

# **FINANCING AND FUNDING FOR ENTREPRENEURS**

## **Unit 2**

### **FINANCING AND FUNDING FOR ENTREPRENEURS**

#### **Credit 3**

**Subject Code: 23JUGEHSS18**

# Outline of the Unit 3 Presentation

## ❖ **FINANCING AND FUNDING FOR ENTREPRENEURS:**

- ❑ Sources of funding: bootstrapping,
- ❑ venture capital,
- ❑ Angel investors,
- ❑ Financial planning and management,
- ❑ Marketing and Sales for Start-ups,
- ❑ Marketing strategies for new ventures,
- ❑ Sales techniques, and customer acquisition

# Financing and Funding for Entrepreneurs



Entrepreneurs need capital to start and grow their businesses. Key funding options include:

- Bootstrapping – Using personal savings or reinvesting profits.
- Angel Investors – Individuals who provide capital in exchange for equity.
- Venture Capital (VC) – Firms investing in high-growth startups.
- Bank Loans – Traditional loans with interest repayment.
- Government Grants & Subsidies – Funding programs for specific industries.
- Crowdfunding – Raising small amounts from many people via online platforms.
- Business Incubators & Accelerators – Support programs offering funding, mentorship, and resources.

# Why is Funding Important for Start-ups?

- ❑ • Helps cover initial costs and operational expenses
- ❑ • Supports product development and market expansion
- ❑ • Ensures business sustainability and growth

# Sources of Funding for Entrepreneurs

Different funding sources include:

- ☐ • Bootstrapping
- ☐ • Venture Capital
- ☐ • Angel Investors
- ☐ • Bank Loans
- ☐ • Government Grants
- ☐ • Crowdfunding

# Bootstrapping

- Bootstrapping refers to self-funding a business using personal savings or reinvesting early revenues.
- **Advantages:**
  - ☐ • Full control over the business
  - ☐ • No debt or investor pressure
- ☐ Challenges:
  - ☐ • Limited capital
  - ☐ • Slower growth potential

# Venture Capital

- Venture capital (VC) is funding provided by firms that invest in high-growth start-ups in exchange for equity.
- ☐ • Best suited for businesses with high scalability
- ☐ • Involves mentorship and networking opportunities
- ☐ • Requires giving up a portion of ownership

# Angel Investors

- Angel investors are individuals who provide funding in exchange for equity or convertible debt.
- ☐ • Typically invest in early-stage start-ups
- ☐ • Offer industry experience and connections
- ☐ • Expect high returns on investment



# Bank Loans and Government Grants

- ❑ • Traditional bank loans require strong credit history and business plans
- ❑ • Government grants provide funding without repayment but may have strict eligibility criteria

# Crowdfunding

- Raising small amounts of money from a large number of people through online platforms like Kickstarter and Indiegogo.
- ☐ • Builds community engagement
- ☐ • Requires strong marketing to attract backers

# Financial Planning and Management

- Entrepreneurs need a solid financial plan to manage funding effectively.
- ☐ • Budgeting and forecasting
- ☐ • Managing cash flow
- ☐ • Tracking expenses and revenues

# Importance of Financial Planning

- ❑ • Prevents financial mismanagement
- ❑ • Helps secure future investments
- ❑ • Ensures business sustainability

# Marketing and Sales for Start-ups

- ❑ Marketing and sales are critical for acquiring customers and generating revenue.
- ❑ • A strong marketing strategy builds brand awareness
- ❑ • Effective sales techniques drive business growth

# Marketing Strategies for New Ventures

Start-ups should use a mix of marketing techniques:

- ☐ • Digital marketing (SEO, social media, content marketing)
- ☐ • Paid advertising (Google Ads, social media ads)
- ☐ • Word-of-mouth and referral programmes

# Branding for Start-ups

- Building a strong brand helps create trust and recognition.
- ☐ • Define unique selling points (USPs)
- ☐ • Consistent brand messaging
- ☐ • Engaging visuals and storytelling

# Social Media Marketing

- Platforms like Instagram, Facebook, and LinkedIn help reach a larger audience
- ☐ • Influencer marketing can boost brand credibility
- ☐ • Regular engagement builds customer loyalty



# Sales Techniques for Entrepreneurs

- ☐ • Understand customer needs
- ☐ • Develop persuasive sales pitches
- ☐ • Build strong customer relationships
- ☐ • Follow up with leads to close deals

# Customer Acquisition Strategies

- ☐ • Offering free trials or discounts
- ☐ • Using referral marketing
- ☐ • Partnering with other businesses for promotions
- ☐ • Implementing email marketing campaigns

# Retaining Customers

- Acquiring customers is important, but retaining them is crucial for long-term success.
- ☐ • Provide excellent customer service
- ☐ • Personalised offers and loyalty programmes
- ☐ • Continuous engagement through email and social media

# Challenges in Financing and Marketing

- ❑ • Finding the right funding source
- ❑ • Managing finances effectively
- ❑ • Competing with larger businesses
- ❑ • Reaching the right target audience

# Overcoming Challenges

Develop a strong business plan before seeking funding

- ☐ • Use cost-effective marketing strategies
- ☐ • Focus on customer relationships and long-term growth

# Conclusion

- A successful start-up requires a mix of effective funding strategies, sound financial management, and strong marketing and sales techniques. Entrepreneurs must continuously adapt to the market and refine their approach.

# Thank You