

How to Attract & Secure Private Sector Capital Investments

Whether in good or uncertain economic times, capital providers (i.e., Venture Capitalist or Business Angels) are always looking for solid business opportunities to invest their money. To attract and secure the capital investments, an entrepreneur / business owner must be able to address the following items:

Innovative Product Solution

It is not enough to have a “me to” product, which differs from the competitors’ in name only. Your product invention must be truly revolutionary. The innovative technology, more importantly, must be highly advanced, difficult to replicate and patent protected.

Satisfying a Consumer Need

The product invention must be able to meet a consumer need that existing products fail to do. In other words, the product invention must satisfy consumer needs in a unique way such as price, taste, color, comfort, function, size, availability, reliability, convenience or enjoyment.

Market Size

At least \$500 million in annual sales with a double digit growth rate (i.e., between 10% - 25%) is the measurable market size your product innovation should represent. Investors prefer to invest in growth markets. The market size, in fact, must be large enough for the innovative technology to capture market share and to generate a significant return on investment for the investor.

Competitors

Every company has competitors. By identifying competitors, it gives your firm the chance to showcase the product

invention’s competitive advantage. In addition, it provides your company with an opportunity to indicate how your business strategy execution is different and leads to actually beating competitors in the marketplace.

Business Plan

Investors are looking for a well-thoughtout, comprehensive written document spelling out how the company intends to bring the product invention to market, how the company intends to win over potential customers, how the company intends to control operating costs and how the company intends to compete against existing and possible new products.

Management Team

An experienced, talented group of individuals working together to grow the business operations, as well as utilize the company’s resources in a cost-effective manner resulting in both product sales and profitability is the type of management teams investors prefer.

Entrepreneur

Individuals who are driven, energetic, leaders, committed, visionary, innovative, and cooperative are the type of entrepreneurs investors want to work with as well as invest in their companies.

Contact us today, at Staff@eighteenventures.com, to see how we can help your company develop a successful strategy to attract and acquire capital investment.