

GTAN Funding Process

Working with GTAN happens in three easy-to-understand steps:

Step 1: Getting Ready

Self-Assessment: Before submitting your business plan, determine if angel funding and, specifically, funding from members of GTAN, is right for your company by speaking with your mentors.

Application/Referral: It's highly recommended that your company be involved with one of the local entrepreneurship programs such as *Communitech*, *Velocity*, *Accelerator Centre*, *Innovation Guelph*, *MaRS*, etc. When you think you're ready to seek financing, your EIR/Pitch Coach can help submit the application to GTAN.

Selection Committee: GTAN has an experienced and knowledgeable Selection Committee that assesses all applications for their investment-readiness and interest to its members. If you are invited to present to Selection, your CEO will be given 12 minutes to deliver an investment pitch and 10-15 minutes to answer questions. Regardless of your success at Selection, a member of Selection will be assigned to give you feedback and tips on your presentation.

Step 2: Pitching our Members

Presentation to Members: Companies that pass the Selection process get scheduled to present to GTAN's members. If your company is selected, you will be offered help, if needed, to increase your chances of a successful pitch. It's especially important that your pitch to be clear and understandable by an audience of varied backgrounds and education levels, and focus on the benefits and markets for your solution, rather than the intricate details of its design.

GTAN holds its **Investment Meetings** 10 times per year, from September to June. Typically, three companies pitch at each meeting. Each company is given 12 minutes to present and 5–8 minutes to answer questions. GTAN's members can be expected to challenge the soundness of your ideas, product plans, and business approach. Companies that are successful in their pitch have generally anticipated these questions and have ready clear answers, possibly supported by additional slides.

Once the Q&A is finished, the company leaves the room so the members can consider, in private, the investment opportunity you provide.

At this stage in the process, it is a requirement that you have gathered all of the necessary documentation on the Due Diligence checklist and have this information readily available in a data room. Access to the data room will be provided by you to the GTAN Angels after they have expressed interest at the meeting in learning more about your company.

Step 3: Closing the Deal

Due Diligence: Should you attract potential investors, they will come together and form a Due Diligence (DD) team. GTAN itself will not be considering investing in your company. The initial DD meeting should take place within one-two weeks of your presentation to members. At this first meeting, a Deal Lead will be selected. This individual will coordinate the DD activities and be your main contact.

It will be the joint responsibility of the Deal Lead and yourself to drive the schedule for DD and to ensure that investment decisions are made as quickly as possible. If the deal is syndicated or shared with other angel groups, the Deal Lead may serve as the single lead to coordinate all the research activities among multiple groups or the GTAN Deal Lead may work with separate leads from the other angel groups.

During DD, you can expect your team's background and track record, business plan, financials, intellectual property, competition, valuation, customers, etc. to be examined in detail.

Some members may use the [Due Diligence Checklist](#) as a starting point for understanding your business. The checklist is simply a tool that encourages a discussion of the many possible risks for your business. Not all questions will be applicable, while there may be factors not on the checklist that are. Be forthright with your responses, particularly where there's a gap between what you have done and what needs to be done, as it's an opportunity for knowledgeable investors to offer help or advice.

Your team's active participation and support for DD will help it move quickly and expedite the investment decision. GTAN's goal is to complete the DD process within two months. DD may take less time if these DD materials are ready for review.

Term Sheet Negotiation: If DD is completed successfully, interested investors will present a Term Sheet that defines the amount and structure of the funds they are prepared to invest in your company as well as other conditions – equity or debt financing, board of director membership, valuation, etc. The term sheet will be based on industry standard terms and provisions.

Investment in your company may be made through a number of different investment structures. The most common structures are straight equity investment and convertible debenture (aka convertible note or convertible debt). With GTAN members, a company's chance of attracting investors is higher when the deal is an equity offering. Click [here](#) to view Financing Terms.

Angel investors do not consider straight debt financing, i.e. a loan that is repaid over time with interest. Early-stage companies carry considerable risk. To balance that risk, angels expect to share in the financial success of your company through share ownership, either now or in the near future.

Discussions with your mentors or with GTAN's Selection Committee can help you understand the pros and cons of each investment structure and help you choose the one that best suits your financing needs and your company's circumstances.

Funding & Beyond: Executing the Term Sheet and signing other deal-closing documents is only one step in your relationship with Angel investors. You now have access to a deep pool of experienced professionals and investors who can provide invaluable guidance and mentoring to support the growth and success of your company. Embracing this resource means you'll get the most from your Angels.

Best of success on your journey!