

Make your business irresistible to investors

Securing the capital you need to grow your business is dependent on your ability to win support for your ideas.

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TAGS SMALL BUSINESS GROWING YOUR BUSINESS

Here's how to increase the chances of people buying into your organisation.

As your business progresses, you might find that gaining access to finance is one of the key frustrations. With so many variables surrounding the funding process, not to mention a complex range of criteria, it can be an overwhelming process.

Entrepreneur and author Alan Manly (*When There Are Too Many Lawyers ... There Is No Justice*) summarises five key steps for ensuring your business plan is irresistible.

Step 1: Research your product

Explain exactly what you plan to do with your service or product. Understand that when you write about your great idea you are speaking as an enthusiast. Not everyone will automatically accept your assertions. Show you are informed by looking up references and learning the exact terminology of your product. If you believe in your product or service, confidently communicate this in person and in the business plan.

Step 2: Sell your team

The product might look good, but the team taking the product to the next level is what people will be investing in. It's essential that the CVs and LinkedIn profiles of everyone involved are polished and clearly display their professional expertise and experience.

Step 3: Demonstrate enthusiasm

The next challenge comes when introducing potential investors to your team members. Have a trial run where they confidently introduce themselves and talk about the project. A positive and up-to-speed team is more likely to impress than one that looks nervous and unsure. In addition, a reward program based on KPIs will persuade an investor that your team have a great reason to go the distance.



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LIVE CHAT 

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Step 4: Sell the business plan

Most investors have seen countless business plans to the point where one proposal looks just like any other. The plan needs to be sold, not just presented. In order to stand out, walk the investor through all the assumptions and explain why it is a great product or service.

All businesses have cycles, and all companies have good and bad years. Your plan should be realistic so that you can manage expectations more effectively down the line. Many investors know from experience that a start-up project will cost twice as much, take twice as long and be twice as hard as the business plan predicted.

Step 5: The exit

The investor wants to be assured that your idea is so good it will take off. It can't be an idea just for the sake of keeping everyone on your team in a job and paying a modest dividend. To convince them that you are an entrepreneur, set the goal in turnover and profits, and therefore market value for when you will exit or sell down some of your shares.