

## Women's Capital Connection: Frequently Asked Questions

### Q: Who are angel investors?

A: Angel investors are high net-worth individuals who invest in early stage companies. Angel investors provide cash to young companies in exchange for equity (typically in the form of preferred stock). Many angel investors are members of angel groups like Mid-America Angels and Women's Capital Connection in our region. These networks allow the angels to increase their access to investment opportunities and diversify their investment portfolio.

### Q: What is the Women's Capital Connection?

A: Women's Capital Connection (WCC) is a regional network of accredited angel investors dedicated to identifying and funding the most promising start-up business opportunities in the Kansas-Missouri region.

WCC has two primary objectives: and,

- 1) To present high return on investment funding opportunities to its members;
- 2) To facilitate access to early-stage financing for high-potential women led businesses and entrepreneurs.

### Q: What are WCC's investment criteria?

A: WCC uses the following criteria in selecting companies to present to the network:

- ❖ Early stage companies that offer exceptional opportunities for high returns on investment.
- ❖ A business opportunity with the potential for rapid, scalable growth within a reasonable time frame.
- ❖ A compelling, well articulated strategy for capturing and defending a significant market share.
- ❖ Proprietary technology, early market lead, or other strong barriers to entry.
- ❖ A strong management team to execute the business plan – with relevant and successful experience.
- ❖ A credible exit strategy for investors.
- ❖ A team with a desire for mentoring and coaching.
- ❖ Location within a 150-mile radius of Kansas City.
- ❖ A reasonable valuation that fits within the risk/reward expectations of our members.

### Q. How do I apply for funding with Women's Capital Connection?

A: You can complete the entire process on this website.

Click on the link for the [Funding Application](#) or click here to go directly there.

To apply:

1. Fill out the Funding Application form;
2. Upload a copy of your Executive Summary (Microsoft Word or pdf);
3. Attach a .jpg or .gif of your corporate logo (if available);
4. Remit the \$100.00 processing fee; and
5. Complete the Company Electronic Consent.

**About the Executive Summary:** it should not exceed 5 pages, use at least 10-point font in Microsoft Word or PDF Format. It should describe the problem your company solves, the technology behind the solution (and how it is protected), and your market's size and growth rate. It should also provide key competitor information, your sales and marketing plans, information on your team (including service providers and advisors),

the milestones achievable with the capital requested, a financial overview, a pre-money valuation, and information on the potential timing and nature of your liquidity event.

You will receive an email confirmation upon receipt.

**Q: Will WCC sign a non-disclosure agreement, confidentiality agreement or pay a finders' fee?**

A: Neither WCC nor its members sign non-disclosure or confidentiality agreements for initial proposals. Also, neither WCC nor its members pay finders fees of any kind to any person or entity in any way connected with investments made by its members.

**Q: What happens after I submit my application?**

A: Once a proposal is received by WCC, it will be reviewed by a pre-screening team.

Based on the team's review of the opportunity, they may:

1. ask for a meeting in order to gather additional information about the company;
2. recommend that the entrepreneur present at a Screening Committee meeting; or
3. determine the company is unlikely to receive WCC funding.

Regardless of the outcome, the application and Executive Summary will be posted to the member's area of the website and will be accessible to all WCC members for review for 90 days. If a member indicates an interest in the opportunity, the entrepreneur will be contacted so that a meeting may be scheduled with the prospective investor.

**Q: What occurs after the pre-screening process?**

A: After pre-screening the application will be submitted to the Screening Committee. At this stage of the process, entrepreneurs will be asked to make a 10-15 minute presentation about their opportunity to the Screening Committee. This will be followed by a 10-15 minute question and answer period. Following the screening meeting, entrepreneurs will receive an email informing them of the committee's decision.

Once a deal is approved by the Screening Committee, the entrepreneur will be asked to present again before the full membership of WCC at a member meeting. Two or more members of the Screening Committee will assist the entrepreneur with appropriate information to present at the meeting. If a presentation generates sufficient interest, it will proceed to due diligence.

**Q: What happens during due diligence?**

A: During the due diligence review process, interested investors will analyze the company in great detail. Entrepreneurs will be provided with a list of information they will need to make available for review. Entrepreneurs will also need to make members of their management team available for discussions. Additionally, entrepreneurs will be expected to pay any legal fees associated with the review. These fees will be discussed with the entrepreneur in detail before the due diligence process begins.

A possible outcome of due diligence is that the entrepreneur will be asked to consider a Strategic & Business Plan Review. These might include reshaping the strategic plan, refining the product offering, expanding the management team, focusing the sales effort, etc. The due diligence team will report its findings to WCC members along with a recommendation. If the recommendation is to proceed with an investment in the company, a term sheet will then be negotiated with the entrepreneur.

**Q: How is the term sheet negotiated and how are investments made?**

A: Once WCC members have identified the amounts they wish to invest in an opportunity, a WCC member will negotiate the term sheet with the entrepreneur. WCC members' terms of investment follow "standard" terms for financing developed over the years by venture capitalists and other sophisticated investors. These terms explain what is contemplated and what is prohibited.

At this point, the entrepreneur is ready for the final stage of Investment and Closing where each interested member of WCC invests individually in the company and signs the appropriate investment agreement.

**Q: Does WCC continue to work with a company once an investment is made?**

A: Following investment, WCC members will be available to assist the entrepreneur in a number of ways. WCC members can help identify and assess management candidates and board members. WCC can help craft the company's financial strategy in raising follow-on capital, and assist with customer acquisition and alliance building. They can also assist with issues involving organizational structure, sales, marketing, and distribution strategies, and other challenges entrepreneurs face in building a strong company.

In addition to WCC members, both the Women's Business Center and the Enterprise Center of Johnson County are available to assist entrepreneurs. WBC and ECJC specialize in providing business development and support services to early-stage technology companies.

**Q. Does WCC invest outside of Kansas and Missouri?**

A: WCC prefers to invest in companies within a 150-mile radius of Kansas City. WCC will typically only consider investment in a company beyond that geographic region if the opportunity is in syndication with another angel network or investment organization.