

5 Top Tips for Raising Money for your Business

by Val Culley, Managing Partner of Culley Lifford Hall Accountants & Business Advisers

If you're looking for investment in your business, you need to present a compelling case to assure your backers that your business is completely sound and has a future. There's no substitute for a one-to-one discussion so book an appointment with an advisor before you approach any moneylenders to make sure you have everything in place. At Culley Lifford Hall we have many years experience of creating business plans and know what your investor will expect for it to be professional, credible and convincing.

1 Think of who you want to impress

Write your plan with your investor or lender in mind – consider what they'll be looking for in terms of it offering a true commercial opportunity, getting a reasonable return on their money and the likelihood of you being able to repay any loans. They'll be looking at this in terms of risk to them so make sure your presentation covers everything, even the negatives. Highlighting any potential problems your business could face demonstrates a realistic and market-aware approach. Focus on what your investor needs to know that will persuade him to believe in you enough to invest in you.

2 Know your market

Find out who will use your product or service and then add as much detail as you can – buying habits, potential numbers, is it a growing/declining market, what price are you going to set, how can you justify it? Predict the questions you might be asked and make sure you have all the answers covered in your document. Having a good idea of the potential size of your market will show you've done your homework.

Find out who else operates in your market and obtain a good insight as to how they run their business. Knowledge of their marketing tactics, price levels and customer profile is invaluable. Be aware that a saturated market will be less attractive to your investor so try and add new dimensions to your service that will make you stand out or make your business more competitive.

3 Cover all basics in sufficient detail

A good checklist to base your presentation on includes providing: a company outline; the product/service; market knowledge; competition; management team and staffing levels; marketing and promotional plans; operations/systems; finances.

Make sure your presentation is highly visual, interesting, clean and clearly laid out. If you're doing an electronic presentation, make sure you have a back up and a good-looking, bound hard copy to leave behind. Check all spelling and grammar – ask for help if you are unsure.

4 *Does it add up?*

The financial aspect of your plan will attract a lot of scrutiny. This is something that Culley Lifford Hall can assist with. You'll need to include costings, sales predictions (based on some research or factual evidence if possible), cash flow, breakeven point and so on. It is vital to include all your start up costs, overheads and staff costs.

5 *Summarise, review and keep it live*

Finish your presentation by writing an executive summary – possibly the most vital section that will be referred to again and again. Position this at the very front for this reason. This is a brief resumé of everything contained within the document. It is something that will be read as an absolute minimum and could entice time-pressed investors to read more if they're uncertain – so make it count.

When it is complete, get your business plan reviewed by an independent, professional person. They will be able to assess it impartially and suggest improvements or prompt answers to questions that you have missed. Take their feedback into account and modify your plan as necessary.

On a final note, keep your plan live. Update it as progress is made or information is gathered and make sure it accurately reflects the status of your business at any given moment. Use it as a benchmark to measure your progress and review it at regular intervals.

Culley Lifford Hall has a wealth of experience in business investment, contact Val Culley at val@culleyliffordhall.co.uk for an initial discussion.