company. Any DBA investments are in the form of an equity investment and not a loan. We make investments across all sectors, but primarily high tech." ♦

UPCOMING PITCH EVENT EVENING

The next DBA Pitch Event is on 11th June at the Royal Bath Hotel in Bournemouth. To book a place visit dorsetbusinessangels.co.uk and click on Events.

ABOVE:
Dorset Business Angels: Peter Eales, Frank Guinn, Don McQueen, James Paget and Max Wright



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DBA INVESTOR MAX WRIGHT

Poole-based DBA investor Max Wright has been Angel Investing for a number of years and has had both successes and failures. Currently his most successful investment is in an E-Cigarette business which is doing exceptionally well. Max has been starting, growing and selling companies for over 40 years, working in the music industry, record and video retailing and more latterly selling Apple computers. “Investing in start-ups and early stage businesses is not for the faint-hearted because lots don’t make it,” advises Max. “But if you understand what the business does and can add some value yourself, there is a much greater chance of success.”



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DBA INVESTOR DON MCQUEEN

Bournemouth-based DBA investor and Chairman, Don McQueen, built-up his telecoms technology company from the early 2000’s, merged with another company, GCI Com in 2005 and sold the business in 2011, retiring at the age of 49. Don, who is also a town Councillor, has been involved in the Angels organisation since its inception. “The network is a marriage of individuals who have money to invest and businesses who want money,” he says. “We are keen to raise the profile of this match-making and would like to attract more pitches from Dorset businesses and the close surrounding areas, such as Southampton and the Isle of Wight.”

DON MCQUEEN’S TOP TIPS FOR A SUCCESSFUL PITCH

- A good management team with a bad business plan is more investable than a great business plan and a weak management team. People are more important than the opportunity.
- The opportunity must solve a real customer need at an economic value.
- The management team must understand the economics of their business and have real experience and knowledge of the chosen market.

- I like to see that a product has actually been sold – a real product meeting real customer needs at an economic price.
- Make your business valuation realistic and be able to explain how you have arrived at that figure.
- Know how much cash you want to raise and what it will be used for.
- Timing is critical – don’t misjudge timings in your pitch presentation. Keep to schedule.