



Tool Kit

4 DIFFERENT WAYS TO FUND YOUR STARTUP

If you're looking to raise funds for your startup, you may want to check this out. These are the 4 most common ways to fundraising capital for your startup



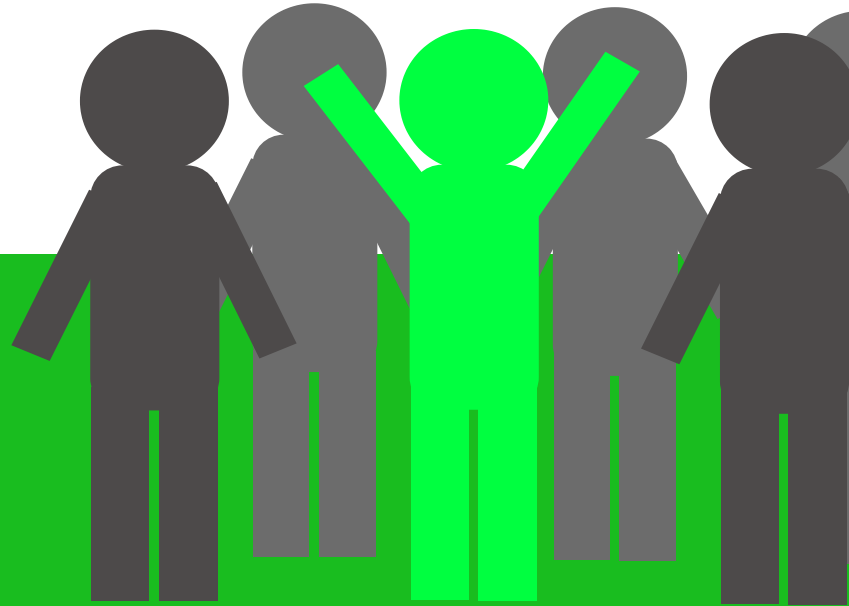


#1 Method

BOOTSTRAPPING

Bootstrapping literally means raising funds by yourself from friends and family. This funding method is usually leveraged at the beginning of your entrepreneurial journey when you're just starting off and have not yet validated your business proposition. If you're looking to build your MVP (minimum viable product) and need a couple thousands of pounds to get started, you may want to explore this funding path.





#2 Method

CROWDFUNDING

If you're building a consumer product or a service that you believe many people will buy and use, you may want to raise funds from the crowd. Crowdfunding in fact, allows you to raise funds from little private investors (it can be either me or you) who are willing to pay small price tags (usually below £1,000) to back your project and receive in exchange some perks (e.g. discounts on your product price once it's launched on the market). Check out platforms like Indiegogo and Kickstarter to learn more.

INDIEGOGO

KICKSTARTER



#3 Method

BUSINESS ANGELS

If you're early on in your journey and have not generated strong traction with your startup, but need fresh capital to take your venture to the next level, you may want to consider raising funds from angel investors. These are wealthy individuals (usually ex-entrepreneur with successful exits behind) that are keen to invest in early-stage startups to back driven young entrepreneurs.





#4 Method

VENTURE CAPITAL

If you believe to have a strong startup with strong value proposition and are experiencing strong traction, you want to go to Venture Capital firms (VCs) then. These are investment bodies that invest exclusively in startups and seek to generate substantial returns. As such, VCs have the capacity to invest heavily in your startup (we're talking about millions) as long as you can demonstrate there's a huge potential to tap into some multi-billion dollar industry

