

As Dragons' Den returns - here's how to attract your own investor

Submitted by: Press For Attention PR

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With the return of Dragons' Den yesterday (Sunday 12th July) many entrepreneurs and ambitious businesses will be considering how they might attract crucial funding to accelerate growth.

So, what steps should a company owner put in place to ensure that his or her business is attractive as possible to potential investors. Growth is only seven steps away, according to BriefYourMarket.com's (<http://www.briefyourmarket.com/overview-executive-summary.htm>) CEO Rick Palmer. His business recently attracted major investment from technology entrepreneur Mel Morris, perhaps best known as one of the men behind "Candy Crush" (<http://candycrushsaga.com/>).

Here, Rick shares his guide that could open the door to finance for your business.

1. Put the right management team in place. Most investors can feel by talking to business people whether they can deliver a plan and most importantly react to adversity positively – are they adaptable to change? Does the management team have a proven ability to actually get the idea off the ground, bring it to life and make it work? You could say that ideas are ten a penny – teams that deliver are more scarce.

2. Have a great product: If you can pitch a fantastic product or idea that has an instant competitive edge, that is scalable in order to create fast growth in revenues, then you're half way to securing your funding. Ask yourself these questions: can you compete successfully against much larger organisations? Are you in an industry sector that is growing?

3. Put in place a solid business plan: Your plan has to have credibility; it's no good creating a fancy spreadsheet and hoping for the best. Consult a quality mentor to test and question your assumptions and really listen to their advice. Bring the plan to life visually as well as the numbers –it's easier to read and will bring your ideas to life.

4. Value your company sensibly: Look at a reasonable valuation when seeking out investment – not pie in the sky based on the dreams of the current shareholders. The team has to totally buy into the opportunity the new investment will offer to leverage the business to much higher levels.

5. Keep on top of your housekeeping: It's well worth every businesses preparing a full due diligence pack before starting the process in order to cover all of the angles and issues that will arise later on if they aren't covered off early. These include such things as intellectual property, company structure, legal contracts , financial information, employment-related contracts , customer contracts, compliance, premises etc.

Make a point of updating this information regularly so it doesn't become a huge burden at the point you are negotiating and can delay or stop the deal. The key point here is openness and honesty throughout – investors are likely to flee instantly if they feel that the wool is being pulled over their eyes at any point in the process.

6. Have a clearly defined exit strategy : Make sure you know when it's time to go. Draw up a timeline on your planned exit, as most investors will expect to realise a return on their investment within agreed timescales.

7. You can never know enough - be passionate about lifelong learning and improvement. Prior to seeking investment, my co-founder Damon Bullimore and I, joined the Elite programme sponsored by London Stock Exchange and Imperial Business College. This has been incredibly helpful in learning about the process and also networking with guys from very fast growth and successful companies such as Skyscanner, Graze and Naked Wines. Feed off each other's experiences and knowledge.

The first six months of 2015 has seen stronger lending to medium-sized enterprises and a higher number of loans being approved for small businesses. The first quarter saw 35,500 loans approved for all SMEs, according to the BBA.

However, if you want to broaden your horizons to private investors, then you need to make your business waterproof. Growing organically is fine for some, but for those who really want their business to take off, finance is the only option. Make sure your business is in pole position.