

# Angel Investing 101

Interesting [session](#) with Ron Conway and Mike Maples.

## **Key thoughts:**

- Silicon Valley has an angel ecosystem like nowhere else
- The components of a good startup: The People = 80%, The Idea = 20%
- What is the job of a business angel? → generating value—**REAL value!** BUT: it's not the job of an angel to be the CEO! The angel has to make sure that all lights are green—the CEO still has to drive the car! If you're an angel and your contribution is ZERO, why should an entrepreneur work with you again? That's the reason why people like Ron Conway have been able to invest in 500 companies—they generate tangible value! Values like: helping recruit good people; introductions to VCs; introductions to exit-partners etc.
- A business idea without a prototype or proof of concept is no business idea.
- If you want to raise money, be aware of a major conflict of interest. What Angels/VCs are looking for are the billion-dollar-hits. That's the only way they make money. But that's not necessarily in the best interest of entrepreneurs (see the posting below).
- Do your background checks. Call up references.
- Reputation is everything!

(via [Morten](#))