

Investment Options for Start-ups: Understanding business investments

Focus:

“Business investment” is a broad term, which can be defined as the money spent on creating, developing, running or expanding a business with the expectations of future returns. In this series, we will focus on the most common types and different approaches you can opt for, depending on the requirements of your individual business.

For start-up businesses, investments are typically used to build up stock, rent or buy premises and pay employees. Depending on your business needs and what stage of the business lifecycle you are at, it is important that you understand and consider the variety of options available, when it comes to securing investment.

Common problems/mistakes:

- Very little is known about the available investment options;
- The wrong investment approach is pursued;
- Little is known about pros/cons of different investment options.

Why is it important:

- Provides working capital to start your business;
- Saves time, effort and money;
- Can help you to scale/enter new markets faster.

Screen share:

- The different types of funding options available.

Template/checklist:

Funding resource for start-ups.

Tips for success:

- Evaluate all of your options;
- Look at the pros/cons of each;
- Seek advice from a business expert.

Task:

Identify three companies that operate in your industry that have received investment. Note down how much they received and how they used it to grow their business.