

MODULE 6

LET'S GET PRACTICAL

Managing & raising project finance, legalities for starting a business

USING OUR COURSE- IT COVERING 9 KEY MODULES



MODULE 1

Your creativity, where do business ideas come from ?

MODULE 2

Personal Development: what are your goals?

MODULE 3

Qualifying your business idea - the importance and tools of research

MODULE 4

New ways to be in business – introduction to private, social and community enterprise

MODULE 5

Entrepreneurship on a shoestring

MODULE 6

Let's get practical, managing and raising project finance, legalities for starting a business

MODULE 7

The HOW and WHERE of being In business, making product and service

MODULE 8

Sales are the engine of your business

MODULE 9

Marketing on a shoestring





THIS MODULE WILL
HELP YOU GET
**GET PRACTICAL, MANAGING &
RAISING PROJECT FINANCE**





MODULE 6 CONTENT:

- Is your business viable ? Costing, pricing and breakeven
- Choosing the right business structure for you
- Regulation
- What financial resources do you need to start up ?
- Where can you find support?





IS YOUR BUSINESS GOING TO BE VIABLE?

Firstly, what do we mean by viable?

You have a great idea for a business, you have researched the market, are happy it has potential and you have the support of those around you. Before you invest your time, energy and resources, you need to figure out whether it's a viable business venture. Viability measures your business' ability to start, grow and survive. Can you make a profit at a price that your customers will be happy to pay for?





IS YOUR BUSINESS GOING TO BE VIABLE ?

There are 3 key factors you need to consider at this point..

1. There must be a clear need for your product or service (or you must create one). This is the **OPPORTUNITY**.
2. That need must have sufficient potential to create a **DEMAND**.
3. There should be sufficient €€ **REWARD** €€ within your idea to be able to support your business needs

Many businesses fail (and fail quickly) because they have not determined or miscalculated the REWARD aspect of their business proposition



Pricing, costs and making a profit

HOW TO SET YOUR PRICE?

Without truly knowing your costs, you cannot know if you are going to make a profit or not. Many start up entrepreneurs mistake turnover for profit.

Let's be clear...

- **Cost** – the amount it takes for you to produce the product or service for sale
- **Price** is the selling price per unit customers pay for your product or service. So, when customers ask, "How much does it cost," your answer is your price.
- **Turnover** is the amount of money you take into the business (generated by sales)
- **Profit** is what is left when you have covered all your costs





COSTS

The cost is a **monetary valuation that needs to reflect and reward your**

1. Effort
2. Materials
3. Resources
4. Time and utilities consumed,
5. Risks incurred and opportunity forgone (if you were working elsewhere how much would you have earned)

The purpose of costing

- Is to control cost
- To fix your price
- To identify your most profitable sales



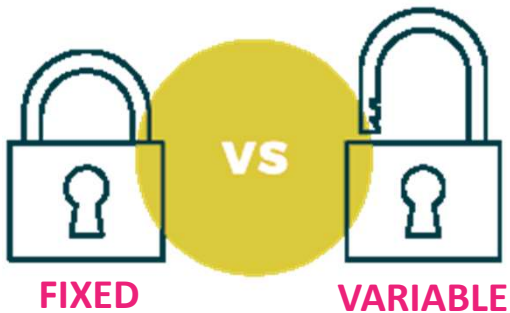
COSTS – 3 ELEMENTS

Working out costs for a physical product is straightforward. Your cost is the amount of expenditure it takes to make a product. It includes **3 elements**:

1. The cost of your **materials** including packaging
2. **Labour** – the cost of your time in making and selling the item
3. **Overheads** – the costs of being in business – e.g. rent, transport, marketing costs

MATERIALS + LABOUR + OVERHEADS





TYPES OF COSTS

Fixed: Fixed costs remain the same, no matter how much you produce e.g. rent, loans on equipment.

Variable: Variable costs relate to the amount of goods or services you produce. They are directly linked with changes in activity e.g. materials, stock, packaging, utilities. The more you sell, your variable costs increase. For example, you produce ceramic mugs for a cost of €2 a mug. If you produce 500 units, your variable cost will be €1,000. Types of costs

If your rent is €100 per month, then that does not change if you sell 10 mugs or 1,000 mugs.



PRICING AND MAKING A PROFIT

- Pricing your product or service is one of the most important business decisions you will make.
- You must offer your products for a price your target market is willing to pay—and one that produces a profit for you—or you won't be in business for long!
- Your pricing must take into account your costs, but it also needs to consider the effects of competition and the customer's perception of value.
- **Bundle** - Combining products and services can be a way of increasing the up front price (and therefore profit) by offering added value that costs you nothing in the short term. For example maintenance and support packages sold when goods are bought





1

TOTAL COST APPROACH

- Calculate all costs for a product
- Determine number of units - how many can you make and importantly how many can you sell (there is a difference!)
- Divide total costs by number of units
- Add profit figure - the magic number generating the price to customer

THERE ARE 2
MAIN WAYS OF
COSTING/PRICING



1

TOTAL COST APPROACH

Example

- Total cost including all fixed and variable costs to run my mug business for 1 year is **€10,000**
- I forecast I can sell **10,000** mugs (units)
- I want to make a profit of **40 %**
- Price quoted to customer is **€1.40** per unit

€10,000 divided by 10,000 mugs = €1 per mug Add profit 100% - €1 Price €2.00

THERE ARE 2
MAIN WAYS OF
COSTING/PRICING



1

TOTAL COST APPROACH

Advantages

- Simple to operate
- Ensures you make a profit

Disadvantages

- Not suitable for fluctuating businesses
- Lacks flexibility for new business decision making

THERE ARE 2
MAIN WAYS OF
COSTING/PRICING



THERE ARE 2 MAIN WAYS OF COSTING/PRICING

1

TOTAL COST APPROACH

Calculate Breakeven

To be profitable in business, it is important to know what your break-even point is. Your break-even point is the point at which total sales equals total costs or expenses. At this point there is no profit or loss - in other words, you 'break even'.

Why your break-even point is important ?

Your business could be turning over a lot of money, but still be making a loss. Knowing the break-even point is vital in deciding prices, setting sales budgets and preparing a business plan.

The second costing method (Contribution Approach) is a better reflection of break even.





2

CONTRIBUTION APPROACH

- Determine Selling Price – influenced by the marketplace e.g. what the customer will pay + what competition are charging
- Split Costs into Variable and Fixed
- Calculate “Contribution” - selling price less variable costs.

THERE ARE 2
MAIN WAYS OF
COSTING/PRICING



2

CONTRIBUTION APPROACH

Example

- Our competitors sell their mug for €2.50 and customers seem happy to pay this price
- Our variable costs to produce the mug is €0.75
- Therefore contribution is €1.25 which is used to pay off our fixed costs (rent etc.) and
- once the fixed costs have been paid in full, the contribution balance is profit.

THERE ARE 2
MAIN WAYS OF
COSTING/PRICING



THERE ARE 2 MAIN WAYS OF COSTING/PRICING

2

CONTRIBUTION APPROACH

Calculate Breakeven

1. Establish Total of Fixed Overheads
2. Establish Contribution per unit
3. Divide Fixed Overheads by Unit Contribution

Example

Total Fixed Overheads for the Mug business is €10,000

Contribution is €1.25 per mug

Break even point is 8,000 mugs.

The mug business company must sell 8,000 mugs to break even, all sales above 8,000 are profit.



4 THINGS TO KNOW IN PRICING

There are some key considerations when pricing. Make sure to...

1. Be vigilant about the time it takes

Track your time over weeks/months to find out the average amount of time it actually takes to create/provide your main services that you offer. In time you will get quicker and better at what you do – you do need to know how much time you spend at a particular task to ensure that all of your work time is accounted for. Your hourly rate is very important to use for estimating purposes.

2. What is your clients/customers budget range and what are your competitors charging?

You need to know what your competitors are charging.





4 THINGS TO KNOW IN PRICING

There are some key considerations when pricing. Make sure to...

3. Pay Yourself A Salary

Starting and running your own business is such a powerful feeling. However, it is very important to separate your personal and business finances. It is wise to pay yourself a salary. Just to be clear, your salary as the business owner may or may not be fixed. But include a fixed labour cost in your costings - even if you start with minimum cost rate. In practice, in the early days, a good method is to pay yourself a portion of the profits you make in a month (commission basis).

4. Keep clear records of all your incomings and outgoings on a daily basis relating to your business. You need these to be in control of your business and check that you're covering all your bills



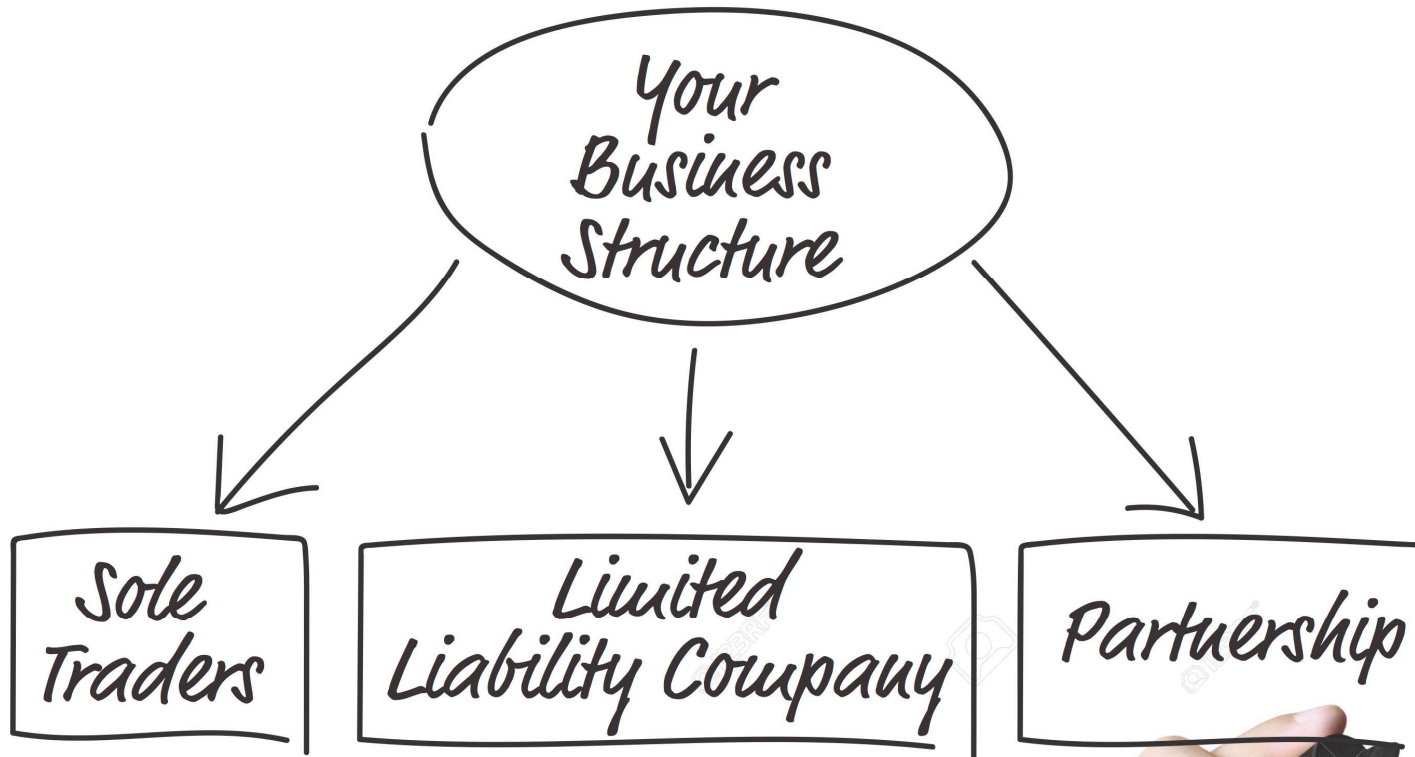
CHOOSING THE RIGHT BUSINESS STRUCTURE FOR YOU

It is important that your business is legally registered and recognized by law. It is often tempting to postpone or think that business registration can wait or is not really important. But to give yourself the best chance of business success, get to know the forms of business structures. *Being a registered business gives credibility - it makes you look serious and attracts more customers.* The form you choose for your business will depend on what type of business is planned, the size of it, as well as your visions/goals.



GETTING YOUR BUSINESS STRUCTURE RIGHT

There are **3 main business structure** options you should know about...





SOLE TRADERS

The most common set up for a small businesses is the sole trader - it is the easiest to start, and the least complicated to dissolve.

A sole trader is a business owned and controlled by one person who takes all the decisions, responsibility and profits from the business they run.

Advantages

- Many of the advantages are summed up under the heading "control".
- Full control over daily and strategic decision making.
- Far less red tape and regulations than a Limited Company.
- No staff to manage or pay.
- No annual accounts to prepare as sole traders add income and expenses to their annual self-assessment tax return where you declare your annual profits and tax liability.



SOLE TRADERS

It's easy to set yourself up as you only need to declare to yourself you are going to be a business.

Sole traders still need to properly account for all sales, expenses and profits for any income tax and liabilities on a yearly basis.

The VAT rules still apply if the turnover of the business exceeds the limit set. You may decide to use your own name as the business name, but if you wish to use a separate business name you must register the name with the Companies Registration office.





LIMITED LIABILITY COMPANY

A legal entity separate from its shareholders.

Directors or shareholders personal assets are not at risk in the event of a winding up or receivership. It is generally the most tax efficient business structure to use.

However, the disadvantages are increased administration required of directors the cost of preparing annual accounts



PARTNERSHIP

A business that is owned by two or more people.

When two or more people start a business, the result can often be a strong union that blends complementary skills, financial resources, customers and connections to help the venture succeed. But, sometimes, such relationships can sour and the business can fail.

You need to decide in advance who is doing what, who is responsible for what, and how to resolve disagreements. Before entering a partnership, think carefully.





PARTNERSHIP

Proceed with caution ... do you completely trust your partner(s)-to-be

- have all the partners sign an agreement setting out how the business is to be financed, how profits and losses are to be shared, and what will happen if one of the partners decides to leave.
- Failure to agree on such issues at an early stage can lead to difficulty later.



TYPE OF ENTERPRISE	ADVANTAGES	DISADVANTAGES
Sole Trader	<ul style="list-style-type: none"> • Easy to set up • Don't have to share profits • Be your own boss • Accounts not available to the public 	<ul style="list-style-type: none"> • Personally liable for debts • Solely responsible • Limited access to capital • No one to share problems with • Difficult to get sickness cover
Partnership	<ul style="list-style-type: none"> • Shared responsibilities & workload • Combine skills & resources • Increased sources of capital • Shared risk • Mutual support 	<ul style="list-style-type: none"> • Shared ownership & control • Shared profits • Disagreements • Reaching decisions may be harder
Limited Company	<ul style="list-style-type: none"> • Limited liability • Tax advantages when profits are higher • Separate legal existence • Can sell shares 	<ul style="list-style-type: none"> • Harder to set up • Legal restrictions • More paperwork • Set-up costs • Accounts are made available to the public





WHERE CAN I GET MY BUSINESS REGISTERED?

There is usually a government agency or department that's responsible for business registration in every EU country. They may have different names but their duties are essentially the same. Costs depend on the country and the type of business you want to register.

UK - Sole trader HMRC www.hmrc.gov.uk/selfemployed/register-selfemp.htm

UK - Limited Company Typically done through your accountant or online company set up company e.g. www.CompanyWizard.co.uk (there are many in the market)

Ireland - Sole trader <https://www.revenue.ie/en/starting-a-business/registering-for-tax/how-to-register-for-tax-as-a-sole-trader.aspx> and **Limited Company** www.companysetup.ie



BE AWARE, BE PREPARED- REGULATIONS

Depending on your start up business idea, you may need to *satisfy certain regulatory requirements* before you can start trading.





BE AWARE, BE PREPARED- REGULATIONS

Licences

Some trades/sectors require permits or licences to operate e.g. taxis, street traders and waste management. If you are in the food or cosmetics sectors, there are dedicated regulatory authorities with whom you have to register and comply to their standards.

Health and Safety

If you are offering a service to customers e.g. hairdressing, gardening, you will be responsible to ensure that you meet safety in the workplace legislation.



BE AWARE, BE PREPARED- REGULATIONS

Data Protection

Very topical. How will you manage personal data in your business ?

In the **UK**, the Information Commissioner's Office has produced practical advice on how to comply with data protection law and how to improve data protection practices in your business, keeping personal information secure.

Check out their Self Assessment Tool - <https://ico.org.uk/for-organisations/resources-and-support/data-protection-self-assessment/assessment-for-small-business-owners-and-sole-traders/>

In **Ireland**, <https://www.dataprotection.ie/en/organisations>



WHAT FINANCIAL RESOURCES DO YOU NEED TO START UP?



While many businesses can be started on a shoestring, it is almost impossible to start a business with zero budget. You must establish what funds you need to start your business and how you will raise those funds. Basically, you need money for **4 key phases**...

- 1) The initial development of your product or service
- 2) The market launch of your product or service
- 3) Cashflow to run your business
- 4) Funding for you to live !





FINANCIAL RESOURCES - 4 KEY PHASES

1

DEVELOPMENT RESOURCES

The cost of developing your product or service will vary according to your business type. For physical products, you need to factor in the cost of prototypes, purchasing equipment and materials, developing initial stock for sale, packaging, and branding.

If you need a physical premises, you need to factor in the cost of the deposit, monthly rent/lease and fit out costs. Before committing to physical premises, consider what you need. *You need space for 3 activities – production/service delivery, storage and administration.*

The amount of space you need will depend on your product type. If you are setting up from **home**, be realistic about what you can achieve.





FINANCIAL RESOURCES - 4 KEY PHASES

1

DEVELOPMENT RESOURCES

Advantages

- Cost - it will certainly be cheaper to run your business from home
- Your business can pay a proportion of your utility bills including your mortgage
- Lifestyle - gives you more flexibility

Disadvantages

- It is your home so keeping your business separate from family life can be a challenge.
- Growing the scale of your business can be a challenge from a home base





FINANCIAL RESOURCES - 4 KEY PHASES

1

DEVELOPMENT RESOURCES

Renting a premises could span a number of options...

- A pop up location in a town centre location can test the market before you commit.
- A retail premises
- Services offices
- Light industrial/manufacturing unit - many enterprise parks include a mix of accommodation types
- Timeshare artist studios
- Warehouse

Make sure you negotiate on terms and conditions. Value flexibility in that you can upsize, downsize at short notice





2

THE MARKET LAUNCH OF YOUR PRODUCT OR SERVICE

Launching a new product/service into the market can be the beginning of an exciting phase... or an expensive experience. As in many aspects of business, preparation is key to success.

You need to balance the need to create a feeling of expectation and excitement for your project launch, starting weeks or even months in advance, with being as cost effective as possible. Be as creative as possible and spend time in getting your messages right in terms of meeting a need. Set out a budget and stick to it.

FINANCIAL RESOURCES - 4 KEY PHASES



FINANCIAL RESOURCES - 4 KEY PHASES

3

CASHFLOW TO RUN YOUR BUSINESS

Keeping a healthy cashflow going is vital for your business start up. 'Cash is King' as the dangers of running short of cash are very real most start up businesses.

A basic cash flow forecast will help you identify where your business is going to need support, either from your own resources or from another source of finance (see next section).

Forecasting cashflow is about educated guesswork, and it is very important to gather evidence to support the numbers you calculate.

RESOURCE: Download our simple cashflow template to get started with your cash flow forecasting





FINANCIAL RESOURCES - 4 KEY PHASES

3

CASHFLOW TO RUN YOUR BUSINESS

SOME TIPS

- Talk to potential clients and find out what their requirements are. Ideally you want pre-orders (and deposits if suitable in your business). **Pre-selling** - Customers will sometimes pre-order, at a preferential rate, buying (and sometimes even paying) in advance in order to ensure that they have the product when they want it.
- Draw up a simple cash flow forecast on a monthly spreadsheet showing how much you expect to collect from sales (your debtors) based on your sales forecast), how much it costs to support the sales, and all the fixed costs needed to run the business (rent, utility bills, wages, insurance etc). For more information and a sample cash flow forecast, visit <http://www.nbv.co.uk/>





FINANCIAL RESOURCES - 4 KEY PHASES

3

CASHFLOW TO RUN YOUR BUSINESS

SOME TIPS

- Carefully monitor all expenditure and be frugal as possible. Reduce monthly expenditure - buy supplies in bulk to get a discount, rent smaller premises, switch utility companies
- Collect payment from customers more quickly (perhaps give a % discount to incentivize this.)
- When cash is running low, you must look closely at how to release slow-moving stock and convert it into cash. How do you reduce stock so that you are running lean and mean without jeopardising future sales by being under stocked?





FINANCIAL RESOURCES - 4 KEY PHASES

3

CASHFLOW TO RUN YOUR BUSINESS

SOME TIPS

- The Management of Stock Basic principle .. Keep stocks as low as possible. you must justify higher stock holding against the cost attaching

Risks of over-stocking

- Inefficient use of cash
- Risk of obsolescence/ deterioration
- You may have to discount to clear

Risks of under-stocking

- High delivery costs of frequent restocking
- Not qualifying for bulk discounts
- Lost orders, delayed production awaiting stocks





FINANCIAL RESOURCES - 4 KEY PHASES

3

CASHFLOW TO RUN YOUR BUSINESS

SOME TIPS

- Introduce a stock management system
 - o Record stock levels & variations over time
 - o Attach values
 - o Identify & eliminate slow moving stock items
- Credit Control
 - o Take maximum credit from suppliers
 - o Ensure your invoices are issued on time, do not wait until month end
 - o Try to keep your overdraft to a minimum
 - o Clearly state your terms & conditions including reservation of title





FINANCIAL RESOURCES - 4 KEY PHASES

4

FUNDING FOR YOU TO LIVE!

Many people keep on a part time job in the early days of their business up start to provide a secure income stream. Having a part time job while starting your own business is a way of hedging your bets, granting you some guaranteed income as you work to develop your business. The most obvious drawback is the time it takes away from building your business.

Research and take advantage of any funding initiatives and government funded support service for small businesses - see next section.



WHERE CAN YOU FIND SUPPORT?

Starting a business represents a significant opportunity for women migrants. However, it is known that women still rely on personal savings as their main source of business funding.

Many women do not apply for business credit because they believe they will be turned down or face difficulties when trying to obtain business financing.





The good news for women business owners is that there is a **range of free and low-cost resources** available to help them overcome many of these challenges and succeed in business.



WHERE CAN YOU FIND SUPPORT ?



Traditionally start up businesses might have considered going to their **bank for a business capital loan**, but banks have become stricter on their lending criteria and are less likely to loan money to an entrepreneur without a long track record.

Luckily business owners have other options open to them. The key to success is knowing where to look. We will look at some of these options now.



WHERE TO FIND THE RESOURCES YOU NEED ?

Private Investment is often a good option for a new business especially when you can prove the basis of a good business. It also has other advantages such as strong business contacts or advice and help which traditional lenders do not provide.

Many women start close to home with **Friends and Family**. Make sure to keep your personal and professional relationships as separate as possible by getting everything in writing and clearly explaining the risk involved in investing in a start-up - and make sure they understand they could lose their investment. Don't risk losing friends or family over investments.



WHERE TO FIND THE RESOURCES YOU NEED?

Ask small business groups, and your own Community/Network

You might not know where to begin. It's probably best to start close to home. Meet with other small business owners or stop into your local Chamber of Commerce or local Business Development Office. Ask if they know of investors for your business.





WHERE TO FIND THE RESOURCES YOU NEED ?

Microcredit usually refers to small loans offered, often without collateral, to an individual or through group lending.

Microfinance refers to a broader range of financial products and services, including loans and other financial supports targeted at low-income clients.



WHERE TO FIND THE RESOURCES YOU NEED?

Crowdfunding is the financing of a new project by raising many small amounts of money from a large number of people. Crowdfunding is not only a great way to raise money online for a business idea or project but simultaneously build up a community and improve visibility/credibility for you and your business.



CROWDFUNDING





WHERE TO FIND THE RESOURCES YOU NEED ?

Is Crowd Funding right for your Business?

Crowdfunding suits certain types of businesses – usually Start-ups or early stage companies that are looking for relatively small amounts of money. Crowdfunding has a higher success rate within certain sectors e.g. creative, craft and food.



WHAT FINANCIAL RESOURCES DO YOU NEED?

Crowdfunding can take the form of:

Charity - when people donate to an individual, project or organisation while receiving no financial or material return in exchange

Pre-selling - when people donate towards the creation of a specific product and they receive the product on release

Peer-to-Peer lending - where each lender gets financial compensation or a return on their investment

Equity lending - when people lend money to individuals or organisations in exchange for company shares

Different platforms facilitate different fundraising models. Finding the right funding model for your project is an important step for a successful campaign.





WHAT FINANCIAL RESOURCES DO YOU NEED ?

Different platforms apply different charges depending on the model you chose

- **Platform Hosting fee:** Some platforms, although not all, charge an initial cost just for hosting your campaign. Top tip - Make sure to ask platform what fee applies to them before starting the campaign.
- **Success fee:** The majority of crowdfunding platforms will take a percentage of the total amount raised. The percentage varies from platform to platform and ranges between 3% and 12% of total raised.
- **Payment processing fees:** Look out also for a service fee for every transaction made. Usually this fee is on average 3%. For instance, for every €100 donation/investment, only €97 reaches the campaign.



CASE STUDY – UK

AmaElla Sustainable and Ethical Lingerie

AmaElla designs and produces beautiful lingerie made from soft organic cotton (GOTS certified) - better for the environment, better for the farmers and better for the skin. All products are ethically produced by women, for women.

€13,921 raised of €11,100 goal 156 backers





WHAT FINANCIAL RESOURCES DO YOU NEED?

Crowd Funding – a good video pitch is key!

- Excellent video pitches are essential to successful crowdfunding campaigns.
- But pitching your product or service takes practice, preparation and perseverance.
- Do your research, by viewing other video pitches.
- Write a compelling script that communicates the selling points simply and clearly.
- Deliver it with passion.
- Reshoot it until it's right.



GRANTS

SUCCESS IN SECURING GRANT FUNDING

Like making a cake, it depends on ingredients (you and your project) and following a good recipe !

In the slides that follow we share our best practice, tips and tricks for grant success. Once you have the ingredients and the recipe right, you will be able to seek funding at a local, regional and perhaps even national level.





GRANTS

The primary concern of funders is that your business is well planned and that it will be sustainable. In making an effective application, be clear on what you need the funding for...

- Fund start up costs - new production facility, purchase new equipment ?
- Make a new product range?
- Go on a course/ do some training ?
- Complete research and development



GRANTS

Up to 50% of applications received by funders do not meet their published criteria. As a very basic minimum you should read the guidelines published by the funder. Consider: the funder's motivation, the format for applying, the level of funding, submission deadlines, eligibility and the decision making process.

TOP TIP - REMEMBER – ‘PEOPLE GIVE TO PEOPLE...’

- Be creative and engaging about your idea, this is your opportunity to distinguish yourself from others. Sell your idea and get the reader interested.
- Build your credibility and be professional! One of the primary reasons why applications get funded is that the funders are convinced that the applicant is well organized and is a capable promoter to carry out the proposed project.



GRANTS

- Don't assume that the funder will have any knowledge of your business or background. Describe your project truthfully and succinctly.
- Break down the requirements of the application into bite-sized pieces
- Think carefully about presentation; most funders will read many applications and if an application is easy to read and well presented it makes their lives easier.
- Do not over-promise - you will one day have to deliver
- It always takes a lot longer to put an application for funds together than you think!

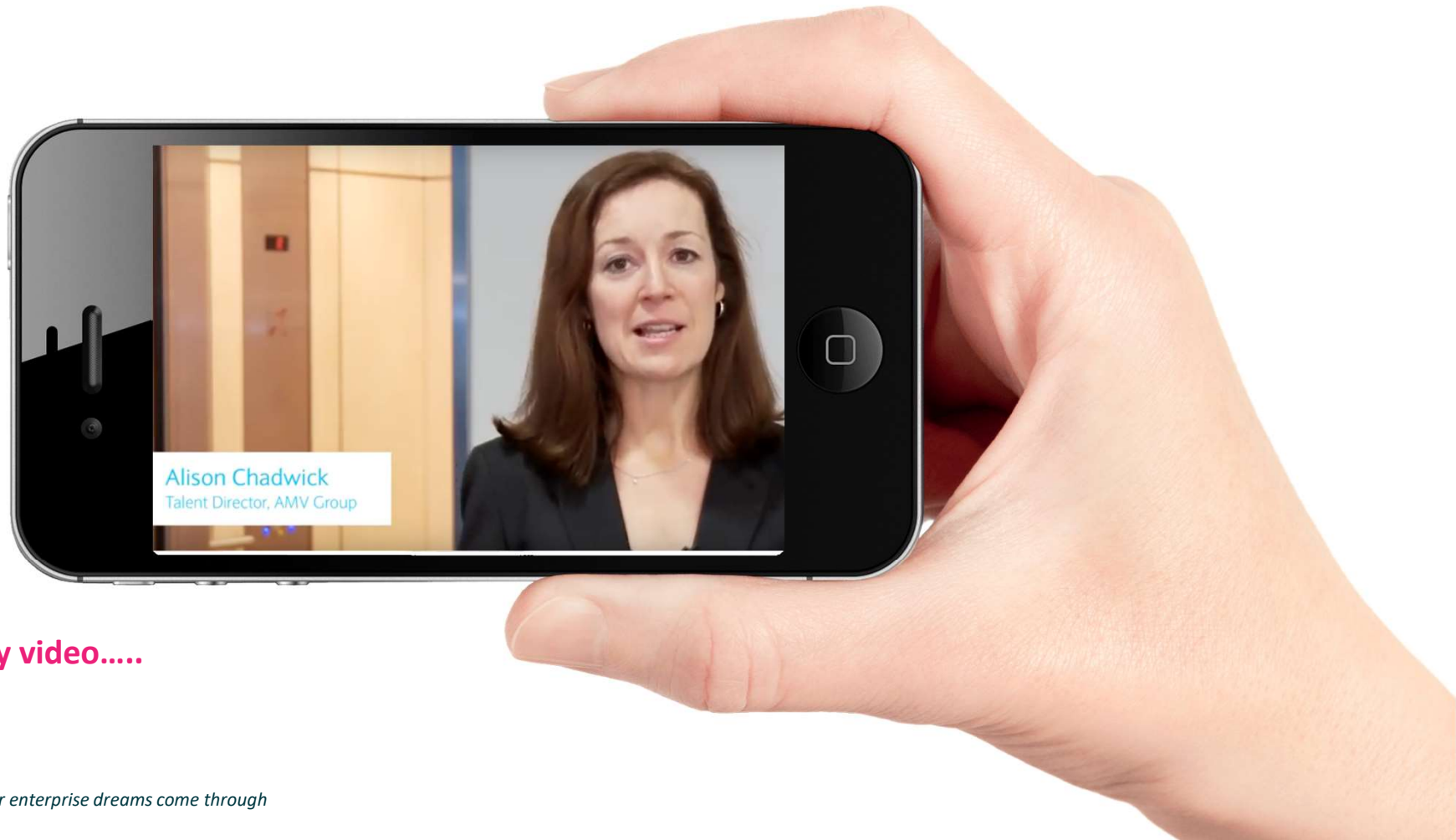


GRANTS

- Remember it is competitive – your best foot forward
- Write in an interesting way that captures the energy & spirit of your project (journalist style)
- The power of evidence of need. It is not sufficient to say: “*we know ... we think....*” back it up with relevant research
- Show that your project is additional – not competing with others
- And last but not least, definitely talk to the funding agency before you apply



RAISING FINANCE – THE ELEVATOR PITCH



Click on image to play video.....

BE INSPIRED



Click on image to play video.....



OVERCOMING A 'NO' WHEN SEEKING FUNDING

If the recipe isn't right, and you don't get the Grant, Micro Finance or Crowd Funding – be sure to use these rejections as a learning experience!

Encountering a no can be disheartening. But don't let it get the better of you. Consider these steps to increase your chances of being reconsidered, improve your potential for obtaining financing in the future and in general relieve the stress of securing funding.





OVERCOMING A 'NO' WHEN SEEKING FUNDING

Reflect on your approach - be honest with yourself. Did you rush the application? Did you really think you met the priorities or did you not do yourself justice in writing about your business idea?

Ask for feedback - even if your rejection letter specifies a reason for your rejection, asking for verbal feedback will sometimes bring you a fuller and more open response.

Act Professionally - Even though disheartened, keep your behaviour and actions as professional as possible. If you thank the possible supporter politely for his/her time, and follow up in a few weeks when you've gathered more information or adjusted your business model, you may have a much better chance of getting that funding.





OVERCOMING A 'NO' WHEN SEEKING FUNDING

- Find out what did get funded – funders often publish lists of what they did fund.
- What do you notice about the projects that got funded?
- Were the businesses at a different stage to you?
- Were you asking for much more (or less) money than they received?
- Were you applying for activities that this funder hasn't supported?





Look At Your Business Model. Use the rejection as a learning opportunity. Take a look at your business model for any major flaws or weaknesses. Fixing these gaps will make your overall business idea more attractive to other potential investors, and could be enough to change your funders' minds.





OVERCOMING A **'NO'** WHEN SEEKING FUNDING

Learn and Improve your Pitch.

Your pitch needs to be strong in order to capture the attention of your potential funder. Over the course of a minute, or a couple of sentences, you should be able to explain your business concept and exactly why it's a valuable investment opportunity for your intended prospect. If you can't do that, your pitch needs refinement.



NEXT UP | *Module 7*



A large, dark teal circular graphic on the right side of the slide. It has a white mouse cursor icon pointing at its left edge. Inside the circle, there are two contact points: a pink circle with a white Facebook 'f' icon next to the text '@throughenterprise', and a yellow circle with a white globe icon next to the text 'www.throughenterprise.eu'. The right edge of the circle is decorated with a vertical line of yellow chevron arrows pointing downwards.



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