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Business

Got a good idea? Angels can help Network provides investors willing to put money in new ventures

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Cooper (in chair), with Coopland (left) and Bieber, was the driving force behind Winnipeg Angel Network.

In what will surely be viewed as heavenly news by local entrepreneurs, the Winnipeg Angel Network is ready to begin receiving investment proposals.

The non-profit, Web-based confidential network has been more than a year in the making, but now has 30 registered, accredited investors for entrepreneurs to pitch their ideas to.

The board of directors of the Winnipeg Stock Exchange holding company, which survived after the

exchange was folded into the TSX Venture exchange, is the sponsor of the new network and has provided the funds to set it up.

The driving force behind the network has been Ken Cooper, the former president of the WSE.

"There is a lack of risk capital available in Winnipeg, and this is one way to try to address that," Cooper said. "The network has always been there, but this is a structured, discrete, confidential way for these people, who are not professional investors, to look at deals."

Cooper also noted that entrepreneurs just starting out who who might not know where to look for investors will also now have a qualified and motivated group to address in an efficient way. Generally speaking, an angel network is a way for entrepreneurs who have a new business idea and a need for financial support to be introduced to qualified and motivated investors in the local

region. In one way, it can be thought of as a dating service that connects investors with business people who have already exhausted the investment potential of their family and friends.

The 30 accredited "angels" signed up by the Winnipeg Angel Organization have either a net worth of \$1 million not counting their house, annual income of \$200,000, or annual family income of \$300,000. The network allows the angels to remain anonymous to the entrepreneurs seeking investment until the investors decide they are interested.

Guy Bieber, president of Bieber Securities, was the last chairman of the Winnipeg Stock Exchange and is now on the board of the WAO. He is also one of the network's 30 accredited "angels."

"Winnipeg is one of the only major cities in North America not to have such a network," Bieber said. "There is a lot of wealth in Winnipeg and I think there is interest from that pool to help out and invest in the local community. We believe this will accomplish that."

Organizers of the WAO believe the most appropriate deal sizes will be between \$100,000 and \$1 million, but organizers say that there won't be any exclusions because of the size of the capital requirement.

Cooper, Bieber and other members of the board -- who include Robert Warren, director of the Asper Centre for Entrepreneurship at the University of Manitoba, Duncan Jessiman, Jr. a securities lawyer at Aikins MacAulay and Thorvaldson, and Garry Coopland of Ascent Consultants -- will only look at the proposals to weed out the clearly unreasonable ones. Entrepreneurs will submit two-page descriptions of their business and it will be distributed electronically to the angel network. There are several different ways the angels might respond, including with a request to meet the entrepreneur. No one is ever under any obligation to do anything. There will be a fee of \$100 to submit the idea, and the angel members all pay a fee to be members. There are also non-angel members and sponsors or advertisers who will help cover the costs of the operation.

In addition to the process of matching entrepreneurs with investors, members of the network could also provide mentoring services.

Coopland said the angel network really makes sense for the budding entrepreneur who does not have a network of well-heeled family or friends to tap into.

"I was part of the group of about 16 people who invested a total of \$250,000 in Fort Garry Brewing Co. when it began in 1994, but (the late) Richard Hoeschen was fortunate in that there was a family network to tap into," Coopland said. "This gives the entrepreneur without that network a chance. It also adds a comfort level for the investors because they know that other of their peers are also looking at the deal."

The Web-site, www.wao.ca, is up and running now.

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