Being an entrepreneur is not easy. Neither is raising capital.

If you’re a heart-centered entrepreneur who wants to make a big difference in the world, it’s time to start thinking BIG! The world needs your business now more than ever, and raising capital allows you to carry out your mission on a much bigger scale.

I’ve been working with entrepreneurs to help them raise capital for almost ten years as a lawyer and advisor and I know how daunting it can be.

The most common questions I get are:

- Where do I start?
- What kind of offering should I make?
- How much money should I raise?
- How do I make sure I protect myself?
- What if I lose control of my company?

These are all terrific questions to ask, and I will do my best in this e-book to provide some answers. My goal is to help remove some of the mystery around raising capital, and to help you feel empowered, instead of overwhelmed.

And, I want you to see how powerful it can be to raise capital on YOUR terms.

There are 5 steps every entrepreneur should take before raising capital that can greatly improve your chances for success.

**STEP #1: Get Clear on Your Goals and Plans for Your Business**

Investors are, of course, very interested in your future plans for your business. Finding the right investors requires that you have an idea about where you want to take your business over the next five to ten years. If this is left vague, you could find yourself at odds with your investors in the future.

To help you get clearer on these “big picture” goals and plans, consider the following statements.
Which of the following statements most apply to you?

• I don’t want to give up any control—I want the freedom to do what I want with my business.
• I want to grow my business as fast as possible.
• I want to make my business attractive for sale to a larger company in the next 5-7 years.
• I would be open to considering the sale of my business, but I don’t want to be pressured to sell it to the wrong buyer.
• I want my business to grow to X size and then stay pretty steady from there.
• I don’t think growth beyond a certain point is necessarily a good thing.
• I would like to keep my business in my family for generations.
• I would like to convert my business into a coop someday so that the workers, producers, and/or customers can take over the ownership and control.

Maybe you’ve thought about these things, and maybe you haven’t, but before you can even think about taking a dime of money from investors, I strongly advise you to get really clear on this.

The good news is that no matter which path you decide to take with your business, there is likely an investor out there who will be a good match, but if you’re not clear, you will waste a lot of time talking to investors that are not a good fit or, even worse, take on an investor that you’ll be fighting every step of the way.

**Step #2: Get Clear on Your “NON-Negotiables” (Both Business and Personal)**

Do you remember why you started your business in the first place?

Maybe it was to change the world, or create freedom for you and your family. Perhaps it was to build a legacy to pass on to your heirs or create great jobs in your community.

Whatever your reasoning was for starting your company, you MUST carry that reasoning through your capital raising process.

It is absolutely critical to be 100% clear on what really matters to you as you start raising money. These are called your NON-Negotiables, and they apply to both your business AND your personal life.
Picture an investor walking up to you and offering a check for $1 million.

I know, that is not likely to happen, but play along with me here.

What conditions would make you refuse the check?

This is not an easy question is it? Lots of entrepreneurs might just accept that check, and not even realize that they were giving away the things that were most important to them in exchange.

To help you, I've provided some answers here that are good examples of possible non-negotiables. Be very honest with yourself. It's best to be clear on these BEFORE you start talking to investors because there may be temptations to compromise when faced with a short-term need for cash.

Be clear upfront so as not to waste anyone's time!

- I want to keep control—I want the freedom to do what I want with my enterprise.
- I want to pay my employees a living wage and provide good benefits.
- I want to source only from suppliers that are fair-trade certified.
- I want to contribute X% of my gross revenues to my favorite charity.
- I do not want to work more than 40 hours per week so I can spend time with my family.

Can you see what might happen if you decided that you wanted to keep control, and you took that million dollar check from an investor who wanted final “veto” power over all major decisions? There would be a huge values conflict that would seriously impact that relationship and could make your life a living hell!

Get clear NOW on what these non-negotiables are, so that when you are meeting with investors, you know who is a good fit and when it's best to walk away.

Step #3: OWN Your Value!

When I work with my clients on raising capital, one of the most common things I notice is that they completely underestimate their value and the value of what they can offer to their investors.
Here is something I want you to write down and keep in your journal, or on a post-it note on your computer:

“My investors need ME just as much as I need THEM.”

So many entrepreneurs I work with feel like they are “less than” their investors. Or if they are pitching their company, they feel like they need to try to be someone they’re not just to impress them.

I believe if you are authentic and honest, and you’ve taken the time to design the right offer that is a match for the right investor, you need not shake and tremble before the “almighty investor.”

To help you with owning YOUR value, take a few minutes to sit in a quiet place and answer these questions:

1. Why am I an entrepreneur - why don't I just go get a 9-5 job?
2. If my business grew to its ideal size (as I define it), what differences would it make in the lives of my customers, vendors, and employees, as well as my community (as I define it) and the planet? Try to get specific!
3. What if I decided to shut down my business—what would the world lose?
4. Why do I want this business to exist in the world and grow to its ideal size?

These questions can be scary for some to think about. A voice may say "I don't think I really add that much value in the scheme of things" or "I'm still not as good at what I do as I would like so I'm not sure I can help people on a meaningful scale."

Try not to pay attention to those voices. Think about this quote from Howard Thurman: "Don't ask yourself what the world needs. Ask yourself what makes you come alive and then go do that. Because what the world needs is people who have come alive."

Just by doing what makes you come alive, you are bringing your gifts to the world, and the world needs that! Think about all the impacts you have simply by doing what you love—how it affects your family and the people around you. The more you do it, the better you will get at it and the more the world will benefit, including your investors!

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And realize that good investments are not easy to find. Investors are searching for founders who have integrity, who will be good stewards of their investment, and who are dedicated to achieving their dreams. You can offer that to your investors and provide them with an investment opportunity that helps them achieve their financial and other goals. While there isn't space here to go into detail on all of the different kinds of investment opportunities you can offer to investors, be aware that you CAN design one that both fits with your goals and values AND is attractive (maybe even irresistible) to your ideal investor.

Step #4: Define and Get Clear on Your Ideal Investor

Once you are clear on your goals for the business, your non-negotiables, and how valuable your offering is to your ideal investors, you are ready to get clear on who exactly your ideal investor is.

An ideal investor is simply someone who matches up with all of the answers you've come up with in your work thus far. Granted, this e-book is only an introduction to the process, and when I work more closely with clients, we spend a great deal more time on these steps. In plain terms though, your investors should MATCH your goals, values, and non-negotiable criteria.

I know I'm dating myself here, but do you remember a book called The Rules? It was a guide for women on how to catch a man and get married. The book advised women to act in certain ways to snag that man. Critics pointed out that if you act like someone you're not and you do get a man to fall in love with you, you've signed up for a life of misery because the person you are marrying has fallen in love with a non-authentic version of you! It's the same with raising money. If you try to attract investors by pretending that you're something you're not, you are signing up for a lot of unpleasant years ahead in your business.

Here are some steps you can take to help you get clear on your ideal investor:

1. Think about individuals you know that you would like to have as an investor—make a list of everyone you can think of.

2. Think about groups that you think could be ideal investors—examples include your customers, vendors, neighbors, organizations of people that care about the problem your business solves, etc.—make a list of those groups.
3. Now that you’ve pictured some possible ideal investors, picture the ones you would most like to have. They may fall into more than one group. For each group, picture an individual member of the group.

4. Make a list of three to five people that could be your ideal investor. They may be actual people or imaginary people. Give each imaginary person a name. Remember, even investors that are institutions like family offices, foundations and venture capital funds are represented by individual people, so go ahead and include representatives of organizational investors in your list if you like.

5. Write each person’s name at the top of a blank sheet of paper and write down everything you can think of about that person, including what would make him/her an ideal investor. Be sure to include both demographics (like age and geographic location) and psychographics (personality characteristics). Here are some examples:

   - knows a lot of people in my industry
   - has expertise in ____________, which I could use help with
   - totally gets what my business is about and supports me unconditionally
   - very busy and would not be interested in getting involved in the day to day management of my business
   - believe that all stakeholders and not just investors should benefit from the success of a business
   - female
   - mid 40s
   - married
   - two kids
   - educated - masters degree
   - doesn't watch TV
   - works for an environmental organization
   - family income is about $150,000
   - reads the Sunday New York Times
   - uses facebook
   - volunteers at their kids' school
   - kind and friendly
6. Make a list of what you DON'T want in an investor. Here are some examples:

   • very opinionated - thinks they are always right
   • dishonest, not trustworthy
   • does not communicate clearly

7. Describe what your relationship is like with your ideal investors. How do you feel when you spend time with them? What makes the relationship supportive and fulfilling?

8. What are your ideal investors looking for? Make a list of what your ideal investor wants from an investment in three categories—financial, expressive (how they express their values to others), and emotional. Be as specific as possible.

   When it comes to deciding how to invest their money,

   • What do your ideal investors worry about?
   • What do they struggle with?
   • What do they wish they could find in an investment opportunity?
   • What experiences have they had that has shaped what they are looking for now (e.g. Did they lose a lot of money in the stock market? Did they get frustrated at the thought that their hard-earned investment dollars are funding an unsustainable fossil-fuel based economy?)
   • What would make them feel comfortable about investing in a particular opportunity?

9. Create your Ideal Investor Profile(s) based on the steps you’ve completed.

The most important thing is not to limit yourself to “the usual suspects,” i.e. professional investors. That is a tiny pool that so many others are already fishing in. Expand your horizons and get creative about who your ideal investors might be. And don’t let a lawyer tell you that this is not legal. A good lawyer will be able to design a legal compliance strategy that fits with the way you decide to raise capital.

If you’re feeling inspired and empowered as you think about how these exercises can make your capital raising path much smoother and more enjoyable, I’d like to invite you to apply for a
complimentary Capital Raising Strategy Session which is a one-on-one conversation with me to talk about what is holding you back from raising the capital you need on your own terms and what you can do to break through those barriers.

CLICK HERE TO APPLY FOR A ONE-ON-ONE CAPITAL RAISING STRATEGY SESSION

Step #5: Build Your Team of Trusted Advisors

Most entrepreneurs I work with understand that they need support in other aspects of their business but they often try to go it alone when raising capital. I feel strongly that it is essential to get support through this process. Raising capital can be a real roller coaster ride and include some very demoralizing moments.

If you don't have support you can find yourself getting derailed. Also, with the right support, you can get referrals to potential investors, feedback on your pitch, resources for getting through the process in one piece, and a lot more.

There are two kinds of support that I believe are absolutely essential to raise capital on your terms successfully.

Peer Support

Being an entrepreneur can be a lonely path. So few people actually run successful businesses, and fewer still ever reach the stage where they are ready to raise capital.

This makes it even more important to connect with like-minded people who are on the same journey as you. You need people you can share thoughts with—people who will tell you the truth and have no attachment to what decisions you make.

Do you know anyone else that is trying to raise capital for his or her business? Consider buddying up and meeting regularly to share stories, bounce ideas off of each other, and do the exercises in this e-book.

When you are surrounded by people who understand, the process can be so much easier, and a lot more fun!
Professional Support

Perhaps this type of support is more obvious. Most entrepreneurs realize that at some point in the capital raising process, they'll need to hire attorneys and other professionals to ensure a smooth process.

It's important to vet these individuals in a similar fashion to how you vet your investors. While these people probably won't be investing in your business with money, you will be working very closely with them and relying on their knowledge and expertise. You want to make sure you hire people that will always be respectful of YOUR goals, while giving you the expert advice that is in your best interests.

Unfortunately, there are many lawyers out there that use a cookie cutter approach to help their clients raise capital and if you want to do something a bit different they will tell you you're crazy rather than taking the time to learn about all the options available. If an attorney tells you can't do something, seek more opinions! In my experience, almost anything is possible within the laws governing capital raising. I have helped clients raise millions of dollars using many different tools and strategies, like:

- Direct public offerings (click here for more info) that allow you to offer an investment opportunity using public advertising and to include an unlimited number of both wealthy and non-wealthy investors
- Debt offerings in which the investors are paid in credits for a product like organic produce rather than cash
- Equity offerings in which the value of the stock can never increase beyond the initial offering price
- Debt offerings in which the payment to investors is based on the financial performance of the company
- Equity offerings where the exit is achieved through redemptions at a pre-agreed price rather than a sale of the company
- And lots of other creative structures!
I also want to say that several of my successful clients have been very early stage pre-revenue companies so please know that you do not need to have a multi-year track record to achieve your capital raising goals.

My passion and my mission in life is to help heart-centered entrepreneurs achieve their capital raising goals on their own terms.

I work with entrepreneurs who not only want to make money, but who want to make a huge impact in the world.

If that’s you, I’d like to invite you once again to apply for a complimentary Capital Raising Strategy Session.

CLICK HERE TO APPLY

During that session, we will examine where you are currently in the capital raising process, and help you zero in on your best next moves for achieving your goal.

There is no charge for these sessions, but I only have a limited number available each month, so I encourage you to APPLY HERE to make sure you can get a slot that works for you.

I hope you’ve found this e-book inspiring, educational, and empowering.

You CAN do this. It IS possible to raise money for your business on YOUR terms. With the right support, clear goals, and a solid plan, you can take your business and your life to a new level, and make the massive impact in the world that you really want to make.
Jenny has almost two decades of experience as an attorney and advisor for mission-driven enterprises. Her legal practice areas include small business structure and financing, securities, nonprofits, and cooperatives. She helps mission-driven entrepreneurs raise capital in alignment with their goals and values.

Jenny has helped her clients raise millions of dollars and raised several hundred thousand for her own business.

She earned her J.D. from Yale Law School and a masters degree in City and Regional Planning from the University of California at Berkeley.