

∞ SUMMARY ∞

**(WOMEN) BUSINESS ANGELS IN GERMANY – AN EXPLORATORY STUDY  
WITHIN AN INTERNATIONAL CONTEXT**

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**Principal Topic**

The focus of this study is the role of women in the business angel market and gender-based differences in access to finance. Most of the current research is focused on access to debt finance. This paper extends this research because there has been very little consideration of women's access to venture capital, (esp. to angel financing). "Missing from research is an understanding about the interaction between the demand and the supply side for equity capital". (Brush et al. 2004 – DIANA Project)

The business angel market can typically be described as an informal venture capital market, because business angels are normally not classified within official structures. They act as direct, informal and private investors. Despite that theoretical classification numerous business angel networks were set up the last years around the world such as in Germany. Business angel networks intend e.g. to get in contact with a business angel and they organize the individual business angels within a formal network. Therefore these networks can help to transform the business angel market partially into a small formal market. Within these networks and network meetings there are predominantly male business angels listed. The key issues of this exploratory study are to identify female business angels and spotlight their investment behavior (in comparison to their male counterparts). The study should generate some basic information in this context. This data can on the one hand be used to generate recommended courses of action and on the other hand create awareness of women business angels.

**Methodology/Key Propositions**

The research is divided into two parts:

(a) One questionnaire focusing on (women) business angels was designed to be spread within the German business angel networks. The main intention was firstly to identify women business angels and characterize women business angels and their investment behavior (dealflow, amount of deals etc.). Furthermore male business angels were also targeted by a questionnaire to identify their investment behavior.

(b) A key expert questionnaire was designed and distributed within the German networks as well as within various European business angel networks.

The main target of both questionnaires was to find out how many female business angels were listed within the network. The second target was to identify their investment behavior, also

in comparison with their male counterparts. A characterization of a common business angel should also be given by the key experts.

One aim was to analyse example of women business angel activities that lead to short qualitative case-studies of German women business angels.

### **Results and Implications**

The German as well as most of the European business angel market can be described as underdeveloped regarding to the focus on women business angels. It was hardly possible to identify any women business angels at all as well as women business angels that were organized within a business angel network. In most of the networks no women business angels were listed. So there are only male business angels within the networks. There are some implications that can be given by the study. (a) Maybe women business angels do not use business angel networks at all because they do not want to be “institutionalized” (b) gender specific aspects maybe women are reclusive or conservative because they do not want to be “marked” as a wealthy person (c) or there are commonly no female business angels at all. Recommended course of action were implicated by this study. Women are less likely to have had prior entrepreneurial experience. Furthermore they are less likely to participate in networks.

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