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# **What do we know about the French Business Angels and their investment practice in 2012?**

Based on a survey conducted with **Cristophe Bonnet**, Grenoble EM, France

# Context

- **Joint project Grenoble Ecole de Management, IAE Lyon, Grenoble Angels**
- **Survey conducted Dec 15 2011 - March 5 2012**
- **Participating networks:** Grenoble Angels, Savoie Angels, Drôme Angels, Alpes Léman Angels, Roanne Angels, Arts et métiers Angels, GEM Angels
- **124 responses** (response rate : approx. 25 %)

# Who: Demographics

- Predominantly male : 94 %
- BAs are on average 55,6 years old
- Are highly educated : 72 % master's degree or more, 17 % undergraduate studies
- Main fields of higher education\* :

Management/commerce/economics	56%
Science/technology	53%
Law	12%
Literature	6%

*\*NB: more than one possible response*

# Who: Professional experience

## ➤ **Functions previously occupied\***

69 % have a top management experience

Other : marketing/commercial (43%), finance-accounting (28%), strategy (22%), production (21%), organization (20%), R&D (18%), legal/fiscal (7%)

## ➤ **Status\***

52 % are or have been entrepreneurs

86 % employees

19 % independent (lawyers, MDs ...)

*\*NB: more than one possible response*

# How: Investment behavior

- Investment experience of sample is recent
  - 75 % (93/124) have invested at least once
  - 73 % (66/90) of whom have started investing in 2007 or later
  - 84 % (102/121) have joined a network in 2007 or later
  - Few exits : 4,8 investments per BA, 0,5 of which have been sold.
- Most investments are less than 100 000 €

Less than 50 000 €	53	60%
Between 50 000 and 100 000 €	15	17%
between 100 000 and 500 000 €	15	17%
between 500 000 and 1 M €	2	2%
More than 1 M €	4	4%
Total	89 responses	100%

# How: Post-investment contributions

- Principal contributions: support to entrepreneurs and networking

Support to / coaching of entrepreneurs	4,20
Contacts / networking	3,84
Supply of market- and technological knowledge	3,63
Management of financial interests	3,20
Assistance in recruiting key competencies	2,80
Operational functions	2,74

# How: Stage

<b>STAGE</b>	<b>Number of investments*</b>	<b>%</b>
Early stage	129	58%
Growth	83	37%
Maturity	10	5%
<b>TOTAL</b>	<b>222</b>	<b>100%</b>

*\* ≠ firms because including co-investments with BAs*

# How: Co-investment

<b><i>Co-investors</i></b>	<b><i>Number of investments*</i></b>	<b><i>%</i></b>
BA from your network	192	86,5%
Other BAs	85	38,3%
Venture funds	71	32,0%
Other	44	19,8%
Total	222	

*\* More than one possible response*



# Result: Growth of BA-funded ventures

- 74 % of investments are growing
- 30 % grow by more than 20 % per year

<b><i>Annual growth rate of sales since BA-entry</i></b>	<b><i>Number of investments*</i></b>	<b><i>%</i></b>
Negative or no growth	55	26%
1 to 20 %	94	44%
20 to 100 %	54	25%
> 100%	11	5%
<b>TOTAL</b>	<b>214</b>	<b>100,0%</b>

*\* ≠ firms because including co-investments with BAs*

# Result: Exit and success

- 40 exits (out of a total of 222 investments)
- 62 % of which without a loss

	Number of investments*	%
Total loss due to liquidation	8	20%
Recovery of amount invested	7	18%
Recovery of 1 to 2 times the invested amount	9	22%
Recovery of more than 2 times the invested amount	16	40%
<b>TOTAL</b>	<b>40</b>	<b>100%</b>

\* ≠ firms because including coinvestment with BAs

*Positive economic impact of BAs:*

- *active support to entrepreneurs due to proximity*
- *growth and job creation*