

Central Ohio angels spread wings to add diversity to membership

To most of us, the word "angel" conjures up images of a female with lovely gossamer wings. But when it comes to angel investors, the typical profile is a white male in his mid-50s.

One group out to change that is Ohio TechAngels, or OTA.

"Male angels are in great preponderance, but this is not really about gender," says John Huston, founding member of OTA, whose members invest in high-growth Ohio companies. "The major reason to get more women involved in angel investing is to have a more diverse group."

OTA currently has two funds, each managed by TechColumbus, Central Ohio's nonprofit organization dedicated to accelerating the formation and growth of technology companies in the region.

The gender makeup of OTA's membership reflects national statistics: Only about two dozen of OTA's 218 investors are women, says Huston, who is also chairman of the Angel Capital Association, an organization of 165 angel investing groups in North America. If 55-year-old white men are the only investors, they will be missing a lot of opportunities because those opportunities are aimed at a certain demographic."

Melanie Martin-Jones, an OTA member and attorney with the Columbus law firm Porter Wright Morris & Arthur LLP, is among those at OTA leading the charge to encourage more women to engage in both angel investing and entrepreneurship.

Networking is Key

Martin-Jones says she believes more women would participate in angel investing if they knew more about it.

"I don't think there's a lack of interest among women, just lack of education," She says. Martin-Jones and others

within OTA are casting a broad net to reach out to women in the Central Ohio community.

"At this point, we're just trying to make sure that we're aware of and connected to all of the various women's organizations including National Association of Women Business Owners, Women for Economic and Development Leadership, Women Presidents' Organization, eWomenNetwork, Women's Fund of Central Ohio and others," says Allison Finkelstein, Senior Director of Funds Management for TechColumbus. "We'd love to have more women members.



John Huston – founding member of OTA

Susan Rector, leader of the Intellectual Property Practice Group at Schottenstein Zox & Dunn Co. LPA law firm in Columbus and a member of OTA, agrees with Huston that diversity should be the goal for both the OTA membership, as well as among deal sources. "Women approach looking at deals differently than men and they bring a different perspective to the group," she says.



Melanie Martin-Jones – OTA member & attorney with Porter Wright Morris & Arthur LLP



Susan Rector – Schottenstein Zox & Dunn Co. LPA attorney & OTA member

"They also have a broad base of contacts that can bring more opportunities to the group."

If you exclude women, Rector adds, you're excluding half the talent in the community. "Bringing more talent to the table benefits all of us."

All of these things help the group make wiser decisions regarding investments, Huston says.

The benefit to female members is obvious, Martin-Jones says. "With the stock market the way it is now, everyone is looking for better opportunities to invest."

Women innovators and investors

"Our efforts will also help introduce TechColumbus and OTA to the female entrepreneur world, and hopefully drive more female entrepreneurs our way," Finkelstein says.

TechColumbus is the first contact for getting deals to OTA, says Martin-Jones. "Many entrepreneurs are not aware of this, especially women innovators, so we've been meeting with women's groups to see what kind of interest there is, and also find out what barriers they are facing in growing their businesses."

As angel investor groups become more diverse, more innovators will be attracted to present their ideas to OTA, Huston says.

To date, just two female entrepreneurs have presented to the OTA group. But Martin-Jones says the potential is there for innovative women. "As a patent lawyer, I see many female innovators who could be encouraged to start their own companies and that OTA could eventually meet with."

Huston says as qualifying innovators —

All-Female Angels

Women-led angel groups started popping up in the late 1990s when the dot-com era was at its peak. Today, there are nine such groups in the U.S.

According to the Angel Capital Association, these groups typically average seven deals a year worth about \$1.8 million. Dollars invested per round average about \$240,000, or about \$31,000 per angel, with about 72 percent co-invested with a venture capital firm. The number of women-led groups has increased 23 percent since 2005, the association reports.

including women entrepreneurs — become more aware of Ohio TechAngels, they stand a better chance of procuring funding than pounding the pavement on their own.

"The beauty of what we're doing is that entrepreneurs have the ability to bring their ideas to hundreds of angels in one setting instead of doing it one-on-one. And they also benefit from our introducing them to other angel groups, who we hope will co-invest with us," Huston says.

GET Connected

Ted Ford

President & CEO
tford@techcolumbus.org
614-340-3353

Tim Haynes

Vice President, Member Services and Marketing
thaynes@techcolumbus.org
614-340-1698

Will Indest

Vice President, Capital Access and Formation
windest@techcolumbus.org
614-487-3700

Cindy Groeniger

Director, Member Services
cgroeniger@techcolumbus.org
614-340-1697

Leslyn Wheelless

Membership Sales Manager
lwheelless@techcolumbus.org
614-340-1688

Rick Focht

Director Incubation Services
rfocht@techcolumbus.org
614-375-3693

1275 Kinnear Rd. Columbus, Ohio 43212
614.487.3700 • www.techcolumbus.org

Ohio TechAngel Funds

OTAF I: Members and syndication partners have transacted investment rounds ranging from \$150,000 to more than \$1 million. The fund closed at the end of 2007 after investing in 16 promising Ohio ventures since launching in March 2004.

OTAF II: Members and syndication partners have transacted investment rounds ranging from \$200,000 to more than \$1 million. The Fund, which was launched July 30, 2007, has already invested in 5 Ohio ventures, and has a number of other potential deals in due diligence.

OTAF III: This Fund is currently being organized. It will be structured very similarly to OTAF II.

The Ohio TechAngels is the third-largest organized angel investor group in the U.S., with more than 200 investors throughout Ohio. OTA also provides the depth and breadth of members' business acumen and roles as industry leaders to help portfolio companies succeed and works closely with other angel investor groups and venture capital firms to syndicate deals, which increases the amount of the investments and the value to entrepreneurs.

ohio
TechAngels

OTA is interested in engaging qualified entrepreneurs who are developing promising, high-growth Ohio businesses, predominantly in the life sciences, information technology and physical sciences market sectors. The success of OTA would not be possible without the support of the State of Ohio's Third Frontier Program, which invested grant money in both of the OTA funds. OTA is considering submitting a proposal in hopes of securing similar grant money from the Third Frontier Program under its recently released Request for Proposals. For more information visit www.ohiotechangels.com.