

DETERMINANTS OF BUSINESS ANGELS' INVESTMENT IN THE SRI LANKAN CONTEXT

E.A.D.T.M. Edirisinghe*, R. Abeysekera

*University of Kelaniya, Sri Lanka.
malshaedrisinghe583@gmail.com**

Abstract

Business angels (BA) provide financial support, expertise, networks, and mentorship, that strengthen the entrepreneurial ecosystem in any country. Thus, identifying the determinants of the angels' investments is crucial, particularly in the context of a developing country such as Sri Lanka. This study aims at examining the said phenomenon as this is an area not adequately explored in previous studies, particularly in the Sri Lankan context. Consequently, the study examines as to why startups in Sri Lanka fail to attract business angels. This qualitative research study adopts the inductive approach in gaining in-depth knowledge on the area of focus. Thematic analysis used in analyzing the data gathered through in-depth interviews with 10 angel investors and 10 startups in the Colombo district. The findings from the perspective of BAs reveal that the crucial factors influencing the investment decisions of BAs in Sri Lanka are the founder's background, the working team, and financial considerations. Conversely, from the viewpoint of startups, the critical factors include BAs' experience, networks and connections, and mentorship and guidance. Further, limited angel investor ecosystem and risk aversion are the other key factors that prevent startups from attracting BAs. While enhancing the understanding of regional entrepreneurial dynamics and investment patterns, the findings of this study offer valuable insights for startups to better align their strategies with investor expectations, thus improving their financial prospects. This in turn would facilitate the growth of the angel investment ecosystem in Sri Lanka. The findings of the study, importantly the findings in relation to the unique potential and challenges associated with angel investing in Sri Lanka, could be productively used by the policymakers and regulatory bodies in formulating favorable regulations, tax breaks, and investor protection measures. This paper provides vital suggestions that could help Sri Lankan businesses in attracting more angel investment.

Keywords: *Angel investing, entrepreneurship, resource-based theory, thematic analysis*

INTRODUCTION

The term "angel" was coined by William Wetzel in 1978 to describe investors who fund private businesses, usually as debt or equity, using their own money (Shane, 2009). Business angels, often high-net-worth individuals, provide not only financial support but also expertise, networks, and mentorship, crucial for early-stage business growth. Their investments improve startup performance and increase chances of attracting future capital, strengthening the entrepreneurial ecosystem. They offer both financial and non-financial benefits. Understanding the factors influencing angel investment decisions is essential for entrepreneurs seeking funding and policymakers aiming to create a supportive ecosystem for entrepreneurship. Angels invest at critical stages, bridging the gap from friends and family funding.

Few studies have examined factors affecting business angel investment. While some research exists, there's a lack of studies specifically focusing on Sri Lanka. This gap is significant as regional differences in culture, economy, and regulation can greatly impact angel investment dynamics. Detailed studies are needed to identify key determinants and understand the local entrepreneurial ecosystem.

This study has adopted the Resource-Based View (RBV) as its foundational framework which is a theoretical framework applied to angel investing, emphasizing the evaluation of startups based on their unique resources and capabilities. In the context of angel investing, the RBV suggests that startups with valuable, rare, and difficult-to-imitate resources are more likely to

attract investments. Angels evaluate the strategic potential of these resources, including innovation, and talented teams, to identify ventures capable of achieving sustainable competitive advantage and long-term success (Barney, 1991).

Lack of venture capital is one of the main risks that Early staged startups confront in Sri Lanka. A study's objective is to provide an answer to a research question.

In order to address the research gap previously mentioned, this study poses two questions:

1. What are the Startup-related, BA related determinants affecting BAs' investment in Sri Lanka?
2. Why Sri Lankan Startups fail to attract Business Angels?

The present study makes two unique contributions: contribution to knowledge and contribution to practice. The study investigates angel investment in Sri Lanka, identifies the variables that influence it and advances academic knowledge. By analyzing startup and business angel perspectives, it helps identify and align understanding gaps and deficiencies. Startups can secure funding by understanding angel investment drivers. The study fostered Sri Lankan angel investment growth and bridges gaps, encouraging more angel investors.

This study is structured into four main sections: a literature review encompassing both theoretical and empirical perspectives from earlier studies, a methodology section detailing data collection and analytical methods employed, a findings and discussion section providing an in-depth analysis of the factors influencing angel investment in Sri Lanka, and a conclusion summarizing the research outcomes.

LITERATURE REVIEW

This literature review aims to investigate prior studies to understand how variables interact within a specific topic area. Angel investors fund startups with unique, valuable, and hard-to-copy resources, aligning with the Resource-Based View (RBV). Startups' ability to adapt and resource differences attract investment. Networks and social capital enhance RBV's relevance, refining its use in understanding angel investment decisions in dynamic environments. (Dushnitsky, 2009). The following review involves analyzing past empirical studies to assess how they addressed the research problem using data collection and analysis methods.

Angel investment

Business Angels (BAs), high-net-worth individuals, crucially bridge the funding gap for early-stage ventures, offering not only financial support but also industry expertise and networks (Mason, 2008). They establish associations in order to optimize investments, lower transaction costs, and reach a wider regional and global audience (Paul, 2010). Despite limited data, BAs' significance in capital provision is significant (Mason, 2016). Initially termed by Wetzel (1981), BAs invest money and skills in unrelated startups, playing a vital role in their launch by providing funding, knowledge, and connections (Politis, 2008). Understanding factors influencing their decisions contributes to the literature on angel investment dynamics.

Angel investment in Sri Lanka

Many would-be entrepreneurs never get the chance to launch their businesses due to a lack of angel investor networks, which pool money and invest in small business ventures (Marambe, 2016). The Lankan Angel Network (LAN) stands out in Sri Lanka's startup ecosystem by

bridging the financing gap for early-stage ventures. Founded in 2012, LAN boasts an Angel Fund valued at Rs. 100 million, supported by 100 professionals and business owners. With over 75 active members, LAN provides not just financial backing but also crucial mentorship to startups, aiding around 20 firms directly and 25-50 entrepreneurs indirectly. LAN's dual role as both charitable supporter and profit-seeking investor creates a balanced approach, significantly impacting Sri Lanka's startup scene, fostering innovation, job creation, and economic growth.

Startups in Sri Lanka

The 2019 SLASSCOM (Sri Lanka Association for Software and Services Companies) survey shows that 33% of founders are aged 25-29, up from 16% in 2016, indicating a shift towards older, more experienced founders. Founders are highly educated, with 73% holding at least a bachelor's degree. Significantly, 40% have backgrounds in computer science, while 31% specialize in business management, highlighting a blend of technical and commercial skills. Gender diversity is improving, with women making up 13% of founders in 2019, compared to 4% in 2016. Colombo sees a 60:40 male-to-female ratio, while outside Colombo, it is 40:60. Financially, 51% of startups rely on internal cash flow for expansion, 19% on family funding, and 12% on angel investors, with minimal expectations for bank funding (8%) or venture capital (4%). This data underscores a trend towards self-sustained growth and a maturing startup ecosystem in Sri Lanka. (The Sri Lanka Association of Software and Service Companies, 2019)

Startup-Related Determinants Affecting BAs' Investment Decisions

Some studies indicated that the startup founder is key for BAs. Trustworthiness and commitment are crucial qualities influencing their investment decisions. The management team is the key factor influencing investors' decisions to invest in startups (Dat, 2021). The potential returns and associated risks are two financial factors that influence BAs' decisions to invest in startups (Scheela et al, 2018). Angel investors considered how easily a product can be changed, its sales potential, and its market status as key factors in their decision-making (Jeffrey et al, 2016). The exit strategy influences BAs' decisions to invest (Wang, 2020). Investors prefer startups where they can also contribute their skills, experience, and networks, ensuring strong alignment with founders (Nguyen Thi Kim Anh, 2023)

BAs-Related Determinants Affecting BAs' Investment Decisions

Angel investors' decisions to invest in startups are influenced by various factors such as their experience, investment objectives, and preferences. Experienced investors often focus on industries aligned with their expertise to capitalize on promising opportunities (Baron, 2002). Additionally, the alignment of investors' goals with investment opportunities plays a crucial role, as they seek businesses that match their strategic objectives and risk tolerance (Fried, 1994). Personal preferences, satisfaction with founders' qualities, and enthusiasm for specific projects also influence investment decisions (Morrissette, 2007). Collective decision-making among angel groups is emerging as a trend, affecting investment outcomes (Mason, 2016). Despite the billions of dollars invested annually, variations in due diligence practices challenge traditional financial theory, highlighting behavioral factors (Ackert, 2009). Behavioral finance explores how psychological factors affect investor decisions, emphasizing deviations from rational choices. Understanding factors like investors' experience, top management team

qualities, and company stage of development can shed light on their due diligence processes (Fama, 1998).

RESEARCH METHODOLOGY

This study employed a qualitative research approach, utilizing semi-structured interviews to examine the experiences of startups and BAs. By engaging interactively with participants, this approach aims to understand the cultural influences and personal narratives shaping the entrepreneurial journey, contributing to a comprehensive understanding of the subject. This study adopted a social constructivism paradigm, emphasizing that reality is socially constructed (Collis J. H., 2009). Research logic can be either inductive or deductive. This study used an inductive approach, deriving general themes from specific cases, prioritizing hypothesis generation (Tracy, 2012).

The research population comprises startups seeking angel investment and business angels in Sri Lanka. The sampling strategy has involved in-depth interviews with 20 participants, including 10 Business Angels and 10 startup owners in Colombo district, using a Purposive Sampling Approach (Taherdoost, 2016). This approach allows for a diverse range of perspectives, enhancing the understanding of factors influencing angel investing in the Sri Lankan context. Primary data for this study was collected through semi-structured interviews with Business Angels and startups, focusing on personal and business information. The interviews, lasting 45-60 minutes, were conducted in English or Sinhala, audio-recorded, and later translated into English. The 27 to 65-year-old BAs had a range of educational backgrounds, and four of them were women, which made a significant contribution to gender diversity. Their discussions were enhanced by their direct industry engagement and knowledge in fields such as IT and agribusiness and they represent a well-educated, global group. Many of them have studied abroad.

Table 1. Interviewed Business Angel Profile

No:	Age	Male / Female	Educational Level	Educated in Sri Lanka/ foreign country	Field of Education
BA 1	27	Female	Bachelor	Sri Lanka	IT
BA 2	32	Female	Bachelor and reading for Master	Sri Lanka	Agriculture
BA 3	38	Female	Master	UK	MBA
BA 4	29	Female	Bachelor	Sri Lanka	IT
BA 5	51	Male	Master	Australia	MBA
BA 6	48	Male	College	Sri Lanka	-
BA 7	57	Male	Bachelor	Sri Lanka	Finance
BA 8	41	Male	Bachelor	Sri Lanka	IT

BA 9	65	Male	Master	UK	MBA
BA 10	54	Male	Master	Australia	MBA

Source: Author – Directed Interviews

Table 2. Interviewed Startup profile

No:	Age	Male / Female	Educational Level	Educated in Sri Lanka/ foreign country	Field of Education
Startup 1	25	Female	Bachelor	Sri Lanka	IT
Startup 2	27	Male	Bachelor	Sri Lanka	Entrepreneurship
Startup 3	30	Female	Master	UK	MBA
Startup 4	32	Female	Bachelor	Sri Lanka	Finance
Startup 5	51	Male	Master	Australia	MBA
Startup 6	40	Male	Master	United States	MBA
Startup 7	51	Male	Bachelor	Sri Lanka	Finance
Startup 8	39	Male	Bachelor	Sri Lanka	IT
Startup 9	47	Male	Master	UK	MBA
Startup 10	59	Male	Master	Australia	MBA

Source: Author – Directed Interviews

In order to analyze the data, the thematic method can be used. Thematic analysis, known for its flexibility and ability to reveal various participant perspectives, was applied to analyze qualitative data (Victoria Clarke, 2016). Thematic analysis involved coding data into first-order themes (initial factors affecting investment) and then grouping these into second-order themes (broader theoretical concepts). The process included listening to audio recordings multiple times for accuracy, particularly for responses in Sinhala and English. Data were then classified into units, coded, and organized into themes through iterative analysis. Participants were assured of their right to withdraw, and I pledged not to mention names in the final report, prioritizing their dignity and well-being. Participants were assured of confidentiality and given the option to withdraw or decline to answer any questions, ensuring ethical considerations were upheld (Saunders et al., 2019).

2. FINDINGS

The results that emerged from the thematic analysis structured from the two research questions are discussed below.

Table 3. Summary of Findings

Question No.	Questions	Factors/Themes
1.	What are the Startup-related, BA-related factors determining BAs’ investment in Sri Lanka?	<p><i>Startup related</i></p> <ol style="list-style-type: none"> 1. Owner of startup 2. Management team startup 3. Financial issues of startup <p><i>BA-related</i></p> <ol style="list-style-type: none"> 1. Experience 2. Networks and connections 3. Mentorship & guidance
2.	Why Sri Lankan Startups fail to attract Business Angels?	<ol style="list-style-type: none"> 1. Limited Angel Investor Ecosystem 2. Risk Aversion

Source: In-depth interviews and literature review

What are the Startup- related, BA related Determinants Affecting Angel Investment in Sri Lanka?

Startup- related determinants

1) Owner of the startup

In a survey of startups and business angels (BAs) in Sri Lanka, all participants agreed that the founder plays a pivotal role in attracting angel investment. Angel investors in Sri Lanka prioritize specific attributes in founders, such as passion, ambition, enthusiasm, and knowledge. All 10 BAs surveyed emphasized that while a startup team need not be perfect, having an exceptional founder with strong sales skills is crucial. Additionally, a clear and compelling vision for the startup's future is important for setting goals and attracting investors and talent.

“Even if the business is in a bad stage, I prefer the founders who have a great vision to develop their business up to a greater extent and he or she should be able to adapt to the changes in the market. A strong founder, however, sets the tone and direction for the startup and plays a critical role in its ultimate success.” (BA 1)

2) Management team startup

In the survey of business angels (BAs) in Sri Lanka, 9 out of 10 indicated that, in addition to the founders, the management team significantly influences investment decisions. While one BA prioritizes only the founders, most emphasize that the team's ability to execute, adapt, manage operations, and make strategic decisions is crucial for a startup's long-term success. Startups also recognized that angel investors seek not just innovative ideas but a team capable of executing those ideas effectively.

"An enthusiastic and passionate founder is essential for a startup, but its success depends on the ability of the management team to execute it effectively. Investing in startups is not just about capital; it's about mentorship, guidance, and backing the right people. I'm looking for a management team that has the passion and competence to build something remarkable." (BA 1)

3) Financial issues of startup

8 out of 10 business angels (BAs) agreed that a startup's financial plan is a crucial factor in their investment decisions. It serves as a blueprint outlining the startup's financial strategy, projections, and resource allocation. Importantly, it provides investors with a clear picture of the startup's ability to generate revenue, manage expenses, and achieve profitability, especially during the early stages when revenue may be limited.

"I always want to know how a startup plans to manage its finances because a clear financial plan is evidence that they've thought through the financial side of their business thoroughly." (BA 8)

BA related determinants

1) Experience

Investor experience is crucial in angel investing, as BAs prioritize industries where they have prior knowledge and expertise. Startups seek BAs with industry-specific experience because they provide financial support, insights, expertise, and valuable contacts. BAs significantly boost startup growth and development through their extensive industry knowledge.

"Having an angel investor who knows our industry inside out is like having a guiding light. They bring more than just funds; they bring invaluable insights and connections. We actively sought out angel investors who had a deep understanding of our field. Their expertise has been a game-changer in our growth journey." (Startup 3)

2) Networks and connections

Startups value BAs' networks for access to potential customers, partners, and investors, crucial for growth. BAs use their connections to find promising startups early, offer mentorship, and facilitate introductions to key industry players. BAs connect startups with their extensive networks, providing funding, advice, and collaborations.

"When our BA introduced us to their network, our journey as a startup was transformed. The connections we made opened doors we had no idea existed." (Startup 10)

3) Mentorship & guidance

Angel investors provide mentorship and guidance due to their business experience, vested interest in startup success, and extensive networks. Their mentorship helps startups avoid pitfalls, make informed decisions, and grow effectively. Startups value such investors for their strategic guidance and support, which is crucial for navigating challenges and achieving success, aligning with investors' goals for a positive return.

“The insights and connections that BAs bring to the table are priceless assets for us, accelerating our growth and success. We receive the wise counsel and direction from BAs to transform our ideas into successful, long-lasting companies.” (Startup 8)

Why Sri Lankan Startups fail to attract Business Angels?

1. Limited Angel Investor Ecosystem in Sri Lanka

The small pool of active business angels in Sri Lanka poses significant challenges for startups. Entrepreneurs face increased competition for limited funding, making it harder to secure the necessary capital for growth. This competition often favors those with established networks. Additionally, the lack of diversity in the investor base can concentrate capital in specific industries, disadvantaging innovative startups in niche markets or emerging fields. This concentration hinders the development of a diverse startup ecosystem encompassing various sectors and technological advancements, impeding overall entrepreneurial growth in the nation.

"Sri Lanka has tremendous entrepreneurial talent, and I'd love to see more investors join the ecosystem to help these startups grow." (BA 1)

"We have some fantastic ideas and a passionate team, but the lack of available angel investors makes it incredibly challenging to bring our innovations to life." (Startup 8)

Risk Aversion

Despite their willingness to take risks, angel investors may hesitate to fund startups due to concerns about the business climate, economic stability, and political issues. Consequently, risk-averse investors prefer safer investments like real estate or established businesses. Such selectiveness can limit the funding available for early-stage companies, impacting their growth prospects.

"As a startup founder, I believe in calculated risks, but it can be challenging to persuade risk-averse investors that we're a worthy investment." (Startup 2)

"I'm open to supporting innovative ideas, but startups need to convince me that they have a plan in place to mitigate risks and achieve their goals." (BA 4)

DISCUSSION AND IMPLICATIONS

In this section the findings are compared with the literature review and point out the determinants of Angel Investment under the two main research questions.

What are the Startup- related, BA related Determinants Affecting Angel Investment in Sri Lanka?

Startup- related determinants

Investors favor startups where they can leverage their skills, experience, and networks, ensuring a strong partnership with the founders (Nguyen Thi Kim Anh, 2023). Angel investors prioritize the lead entrepreneur's trustworthiness and commitment when assessing investments, valuing passion and enthusiasm over education level. RBV highlights how strategic management of valuable, unique, and hard-to-imitate resources fosters entrepreneurial success (Borchert, 2010). In Sri Lanka, BAs emphasize experience, skills, work ethic, adaptability, creativity, and team-building abilities in their investment decisions.

Investors primarily base their decisions to invest in startups on the strength of the management team. (Dat, 2021). Top management team experience (TMT) and company success are inseparably linked (Donald C. Hambrick, 1984). Angel investors need to assess not only the TMT's experience but also their ability to guide the young business through upcoming strategic obstacles.

BAs' investment decisions in startups are influenced by potential returns and the risks involved (Scheela et al, 2018). Financial stability supports entrepreneurial initiatives, aligning with the RBV framework and sustaining competitive advantage. Additionally, BAs consider the presence of sizable loans as part of their investment evaluation process, indicating a focus on financial health and risk management.

BA related determinants

BAs' investment decisions also depend on their own characteristics, including experience, due diligence, and cultural fit (Zinecker et al, 2022). This study showed that previous business ownership experience aids in assessing potential investments and supporting funded companies.

Networking facilitates partnerships, teamwork, aiding distribution, expansion, and market position. This is a new factor that both BAs and Startups mentioned as a main determinant of angel investment.

When I asked the interviewees about key factors affecting angel investment, both Startups and BAs identified this as a new factor that influences angel investment decisions. Angel investors' mentorship benefits startups by sharing knowledge, offering skills, strategic direction, and support in overcoming challenges.

Why Sri Lankan Startups fail to attract Business Angels?

As per the BAs and Startups, one of the primary challenges for startups can be the limited number of active business angels in Sri Lanka. The startup ecosystem may not have fully matured to the point where there are many experienced investors looking to fund early-stage companies.

Angel investors are often willing to take on higher risks, but in some cases, there may be a general aversion to investing in startups due to concerns about the uncertain business environment, economic stability, and political factors.

This study explores factors influencing Business Angels' (BAs) investment decisions in Sri Lanka through interviews with ten startups and ten BAs. Key determinants include the quality of founders and teams, startup financial strength, BAs' experience, networks, connections, and

mentorship. Challenges in attracting BAs include the limited number of angel investors and their general risk aversion.

This study can guide policymakers in creating supportive regulations for angel investing in Sri Lanka, highlight the need for education programs, encourage networking platforms, and help startups align with investor preferences. Promoting angel investment in Sri Lanka through awareness campaigns, educational workshops, TV programs, and reality shows can drive entrepreneurship and economic growth. Establishing angel investor networks, encouraging transparency, offering government incentives, and fostering international partnerships will create a supportive environment for startups and investors.

The study was limited to the Colombo district. Analysis is further limited by a lack of data and difficulties obtaining confidential information, which affects the overall depth and precision of conclusions. Future research can explore factors influencing successful angel investments in Sri Lanka, including industry, business model, and growth potential. Examining gender and diversity impacts, comparing with global best practices, and assessing the economic contributions of angel investments such as job creation and GDP growth will provide valuable insights.

REFERENCES

- Ackert, L. F. (2009). Probability Judgment Error and Speculation in Laboratory Asset Market Bubbles. *Journal of Financial and Quantitative Analysis*, 719 - 744. doi:<https://doi.org/10.1017/S0022109009990019>
- Barney, J. B. (2000). Firm resources and sustained competitive advantage. *Economics meets sociology in strategic management*, 203-227. doi:[https://doi.org/10.1016/S0742-3322\(00\)17018-4](https://doi.org/10.1016/S0742-3322(00)17018-4)
- Barney, J. (1991). Firm Resources and Sustained Competitive Advantage. *Journal of Management*, 17(1). doi:<https://doi.org/10.1177/014920639101700108>
- Chemmanur, T. J. (2014). Corporate Venture Capital, Value Creation, and Innovation. *Journal of Business Venturing*, 2434–2473. doi:<https://doi.org/10.1093/rfs/hhu033>
- Borchert, O. (2010). Resource-Based Theory: Creating and Sustaining Competitive Advantage. *Journal of Marketing Management*, 24(9-10), 1041-1044. doi:<https://doi.org/10.1362/026725708X382046>
- Colin Mason, T. B. (2016). Why business angels reject investment opportunities: Is it personal? *International Small Business Journal*. doi:<https://doi.org/10.1177/0266242616646622>
- Chemmanur, T. J. (2014). Corporate Venture Capital, Value Creation, and Innovation. *Journal of Business Venturing*, 27(8), 2434–2473. doi:<https://doi.org/10.1093/rfs/hhu033>
- Collis, J. H. (2009). *Business research: a practical guide for undergraduate and postgraduate students*. Basingstoke : Palgrave Macmillan: Kingston University.
- Dat, D. T. (2021). Investment Selection Criteria of Foreign Angel Investors in Startups in Vietnam. *Advances in Economics, Business and Management Research*, 196, 1-8. doi:<http://dx.doi.org/10.2991/aebmr.k.211119.030>

- Donald C. Hambrick, P. A. (1984). Upper Echelons: The Organization as a Reflection of Its Top Managers. *Academy of Management Review*, 9(2). doi:<https://doi.org/10.5465/amr.1984.4277628>
- Fama, E. F. (1998). Market efficiency, long-term returns, and behavioral finance. *Journal of Financial Economics*, 283-306. doi:[https://doi.org/10.1016/S0304-405X\(98\)00026-9](https://doi.org/10.1016/S0304-405X(98)00026-9)
- Jeffrey, S. A., Lévesque, M., & Maxwell, A. L. (2016). The non-compensatory relationship between risk and return in business angel investment decision making. *Venture Capital*, 18(3), 189–209. doi: <https://doi.org/10.1080/13691066.2016.1172748>
- Marambe, P. (2016). *Fostering an innovative entrepreneurial Sri Lanka*.
- Mark Van Osnabrugge, R. J. (2000). *Angel investing: Matching startup funds with startup companies--the guide for entrepreneurs and individual investors*. John Wiley & Sons.
- Mason, C. (2008). What do investors look for in a business plan? A comparison of the investment criteria of bankers, venture capitalists and business angels. *International Small Business Journal*, 199-220. doi:<https://doi.org/10.1177/0266242604042377>
- Mason, C. (2016). The transformation of the business angel market: empirical evidence and research implications. *Venture Capital*, 321-344. doi:<https://doi.org/10.1080/13691066.2016.1229470>
- Morrisette, S. G. (2007). A Profile of Angel Investors. *The Journal of Private Equity*, 10(3), 52-66.
- Nguyen Thi Kim Anh, V. T. (2023). Factors Affecting Business Angels Investment in Vietnam. *Emerging Science Journal*, 7(2). doi:<https://doi.org/10.28991/ESJ-2023-07-02-07>
- Paul, S. (2010). The network approach to the economics of angel investing. *Venture Capital*, 125-142.
- Politis, D. (2008). Business angels and value added: what do we know and where do we go? *An International Journal of Entrepreneurial Finance*, 10(2), 127-147. doi:<https://doi.org/10.1080/13691060801946147>
- Saunders, M., Lewis, P., Thornhill, A., & Bristow, A. (2019). *Research Methods for Business Students*. Pearson Education.
- Scheela, W., Trang, N. T. T., & Anh, N. T. K. (2018). Business angel investing in Vietnam: An exploratory study. *Journal of Private Equity*, 21(2), 96–106. doi: <http://dx.doi.org/10.3905/jpe.2018.1.067>
- Shane, S. A. (2009). *Fool's Gold? The Truth Behind Angel Investing in America*. New York: Oxford University Press.
- Taherdoost, H. (2016). Sampling Methods in Research Methodology; How to. *International Journal of Academic Research in Management*, 5(2), 18-27.
- The Sri Lanka Association of Software and Service Companies . (2019). *Sri Lanka Startup Report 2019*. Colombo.

Tracy, S. J. (2012). The Toxic and Mythical Combination of a Deductive Writing Logic for Inductive *Qualitative Research*. *Qualitative Communication Research*, 1(1), 109–141. doi:<https://doi.org/10.1525/qcr.2012.1.1.109>

Victoria Clarke, V. B. (2016). Thematic analysis. *The Journal of Positive Psychology*, 12(3), 297-298. doi:<https://doi.org/10.1080/17439760.2016.1262613>

Wang, J. (2020). Business Angels' Investment Strategies and Organizational Change in China. *China Research Center*, 19(3).

Zinecker, M., Skalicka, M., Balcerzak, A. P., & Pietrzak, M. B. (2022). Business angels in the Czech Republic: characteristics and a classification with policy implications. *Economic Research-Ekonomska Istrazivanja*, 35(1), 273–298. doi:<http://dx.doi.org/10.1080/1331677X.2021.1890179>