

10 tips to attract investors and secure funding

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Many excellent business ideas never get past the spreadsheet stage and into the real world simply because entrepreneurs fail to connect with individuals or investors with enough capital and risk appetite to help implement them.



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Finding the correct investors and pitching an idea is a valued business skill that can be developed and improved. Often entrepreneurs don't possess the skills to pitch their business effectively and enthusiastically enough to potential investors, and thus don't succeed in generating the necessary interest or funding.

Here are 10 tips to get you started:

1. **Get yourself connected and network.** Investors are out there, and they are usually only one or two people away from those with whom you do business with anyway. Your accountant or suppliers, for example, can put you in touch with potential investors, or at least someone who knows a potential investor. Emphasise the "work" in "network", and investigate and ask for referrals.
2. **Prepare and sharpen a concise story around your idea** that contains no waffle, but only the essential elements that will interest an investor - marketability, sustainability and your own passion for the project. Your value proposition should come through succinctly - what are you offering to whom, and why they will be prepared to buy it.
3. **Make sure that you know all the aspects of your idea and business plan, as well as its market and industry.** Investors want to know that you are experienced in the industry in which you want them to invest. Therefore, the more you have worked on your plan, even to the point of taking your idea to the market on a small scale, the better.
4. **Have a detailed business plan ready.** Not only will it help to give you the knowledge mentioned in the previous point, but the fact that you will immediately be able to send or present your plan if someone wants to have a closer look will help to convince potential investors of your readiness. Besides, knowing that you can back up your pitch with a plan will give you confidence.
5. **Your business plan should have a powerful executive summary** that encapsulates your business plan precisely, without waffle or exaggeration. Chances are that the investors whom you will be targeting have seen many business



plans in their lives, and they will not bother to read further if the executive summary does not whet their appetite.

6. Often investors will request a follow up meeting which includes a detailed presentation of the business plan, profit projections and industry insight. Be prepared for this request and **have a more detailed plan available in advance**.
7. It is almost guaranteed nowadays that an investor who becomes interested in your idea will do a background search for you on the internet. It helps to **have a good website on your idea and a strong presence on social media** in which your successes are highlighted, not only in your current business but in previous ventures and jobs. Most astute investors investigate the strength of both the business idea and the prowess of the entrepreneur.
8. **Once you've made contact with a potential investor, stay in touch**, even if it is just by asking for advice, for example on how an investment of the kind you are looking for can best be structured.
9. **Be open to feedback from potential investors**, who would want to see that you are open-minded and adaptable. Besides, chances are that the investors you are pitching to are experienced business people themselves, and can enhance your ideas with their advice, whether they decide to invest in your idea or not.
10. **Have a realistic exit strategy for the investor**, who, unlike you, does not necessarily want to remain in the business in the long term. The investor's thinking is likely to be around whether he or she can make the best return possible on the investment, so this point should be included in the exit plan. The time frames that most investors work with are between three and seven years.

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