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HAMILTON BRADSHAW
Investing in people with passion

I've got the prototype, but how do I sell it?



James Caan

Dear James

I'VE been looking to start up a business and I've developed a solid prototype but the industry I want to get into is relatively capital intensive. What would you suggest I do next?

Alex

THE key is to show the quality of your prototype to retailers and potential investors. The retailers know what does and doesn't sell. However, at this stage don't spend too much time tweaking your prototype, as it's more important to focus on the business side of things.

Research manufacturing costs and have a good firm idea of your budget. Then, look for investors in your industry – are you networking and looking to get in front of the right people? Some people are against the idea of investors as they don't want to give up equity, but it's better to own 70% of a business that's worth something than 100% of what is still an idea. Remember some investors can bring on board experience and contacts as well as capital.

Ensure you have a firm grip on all the financials. And, just as important is the passion you have for your product – I always look for people who genuinely believe in what they are doing.

One other option is crowdfunding. Remember this is not just a good platform to access capital, but also a marketing channel. Going down this avenue could help you establish that all important customer base.

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