

Doron F. Eghbali Business Planning

[How to Obtain Funding from Angel Investors](#)

Friday, April 30, 2010 by [Doron F. Eghbali](#)

If you are looking for funding of your business by wealthy individuals, you need to know what they look for in a potential investment. The following is the continuation of previous postings on angel investors, specifically: [Courting Angel Investors: Do's and Dont's.](#)

GUIDELINES

- **Prove Your Profitability with Documents:** Angel investors are business people. They want to ensure their money will be returned to them with relatively high interest. You cannot just make promises. They look at your [profit/loss statement, balance sheet and cash flow statement.](#)
- **Prove Your Thriftiness:** Angel investors want to see their money is spent wisely and efficiently. They usually do not want to see fancy offices and hefty bonuses and salaries without intelligent business justification. You need to show how their money is used for business design, development and advertisement.
- **Prove Your Tenacity with a Thought-Out Plan:** Angel investors are not convinced when you tell them you stay the course in face of difficulties. They need to see you have a back up if an obstacle arises. You need to show them your thick skin is backed up with intelligent and prudent business plan.
- **Prove Your Readiness To Further Learn:** If you say you know everything and are 100% positive your plan is the right plan, angel investors won't believe it. You SHOULD show you are ready to take criticism and learn from your mistakes.
- **Prove Your [Business Plan](#):** Angel investors should know you have a plan to protect your business and deal positively and effectively with competition. They need to know how you will capture the market and how you retain it and even grow the market place. Angel investors want growth based on vision, prudence and product or services to deliver.
- **Prove Your Plan to Return Their Money with Profits:** From the beginning, angel investors want to know how you will return them their money with relatively high interests. If you want to have an IPO or acquisition, ensure you know who will be the potential suitors. Have a plan ready to position your business from day one to be acquired or go public. Prove why your business should be acquired as opposed to a competitor. Prove why investors should buy the stock of your company when it goes public.

[DORON EGBALI](#) is a Partner at the Beverly Hills Offices of Law Advocate Group, LLP. He Primarily Practices [Business](#), [Real Estate](#) and [Entertainment Law](#). Doron Can be Reached at: 310-651-3065. For More Information, Please, Click: [HERE](#).