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HIGH PROFILE

Soaring with the angels

How do you rally millionaire investors? Ask Mike Volker

In Mike Volker's cramped office at SFU Harbourside, a standard-issue traffic light leans against overflowing boxes of papers stacked on the floor. It's a prop he hauls to monthly angel-investor meetings, where between 20 and 30 investors listen to pitches from three or four entrepreneurs. A yellow light warns nervous presenters that their five minutes are nearly up. A red light brings the pitch to an abrupt halt.

Volker formed the Vancouver Angel Technology Network seven years ago as a loose association of about a dozen like-minded investors. Today the network has grown to between 400 and 500 millionaires (by legal definition, an angel investor must have at least \$1 million in liquid assets available for investment) seeking young companies in need of cash. For the most part, these are former entrepreneurs who have earned the right to flash the odd red light.

Volker, 58, earned his stripes back in 1981 when he sold Volker-Craig Ltd., the company he had co-founded as a student at Waterloo, for about \$10 million. "After selling it, I decided it's pretty consuming to be in your own business," Volker recalls. "I



thought, rather than run another one myself, it would be better for me to support others going through the same thing."

Volker has racked up a number of successes since then, but he still likes to tell the story of the one that got away. He sighs as he describes another Waterloo start-up that caught his attention in the late 1980s. Its technology wasn't that exciting – at the time it was pursuing a display system for factory automation – but Volker was impressed with the team. He signed a one-page agreement that would give him 15-per-cent ownership in exchange for a \$30,000 investment. But at about the same time, he and his wife decided to move to Vancouver, so Volker cancelled the agreement.

The name of the company? Research in Motion. Volker's

\$30,000 investment would today be worth about \$3 billion. Volker gestures to the overflowing cardboard boxes piled at his feet: "I've still got the agreement somewhere," he says with a laugh.

Volker moved to Vancouver in 1988 to head the Advanced Systems Institute of B.C., and in 1996 was named chair of the Vancouver Enterprise Forum, which led to his founding of the Vancouver Angel Technology Network. Today, in addition to directing the SFU University-Industry Liaison Office, he is a director of the Western Universities Technology Innovation Fund.

But to Volker, the titles are irrelevant. "It's all the same thing!" he exclaims. "It all comes down to building companies."

Volker's angel network has launched a number of Vancouver

success stories. For example, presenters at the first Vantec forum in 1999 included Dick Hardt, whose Active State Corp. was sold in 2003 for about \$30 million, and Alex Fernandes of QImaging, which sold in 2002 for \$20 million.

One of the more recent home runs was Aspreva Pharmaceuticals, which went public in March 2005 with a \$113-million IPO. Angels who invested \$100,000 in early days got about \$5 million back.

While those kinds of returns are staggering, Volker explains that seasoned angels understand that for every home run there will likely be a handful of duds. He estimates that over a lifetime of investing, a successful angel will likely make between 20 and 30 per cent. Sounds like heaven. □