

Key considerations when raising expansion stage capital

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The industry must have some factors that may attract the investors. Banks is a quick option to raise start-up capital in collateral presence, but the concept is different in the cases of venture capitalists. The investors in ventures scrutinize the company and asses it growth potential, whether there is a chance of whooping great profits within a short time. In short, the company or business idea must have some great market potential in it.

Secondly, it remains fundamental option to put self in the investor's shoes. Investors are keen and quick to invest in a company with an assuring management team, growing company with a future. Therefore, a business plan must have a clear indicator of the company's success elements.

The entrepreneur must demonstrate a full awareness of the target audience. Any good business idea will always have an aspiring investor willing to cash in his resources. Investors vary in their characteristics. Some analyze the possibility of assumption control, executive positions, degree of risks and company maturity. The entrepreneur must be aware of the portfolios and profiles of such investors, and this can be made possible through consistent research.

Moreover, the business plan and specifically the executive summary dictate the path the business is likely to take. It does establish a close connection between the potential investor and the business (Choe, pg. 45). No confidential information should be added up in a business plan. The plan should be a summation of not more than five pages, articulating the growth strategies, marketing strategies, definition of the products, funds requirements and market entry criteria. Furthermore, to counter the aspiring investor's inquisitiveness, explain the team one is working with, financial

projections, target clients, major competitors, and strategies to outdo the competitors, usage the profits raised and other investors aspiring to join the team (Choe, pg. 45).

Most significantly, the entrepreneur needs to know that the process needs a deep commitment in time. Most investors take quite some time to investigate and make a final decision. He will need to spend more time in roadshows, meetings, conferences, and seminars making presentations about the firm. Repeating the story a million times is something one should not give up on until the business idea sells.