

Title:

Finding Your Match: The Art of Meeting the Right Investors

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617

Summary:

Finding the right investors can be a lot like dating. Making the right moves can lead you to meeting your match.

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Article Body:

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In my practice, I meet with many entrepreneurs. Listening to their stories is a poignant reminder about just how difficult it can be to find the investment money they need to grow their businesses. Many often ask me about the best ways to raise money for their businesses. Believe it or not, often times my answer begins with a story about my dating life. It goes something like this:

Although I was not blessed with Brad Pitt's good looks or the best conversation skills, thankfully, I did catch the height gene and measure in at about 6 feet, 2 inches. Now, by Midwest standards, this is no significant thing, but in New York City, for whatever reason, it was one way to differentiate myself from many of the other guys in the singles scene. So, when I went to parties or out with friends, instead of competing with every other guy for the attention of the same group of women, I would try to meet the women who were taller than most of the men in the room. Knowing my dating limitations, I played the odds that were most favorable for me.

For me, the strategy was a success. Last year in November, I married a 6-foot tall brilliant and beautiful woman!

Finding the investment money you need to grow your business is not that much different than my dating story (albeit, maybe a little less fun). To be successful, you first have to put yourself out there and meet a lot of people. But, then, and perhaps most importantly, if you are aware of your company's limitations and you focus your efforts on the funding strategies where you have the greatest odds for success, you will find more money, faster and with less

effort.

For some of you who will have immediate positive cash flow and assets you can afford to use as collateral, a bank loan may be the best, and certainly the fastest, way to get started.

For those of you who have a business model that is scalable into the 9-figure range, with principals who have prior entrepreneurial success, and/or businesses in the latest hot industry, VCs or angel groups may be a viable option.

For the rest of you (who incidentally represent 99% of the people who come through my office doors), serious consideration should be given to finding a Joint Venture Partner or executing an "extended" friends & family private offering—at least to give yourself enough time to grow the business to a level where you can more seriously consider one of the other two funding options.

One more thing. When I was single, I did not date tall women exclusively. If a shorter woman came my way, I obviously would not turn her down for a date! It is the same situation with pursuing a funding strategy. Just because you focus your efforts on one funding strategy, like seeking a Joint Venture partner, doesn't mean that if you meet a VC who offers you an opportunity to pitch your story you should not take it! The point is, you will ultimately have more success if you concentrate the majority of your efforts on one focused strategy.

Remember, efforts directed towards looking for investment money will be time spent away from doing what you do best: growing your business and achieving your financial goals. You need to be both strategic and realistic about it. The idea is to pursue the strategy where you will have the greatest odds for success.

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