

URL: <https://stvp.stanford.edu/clips/angel-investing-platforms>

Platforms like Angellist allow angel investors to follow and network with each other, and also invest together to gain leverage. These digital platforms, finds Flucas Ventures founder and general partner Ashley Flucas, were well positioned to benefit from the dramatic move toward digital communication that happened as a result of the COVID pandemic. Furthermore, she finds, digital platforms tend to give angel investors a more global reach.



Transcript

- I started doing everything virtually out of necessity 00:00:08,580 because there was no activity going on in Florida and definitely not in my part of Florida.. And so I had to figure out how to do things virtually and so AngelList was instrumental in me being able to get started.. But I think these, you know, AngelList is the one that I use the most often in the past.. I've looked at other, some other platforms, there are a number of them out there and many that are emerging.. So you've got things like SeedInvest and well Republic, I guess it's actually an affiliate of AngelList.. But you've got these platforms cropping up.. And what's powerful about them is, it's building on some themes that are now, you know, there were early on some things that we now all accept, which is being able to do things virtually.. Being able to do things in a distributed global way.. They already had the infrastructures set up to do that.. So, you know, case in point something, something like my syndicate in a, in a normal context, there's no way we could have met, but for AngelList..

Um, and you know, someone like me who, you know, I scaled my syndicate from literally zero to now.. Its about 2200 LPs in 13 months.. That would not be possible manually.. And it would not be possible, but for a platform like that.. And those platforms, like I said, those platforms are are powerful because they have global reach and it's expanding.. And then also in particular, a platform like AngelList, because it's also it's also a marketplace right in a discovery tool.. So, yes they are doing the mechanics and some of the back office stuff behind investing.. But it's also allowing folks like me to build a, it's a following if you were in a quasi-public way.. And it's allowing investors to discover people like me who are putting together deals, but it's also allowing people like me who are putting together deals to discover investors.. And so, like I said, I don't think there's any faster way to scale it than these platforms..

And then when I look at my LP base, I mean, I have folks from literally all over the world, all time zones, all professions, um.. And, you know, from folks who are just, you know, they have, you know, they're doctors, lawyers, engineers, and they're doing some angel investing, to partners at venture funds to CEOs, CFOs, professors like yourself.. - Mm-hmm 00:02:38,741 - And, and I think these platforms are so huge 00:02:41,863 and in some ways we're really just in the first innings.. Because I think about, you know, when I first joined AngelList, you know, three years ago.. Even though I had backed a ton of syndicates, there were really only a handful that were really active and there wasn't a lot of noise kind of on the platform.. Now I like it.. There's a, and you've probably seen it yourself, There's this massive proliferation of new syndicates, new investors.. The deal flow has increased exponentially.. And I think it's also had a positive impact on the quality of the deals..

Because one thing that everyone has to be careful about as an angel is kind of figuring out these issues kind of around adverse selection, right? So you only see what you see..

Whether that's in your close network, or a platform like AngelList.. And so if that is the only pool that you're investing from, you have to have some examination of, are these actually good opportunities in and of themselves, or am I kind of investing in a vacuum? So when platforms like AngelList continue to expand, continue to kind of open up the tap, get diverse fund managers or whatever you want to call them, syndicate leads, get diverse investors.. That drives better deals to the platform.. And I think that starts to help, help that particular problem...