

LATEST NEWS: [How to make your start-up irresistible to investors – Part 1](#)

## How to make your start-up irresistible to investors – Part 1



Entrepreneurs invariably have ideas bigger than themselves. Hence all they need is a friend, family member or perfect stranger to invest their hard earned money into an idea that has every chance of succeeding. The word chance of course, can scare a few timid souls. Thus, the real challenge for entrepreneurs is not always the technical issues and the beloved unique ideas but more to the social skills in understanding people who, at first blush, would have little in common with an entrepreneur looking for investors. So, what can you do to make your new business plan irresistible?

### Step one: Research your product

Explain exactly what are you wishing to do? Whether a service or a product, it will need an explanation. Allow the fact that when you write about your great idea you are speaking as an enthusiast. Not every one will accept your assertions. Look up references, the more the better. You may not use them all but you will learn a lot about the exact terminology of a like product. Google would be a great place to start.

### Step two: Sell your team

The product may look good but the team taking the product to the next step is what the investors are investing in. Polished CVs of all the team members is a must. Then the challenge comes when an investor wishes to meet your team members. Practise for such an event. It is unfair on your team to ambush them and just hope they can

introduce themselves and talk about the project. A confident team is more likely to impress than folks who look nervous and unsure. Practise interviews with investors. That way you will also be more familiar with questions that an investor may ask. Remember your team has to be able to present a believable story. It is your responsibility to lead the team to success.

### **Step three: Show your team is invested**

Investors will want to see that your team is on fire. Eating and sleeping this project to get it out on time and overcome every obstacle that comes along. Reward programs based on KPIs will persuade an investor that your team have every good reason to go the distance to the final and most likely late release of the product.

### **Step four: Sell the business plan**

Most investors have seen many business plans. One template looks just like another. Many business plans scream that the authors are under duress just documenting what the product is. Then of course the sales figures match perfectly the expected return (being many times a bank deposit return). All businesses have cycles and all companies have good and bad years. Your plan should be realistic. 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. Sometimes it is best to share the truth that it is a real risk. Walk the investor through all the assumptions and explain why it is a great product or service. The plan will need to be sold, not just presented.

Stay tuned next week for the wrap up of this two-part story with four more steps on how to effectively get an investor's nod to back your start-up dream.

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