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Bitesize GCSE BUSINESS STUDIES

FINANCING A BUSINESS

BEN WALLACE- MARKETING, GOOGLE UK

I think the advice that I would give to someone looking to maybe take a loan out for their business or dealing with a bank in terms of getting investment is to be as granular as you can about what plans you have for the business that you want to run, the product that you have, the kind of market for the product, the, the amount of money that you will need, the amount of money that you think you can make kind of in the first year and the second year, and really just have as watertight a business plan as possible. And also not to borrow more than you could at least in the first instance afford to pay back.

SAIRA KHAN- SKINCARE ENTREPRENEUR

For anybody who wants to start a business, the bank is the first place you need to go and you need to make the Business Account Manager your best friend.

HUGH PYM- BBC CHIEF ECONOMICS CORRESPONDENT

My advice would be to shop around and even if you've had a regular relationship with a bank, if they don't come up with a deal that you're happy with, try another one. That's what a competitive environment is all about.

SAIRA KHAN- SKINCARE ENTREPRENEUR

There are so many different options available nowadays and they are really encouraging for people who want to go into business. There are different rates, there are different services that they provide, and really the bank is your first port of call for discussing anything financial about your business.

HUGH PYM- BBC CHIEF ECONOMICS CORRESPONDENT

It is difficult for small businesses sometimes to raise money, and I suppose the best advice is to keep on looking and if the banks won't come up with it try other sources of funding which are out there.

NICOLA VANE- PHONE SOCK ENTREPRENEUR

I haven't had to borrow any money from a bank. Originally I borrowed money from a friend and then from the profit made from the sales I reinvested it in the business and the business has grown that way.

DR PAUL THOMAS- TRUFFLE ENTREPRENEUR

In terms of pitching for investment, I think it's really important to structure your pitch so that it's something that you'd be happy to invest in yourself. And it's also important to be honest, to structure the investment so it's secure, and also just be very, very clear.

DEBORAH MEADEN- ENTREPRENEUR

When it comes to the actual pitch itself, I'm looking for somebody to be able to explain pretty clearly and concisely exactly what it is that they are offering me, and why I should invest. And it is as simple as that.

BEN WALLACE- MARKETING, GOOGLE UK

You want to have a really watertight case around why this product is, is excellent, why it's incredible, why it's better than anything else which is kind of around there either on the market or within your company. A really watertight case around the demographic, whether it's a large enough demographic if the, the investment you're looking for. and also whether it's scalable. So whether this is something which if you hit kind of, one nation with it an, and it was really successful, whether you'd be able to move quickly to grow the product and to move it kind of into different regions.

SAIRA KHAN- SKINCARE ENTREPRENEUR

It's a very nerve-racking process but one of the things I would say is you absolutely have to live and breathe your business. You need to know it inside out.

DEBORAH MEADEN- ENTREPRENEUR

I spend quite a lot of my time, looking at business pitches, that's both within Dragon's Den and that's actually outside of the Den, and I'm often asked what do I look for in a business, and it's never one thing. It would be really simple if I could say A, B, C, D, bingo, but actually what it is, is the right combination. And it's that combination between a good person and a good product, and sometimes it shifts between the two. I might have a very strong person with a product that may need a bit of tweaking. Or I might have a very good product with a person who might need a little bit of help. Now somewhere in that range I will invest. What I won't invest in, and this might be surprising, is I don't invest in a good person with a bad product. Although I would invest in a good product with somebody who wasn't very good. Because fundamentally it is the product that you are selling.

DR PAUL THOMAS- TRUFFLE ENTREPRENEUR

The great thing about Dragon's Den was that I had a panel of experts there and they, they actually gave me a lot of advice on my business. If I could redo my time, I think I would give myself about a year longer to prepare, because I was so early in the stage of the business that the, the whole business model subsequently changed after then. So if I could do it again I, I'd give myself much more preparation time.

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