

## Three questions to...



... Mr. Eckard Wohlgehagen  
Business Angel

### Topic: Business Angels in Life Sciences

#### Question #1: What are the key qualities you look for in a founding team before making an investment?

**Mr. Wohlgehagen:** In general, my approach is: The human aspect should match, as for me a financial support is not just an investment. An interesting project should successfully be completed, and I would like to be a part of it. Pure financial investments can be made in other fields with less risk. The founders must be passionate about their product and be prepared to go through a “valley of tears” before earning great success. Founders who are looking for funding for a completely new project every six months are not in my focus.

Secondly, of course, is the content of the project, including the founders’ technical expertise. The necessary commercial competence is often lacking, so appropriate organizational measures must be taken. Particularly in the life science sector, additional experience is required for regulatory approvals and similar processes (e.g. for pharmaceuticals or medical devices). Since one person often does not have such a repertoire of expertise, a harmonious and supportive team is required.

Thirdly, a potential economic aspect is essential; markets for the product must be accessible in the foreseeable future. Since the risk of a total loss of investment is particularly high in the life science sector, this must be compensated by disproportionately high profit prospects in the event of success.

#### Question #2: How involved do you typically get with the companies you invest in?

**Mr. Wohlgehagen:** As I see the investment as a project that I am supporting on its way to success. I need to understand – at least roughly – what it is technically about. As an engineer, I can often only provide support at a high level in the life science sector, and of course, I must rely on the professional expertise of the founders and possibly also other shareholders. As a long-standing management consultant and business angel with a strong network, I can help more specifically with project management or financing aspects, especially in the early stages, sometimes also as an intermediary to other experts in my network.



Since a startup often consists not only of the founders but also of other active shareholders, it is important to me that we all have a similar understanding of the project's success: every project encounters hurdles at some point and then founders and investors have to work together in a spirit of trust to overcome them. Individual shareholders acting egotistically jeopardize the overall success of the project. Ideally, in addition to the founders, the group of investors will also include cooperative shareholders, who can contribute with their different skills and experience. In this respect, support for the company also consists of cooperation between the investors for the benefit of the company. However, the founders and their employees are solely responsible for the content-related work.

For me, this mutual trustful cooperation of all participants is an essential prerequisite for the content-related success of the project followed by financial success as a logical consequence.

**Question #3: What stage of a start-up's journey do you usually invest in, and how much do you typically invest?**

**Mr. Wohlgehaben:** You can describe me as a classic "early-stage investor". In some cases, knowing the founders before, I was already involved in the founding process. The early stage is particularly important for life science companies: start-ups that focus on regulatory-relevant products (unlike other start-ups outside of this sector) do not generate any revenue for years and require external financing for a very long time. Strategic or large financial investors are needed in later stages, while traditional business angels, like me, only provide support early on.

The level of investment naturally depends on several factors. Furthermore, you also have to differentiate between initial and follow-up investments: even if it is planned differently, experience shows that the money runs out much earlier than expected. The shareholders should be prepared for such situations and be able to top up the investment. In my case, the initial investment varies between €50k and €500k, my standard is €100k to €200k. The follow-up investments should be lower, if possible, otherwise the planning becomes questionable, and the business model should be re-examined.

However, it should be noted that the investment is preceded by a review, for which I may consult experts from my network: I only invest in significantly less than 10% of the business models presented to me. Here, I am in good company with professional early-stage financiers: a figure from the HTGF, albeit a bit older, was around 1.7%. However, in individual cases, you can still help founders without investing, as I have also done before.

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**About Mr. Wohlgehaben:**

- Mr. Wohlgehaben studied mechanical engineering with a focus on aerodynamics and flight mechanics.
- Built a long-term career at Mummert + Partner, progressing from junior consultant to partner, managing director, and deputy chairman of the board.
- Led key business areas including public administration, public services, utilities, and oil & gas, while overseeing major organizational growth.
- Active as a business angel since 2003, with multiple investments in various industries such as biotech and IT security.

**Contact:**

Eckard Wohlgehaben  
Business Angel  
e-wohlgehaben@t-online.de

