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The Daily Star

DHAKA, FRIDAY, NOVEMBER 23, 2018

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NEXT STEP

500 DAYS OF STARTUP ARE YOU READY TO RAISE INVESTMENT?

In Bangladesh, if you ask startup founders what is stopping their business from becoming "the next big thing," be absolutely certain that 90% of them will have one simple answer: funds. The word isn't capital, or resources, it's specifically funds or investment. In some cases, it is true; startups need investments to grow and scale up their operation. While that isn't the only thing you need to grow a business, it's still essential. Let us focus on whether you are ready for investment or not. During my time as an investor, and co-founder of several startups, I always asked the following questions before investing or raising funds.

Do you have skin in the game?

Investors get pitched to all the time. So dazzling them with your brilliant idea won't always do the trick. In Bangladesh, most of the startups are a derivative of some foreign startup. (i.e. Uber for trucks, Twitter for senior citizens, Amazon for Nilkhet books, and more. We get to hear these phrases in many startup competitions.) This most likely means that the startup that's seeking an investment won't have an Intellectual Property (IP) related upside that will prevent new competition to enter the market. Investors tend to stay away from putting money in such markets.

So how do you sway the investment in your direction? Let them know how much money, time and resources you have invested in your startup. Wanting investment from VCs just because you have an idea and three of your friends are calling yourselves co-founders isn't going to work.

Is it the right time?

Suppose you are on the verge of launching a product in the market. Based on forecasting and customer validation, you believe it will be a quick and sure hit. If your investors are dangling a term paper in front of you now, and if you have sufficient funds, then delay the investment. When you have the new sales and revenue numbers after the launch, use those to renegotiate a deal or try to get a completely new one. On the other hand, if you think you are going to have a rough quarter and you need to go back to the drawing boards, then do so after you have secured funds so that you don't run out of money just because your product tanked in that quarter. In Bangladesh, most people are willing to settle the moment they receive a term paper or a letter of intent from an investor or VC. The offers are tempting, but you should only take it if you are absolutely sure that it's the right time for the business.



Is the paperwork in order? Is your house in order?

Most Bangladeshi startups don't have their papers in order. Here's the most common list of documents that you would be needing (not all of the following will be applicable to all startups): trade license, IRC, ERC, cofounders agreement, bond license, e-TIN, BIN, article of association, rent agreement, partnership deed, accepted copy of sanction letter, list of directors, latest board resolution, factory fire insurance policy, trade association membership certificate, enrollment certificate of EPB, group insurance, audit report, IP rights filing, any court orders, detailed information about all the employees including copies NID card and e-TIN etc. Each and every document needs

to be up to date before or during the due diligence process. Or else the investment will be delayed.

Have you done your research on your investors?

In some instances, there might be multiple investors interested in your business. Will you be taking investments from everyone? Depends. Do a thorough research on the type of investor you want to associate with. Are they the best in their domain? How strong is their portfolio? Will they be able to introduce you to new and valuable stakeholders? Have they invested in similar businesses before? Are they lowballing you? Are they a good fit with your business? Will they meddle in your operation? Do they align perfectly with your strategic goals?

If you are satisfied with the answers to these questions, only then accept investment.

Do you have a detailed, well thought out plan of what to do with the new investment?

Lastly, you will have to ask for a specific amount of money from the investor. Before you do that, make sure you have a detailed plan on how you will spend the money and what your ROI would be. Make sure you have some room for a bit of cash reserve as things can go south anytime. The more meticulous your plan, the higher the probability of getting the funds.

ANGEL INVESTOR

THE BOSSMAN

BY E. RAZA RONNY

I LOVE MILLENNIALS. THEY ARE ENERGETIC, ACTIVE, ALWAYS LOOKING FOR A CHANGE, AND THEY USUALLY SWITCH JOBS BEFORE THEY ARE DUE FOR A RAISE.



I'LL SAVE SO MUCH MONEY HIRING NEW PEOPLE FOR THE SAME MONEY EVERY TIME. HERE COMES A NEW ONE.



WAIT! WE CAN GET A RAISE HERE?

YEAH, WE ALWAYS GIVE A RAISE. EVERY 10-15 YEARS. DEPENDING ON YOUR PERFORMANCE. NOW GO TAKE HER TO HER NEW DUNGEON...ER, CUBICLE.



Hiii!

Declaration of investment to Zantrik by BD Venture

BD Venture Limited has recently announced its investment to Zantrik, a one-stop automotive service platform for vehicle maintenance, troubleshooting, and 24x7 emergency roadside help all over Bangladesh. Zantrik has nationwide service coverage of more than 1,500 service partners (workshops) in major highways of the country.

Whenever and wherever a vehicle is in trouble in any major roads and cities (Dhaka, Chittagong, Sylhet and Narayanganj) in the country, Zantrik can send a technician within 30 minutes to fix the vehicle. The ceremony of declaration of investment was attended by Mr. Kazi M. Aminul Islam, Executive Chairman at Bangladesh Investment

Development Authority (BIDA); Mr. Syed Almas Kabir, President at Bangladesh Association of Software and Information Services (BASIS); Mr. EhsanulHaque, Chairman of BD Venture Limited; Mr. Shawkat Hossain, Managing Director of BD Venture Limited and Mr. Minhaz Anwar, Chief Storyteller of BetterStories.

Making a DIFFERENCE

Bangladesh is rapidly moving towards middle income status by 2021. Our businesses definitely offer immense opportunities for the growing economy and this diversity needs a stage for the stories untold. See Bangladesh make its mark on the global map as Making a Difference brings you our proudest success stories from across the country.

WANT FUNDING FOR YOUR BUSINESS? Here's how to make a good pitch.

Pitching to investors can be nerve wracking. Often times the future of your business and your career can depend on how you present your idea. We've got some tips so that you can nail that pitch.

1. MAKE IT A STORY

No matter what you're presenting on, it's always best to tell it like a story. It grabs your audience's attention, and gives the pitch a more personal touch. Investors want to see both passion and skill, and good storytellers combine both of these things.

2. DON'T OVERCOMPLICATE THINGS

The initial pitch does not need as much detail about the complexities of the business model. Make it easy to understand, yet detailed enough so that the investors can get a good idea of what your startup is about. Don't make it too long and full of difficult terms and numbers.

3. FOCUS ON YOUR USP

There are hundreds of companies pitching to investors, so you must differentiate yourself. Highlight your unique selling points, and tell them what makes your startup worth their time, resources, and money.

4. BE SPECIFIC ABOUT "THE ASK"

You must clearly know what you want from the investor, be it money or resources. Conclude your pitch with an overview of your company, and clearly communicate what you require from the investor. Tell them how this investment will help you both in the long run.



CHOOSING THE RIGHT VENTURE CAPITALIST FOR YOUR STARTUP

Does this VC have a good reputation?

Always try to get funding from the top VCs first. They will not just get you money, they also attract talent and increase credibility.

Is their personality compatible with you?

The perfect VC partner should have excellent EQ, to help you during the tough times. They should also be straightforward yet respectful.

Can they be your long-term partner?

This partner will impact almost every aspect of your business, so you should choose someone who is the right fit for your business.

Does this VC believe in your vision?

Or are they investing just because your startup is a hotshot right now?

Do they provide good advice?

You would want someone who gives soft advice, and is experienced in dealing with CEOs.