

Business Angels Human Aspects and Entrepreneurial Teams

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Business Angel – The Concept

- Show biz: Early 20th century-affluent individuals began providing capital for Broadway productions (Wetzel, 1983)
- “Like angels, they came down from the upper and wealthy part of the city to the lower part to provide their private capital to creators and artists”. (BBVA Spark, 2023)
- 70’s-80’s : expanding beyond the arts
- Silicon Valley and tech “boom”
- “Valley of death”- high risk high reward
- High net worth, seasoned, prior entrepreneurs

IVC database- January 2003 to December 2022

*Israel High-Tech, Venture Capital and Private Equity Online Database

Source: Signals in the Eye of the Beholder: How Context and Investor Perceptions Shape Angel Investment in Israeli Startups/ Solodoha, Lev-Koren & Erez (in prep)

Figure 2. The percentage of firms backed by angels over the years

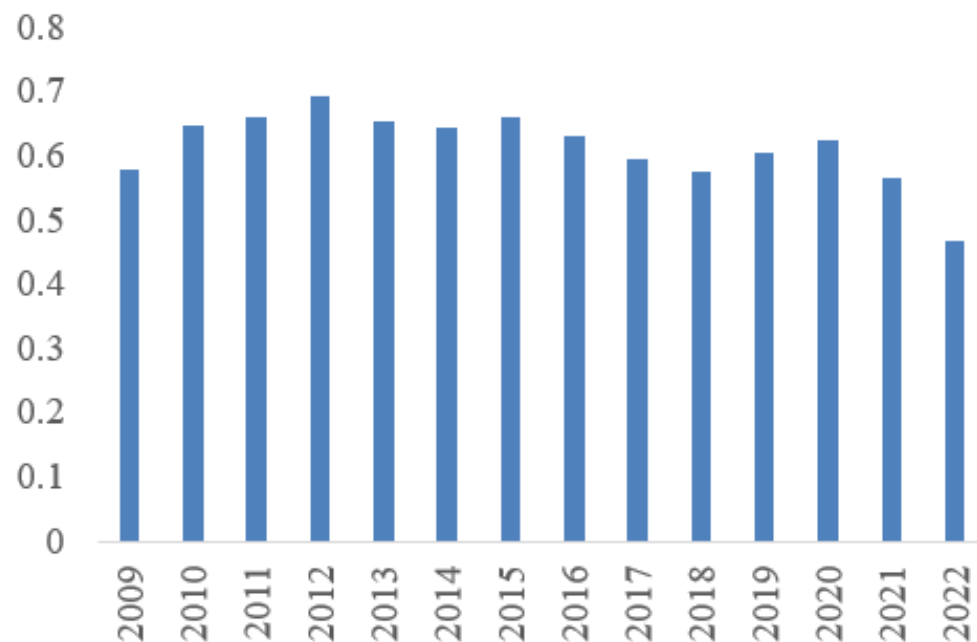
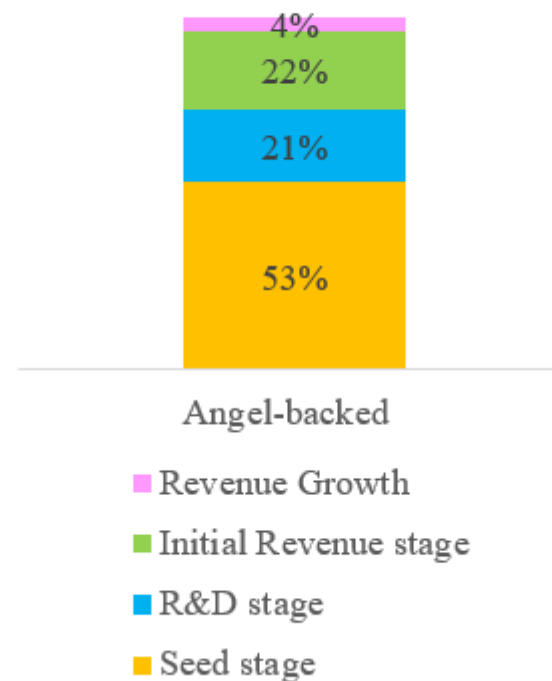


Figure 3. Percentage of angel-backed startups by firm Stage

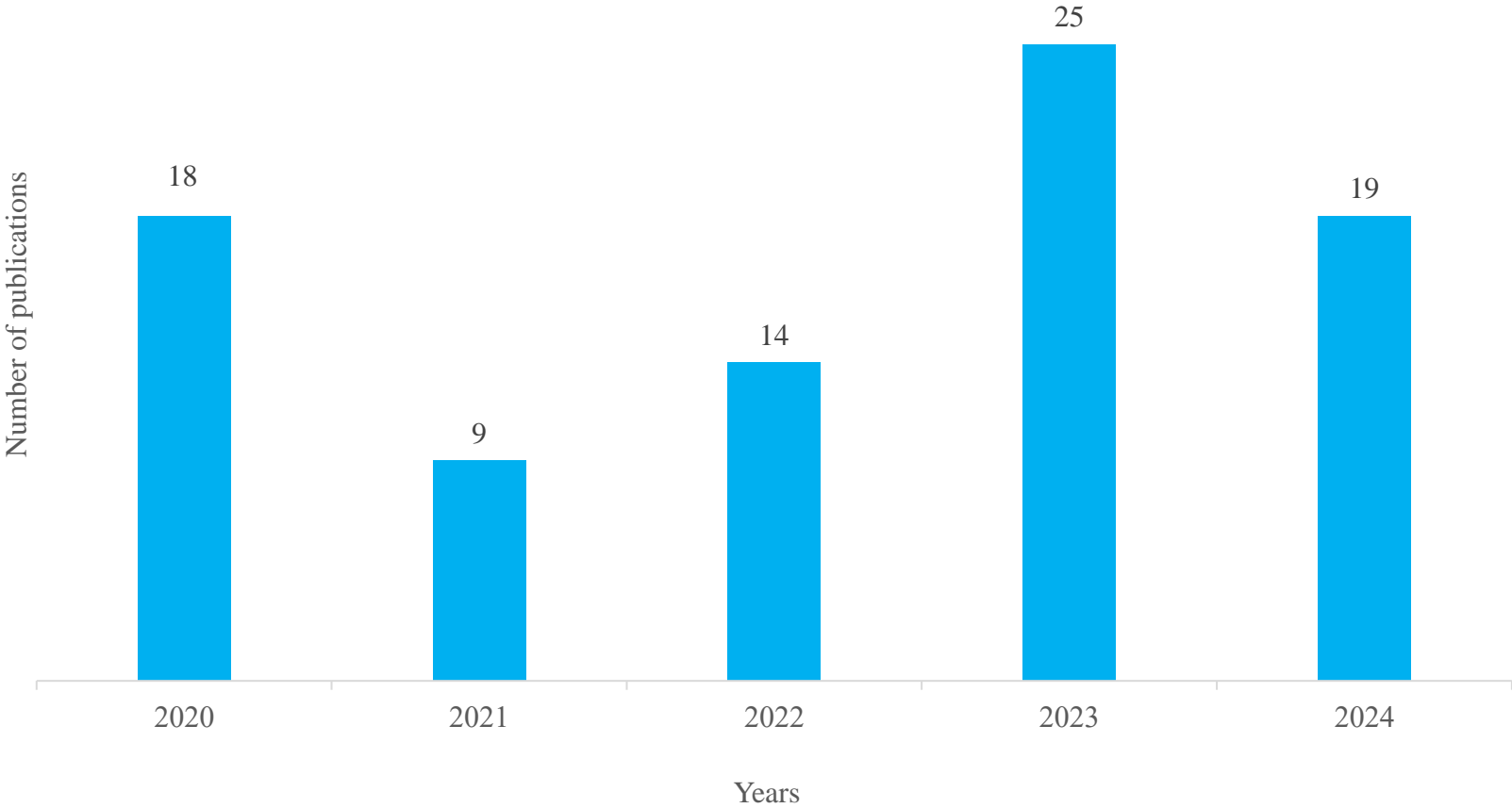


Literature Review on Business Angel Research 2020-2024/

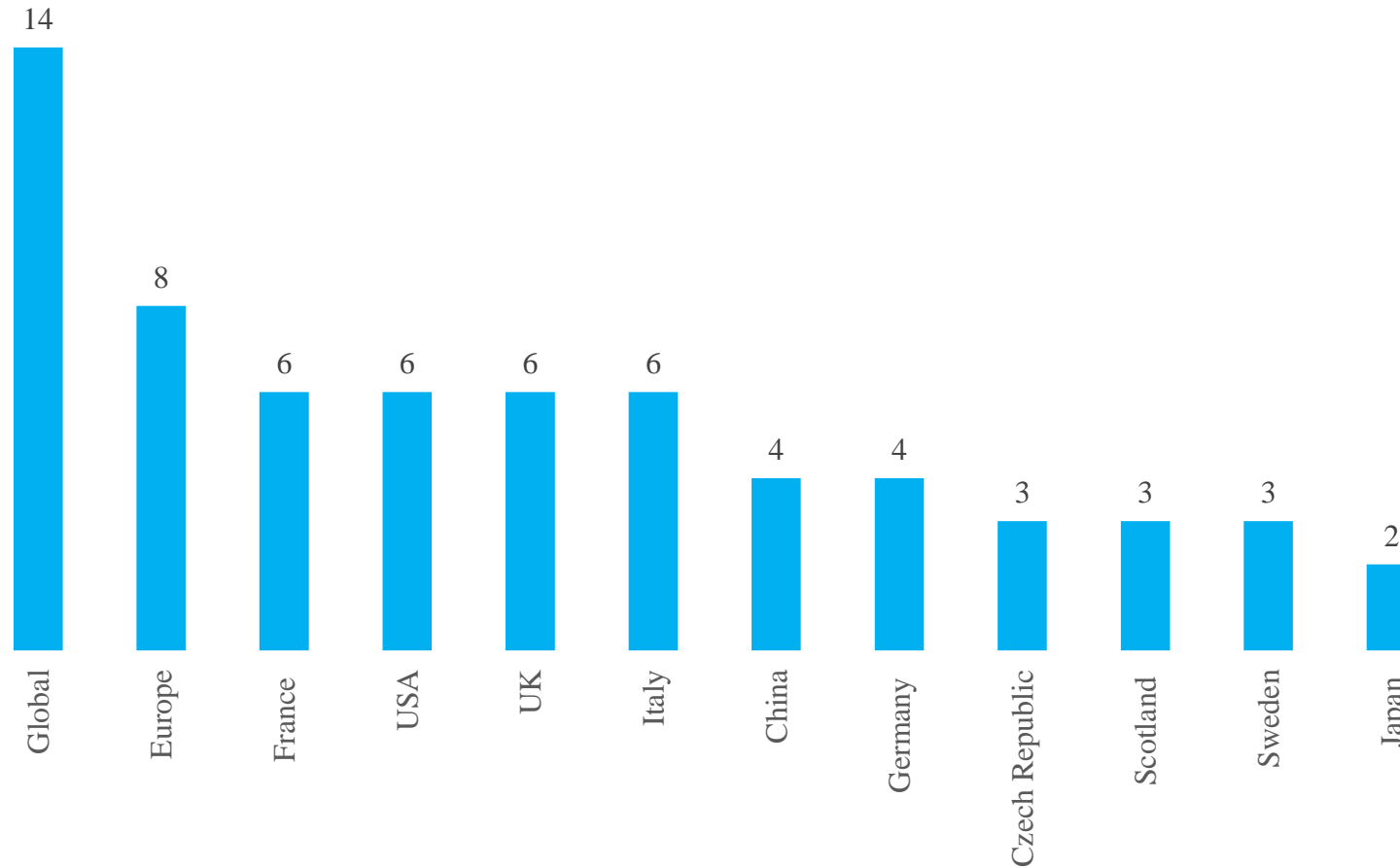
Solodoha, Lev-Koren & Erez, 2025

- 85 articles
- Modest line of research
- 60% strategic perspective
- 20% explanatory theory
- 16% global

The number of publications per year

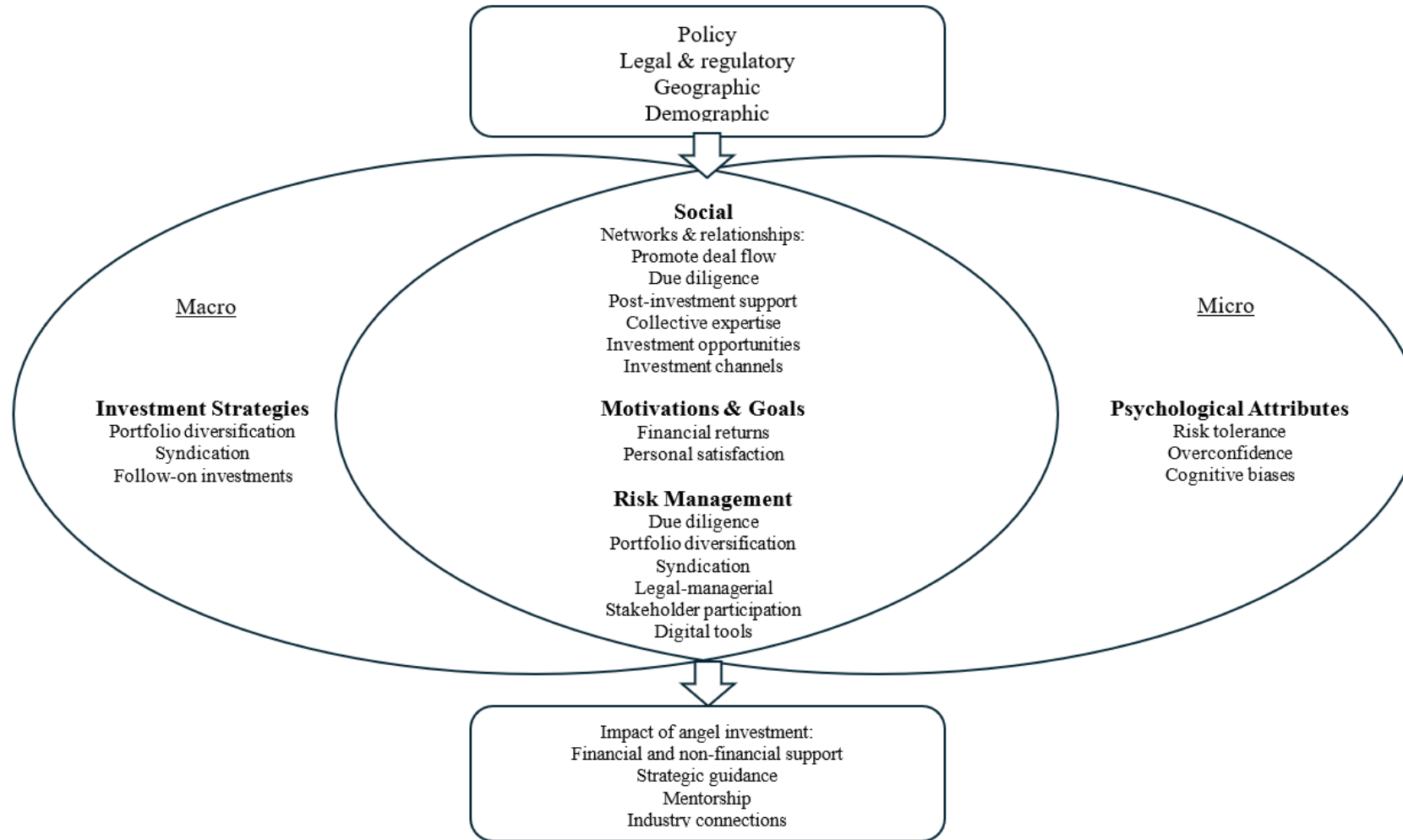


The publications on business angels by geographic focus



Note: One research publication was conducted on the population of business angels in each of the following 14 countries: Australia, Canada, Caribbean region, Chile, Colombia, Egypt, Estonia, Indonesia, Israel, Nigeria, Slovenia, South Africa, Turkey, and Vietnam. These countries are not included in the figure. Six papers did not specify the country/region, among which are literature reviews

Proposed Research Model

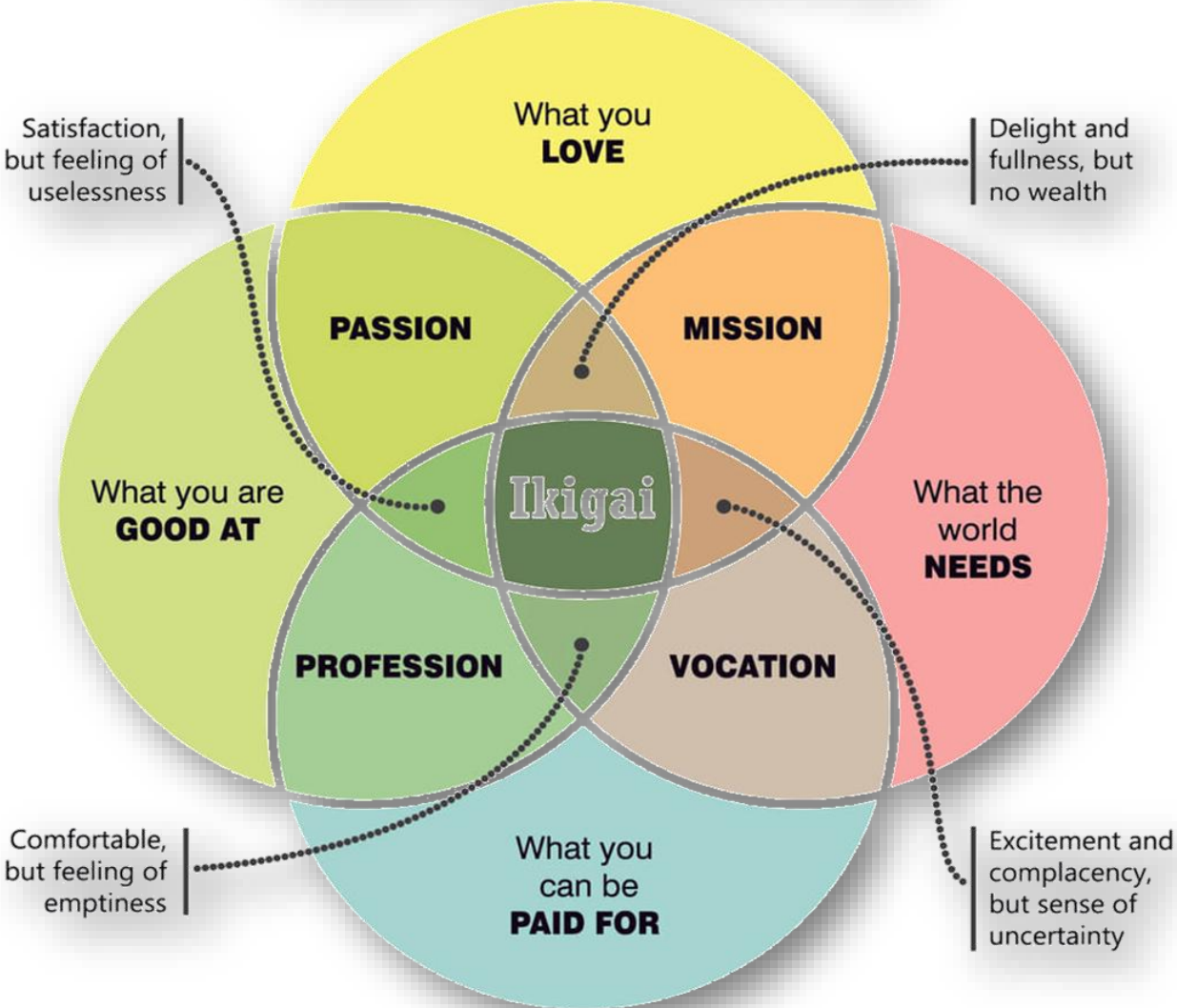


Getting to Know Oneself and Self Motivation



Ikigai

A JAPANESE CONCEPT MEANING "A REASON FOR BEING"



Ikigai

What are YOU good at?

1. What skills have you been spending **time to practice**?
2. What do people **look to you for help** with?
3. Is there anything you **want to be good at**?

What YOU love?

1. What have you **never gotten bored of**?
2. What's something you've always **drawn back to do** overtime?
3. What gets you in the flow you **forget to eat or drink** when you do it?

What's YOUR IKIGAI?

What does the WORLD (your world) NEEDS?

1. Immediate society and social circles: **what are they like? What do they need?**
2. How can you **create a positive effect** on the life of those around you?
3. You can address **global issues** as well...

What can YOU get paid for?

1. **What have you been paid for?**
2. What you would you be doing if **you're not in your current job?**
3. What do you **want to get paid for?**

Team- definition

 **Small number of people**

 **Complementary skills**

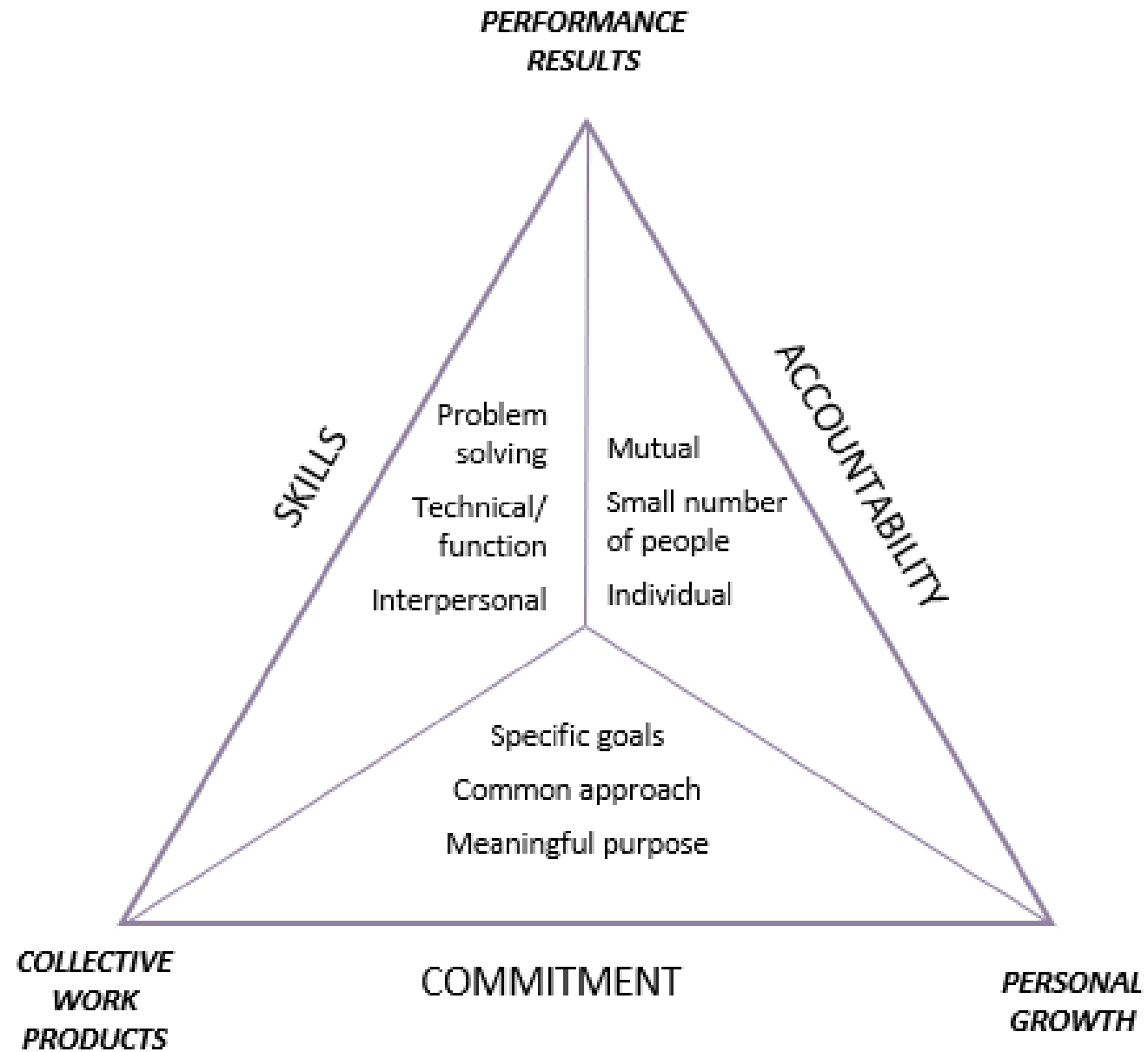
Committed to:

 **Common purpose**

 **Performance goals and approach**

 **Mutually accountable**

(Katzenbach & Smith)



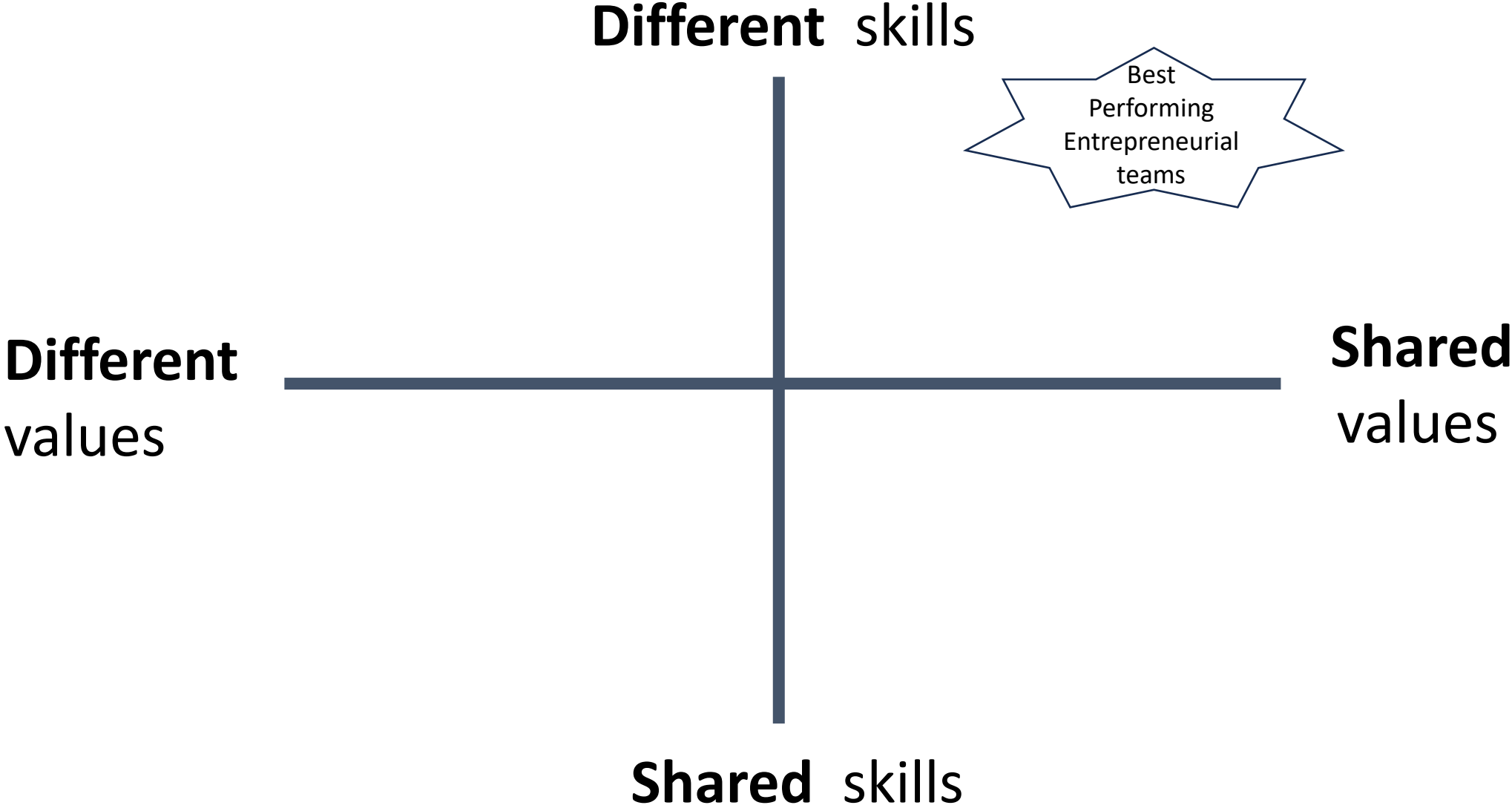
Functional Diversity

Mixture of expertise or specialization in a human group or an organization

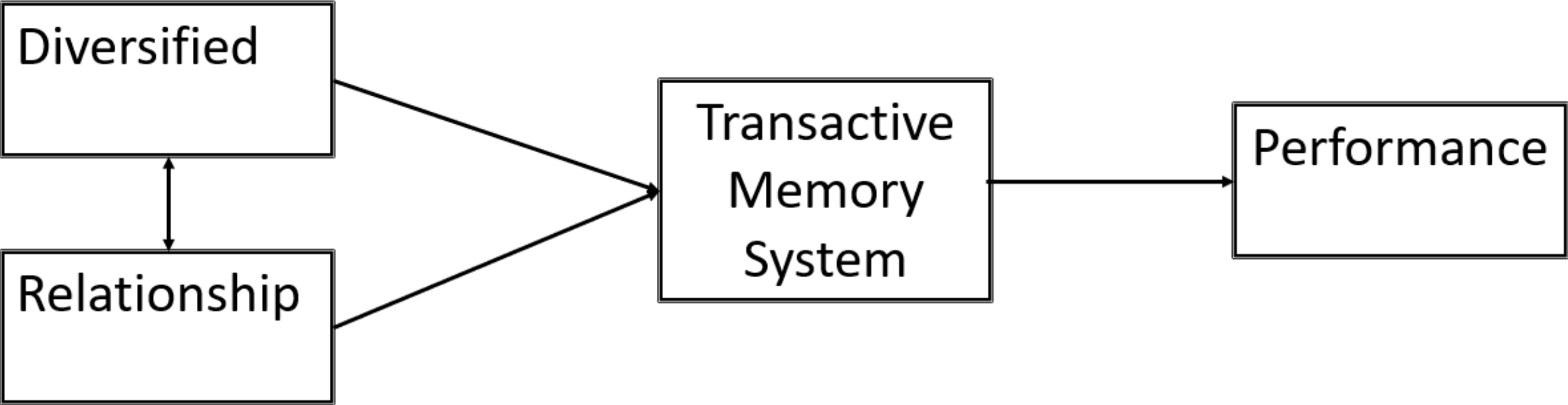
Functional diversity and job-relevant diversity do facilitate creativity in teams

(Hülsheger et al., 2009)

Diversity in Startup Teams That Work



Entrepreneurial Teams and Success / Adapted from Lazar et al. 2022



Dual strategies (business and friendship) =>
stronger coordination (TMS)=> better performance

FIGURE 1
Funding Amount per Formation Strategy
in Study 1

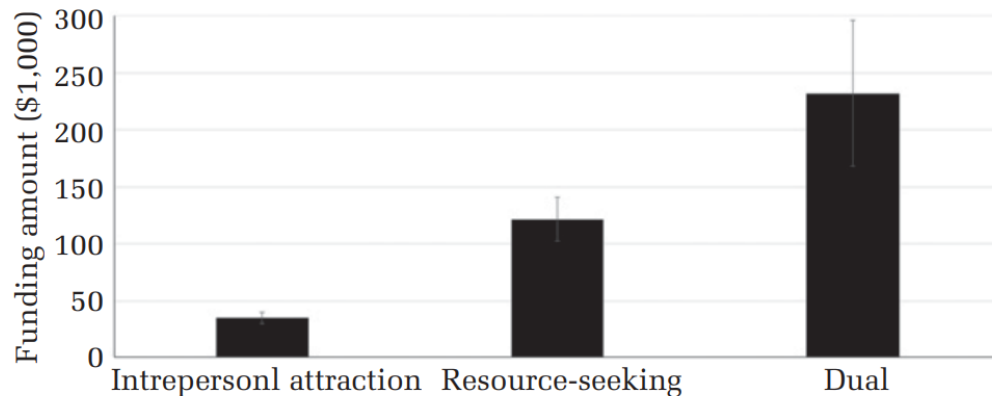
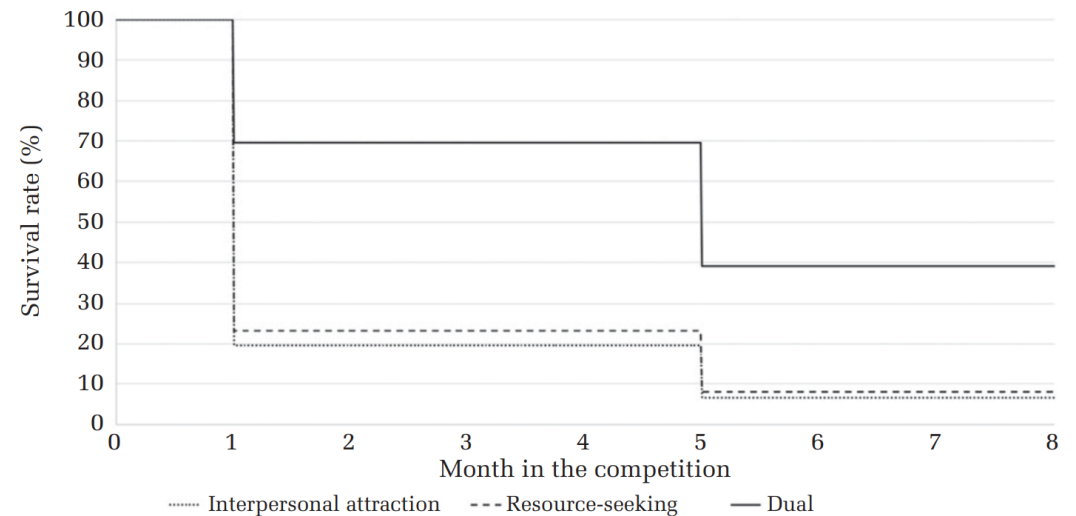


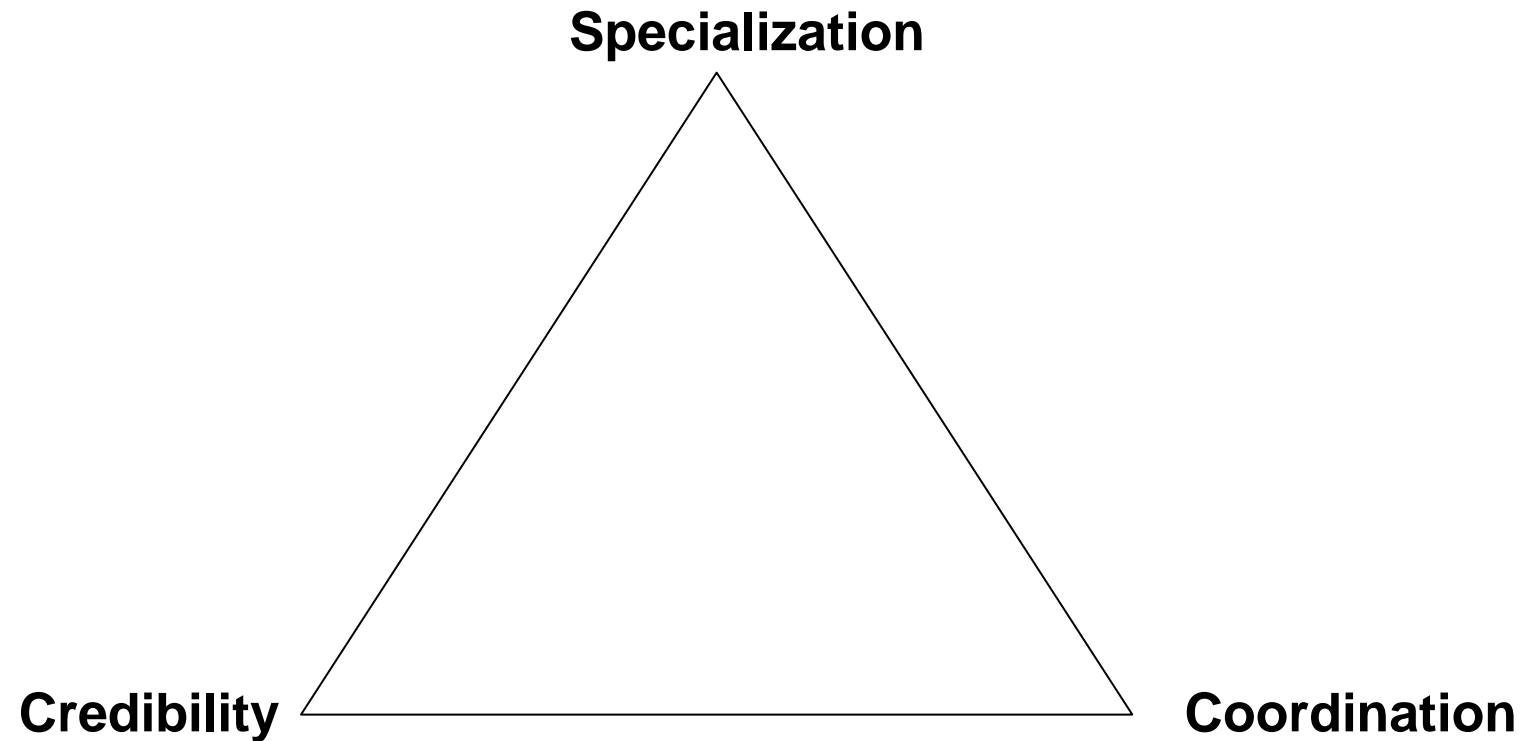
FIGURE 2
Kaplan-Meier Survival Plot per Formation Strategy in Study 2



The Transactive Memory System (TMS) “triangle”

* Adapted from Lewis

“Who knows what”



Summary

- Figure out your motivations and preferences
- Find the “right” investment
- Team consideration: complementarity, relationship, TMS
- Fit

THANK YOU

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TMS-Questionnaire / Lewis

Specialization

1. Each team member has specialized knowledge of some aspect of our project.
2. I have knowledge about an aspect of the project that no other team member has.
3. Different team members are responsible for expertise in different areas.
4. The specialized knowledge of several different team members was needed to complete the project deliverables.
5. I know which team members have expertise in specific areas.

Credibility

1. I was comfortable accepting procedural suggestions from other team members.
2. I trusted that other members' knowledge about the project was credible.
3. I was confident relying on the information that other team members brought to the discussion.
4. When other members gave information, I wanted to double-check it for myself. (reversed)
5. I did not have much faith in other members' "expertise." (reversed)

Coordination

1. Our team worked together in a well-coordinated fashion.
2. Our team had very few misunderstandings about what to do.
3. Our team needed to backtrack and start over a lot. (reversed)
4. We accomplished the task smoothly and efficiently.
5. There was much confusion about how we would accomplish the task. (reversed)