CMET
Center for Micro-Entrepreneurial Training

3 Key Steps to Acquire Financing for Your New Business

Step 1 – Develop your idea:

- Understand your targeted client and how they want to buy.
- Define what you will do and the business you will be in.
- Understand the market you are entering and how you will compete.
- Create a Business Plan that forecasts your capital needs.

Step 2 – Assemble your teams & create your entity:

- Internal team – Identify and acquire friends/family with relevant business skills.
- External team – Identify the 5 key professionals your businesses will need:
  - Attorney
  - CPA/Account
  - Insurance Agent
  - Banker
  - Business Consultant

Step 3 – Identify Funding Sources:

- Self-Fund/Bootstrap:
  - Savings
  - Credit Card Funding
- Crowdfunding campaigns:
  - Donation based model
  - Reward based model
  - Equity model
  - Debt-Financing Platforms
- Loan funding:
  - Home Equity/Personal Loan
  - Asset Based
  - Buyer's Order/Invoice secured lending
  - SBA Loans
- Inner circle capital:
  - Friends
  - Family
  - Make sure to provide projections of when they will be repaid.
- Angel Investors:
  - They are typically high net-worth individuals that focus on smaller early-stage ventures that do not qualify for bank lending or venture capital.
  - They often seek an ownership stake in the company.
- Venture Capitalist:
  - They look for scalable ventures with good cash flow & proven models.
  - They are typically involved in daily operations & seek a specific return on their money

The bottom-line, know your business down to its core, develop a team to assist in its mission and determine what type of funding works best for your situation before you seek the money.