



Start-Up Success: How To Find Venture Capital

Have you ever wondered how some companies find funding while others, possibly yours, barely hold their head above water? Often, the key to success during the delicate start-up years is having the right amount of capital to launch development and marketing efforts. Once a company's well established, funding can support even stronger growth and expansion initiatives. Venture capital acquisition can help. Venture capital is funding provided to budding new, fast-track companies by other professional investors.

Venture capitalists review several companies, choosing just a few to invest in based on management credibility, long-term growth potential and business integrity, among other things. These venture capitalists may use funds from high net worth individuals, foundations, corporations, pension funds or their own personal capital equity to help support the success of new business ventures. Their various investments in start-up companies collectively represent an investment portfolio, thus reducing overall risk. These investors focus on acquiring a high rate of return in a five to seven year period.

While many venture capitalists are generalists, or supply funding alone to a broad range of specialized sectors, others offering expertise in one or more key roles within the company. Seed investing refers to funding provided before a real product or business is even created, or when a company is at the very early, ground-floor development stages.

Venture capital sponsored fairs, panel discussions and seminars are great vehicles for venture capital relationship building. Attorneys, consultants, business brokers and accountants also offer contacts with venture capitalists. When seeking funding, relationships are key and competition is high. First, identify a small number of companies or individuals holding similar goals to your company's. Make sure you agree when it comes to business growth, geographic positioning and investment scope.

Venture capital assessment demands a great deal of time and energy, from presenting a well-developed business plan and executive summary, to educating your investors about your goals,

budget, industry and growth potential. Remember to communicate with your contacts on a regular basis, nurturing the relationship and keeping them informed of progress and news. Above all, stay optimistic, learn from your mistakes and adapt your strategy.

The following organizations can provide a wealth of information for those researching venture capital avenues and sources:

- The National Venture Capital Association, www.nvca.org
- The Center for Venture Education, kauffmanfellows.org
- Emerging Markets Private Equity Association, empea.net
- Venture Capital Task Force, vctaskforce.com
- Private Equity Central, privateequitycentral.net
- Wall Street Journal's Start-up Journal, startupjournal.com/partners/kennedy.html

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