



# Top 12 Traits Investors Look for when Funding a Company

[www.sanpetefinancialgroup.com](http://www.sanpetefinancialgroup.com) 1.832.819.5260

To convince a funder that investing in your business is a smart move, you have to know which traits, what excites them, and what aligns with their goals.

A Market They Know and Understand	A Strong Leadership Team	Investment Diversity
<p>Familiarity is an advantage. Startup investors are searching for opportunities in sectors that fit their expertise. Familiarity reduces their risk potential. If they already have an idea of how businesses in your industry become profitable, they won't have trouble getting on board with the investment it takes to yield a return.</p>	<p>Leaders with a history of success are apt to be more reassuring to an investor. Show that you have intelligent, strategic, talented leaders, highlighting the proven competency of your founders and management team.</p>	<p>Many startup investors work with several companies to diversify. Position your business as a unique opportunity with solid growth potential to stand out and be viewed as a distinguished addition to their portfolio.</p>
Scalability	Promising Financial Projections	Demonstrations of Market Interest
<p>Stagnation is not an advantage. Investors look for businesses that are poised to thrive and deliver a worthwhile return. If your company can present a case for adaptability and scalability, it will be more attractive to potential investors.</p>	<p>It's essential to crunch the numbers and demonstrate your potential for a healthy financial outlook. These projections should be supported by the details of a financially viable business model and must demonstrate these</p> <p><b>4 – Key Factors:</b></p> <ol style="list-style-type: none"> <li>1. Velocity</li> <li>2. Customer Acquisition Cost</li> <li>3. Gross Margins</li> <li>4. Customer Retention Rates</li> </ol>	<p>Your offering has to be relevant and desired in the marketplace, and investors will want to see proof of this. Have you sold your product to anyone yet, or polled your target audience for interest? You should be able to substantiate your claims of market interest to attract investors.</p>
A Detailed Marketing Plan	Transparency	Realistic and Reasonable Startup Costs
<p>Regardless of what stage your business is currently operating in, investors will want to see a marketing plan that demonstrates 1) that you know your audience 2) you understand how to reach them. Ensure you have a robust, innovative marketing plan that utilizes effective mediums and channels to elevate your visibility in the market.</p>	<p>You don't have to dive into every complexity associated with your business effort, but you do need to elicit trust. The best way to accomplish this is by being transparent. Be open and honest about your company's realities, including the challenges you face and how you plan to overcome them.</p>	<p>Over-projecting your startup's value can have the opposite effect you're seeking. If you're not basing your efforts on startup costs that are realistic for your size and current client base, you could jeopardize potential funding opportunities. Communicate how you intend to use startup funding wisely.</p>

A Long-Term Vision	Commercialization Plan	Cross-Industry Plan
<p>What are your goals for growth?            What are you aiming for in terms of eventual market reach? How quickly and extensively do you plan to scale?            Paint a picture of where you see your company headed well into the future, and work on making a connection between those objectives and how you plan to fulfill them.</p>	<p>A commercialization strategy is a plan that outlines how to bring a product or service to the market. It includes the market research, customer segmentation, product positioning, pricing, and distribution strategies necessary to bring a product or service to the public.</p> <p><b>Plan must include 5 points:</b></p> <ol style="list-style-type: none"> <li>1. Focus areas</li> <li>2. Objectives</li> <li>3. Functions</li> <li>4. Projects</li> <li>5. KPIs</li> </ol>	<p>Cross-Industry strategic fit between two or more businesses exists whenever one or more activities/products/systems comprising the value chains of different businesses are sufficiently similar to present opportunities. For cross-business use of a potent brand name/or cross-business collaboration to build new or stronger competitive capabilities. Your cross-industry method will focus your analysis on <b>3C's or strategic triangle:</b></p> <ol style="list-style-type: none"> <li>1. Customers</li> <li>2. Competitors</li> <li>3. Operation</li> </ol> <p>By analyzing these three elements, you will be able to find the key success factor (KSF) and create a viable marketing strategy</p>