



## **Curb Appeal for Business: 10 Ways to Make Your Venture More Appealing to Strategic Partners and Investors**

When you start a business, you will need money. To sustain its growth, you want strategic partnerships. Not all entrepreneurs, however, can count both among their personal resources, especially when a company is at the formation stage. This means that you have to market your business to investors and strategic partners, and matching what you can offer to their expectations is an essential first step.

### **Investors**

For many companies, outside funding is necessary for success. Raising money through resources like the following can put a promising business on the path to future expansion and greater market share.

- Banks
- Venture capitalists
- Angel investors
- Personal investors
- Peer-to-peer lenders

Each one has their own criteria for determining which startup merits their investment dollars, but an analysis of your needs and their requirements will help determine the best fit.

### **Strategic Partners**

Finding the right business partner is like striking gold. They can help you build an enviable brand reputation, scale your business, and expand your customer base. Like investors, requirements will vary from one entity to the next. Some seek revenue share relationships, while others are looking for equity ownership.

So how can you make your business appealing to strategic partners and investors? By maximizing its curb appeal. Just as sellers go the extra mile to make their homes irresistible to potential buyers, present your company in a way that makes it too good an opportunity to pass up. Here are ten ways to accomplish that.

#### **# 1 Operate in a High-Growth Industry**

If you are in a high-growth industry and have a unique and promising concept for a business, potential partners and investors will be much more receptive to your initial approach. Many of them even actively seek new opportunities among expanding markets and emerging trends. To use a real estate analogy: trendy is 'in'. Practically everyone jumps at the opportunity to live in a gentrified and up-and-coming neighborhood. There are few investors who don't wish they had gotten involved with (for example) Facebook before its stock prices took off.

To minimize the perception of risk, focus on one or two concepts that make the most sense instead of chasing an assortment of ideas. Otherwise, your audience will wonder where their money will actually be spent, as well as how wisely.

#### **# 2 Have Solid Financial History**

If you have been in business for awhile, prepare a financial statement that goes back at least three years. When the numbers are attractive and the reports have been prepared by a trusted accounting firm, strategic

partners and investors will have greater confidence in you, the company, and your ability to keep the momentum going.

### **# 3 Demonstrate Strong Potential**

When you have an actionable strategic plan, your company presents an appealing degree of potential. That can make a huge difference in the valuation you will receive when you set out to raise funds.

Good plans have satisfactory answers to the following questions:

- What need does the product or service fulfill?
- What is your approach to solving this need?
- What are the costs and benefits of your product or service?
- How do you differ from the competition?
- Who are the potential customers? Where are they located? Approximately how many of them are there?

If your plan is both believable and actionable, investors and partners will be excited. Be careful not to let ambition result in over-inflated numbers and estimates: anything that doesn't match market realities will turn people off.

### **# 4 Demonstrate Quality Leadership**

Anyone looking to invest in or partner with a business is going to be concerned with the quality of its leadership. Have you proven yourself to be a strong and financially responsible leader with an equally capable team? Stellar leadership and good investment or partnership opportunity are perceived as intertwined. The general perception is that the ideal companies to do business with are those that can expand and flourish without direct oversight by their founder.

### **# 5 Have a Strong Sales Team**

Being a dynamic entrepreneur with excellent sales skills is a great start, but you should not be your enterprise's best -or only- salesperson. Few entities will want to take a chance on a business whose growth could fall flat when the owner leaves or is unavailable. A skilled sales department capable of sealing deals and increasing revenue will inspire more confidence. Increasing a company's profitability is also a lot of work, and best handled by a committed team. If your team is not yet in place, include a hiring strategy in your proposal package.

### **# 6 Minimize Excess Costs**

Trimming costs maximizes profit. Demonstrating careful and diligent financial control will make your venture more attractive to partners and partners. A gradual approach is not recommended, however, as you may only receive a higher valuation for reduced costs that have been in effect for at least nine months.

### **# 7 Meet Your Budget**

A proven ability to meet or even exceed your annual budget always inspires lender and partner confidence. It not only reflects well on the business leadership, but also the product or service offering and consumer demand for it.

### **# 8 Have a Long-Term Business Plan**

When your business plan takes the future into account, it's easier for investors and partners to see where they can add value, whether it be in terms of money, industry experience, or more. Presenting the bigger picture also makes it easier to manage expectations, especially where financials are concerned.

### **# 9 Be Prepared for Every Meeting**

As the saying goes, you may never have a second chance to make a first impression. Know what potential investors and partners want to see when you present your business strategy and financials to them, and have the necessary documentation on hand. If you're unprepared for an important meeting, it can raise a question mark over your competence in general.

### **# 10 Work with Experienced Legal Counsel**

Attorneys with a background in business formation and strategic planning assistance will provide invaluable insights into how to prepare the best proposal package, which should be ambitious but sustainable and legally sound. When a partner or investor is ready to make a deal, your attorney will help you carry out efficient negotiations with an outcome that both sides are pleased with.

Demonstrating the sustainability of your proposed or established business, coupled with a sound and strategic action plan, will decrease the perceived risk and improve your chances of securing investment and/or an advantageous partnership.

Finding an experienced and qualified business attorney to assist you can make a pivotal difference in the success of your efforts. The Law Office of Philip P. Crowley LLC will give you the help and advice necessary to bring your innovations to the market. To schedule a free confidential consultation, please contact us online or call 844.256.5891.