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Governor Doyle Announces Wisconsin Angel Network to Connect Entrepreneurs with Early-Stage Investors

Governor Jim Doyle announced today the launch of the Wisconsin Angel Network (WAN), a program designed to spur the growth of early-stage investing in Wisconsin. This program will help to link entrepreneurs with "angel investors" – individuals or groups who have an interest in early-stage companies.

The formation of WAN through the independent, non-profit, Wisconsin Technology Council is part of Governor Doyle's continuing effort through his "Grow Wisconsin" initiative, to grow the state's tech-based economy and create high-wage, knowledge-based jobs.

"If Wisconsin is to prosper, we must celebrate the entrepreneurial spirit and allow innovation to flourish," Governor Doyle said. "The creation of the Wisconsin Angel Network will build investment capacity to fuel the growth of entrepreneurs, turning research and ideas into viable, job-creating businesses. The Wisconsin Angel Network is another step in the tremendous progress we are making to grow Wisconsin and help strengthen our entrepreneurs."

The mission of the Wisconsin Angel Network (WAN) is to build angel network capital capacity throughout Wisconsin by increasing the number and amount of seed-stage equity investment dollars in Wisconsin companies. This will be accomplished by creating a sustainable umbrella organization to provide logistical services and support to angel investing networks.

"Wisconsin has a small but growing number of angel networks, and the Wisconsin Angel Network will help these investors spread their wings," said Tom Still, President of the Wisconsin Technology Council. "Angel investors account for nearly as much private equity investment nationally as do venture capitalists, and angel money is much more focused on early-stage companies."

Nationally, it is estimated that \$18 billion was invested by angel investors in 2003, with almost all of it invested in early-stage companies. Venture capital, which often gets more public notice, also accounted for about \$18 billion in investments. However, only 2 percent of venture investments in 2003 were in early stage companies.

The Wisconsin Angel Network will:

- Provide needed resources for angel networks, including organizational and administrative services, research, facilitation, and educational and networking programs.
- Enhance deal flow by facilitating cooperation among angel networks and early stage venture capital firms.

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- Provide professional guidelines for angels screening deals and for investors seeking to create diversified, strong portfolios that minimize risk.
- Provide criteria for entrepreneurs through the Wisconsin Entrepreneurs Network (WEN) to ensure entrepreneurs understand what angel investors are looking for.
- Increase the amount of angel and/or seed dollars available by increasing the number of angel networks and angel investors throughout the state, and connecting them to investment opportunities.
- Establish measurements to strengthen data on angel investing activity, to assess best practices and to encourage participation. WAN will identify current angel activity in the state and measure improvements.

The Wisconsin Technology Council, which serves as the non-partisan science and technology adviser to the Governor and the Legislature, will house the program and will serve as an umbrella organization for the Wisconsin Angel Network. It will work closely with the state Department of Financial Institutions and the state Department of Commerce, as well as an advisory board.

Initial support for the Wisconsin Angel Network will come from the State Departments of Commerce and Financial Institutions, the Wisconsin Technology Council, and the Excelsior Technology Grants program of the SBC Foundation.

“The Wisconsin Angel Network is a starting place for angel investors, and potential angel investors to become engaged with home-grown entrepreneurs, especially in high-growth sectors of the economy,” Governor Doyle said.

The creation of WAN also coincides with other state and private initiatives, such as:

- The Governor’s Business Plan Contest: Enhances “deal flow” by attracting solid, tech-based business plans and engaging them in a process that involves judging and mentoring. The deadline for entering that contest is 5:00 p.m., January 31, 2005. Go to www.govsbizplancontest.com for more information.
- The Wisconsin Innovation Network (WIN): The membership subsidiary of the Wisconsin Technology Council, WIN provides educational and networking opportunities for entrepreneurs, investors, and service providers.
- The Wisconsin Entrepreneurs Conference: Gives entrepreneurs a two-day “boot camp” in the essentials of starting and running their businesses.
- The Wisconsin Entrepreneurs Network (WEN): Newly organized by the Wisconsin Department of Commerce’s Bureau of Entrepreneurship, WEN provides long-term educational opportunities and assistance to entrepreneurs.
- The Wisconsin Life Sciences and Venture Conference: Allows emerging companies from the life science arena to make their “pitch” to investors.