

Alaska Angel Conference

Entrepreneur First Coffee Playbook

(For Investors)

The purpose of this playbook is to provide some ideas to help you guide a conversation with an entrepreneur during a first coffee. The purpose of these interactions is to build a rapport with the entrepreneur, learn about their business, and begin the process of identifying the risks in a potential investment into this company.

Rapport Building

- Introduce yourself to them and share what it is that interests you in angel investing or why you joined the Angel Conference.
- How did you come up with the idea for your startup?
 - Be on the lookout for key insights into customer problems they experienced during previous personal or work experiences. If you find one, double click on those and try to dig deeper to get a sense of the situation.
- How long have you been working on this?
 - When did you go full time, etc?

Market

- Who is the primary customer?
 - Try to get them to be specific. Are they consumers, businesses, or the government?
 - What kind of consumers? (Men, women, children? how old are they? What do they do? etc)
 - What kind of businesses? (SMB - Small and mid-sized or Enterprise, how many employees? How much revenue? etc)
 - You are trying to get a very clear picture of who pays money for their product.
- What problem is the customer trying to solve?
 - How do they solve the problem currently?
- How big is this market?
 - There are many ways to size a market
 - # of potential customers (assuming 100% market share) * money collected per year
 - # of potential customers (assuming 100% market share) * the amount of money they spend solving the problem today (without this product)
 - Is the market growing?

Product

- What is the product?

- How does it solve the customer's problem?
- What is the current state of the product development?
- How many have you sold?
- How does the pricing work?
- Physical products
 - How much does it cost to produce?
 - How do you handle manufacturing?
 - What is the lead time? How long does it take to produce?

Team

- Tell me about your team. Do you have co-founders? If so, how did you meet them?
- Who does what at the company?
- Which areas are you looking to hire next?

General Tips

- You are asking an entrepreneur to share details about their "baby" -- Be nice
- Not all questions will apply to every company
- Feel free to jump around to various topics
- Don't sign an NDA. Investors almost never sign NDAs. Ask if they can speak generally about their business without divulging their secret sauce.
- Don't treat this like a survey, instead think of it as a set of information you'd like to understand (at a high level) by the end of the coffee.
- Ask follow up and clarifying questions
- You should expect to conduct this initial meeting in 30-45 mins
- This is not a cross examination or interrogation! This is about building rapport.
- Try to be helpful regardless of whether you ultimately invest in this company.