

**TABLE 18.4 Comparison of major selected sources of growth capital.**

<b>Source of Capital</b>	<b>Amounts</b>	<b>Advantages</b>	<b>Disadvantages</b>
<b>1. Individuals (Angels)</b>	\$10,000 to \$1 million with low to medium levels of patience and expertise	Create little dilution for the venture; can move fast because of minimal negotiation and due diligence requirements	Lack sufficient funds for capital-intensive opportunities; can lack long-term perspective; may not provide good advice
<b>2. Venture Capital Firms</b>	\$1-\$20 million with high levels of patience and expertise	Possess large sums of money to deploy; provide recruiting assistance and other services; enhance venture's reputation and credibility immediately	Require larger percentage ownership of the venture; expect significant role in making major decisions; play active role in building executive leadership team
<b>3. Corporations</b>	\$5-\$50 million with medium to high levels of patience and expertise	Generate moderate dilution for the venture; provide opportunity for distribution and product development assistance and advice	Create problems with other potential relationships (e.g., corporation's competitors); can put the venture's intellectual property at risk