

USING VENTURE CAPITAL TO START UP OR EXPAND

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The world of the venture capitalists is a multi-billion dollar world. At any point in time there are billions of dollars of venture capital available. For the start up, operational, or expansion needs of all kinds and sizes of businesses. And if you have a viable business or idea you can get the venture capital that you seek.

At one time venture capitalists favored the hi-tech cutting edge kinds of businesses. But, today the so called low-tech businesses are attracting venture capital as readily as only the hi-tech industry once did. And venture capital in amounts of several hundred thousand dollars to many millions of dollars can be attracted in 90 days or less. Here are some guidelines to help you get venture capital to start up, more effectively operate, or expand your business.

* You should start by evaluating your business or idea for it Demonstrable Economic Justification (DEJ). This evaluation will answer a number of very important questions. Such as: How big is the market for your products or services? What kind of competition do you have? What problem does your products or services solve? Does your market know they have the problem you solve? If not, large blocks of capital may be needed to educate your market, which could be a problem.

* Write a short executive summary of your venture capital idea or project. This executive summary should describe your proposal in enough detail to give prospective venture capitalists a clear idea of: Why you want this capital? How you'll use this capital? What kind of competition you face? What kind of profits will this capital create? And, who is on your management team?

* Make a list of prospective venture capitalists who fund the kind of business you have. This list can be prepared from public sources of information. Such as, computer searches, phone book directories for major U.S. cities, and numerous other sources. The possibilities are endless for research sources that you can use.

* Send your executive summary to the venture capitalists that your research uncovers. And keep sending your executive summary around until you get a positive response from a number of prospective venture capitalists. The brief format of your executive summary makes it much easier for venture capitalists to review your proposal, than a full business plan will.

* Prepare a full business plan of your project or idea, once you get a positive response to your executive summary of 3 or more venture capitalists. In preparing your business plan you should try to keep it to between 15 to 20 pages, if at all possible. Because anything longer than this very seldom gets read. Yet you should list in the appendix of your business plan any other information or materials you have available. And if more information is needed by the venture capitalists, they can always request that specific information.

* Give more focus to the marketing section of your business plan than other sections. While, all sections of your business plan are important, most business plan focus on the profit projections. Yes, your profit projections are indeed important, but it is the marketing section that tell how those profit projections will be achieved.

Now use these guidelines to help you to get the venture capital that you seek. So that you can effectively start up, more effectively operate, or expand your business. Because the money is out there for you now all you have to do is go get it.

Berwyn J. Kemp is a financial consultant who helps businesses get funding. For full information on his funding products and services visit him at: <http://www.bkempassoc.CityMax.com> , NOW!

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