

Angel 101: Read This First...A Primer for New Angel Investors

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Note: This article is part of Angel 101, an ongoing series for angels new to investing. To learn more about building an angel portfolio, download this free eBook today - [Angel 101: A Primer for Angel Investors](#) or [purchase our books at Amazon.com](#).



Image by [M. Juzenas](#)

Experience is what you get, when you don't get what you want. Fifteen years ago, when I made my first angel investment, I wish I knew then what I know today. As a newly minted angel in 2000, I assumed that angel investing would be easy to jump into and become successful at. I was partially right... it was easy to jump into. Unfortunately, it wasn't that easy to become successful.

I've had my share of luck and good outcomes, but I also learned many painful lessons along the way. Many of them would have been easy to avoid, had I understood a few key concepts. For this reason, Seraf Co-Founder Christopher Mirabile and I are determined to help new angels learn from our mistakes and the mistakes of others we have had the opportunity to observe from our perch at the center of a busy angel ecosystem. The Angel 101 series of articles are based on a course we teach at our angel group, [Launchpad Venture Group](#). We teach this course several times a year for new members of our group. It's a great, interactive two hour session with lots of Q&A from the audience. It's a fun class to teach because Christopher and I feed off each other's energy, tell war stories, and try our best to keep the audience engaged and entertained. What a great way to learn!

We thought the best way to share the learnings and capture the energy of

this live class is to break the class into small manageable segments. The layout for each segment will be a Question and Answer format. In each post, we will alternate roles either asking or answering key questions.

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Angel Investing Course

Angel 101 is meant to be a course for angels just starting out. We designed the course to focus on important topics, including:

- The basics of [building an angel portfolio](#)
- [What kind of return](#) can you expect on your investment
- The [theory and practice of asset allocation](#) for angel investing
- What should your expectations be for the [time it takes to get an exit](#)
- Why it's important to undertake [due diligence](#) before investing
- What are the [risks](#) that are inherent in early stage companies
- The importance of investing both financial and [human capital](#)
- What are some less obvious pitfalls that need to be considered

After reading these articles, you should have a sense for what you are getting into as a newly minted angel investor. You should come away with answers to questions such as:

- How many investments will I need to make if I want to build a [diversified angel portfolio](#)?
- How much time and energy will I need to invest to become a successful angel?
- If I make an investment before the company has any customers, [how long will it take before I make money on the investment](#)?
- [Besides writing a check, how can I help an entrepreneur succeed](#)?
- How do I know if I am investing in the next Facebook? (If we knew the answer to this question, we wouldn't be wasting our time writing these articles!)

Angel 101 is just the beginning of your educational journey as an angel investor. Once you master these topics, we will have published some continuation pieces based on our Angel 201 and 301 courses. So much to cover, so little time...

Want to learn more about building an angel portfolio and developing the key skills needed to make great investments? Download [Angel 101: A Primer for Angel Investors](#) and [Angel 201: The 4 Critical Skills Every Angel Should Master](#), or [purchase our books at Amazon.com](#).