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Business angel investments: risks and opportunities

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Abstract

For the last few years the need of improving the access to finance for the companies, especially SME's (small and middle enterprises), has been on the agenda in European Union. As long as the traditional financing such as bank loans became more complex to attract, the development of alternative investment, like seed and start-up capital investments, crowd funding, venture capital and Business angels, became a bold topic. Moreover, there is an opinion that development of alternative investment might be seen as a ground for boosting economic activity and entrepreneurship development. Even though a lot of various studies have been done on the evaluation and description of alternative investment market this topic, as it is stressed in many cases, still is not fully acknowledged. Admitting the importance of alternative investment development in European countries, this study focuses on pros and cons Business angel investors possess. The main object of this paper is recognition of Business angel characteristics and related risks and opportunities company managers should be aware of. It is stressed, that on one hand being a good opportunity for gaining finance resources, Business angels possess risks which should not be underestimated. By focusing on the European market the core elements of Business angel investments will be evaluated.

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1. Introduction

Reaching a new record of 5.543 billion euros of investment in 2013, Business angel market claims to represent the biggest share of the early stage investment market in Europe – in other words, it forms 73% of early stage investment (EBAN, 2014). It should be noted that these estimations being rather impressive can't be assumed to be final as

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Business angel market in quite a solid state remains informal - the factual investments performed by angel investors might be notably higher. For instance, presenting the “Evaluation of EU Member States’ Business Angel Markets and Policies” in 2012, European Commission offered visible Business angel market, counting those who are members of networks that provide data on their activities, in the EU27 to be a little below 30000 members while total Business angel market was estimated to be seven times as big. Moreover, other statistical data affirmed that for the past 10 years Business angel networks have been growing in number at an average of 17% reaching 468 active Business angel networks by 2013 (EBAN, 2014). These estimations goes hand in hand with the belief, that alternative investment market – especially Business angel segment- might play a crucial role in providing the needed support for European enterprises enhancing overall economic activity and providing support to further economic growth. What is more, in the nearest future, the number of enterprises benefiting from this type of alternative investments might grow significantly. Still, as one of the main reason of angel investment detention the absence of union understanding and broadly accepted definitions on alternative investment is named. Even though provided, definitions given by European Union authorities (ec.europa.eu) are not full and the common understanding of this issue remains rather illusive. The absence of union consensus was admitted in various studies. Klausner (What is an alternative investment, 2013), sharing similar view, brought the attention to the complexity of alternative investment market as such, while CAIA doubted that common consensus would ever be formed (www.caia.org). While various sources confirm the crude understanding of alternative investment market, growing numbers of active Business angels in the European market is a fact. At this paper the author explored the wide range of various research results and papers holding the analysis and providing estimations on Business angels’ core elements in order to identify both – risks and opportunities angel investors might bring to a company they support. The paper details the main aspects of Business angel investors, discusses main principles of their work and summarizes the most common Business angel related pros and cons managers should keep in mind when considering cooperation with this group of alternative investors.

2. Literature Review And Hypothesis

2.1. Business angels’ profile and activity characteristics

In order to highlight possible risks and opportunities Business angels possess the understanding of their core principles is vital. One of the plainest definition runs, angel investors to be wealthy investors who provides capital for new business ventures (Scott, 2003). As Farlex financial dictionary explains, angel is a high net worth individual who provides financing to a start-up, either in exchange for convertible debt or equity. Among start-ups, they are thought of as a bridge between loans from family and friends and venture capital, though angels are themselves often personally connected to the business. As it was fairly noted, angels take on a great deal of risk when they invest in these start-ups; they are also subject to dilution at the start-up's IPO. Therefore, they usually require a high rate of return in exchange for their financing – the characteristics to be acknowledged properly. Collins English Dictionary states angels to be investors in a business venture, especially in its early stages. The more diverse definition provides Business angels to be individual investors who invest directly or through their personal holding their own money predominantly in seed or start-up companies with no family relationships (EBAN glossary 2013). Mason and Harrison defined Business angels as a high net worth individuals, acting alone or in a formal or informal syndicate, who invests his or her own money directly in an unquoted business in which there is no family connection and who, after making the investment, generally takes an active involvement in the business, for example, as an advisor or member (Evaluation of...). Avdeitchikov made an important note in 2008 saying, that including family-related investments, as a part of the Business angels market would add to the breadth of the scope of what is already a heterogeneous concept. At this point it would be beneficial to note that separation between Business angels and friend and relative investors has not been clearly defined.

Even though Business angel market being a part of alternative market is not fully understood, literature studies suggest that there are few aspects on which certain agreement has been achieved. In scope of this paper the common characteristics of Business angels summarized by the EBAN (the European Trade Association for Business Angels, Seed Funds and other early Stage market Players), can be taken (EBAN glossary):

- An individual investor (qualified as defined by some national regulations).

- Invests directly (or through his/her personal holding) his/her own money.
- Is financially independent, i.e. a possible total loss of his/her Business Angel investments will not significantly change the economic situation of his/her assets.
 - Invests predominantly in seed or start-up companies with no family relationships.
 - Makes his/her own (final) investment decisions.
 - Invests with a medium to long term set time-frame.
 - Ready to provide, on top of his/her individual investment, follow-up strategic support to entrepreneurs from investment to exit.
 - Respecting a code of ethics including rules for confidentiality and fairness of treatment (vis-à-vis entrepreneurs and other Business Angels), and compliance to anti-laundering.

Literature studies meet also such term as fallen angel. As suggested, this expression defines a stock or an investment grade bond the price of which has substantially fallen (Encyclopedia of alternative investment, 2008) which, in scope of this paper, won't be further discussed.

Another meaningful issue is the specification of Business angel investors depending on their participation level. Here again it should be noted that there is no quantity mark explaining the level of participation – a summary of characteristics on the other hand, such as type of business angel, number of companies investor is involved in, the main goals set by an investor and others may form a full picture. While welcoming criteria listed above it should be stressed that Business angels may organize their activity in three different ways (1) through joining Business angel networks or associations, (2) by co-investing with other investors, also other angels, (3) working on their own, as independent investors. As Svendsen mentions, Business Angel Networks (BAN) or likeminded organizations tend to improve matchmaking of investors and entrepreneurs a lot. Nevertheless, the diversity of Business angels regarding their investment activity, competence, experience and other should be kept in mind (Landström, Sorheim, 2001). When speaking on types of Business angels, besides the division in those who are or are not members of any association on network, it is provided to divide them in six categories (startups.co.uk):

- Virgin – those, who have not yet invested;
- Latent - those, who have not invested in the past three years;
- Wealth maximizing - experienced businessmen and women investing for financial gain;
- Entrepreneur - backs businesses as an alternative to stock market investments and often for the love of entrepreneurship;
- Income seeking- the ones who invest for income or to gain a job;
- Corporate - companies that make regular investments, often for majority stakes.

Even though the main characteristics remain the same, each category of Business angels may hold different risks and opportunities. Therefore, when angel's financial support is chosen, entrepreneurs should be aware of investment motivation above all and before any transfers are made. Moreover it should be stressed that good personal relations has a great importance in forming investor-entrepreneur relations (Landström, 1992). Moreover, the entrepreneurs dependence on the ability to develop and maintain personal relations is stressed as well (Aldrich, Zimmer 1986; Johannisson, 1988). Another core element that might significantly affect the development of a company is level of involvement Business angel seeks to gain. The acknowledgment of various Business angel groups may affect the related opportunities or additional risks entrepreneurs should reckon. Not going deeper in the studies of possible Business angel investors' subgroups, the head question to be thought about when evaluating attraction of these investors is whether their willingness to involve in business meets the readiness of entrepreneurs to welcome such an involvement on any involvement in management. While ones may bring the great added value in terms of experience, business management or development ideas, other angel investors may tangle the development of the company up to the level when the business idea shrinks impressively or faces the risk of failure.

One of the main criteria when considering angel investment is Business angels' profile and financial activity. The overall profile of a Business angel stands for a male (some 3-5% in the measured market are females) aged between 35 and 65 with successful prior experience as an entrepreneur or a manager (EBAN Tool Kit..., 2009). The average angel investment amount is claimed to be between 25000 – 50000 euros. Taulli for instance proposed such amount. Nevertheless, this sum should not be treated as final. It is fair to note, that investor could gain an angel status by investing as much as 5000 euros while others might offer much above 50000. Even though some individual investors

will go higher if they truly believe in an entrepreneur or the start-up concept, in United Kingdom, which is to be one of the most developed angel market representatives in Europe, investments of 150000 pounds to 1000000 pounds from a single backer are exceedingly rare (startup.co.uk). On the other hand, the total sum of investments can grow significantly if done by group of Business angel investors –according to data, in 2013 co-investing was a “rule”, being noticed at as high as 97% of cases (Statistics- Compendium, 2014). It should be admitted that investment amount varies significantly depending on such criteria as country of origin, its economic background and others. The fact that angel investments are poorly dependant on size of economy is statistically proven. Statistics Compendium data (EBAN, 2014) notes United Kingdom to be the leading European angel market with 84,4 million euro of investment in 2013 reporting an annual growth of 24%, still it doesn't share the same position when speaking on the average sum invested. (Statistics Compendium, 2014). It is possible to say, that despite a belief alternative investments to be a bold prerogative of big economies Estonia case, shown in Fig. 1. proves it to be misleading. Estonia, country with a recently created first business angel network (BAN) reached 4.7 million euros of investment, making it the top performing country when comparing the investment per GDP ratio in 2013 (Statistics Compendium, 2014). On the other hand, the quantity and other common criteria of investments performed may influence data significantly. The same source mentions Russia to possess an average investment per angel above 180000 euro. It can be set, that in order to obtain comparable data, alternative investments should be divided according to sector of economy represented, form of a company, while sum investment data gives poor ground for estimation of related risks or opportunities analysis.

Fig. 1 Average investment per Business Angel, euros, 2013

Existing approaches, such as supply-side approaches, demand side approaches or third party - institutional indicator approach (Evaluation of Business angels... 2012) have strong points still none of them provides undoubtful data. The organisation and understanding of genuine situation of Business angel investments is crucial as in no other way entrepreneurs will manage to be aware of existing challenges. That shall be influenced by the entrepreneurial potential of investors (Krueger, Brazeal, 1994).

2.2. Business angels: expected return, exit strategies and sectors of interest

After brief overview of Business angel market development and assessment of market capacity one can assume, that the potential input of this group of alternative investments in European economy is vast and if used properly could bring significant support to the European entrepreneurs. In order to summarise Business angel related risks and opportunities they bring to the enterprise the author further on would highlight following issues:

- Recognise historical returns on investments performed by Business angels and common exit strategies;
- Identify those sectors, Business Angels are most interested in.

For both – investors and entrepreneurs – the questions on return on investment and exit strategy should be recognised. Potential high return on investment remains one of the main reasons for individuals to perform as Business angel. Even though precise data on returns is poorly available, Evaluation of EU member states' Business angel markets and policies presented rather trustable examples. When citing Wiltbank data, given on the United Kingdom it is mentioned that 56% of the exits failed to return capital, while 9% generate more than ten times the capital. Because the 44% of investments that generate positive exits win at a larger multiple than the costs of the negative exits, the overall return to business angel investing in the UK, which is recognised to have one of the most developed Business angel market in Europe, was 2.2 times the invested capital. These 9% large investment exits produced nearly 80% of all the positive cash flows. Given the holding period of just under four years, Wiltbank stresses that it gives approximately a 22% gross internal rate of return (ROI).

Research carried out by business innovation-focused charity NESTA and the UK Business Angels Association suggested that business angels in the United Kingdom typically make 22% IRR (internal rate of return) on their deals - compared to 27% IRR in the USA (startups.co.uk). Another source runs, that data collected from 1137 exits on 3097 investments showed 30% initial return rate -IRR (Teten, 2013). In their study Boeker and Wiltbank, on the other hand, mentions the average return of angel investments being 2.6 times in 3.5 years— approximately 27% IRR. When it comes to exits, according to the figures reported, exits represented 6% of the total deals of an EBAN and in 53% of the situations they generated a positive return to the investors (Statistics, 2014). To end the summary on Business

angel returns, such companies as Facebook, Dropbox or Airbnb can be mentioned. Investment in Facebook would give 62.45% ROI (2008-2013), Dropbox would show 39.15% ROI (2008 - 2013) while Airbnb 58.967% ROI (2009-2013), which proves that while undertaking quite a risk, Business angel investors can significantly outperform the average market returns (What Angel Investors know, 2013).

If mentioned, a great deal of risks for an entrepreneur might occur depending on the exit strategy Business angel chooses as the way Business angel forces to exit can do all – enhance the possible risks, highlight positive aspects or leave no effect on the business at all. As most frequent trade sale, written off, IPO exit strategies are mentioned. Moreover, available studies suggest that Business angels tend to hold their investments for a period of about 3 to 7 years that is also influenced by the prevailing economic conditions. (Evaluation of EU..., 2012). As is marked in the EU Business angel market studies, among the various exit options, the least prevalent tend to be IPOs, followed by exit due to closing the business, most exits to be held through trade sales and buy-backs.

The next bold issue is recognising the sectors of interest. Even though overall it is admitted that angel investors are looking for start-ups (statistics suggests 54%) or companies at their early stage, the author notes, that different sector representatives may have different chances to gain the Business angel investments in later stages as well. In relation to the sector belonging, the data from the EBAN survey claimed ICT (information, communication, technology) sector to be a dominant priority. According to EBAN, ICT, mobile software and applications formed as much as 50% of the deals and 47% of the total investment in 2003. Biotech and healthcare sectors represented 11% of the deals equal to 14% of invested amount, while energy and environment sectors got 11% of deals and around 13% of total investments (Business angel report...2012). Similar data were mentioned in Statistics Compendium 2014, as main sector of investment in Europe to be ICT (32%), followed by biotech & life sciences (10%), mobile (10%) and manufacturing (10%) were named - majority of the targeted companies (87%) being in early stages, notably start-up, seed and pre-seed stages. Still, IT sector can go even higher - for instance in Germany, 52% of angel investments were devoted to IT sector followed by 22% in life sciences and 20% in services (Stedler and Peters, 2003). This proves the overall tendency being union in most of the European countries. Nevertheless, while the share of highlighted sectors in different countries varies significantly, the risk of poor accessibility to angel investments remains unsolved.

2.3. The needs of European enterprises and Business angel development possibilities

Summary on Business angels' characteristics lightens a sequent question whether their possibilities meet the needs of companies in European Union. In order to form a view on this issue, the author will summarize the main aspects enterprises find difficult to cope with in order to clarify the meeting points of European entrepreneurs and Business angel investors.

First thing to be promoted is that European countries seems to be rather suitable for Business angel investors – annual report of European SME's 2013/2014 presents, that 99 out of every 100 businesses are small and middle enterprises (SMEs), as are 2 in every 3 employees (Muller, 2014). Having such a structure of economy, it seems that potential needs of companies might face the possibilities angels possess. It is clear, that such an announcement should be adjusted by taking in consideration the profile and stage of development of SMEs, the aim of the needed capital and other. Overall, it was detected access to finance to be rated in top five of the most pressing problems, being the most pressing problem for 14% respondents of EU28 member state SMEs (Doove, 2014). These data gives a ground for Business angels to expand their activity while supporting the broad economic development as well. In addition to up mentioned data, Survey on the Access to Finance of Enterprises presents, that business support systems, such as advisory service, business networks, training etc. were claimed to be important for 66.5% (EU28), while only 13.2% of respondents confessed those to be not important at all (SAFE, 2014). These data confirm, that the experience and other managerial support Business angels are able to provide, might be very welcomed by SMEs as in line with financial resources entrepreneurs seem to welcome managerial related support as well. Another issue pointing the potential Business angel relevance to European market comes from the survey statistics concerning firm ownership – strongly leaded by family or entrepreneurs' ownership (49.2%) and followed by firms owned by one owner only, Business angels have place to step in. Moreover, according to data provided by EBC on euro area, volumes of the new loans for non-financial corporations, both new business and by the amount up to 250000 euro continues to decrease –

while the amount of bank provided loans during the last five years already dropped significantly the overall dynamics still remains negative. On top of the decreasing bank provided landings, the author brings up World Bank data. Just in 2011 it was claimed, that in high-income countries 46% of small SMEs and 60% of medium SMEs employing 20 to 99 employees had outstanding loan or line of credit (World Bank, 2014). Considering these data it can be assumed, that no great incensement in bank landings can be expected. On the other hand, while existing firms struggle the lack of finance and face the need for investments, Business angels could step in handy. As the last but not least a survey result showed that 4.7% of entrepreneurs named venture and Business angel capital as their first choice as most preferable source of fulfilling the financial needs in order to realize growth ambition. Regarding these data the author assumes, that in case proper informative platform for entrepreneurs, explaining the roots, pros and cons of alternative investors is provided, the real interest of entrepreneurs in alternative investment market possibilities might enhance significantly. Moreover, the data mirroring the dynamics of European enterprises spots an interesting fact.

Table 1. Year of enterprise registration

| 1. | 2. EU 28 | 3. Innovative firm | 4. Non-innovative firm |
|-------------------------|----------|--------------------|------------------------|
| 5. < 2 years | 6. 75% | 7. 73% | 8. 78% |
| 9. 2 years -< 5 years | 10. 16% | 11. 17% | 12. 14% |
| 13. 5 years -< 10 years | 14. 7% | 15. 8% | 16. 6% |
| 17. >- 10 years | 18. 2% | 19. 2% | 20. 1% |

The data clearly shows that new established companies, those, registered less than 2 years ago, dominate the European market. While keeping in mind that Business angels typically prefer working with start-ups the assumption of further strengthening of Business angel market can be assumed to be true. Another issue worth paying attention to is dominance of new established companies in innovative firm class. For any further development of Business angel investment analysis the adoption of union legislative framework and terminology can be suggested to be vitally important. As final argument towards the possibilities of further Business angels' activity development survey results on bank loan negotiation can be brought up. Showing 66% of respondents admitted receiving the entire needed amount they applied for as a bank loan, it leaves 36% of European companies not fully satisfied.

2.4. Development of Hypotheses

The various aspects of investment bottlenecks and investment development related issues are wildly discussed in European Union starting with Economic Policy committee (EPC) and Economic and Financial Affairs Council (ECOFIN) and up to the debates on national level. As one of the substantial part alternative investment market has been identified. On the basis of literature research and analysis of statistic results and surveys it can be asserted, that Business angel investors form a great part of alternative investment market holding a vast potential for development. Still, the alternative investments, particularly Business angel investors should not be seen as panacea for European enterprises. This type of financing cannot be taken for granted choice as long as union understanding, definitions and legislative base is organised. Therefore, while accepting Business angel investors, entrepreneurs should stay aware of their business idea and not always taking a chance on an angel offer, even if it seems the only one possible finance to get.

H1: The lack of union understanding of Business angel investors is not an obstacle for entrepreneurs to gain the needed financial support for start-ups.

H2: Involvement of Business angels possesses strategic risks for new European companies and start-ups.

3. Methodology

3.1. Research goal and methods used

As the main goal of this study the author puts the acknowledgment of risks and opportunities Business angels might bring to a company they tend to support. In order to reach the set target, the author relied on structured planning analysis method is used.

3.2. Analysis and Results

As literature and case studies reveal, there are aspects to be summarised when speaking about Business angel investors. In order to form a broad picture on risks and opportunities entrepreneurs should be aware of when dealing with Business angel investors, the author suggests a SWOT analysis to be done in Table 2.

Table 2 SWOT analyses on engaging with Business angel investors

| <u>Strengths - why to consider Business angel investors</u> |
|------------------------------------------------------------------------------------------------|
| - Financial support for high-risk projects and start-ups. |
| - Flexible repayment schedule. |
| - No need for collaterals. |
| - Various support in management, strategy development. |
| - High possibility of additional finance attraction. |
| - The receivment of entire needed amount of money. |
| - Positive interpersonal cooperation. |
| - Sequently growing number of Business investors that can provide better offers. |
| - Middle term assistance can be provided. |
| - High possibility of attracting additional investors. |
| - Business angel prior experience might be shared. |
| - Business angels' exit strategy can improve the development of start-up. |
| <u>Weaknesses - when engaging with Angel investors</u> |
| - Absence of union definition and accepted principles. |
| - Lack of coherent legislative base in European Union. |
| - No insurance against dishonest investors. |
| - Floating Business angel motivation for supporting business. |
| - Uncertain criteria for getting investments. |
| - High expectable return on investment. |
| - Unknown personal characteristics of an angel investor. |
| - If not in network, difficulties in meeting an angel investor. |
| - Not equally suitable for all sectors of economy. |
| <u>Opportunities - Business angel investors may bring</u> |
| - Additional business connections might be gained. |
| - Managerial experience of Business angel might be used. |
| - Improvement of the business development strategy. |
| - New markets can be reached. |
| - New potential investors can be met. |
| - The good reputation of the Business angel might give additional support. |
| - Absence of any payment to an investor at the starting point of the project may be agreed on. |
| - Personal issues and characteristics of an angel. |
| - Interpersonal relations. |
| <u>Threats – occurring when working with Business angels</u> |
| - Unexpected willingness of the Business angel to exit the business. |
| - The determination of an angel to bring unwanted changes in the business project. |

- Previously unknown or bad experience of an angel investor.
 - Unknown way angel investor would like to exit.
 - Unsuitable exit strategy.
 - Unacceptable participation motivation.
 - Possible total undertaking of the project by an angel investor.
 - Personal issues and characteristics of an angel.
 - Cooperation time-frame mismatch.
 - Unwanted legislative changes.
 - IPO forced by a Business angel.
 - Dependence on Business angels' decision.
 - Interpersonal relations.
-

The performed summary analysis shows that Business angels, holding several bold pros as any other possible investors poses threats and weaknesses the impact of which should not be underestimated. It can be stressed that the main risks and threats that might occur could be minimised if union terminology, common principles and standards are obtained. Notable threats have been identified concerning the engagement with Business angel investors, which might slag the willingness of entrepreneurs to use their financial possibilities even if accessible. Even though Business angel investors in some cases can be seen as the only or best possibility to develop a business idea, they also can force an entrepreneur to accept unwanted changes for the project. Moreover, the various experience and reputation Business angels may possess can do as much good as harm for the emerging project. As most crucial risks the dependence on possible Business angel decisions and interpersonal issues can be named as well as the lack of union legislative base. Nevertheless, statistical evidence shows, that absence of union understanding and lack of legislative transparency of the alternative investment market, as well as other risks identified above is not an unsolvable obstacle for entrepreneurs to gain the needed financial support from the angel investors. If no agreement can be reached between the entrepreneur and the Business angel such type of financing should be avoided. In other case, business idea may be transformed in a way entrepreneur loses its prime point and the main idea of the project. Summing up everything up mentioned analysis results support H1 as well as H2.

4. Conclusion

The study shows that even though Business angels can turn to be a rather good solution for an emerging or start-enterprise the good results go hand-to-hand with high risks. As the boldest risk for sequent and transparent development of this group of investors and further positive outcome for entrepreneurs, the lack of unified understanding and absence of well-formed legislative base is named. The clarity on alternative investors and their main characteristics is highly needed in order to protect entrepreneurs form possible unfair investor actions and provide them with trustable informative base. At the same time, unified legislative position of the authorities may enhance the participation of potential or latent Business angel investors. If alternative investors, including Business angels are well explained and organised several positive effects could be achieved:

- Local governments may bring extra attention to locally or nationally important economic sectors, though using various tax discount systems
- The willingness of the entrepreneurs to evaluate the possibilities of alternative investors might enhance if legislative framework, taking in account their true needs, is organised.
- Unified legislative approach would be possible if a certain agreement on definitions and ethics of Business angels are reached.
- The contractual relationships between entrepreneur and investor could in few aspects be standardized.

The author admits that using over-standardised legislative approach towards alternative investment market could not be the best possible action. Even though the core systematisation is welcomed, Business angel investors should be left with the opportunity to invest in high-risk projects and start-ups in less known areas. Keeping this in mind, and being aware of Business angel cross-the-board investments it is assumed that the best possible approach to create fundamental principles of Business angel investors is to form as a single approach for all European Union countries,

that in addition could improve the functioning of the European single market as well. Taking the performed overview several suggestions for further research can be highlighted. Keeping in mind the various experience in European Union member states the author suggests the best practice summary to be done. Moreover, the analysis of regulatory aspects and performed support activities in different member states could enhance the overall understanding of alternative investment market. Knowing the cross-border character of angel investments, the data on investment amount as well as residential belonging of the investor should be divided. As a last but not least, unified European thresholds of different angel investor participation levels could be formed. Keeping in mind the main angel investor target audience is SMEs, the proper support to the entrepreneurs should be organised in a way they feel acquainted with the main principles and opportunities alternative investment possess. All the up mentioned suggested activities and further research suggestions are seen as core elements for a single European alternative investment market development. By ensuring coherent alternative investment environment and identifying its key issues, the proper evaluation and sound understanding of related risk management and opportunities would than significantly develop.

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