

Do You Need Investors?

Coaching Questions

Are you willing to invest in yourself?

- You should really be looking to yourself first. This doesn't mean that you have to have the capital to invest in yourself, you can also create investments by saving money. Do you need to have cable? Do you need to have the specific phone plan that you have chosen? Do you need to go out for dinner? By saving money, you can start creating your own capital.
- If you don't invest in yourself, why would someone else? If you just want investment from others to protect yourself, the investor should wonder why that is happening. Most investors will only invest in a business if the founder has put a large chunk of money into it themselves.

Why else might you need an investor?

- Having an investor can be more than just money. They could also invest in you.
 - Experience. Investors are typically investors as they have experience in being successful. Most investors will only invest in an industry that they understand well, which is also usually the one that they made their money in. So that experience is behind them and can be applied to your business.
 - Connections. Not only do they have experience, but that brings the connection in the industry that they were in. It also brings their experts including legal support, accounting, trusted staff, and other professional connections.
 - Their other businesses. Investors will be invested in multiple businesses, and many of them might have synergies with your work. They could be suppliers, customers, or other important stakeholders for you.

What are the benefits of not having an investor?

You can't deny that there are some reasons to not have an investor.

- More control. If you don't have an investor, you still control the entire business. You don't have to report to someone else or allow for them to have any authority. Especially when you are striving for a vision that you have created, it is enticing not to have to pivot for anyone else. At the same time, one of the most important attributes of an entrepreneur is the ability to pivot and listen.
- More returns. If you don't have an investor, you make a larger percentage of the returns as you don't have to pay out to the investor. But sometimes the percentage doesn't matter, if the investment allows you to grow significantly.

What is the cost/benefit of an investor?

- There are advantages and disadvantages to having an investor. We have already covered that you will have some benefits, but there are some costs. What are you losing? What are you gaining?
- Is it worth it? Do the benefits outweigh the costs? This is the cost /benefit analysis that you need to do to decide. For each investor type there are different costs and different benefits. Often you will want to choose to move forward with the investor that has the best cost / benefit analysis.

Everyone who has ever made it, didn't do it alone.

- Every large business has gone into debt at some point and/or had an investor. For the largest scale and growth, it isn't possible to do it alone. Is this a goal of your business to grow?
- The other benefits of an investor matter. So even if you don't think that you need the funding, how do you get the other benefits of an investor? Do you hire for it? Do you have an advisor? Is there another way?