Founder Readiness Guide

Angel Network Capacity Building
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1. How angels think

Start with one fact. The angel across the table is not a fund manager. They are not deploying someone else's money, and they are not chasing a benchmark return for limited partners. They are writing a cheque from their own account, usually between $5,000 and $25,000, and they are doing it because they expect to make money on it over seven to ten years and enjoy the work of backing founders like you.

That changes how they decide. An institutional VC will run a model, size the market at fifteen scales, and argue ownership targets. An angel will do some of that work, but two questions carry more weight. Do I trust this founder to make the right calls when things go wrong. Is this company likely to become something meaningful, even if the path is not yet visible.

Trust is the first filter. An angel who does not believe you will be straight when the company is struggling will not invest, no matter how good the market looks. Everything you do in the pitch, the diligence process, and the first sixty days after the cheque is being read for evidence on that question.

Next fact. Angels expect to lose money on most of their investments. A typical portfolio of twenty companies produces thirteen that return nothing, five that return roughly what was put in, one that does well, and one that returns twenty times the cheque. Angels know this going in. They are not looking for a safe bet. They are looking for a plausible path to something big. A pitch promising steady, modest returns is harder to fund than one that credibly explains how the company could become a category leader.

Last fact. Your network is local. The angels in the room are operators in your country. They have built companies, survived regulatory shifts, and negotiated with the same banks you will need. That gives you something foreign capital cannot: investors who know what you are up against. Use them. The cheque is not the only thing worth taking.

2. POEM from the other side of the table

Your network will evaluate your business using POEM, a framework developed by Tomi Davies: People, Opportunity, Environment, Model. Every deal the network screens gets scored against it. You need to understand it because the questions you get in the pitch will map to it, and your deck should answer them without the angels having to dig.

People is you and your co-founders. Angels want to know who is on the team, why you are the right people to solve this problem, what you have done before, and whether you are coachable. Evidence wins this dimension. Telling the room, you are passionate about the problem is worth little. Showing commitment and a deep understanding of the sector, is worth a great deal.

Opportunity is the problem you are solving and the market you are addressing. Angels want to see that the problem is real, that customers actively want it solved, and that the market is big enough to produce a meaningful outcome. In African markets the last part is tricky. A market that looks small from outside can be significant if it serves an unmet need in a segment that will grow. Be honest about the size. State the addressable market you can realistically reach in five years, not the theoretical population of the continent.

Environment is the external context: regulation, competition, timing. Angels will ask why this is investable now and not two years ago. "Because mobile penetration crossed a threshold" or "because the regulator issued new guidance in January" answers the question well. If you cannot answer it, the investment is probably too early or too late.

Model is how the business makes money and whether the unit economics hold up. This is where most founders lose angels, because the numbers in the deck do not survive fifteen minutes of careful questioning. Know your revenue per customer, your cost to serve, and your customer acquisition cost well enough to defend them without looking at your notes. If you do not know these numbers from memory, you are not ready to pitch.

Each dimension scores out of 25. A deal below 60 will not pass screening. A deal between 65 and 80 is pursuable. Above 85 is rare and usually a sign that diligence has not been thorough. Your job in the pitch is to give the room enough to score you fairly, not to trick them into scoring high.

3. The ten-slide deck, slide by slide

The deck is not the pitch. The pitch is you talking, with the deck as support. The deck should work without narration, because angels will flip through it again after the meeting, and it should be short enough that they can. Ten slides is standard. More than twelve is a warning sign.

Slide	Question it must answer	What goes wrong when it is weak
1	What does your company do, in one sentence?	The room does not know what to listen for
2	Who has the problem and what does it cost them?	Angels treat the problem as hypothetical
3	What is your solution, and what else exists?	You look naive about competitors
4	How large is the reachable market in 5 years?	Market claims undermine every other number
5	How does the business make money?	Angels cannot score Model
6	What traction exists, with numbers and dates?	The rest of the deck is treated as speculation
7	Why are you the right team?	People score drops regardless of other strengths
8	What will the next 18 months buy?	The ask feels arbitrary
9	What do the next 3 years look like financially?	The angel cannot size their return
10	What are you raising, and what else do you want?	You miss the non-financial ask

Each slide answers one question. The question is what the angel is trying to figure out, not what you want to say. If you build the deck around the question, the logic flows. If you build it around what you want to say, angels lose the thread by slide four.

Slide 1. What does your company do, in one sentence?

One sentence. Not a paragraph, not a tagline, not a mission statement. A competent twelve-year-old should be able to read the sentence and explain your business to their parent. “We help small retailers in Freetown accept digital payments through a USSD-based mobile terminal.” “We provide working capital loans to smallholder cocoa farmers in Côte d’Ivoire, repaid at harvest.” If you cannot write this sentence, your business is not ready to pitch. Writing it is the cheapest hour of strategy work you will ever do.

Slide 2. What problem are you solving, and who has this problem?

Describe a specific customer and a specific problem. “Smallholder cocoa farmers in Nigeria earn below subsistence income because middlemen capture 40% of the farm-gate price. We have interviewed 200 farmers and 100% confirm the problem.” Avoid abstract problems like “financial inclusion” or “supply chain inefficiency.” Those are themes, not problems. Problems are things a specific person wakes up thinking about.

Slide 3. What is your solution, and why is it different from what already exists?

Describe your product or service concretely and name the obvious alternatives. The angels have heard of the other solutions already and not naming them signals you have not looked. “Cash-based lending from local microfinance banks works for some farmers but requires collateral most do not have. Our unsecured lending, priced on harvest-yield data, serves the 60% who are excluded.” The comparison is what proves you understand the competitors.

Slide 4. How large is the market, realistically?

Give two numbers: total addressable market and the serviceable slice you can capture in five years. Show your working. “There are 800,000 smallholder cocoa farmers in Côte d’Ivoire. We will serve farmers in three regions where we have field staff, representing 120,000 farmers. At our target penetration of 15% in year five, we serve 18,000 farmers.” Angels are not looking for huge numbers. They are looking for a calculation that shows you have thought about this.

Slide 5. What is your business model?

How do you charge, how much do you keep, and what does it cost to deliver? A single sentence with one number is often enough. “We charge $25 per month per terminal, of which $18 is gross margin after processing and telco costs.” If your business has two revenue streams, describe both. If it has more than two, you are early and should say so.

Slide 6. What is your traction?

This is the most important slide. Angels will spend more time here than anywhere else. Give real numbers, with dates. “Launched pilot in July 2025. 400 farmers enrolled. $45,000 disbursed. Repayment rate 96%. 82% of pilot farmers requested a second loan.” If you have no revenue, show usage, retention, or engagement. If you have nothing to show, say so plainly and explain what you are about to prove. Never invent traction. Every angel in the room will sense it.

Slide 7. Who is the team, and why are you the right people to do this?

Founders first, key hires after. One sentence per person covering what they have done before and why it matters for this business. “CEO, previously five years at a cocoa exporter running smallholder relationships, with key relationship with aggregators across the value chain.” The test is whether the bio explains the person’s edge in this specific business.

Slide 8. What is the commercial path for the next eighteen months?

A plan, not a forecast. What you will do with this money, broken into three or four milestones, with rough dates. “Month 1 to 3, hire two field officers in Abidjan. Month 4 to 8, reach 1,000 active farmers. Month 9 to 12, launch second region. Month 13 to 18, reach 2,500 active farmers and prepare Series A." Angels are evaluating whether the plan is coherent and whether eighteen months of runway gets you somewhere worth being.

Slide 9. What is the financial forecast, in three lines?

Revenue, gross profit, and net income for the next three years. Three rows, three columns, nine numbers total. If you need more than nine numbers to communicate the financial shape of the business, you are showing off or hiding something. A separate financial model is fine, and expected during diligence, but the deck slide is nine numbers.

Slide 10. What are you raising, and what do you want from investors beyond capital?

The ask. How much you are raising, at what valuation, on what instrument, and what the capital buys. Then, specifically, what else you want from investors. "Raising $200,000 on a SAFE with a $1.5 million post-money valuation cap. Capital funds 12 months of operations to reach 2,000 active farmers. We are looking for angels with agricultural supply chain experience or government-relations networks in the cocoa sector." Be specific about the non-financial ask. It shows you understand what an angel is for.

4. The financial model: minimum viable version

Angels will ask to see the model after the pitch. You do not need a thirty-tab masterpiece. You need four things that hold up under questioning.

A revenue build. Number of customers times revenue per customer per month, by month, for the next eighteen months. The customer count itself should come from somewhere, usually a sales funnel or a unit of sales capacity you can name.

A cost structure that tracks the revenue build. If you are adding 100 customers a month, at some point you need an onboarding officer. Show it. The most common model failure is a revenue line that grows without the people and infrastructure to support it.

A cash position. Running cash balance by month, showing the start of each month, the spend, the revenue, and the end of month. The angel wants to see the month you run out of money without another raise.

A sensitivity. What if customer acquisition is half what you expect. What if your price has to drop 20 percent to win the market. Two cases, shown clearly. Every experienced operator knows reality may diverge from the plan. Showing you have thought about it builds credibility.

Four components, honest numbers. Angels are not looking for the model to be right in detail. They are looking for it to be coherent, defensible, and understood by the founder presenting it.

5. Common mistakes in African early-stage pitches

Five mistakes account for roughly 80 percent of pitch failures in African angel sessions. Avoiding them will not get you funded. Making any of them will usually close the room.

#	Mistake	What to do instead
1	Overstating traction	Lead with the hard truth; show monthly active users, not sign-ups

2	Top-down market sizing (population × spend)	Bottom-up sizing based on the customers you can actually reach
3	Claiming no competitors	Name the incumbents and the alternatives (including doing nothing)
4	Founder-market mismatch without acknowledgement	Bring the co-founder whose experience is the edge; explain the fit directly
5	Asking for more than the room can deploy	Calibrate to the network's typical cheque; ask for a syndicate lead if needed

Overstating traction. A founder who claims "200 users" when 180 of them signed up once and never came back will be caught by the first angel who asks about monthly active usage. Lead with the limitation. "We have 200 sign-ups, 20 of whom are active monthly. Our work for the next three months is to convert the inactive ones and understand why they dropped off." Lead with the hard truth and angels will trust you on everything else.

Vague market sizing. Any pitch that multiplies the population of Nigeria or Kenya by a per-capita spend number and calls it a market signals that the founder has not done the work. Angels ignore the number and downgrade the founder. Size the market from the bottom up, using the actual customer segment you can reach.

No comparables. If your answer to "who else is doing this" is "nobody," you are either missing competitors or solving a problem nobody wants solved. Both are disqualifying. Name the competitors, name the substitutes (including doing nothing), and explain why you win a segment of the market.

Founder-market mismatch. A founder with three years of banking experience pitching an agritech business that needs deep field knowledge will be asked, politely, why they are the right person. "Because I am passionate" rarely works. "Because my co-founder has fifteen years in this sector and we have spent eighteen months in the field together" does. Bring the co-founder if relevant. Explain the edge without defensiveness.

Asking for too much. A founder raising $800,000 from a network that usually syndicates $100,000 per deal will not close the round and will lose the relationship for later. Ask for what the network can provide or ask clearly whether they will lead a syndicate that pulls in other networks. Calibrate the ask to the room.

6. The pitch session itself

Three things matter on the day. Being on time. The first ninety seconds. The question you get wrong.

You pitch for fifteen minutes. You take five minutes of initial questions. Then you leave the room. The members discuss the deal without you for thirteen minutes. This is normal. Do not read anything into being asked to step out.

Being on time. Arrive thirty minutes early. Test the projector. Make sure the deck opens on the network's laptop. Bring a USB backup. One dropped connection in the first five minutes shifts the mood of the room, and you will spend the rest of the pitch recovering ground.

The first ninety seconds. Fifteen minutes of presentation time. The first ninety seconds decide whether the room is leaning in or checking their phones. Do not spend them on your personal story. Spend them on the problem and a specific customer. "Aminata sells tomatoes in Abidjan's Adjamé market. She loses 30 percent of her stock every week to spoilage because she cannot refrigerate overnight." One customer, one sentence of data, one hook. Introduce yourself on slide seven when the team slide comes up.

The question you get wrong. Every pitch has one. An angel asks something you have not thought about or have thought about poorly. The instinct is to bluff. Do not. The answer is "I don't know, and here is how I would find out." The room is not looking for omniscience. It is looking for a founder who can tell the difference between what they know and what they do not, and who will act on the gap.

Pitches typically run fifteen minutes of presentation and fifteen to twenty minutes of questions. The questions are the real pitch. The deck sets them up. If you notice the same question coming up in multiple sessions, your deck is not answering it, and you should rework the slide.

7. After the pitch: diligence and the term sheet

If the Screening Committee recommends your deal to full diligence, you will hear from the network within seven to ten days. Diligence takes two to six weeks. You will be asked for a lot of material. Prepare in advance.

The angels will want a detailed financial model, twelve to twenty-four months of bank statements, corporate registration documents, tax filings, customer contracts, employment contracts for founders and senior staff, IP registrations and regulatory licences where relevant, and three to five reference calls with customers and suppliers. Assemble the data room before diligence starts, not during. A founder who takes three weeks to produce a customer list looks unprepared, and that colours how the angels read everything else.

Reference calls matter. The angel who calls three of your customers will hear things the pitch never revealed. Tell your customers the calls are coming. Pick customers who will speak plainly, including ones who have had problems and will describe how you resolved them. A reference call that says "they made a mistake but fixed it fast" is worth more than one that says everything has been perfect.

The term sheet comes after diligence if the network decides to invest. Three terms matter most for a first-time founder. Understand them before you sign anything.

Valuation or cap. On a SAFE or convertible note, the cap is the maximum valuation at which the instrument converts. Too low and you give up too much of the company too early. Too high and angels will not invest because the upside is capped. Reasonable caps for African early-stage deals in 2025 sit in the $1.5 million to $4 million range, depending on traction and country.

Liquidation preference. A 1x non-participating preference is standard and fair. Anything more aggressive, 2x participating or stacked preferences, should be pushed back on hard. If the network insists on punitive liquidation terms, the network is not the right partner.

Board composition. For a first cheque of $100,000 to $300,000, angels rarely sit on the board. They may ask for observer rights or a quarterly investor update. Full board seats usually come with Series A.

The network will expect you to have a lawyer. If you do not, ask the network for an introduction. A good early-stage lawyer in your country will cost $1,500 to $3,000 to review your term sheet and investment documents. It is money well spent.

8. After the cheque clears

Raising the money is the start of the relationship, not the end. How you behave in the first ninety days after the cheque shapes if angels back you again, if they refer you to their networks for follow-on rounds and commercial relationships

Send the monthly update, even when the news is bad. A paragraph on what happened, three numbers (revenue, runway, one operational metric), one thing you are wrestling with, and one ask. Send it on the same day every month. A founder who goes silent for three months after the cheque clears is training their angels to expect silence. Silence is what they will get during the next round.

Use the angels. Angels are not passive. Most of them want to help more than they get asked. When you hit a problem they can solve, ask them. The angel with twenty years of regulatory experience would rather spend forty-five minutes helping you navigate the Central Bank than read another update where you pretend things are fine.

The best founders treat the angel network as a standing resource, not a funding event. They come back six months later asking for reference customers. They introduce other founders to the network when they see a fit. They show up at the AGM. They do this because they understand that the twenty-five people in the room are the most concentrated pool of operational capital in their country, and the relationship is worth more over ten years than the first cheque is worth today.

That is how you raise well in Africa. The cheque is the beginning. What follows is what makes the company.

A final note

You will not close every pitch. You will have sessions where the room is quiet, where the questions are hostile, where the Screening Committee passes and you do not know why. That is the nature of fundraising. Every experienced founder on the continent has been through it.

Treat rejections as feedback. Ask the network, politely and briefly, what they saw that they could not get comfortable with. Most networks will tell you. The information is worth more than the cheque you did not get.

Keep building. Come back to the same network twelve months later with better numbers. Networks remember founders who disappeared and founders who returned stronger. Be the second kind.

To find an ABAN network in your country, visit abanangels.org or contact secretariat@abanangels.org.