ENGAGING AND INTEGRATING ANGEL INVESTORS INTO ENTREPRENEURSHIP COURSES AND PROGRAMS: WORKSHOP

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ACADEMIC ABSTRACT

Tips, suggestions on utilizing an important resource in bringing more relevance and currency into classes and programs. Angel investors are a great source of contact for teaching, research, internship/mentoring, and fundraising purposes.

Dr. P. K. Shukla, Director for Entrepreneurship,
Dr. Richard Sudek, Assistant Professor and Angel Investor. Has been a successful entrepreneur and is on the Board of Directors of one of the largest Angel investor groups in the nation.

Both affiliated with Chapman University (Nationally ranked in Entrepreneurship at both the Undergraduate and Graduate Levels)

The workshop will identify particular courses, extra-curricular opportunities, and do's/don'ts in approaching angel investors.

EXECUTIVE SUMMARY

Objectives of the workshop:

1. Inform workshop participants on the extent of angel investors in the United States: geographic scope, scope in terms of number of members, and scope in terms of total dollar level of investment.
2. Identify benefits from engaging and integrating angel investors into entrepreneurship courses and programs for teaching, research, business plan judging, financial sponsorship, and mentoring.
3. Identify the limitations and constraints on angel investors and their causes of hesitation with engaging with professors and programs.
4. Identify dos and don'ts when approaching angel investors.
5. Share illustrative best practices of engagements.
6. Engage workshop participants to share their successes, failures, and concerns. Discussion to be led by panelists.
Outcomes from the workshop:

Workshop participants will leave with:
1. A change in attitude about the importance of angel investors
2. Information as to how to identify angel investors in a particular geographic area.
3. A plan of how to approach angel investors and what to ask for
4. A long list of ideas that have been proven to work in practice
5. Contact information of panelists for follow-up questions and follow-up

So What?

Entrepreneurship programs cannot be effective without engaging all stakeholders of entrepreneurship education. In an era of limited resources and historical views as to the relative importance of entrepreneurship in a business curriculum--- external resources and support are critical for the survival and growth of entrepreneurship programs. For most entrepreneurship professors and programs, there is limited awareness and full understanding of angel investors. The benefits of this workshop are both immediate and long-term in nature.

ADDITIONAL WORKSHOP INFORMATION

Structure of the workshop:

1. Introduction of Panelists and audience background survey (raising hands based upon questions: professor or administrator? Public or private university? Small or large campus? Any experience as an angel investor or with an angel investor?
2. Reviewing the following via Power point slides:
   • Inform workshop participants on the extent of angel investors in the United States: geographic scope, scope in terms of number of members, and scope in terms of total dollar level of investment.
   • Identify benefits from engaging and integrating angel investors into entrepreneurship courses and programs for teaching, research, business plan judging, financial sponsorship, and mentoring.
   • Identify the limitations and constraints on angel investors and their causes of hesitation with engaging with professors and programs.
   • Identify dos and don’ts when approaching angel investors.
4. Audience Engagement Question: What are your experiences with engaging angel investors?
5. Discussion led by panelists and engaging audience participation also.

Target Audience:

Entrepreneurship professors, Directors of Entrepreneurship Programs, Entrepreneurs, and Angel investors.
Panelist Expertise:

Dr. P. K. Shukla is Director of the Leatherby Center for Entrepreneurship and Business Ethics at Chapman University. He has taught entrepreneurship for over 20 years and has frequently engaged angel investors in his teaching, research, and administrative goals of fundraising and securing mentorship for students.

Dr. Richard Sudek is a successful entrepreneur who has recently completed his doctoral studies. He serves on the Board of Directors of Tech Coast Angels, one of the largest angel investor groups in the nation. He has done research on angel investors and is on the faculty at Chapman University.

BACKGROUND EXAMPLE OF AN ANGEL INVESTOR: RICHARD SUDEK

Entrepreneurial Background

I have been involved with high-technology companies for over 20 years. In 1982, I founded Nadek Computer Systems. Nadek provided data networking (LAN, WAN, Internet) design, implementation, and support to companies in the Southern California area. After reviewing more than a dozen possible deals over an 18-month period, I sold the company in 1999 to SAIC (SAIC at the time had over 40,000 employees and over $5 billion in revenue).

Professional Background

I have served on several advisory committees for such companies as Microsoft, IBM, Novell, Cisco, and TechData. I currently serve and have served on boards of engineering and high technology companies. My consulting activity is focused on CEO coaching, executive management development, and strategic planning for technology startup companies. I am currently an active Angel investor, and sit on the Tech Coast Angels (TCA) Board of Governors, OC Executive Committee, Chair of the CEO Roundtable, Chairman of the Screening Committee, and Co-chair of the Venture Capital committee. Through TCA, I have screened in excess of 400 startup companies, and have investments in over 20. TCA is the largest Angel organization in the U.S. consisting of over 280 Angels. TCA has funded over 130 companies with approximately $85 million. In addition, these companies have received add-on financing in excess of $750M from other sources (total investment in TCA companies should exceed $1 billion by end of 2007). In addition, I am on the board of the Angel Capital Association (ACA) the leading national trade organization for Angel groups consisting of over 140 Angel groups.

Transition to Next Career

Having successfully built a high technology company and after establishing myself as a consultant and investor, I have shifted my energy to pursuing education, research, teaching, and giving back to the entrepreneurial community. I am keenly interested in entrepreneurial leadership issues and I am in the process of combining my practical experiences with an in-depth academic study of these topics. I have also acted as an academic advisor to various universities.
For example, the Irvine Innovation Initiative at the Paul Merage School of Business at UC Irvine selects MBA student teams that are coached and mentored in developing startup businesses. In addition, I have been an advisor to UCI Center for Entrepreneurship, Center for Leadership, and the Peter F. Drucker Graduate School of Management New Venture Institute. I have also judged business plan competitions in the U.S. and in Europe. I have enjoyed participating as a judge for the European business plan competition, made up of the top twelve business schools across Europe.

**Academic Preparation**

In preparation for an academic career I have focused on three key areas. First, I built a strong foundation by the completion of two Masters and a PhD in Management at Claremont Graduate University. The first Masters was an Executive Masters in Business Administration. The second Masters was in Organizational Behavior. My academic interests are rooted in organizational behavior and I felt this Masters was helpful in building a sound psychology base for my interest in leadership. My Masters thesis involved a qualitative and quantitative research study of over 70 Angel investors in Southern California. This study focused on understanding their investment criteria, how they evaluate entrepreneurial management teams, and motivation for Angel investing. Second, I have prepared for teaching by completing a certificate in “Preparing Future Faculty”, completed a course titled “Course Design in Higher Education” (which included learning and teaching styles, syllabus development, teaching goals, learning objectives, and grading). I have taught in the MBA programs at the Drucker School of Management in Claremont, INSEAD in France, and Rotterdam School of Management in Holland. In addition, I pursued a dual path of team and solo teaching in order to accelerate and enhance my knowledge of different teaching styles and techniques. This process included team teaching with 3 different professors. Lastly, I launched my research interest and have presented at WAM 2005 in Las Vegas, WAM 2006 in Long Beach, AOM 2007 in Philadelphia, and have published an article in *Journal of Small Business Strategy, Volume 17-2* Fall/Winter 2006/2007.

**Research Interests**

My research interests center around leadership in entrepreneurial settings. I am interested in the organizational behavior and social psychology aspects of entrepreneurial leadership, and how it impacts outcomes related to securing venture capital and eventual venture success. In addition, I am pursing research in team leadership in entrepreneurial ventures. The pressure, high risk, and speed at which entrepreneurial teams work and make decisions provide an interesting research opportunity in the area of team leadership. I have a unique opportunity to perform research both short term and longitudinal on entrepreneurs and Angel investors via Tech Coast Angels. Through TCA I have access to over 280 Angel investors and a stream of over 300 entrepreneurs per year. My dissertation investigated the relationship between startup attributes and entrepreneur personality when predicting startup companies attaining investor interest. In this research study investor interest is defined as new venture progressing to due diligence in the investment process. This study is the foundation for a longitudinal study which will follow these startup ventures to a successful or failed exit. To my knowledge, no research study of this scale has tracked Angel invested entrepreneurial companies longitudinally to exit. The length of this study will be approximately 10 years. Other Angel groups have agreed to participate in this
Along with this stream of over 300 entrepreneurs per year, I have access to current TCA entrepreneurs. As chair of the TCA CEO roundtable, I have access to over 50 TCA funded portfolio CEOs, which provides a unique opportunity for both qualitative and quantitative research. In addition, I have access to over 2,500 entrepreneurs who have previously applied to TCA for funding. Along with the entrepreneurs in the TCA process, I have access to over 250 Angel investors. Many of these investors are entrepreneurs who started and successfully exited startup ventures. Having access to these investors provides a rich opportunity for future qualitative and quantitative studies on entrepreneurship, leadership, and the venture capital processes. I am currently in the process of building research through TCA and other Angel organizations which will yield a variety of potential articles to publish.