

Assessment 2

Fund Raising for Start-Ups – Challenges and Opportunities

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Startup Fundraising

The Right
Mindset

Assessment 2

Fund Raising for Start-ups – Challenges and Opportunities



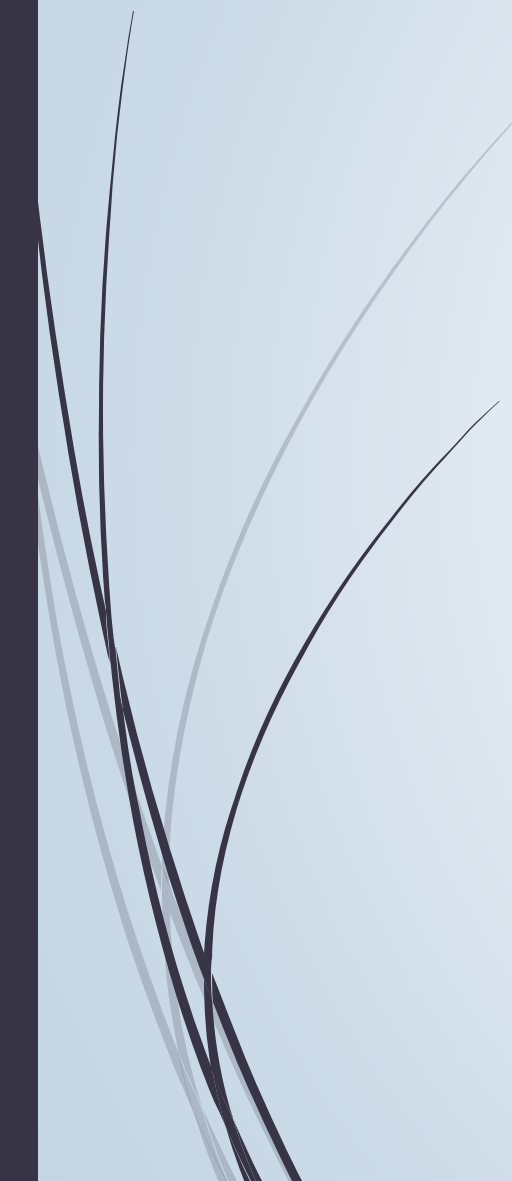
Introduction



- The presentation will be discussing the challenges and opportunities associated with fundraising in the UK.
- Fundraising refers to the procedure of raising capital or investments for an early-stage company or startup (David et al., 2021).
- Fundraising is integral to initiating the startup for the business owners.
- The discussion will go through different fundraising types and help analyze the better approach that could be used.
- The discussion will help in adapting the insight about all the possible constraints allied to fundraising (Schückes et al., 2021).



Challenges Faced by Startups in the UK



Limited access to capital

Lack of investors confidence

Regulatory issues

Issues with valuation

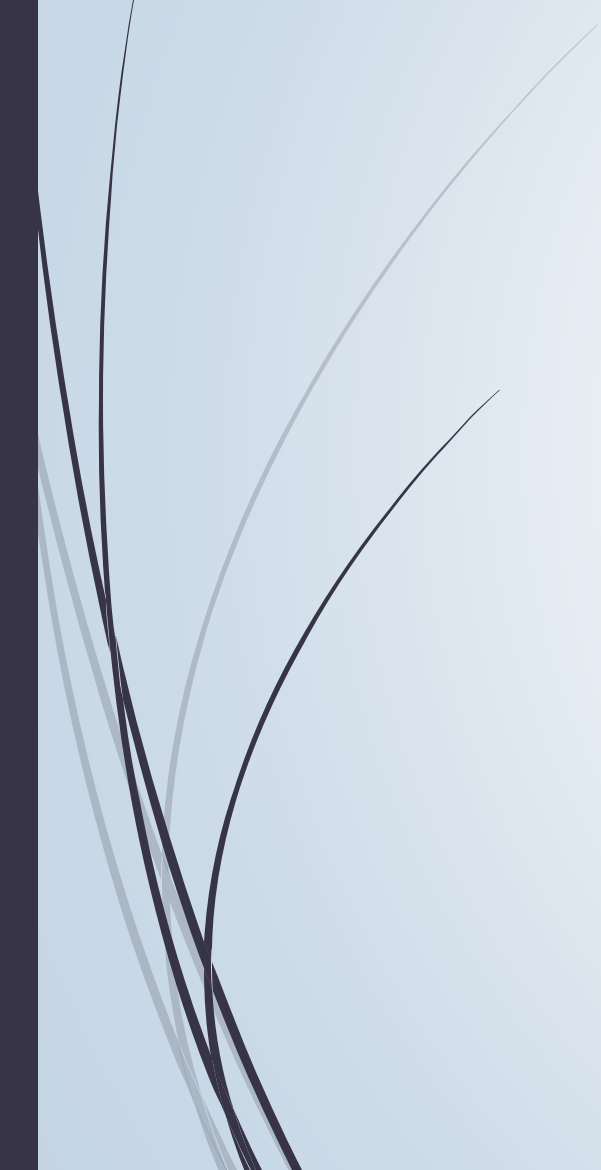
Limited networks

Limitation of resources

Uncertainty with economy

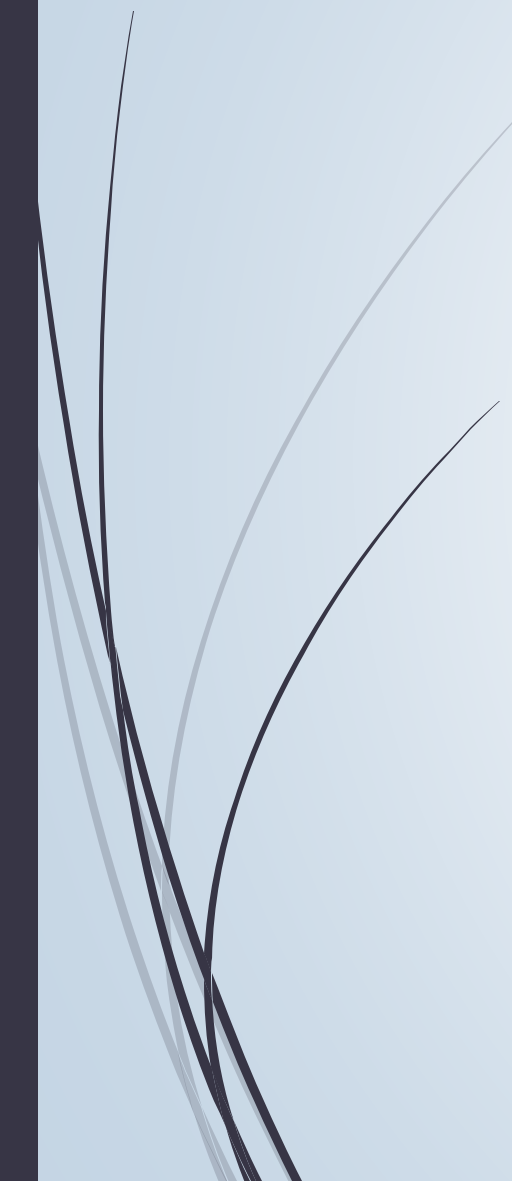
Source: Sopjani, 2019

Overview of the Startup System





Types of Funding Options Available



Seed Funding

- This is the first round of investment any startup receives. This helps in introducing the initial idea, prototyping, and developing the market research. This can come from friends and family.

Crowdfunding

- This refers to raising a small amount of money from the large number of people accessed through online platforms. The popular crowdfunding platforms are Kickstarter and Indiegogo (Mokhtarrudin et al., 2017).

Angel Investments

- These are the people with high net worth who fund their money in the startup in exchange for equity. They also provide mentorship and support along with funds (Kumar et al., 2022).



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Venture Capital

- These are the firms that invest in startups with distinct potential. They take an active role in the operations of the business (Arena et al., 2018).

Debt Financing

- This indicates borrowing money from financial institutes like a bank. This is good for the startups running on some budgeted projects.

Grant

- These are the non-payable funds that government offers to support specific projects or inventions. the European Regional Development Fund (ERDF) offers grants in the UK (Yang et al., 2017).

Seed Funding

- This funding is mainly provided by angel investors or early-stage venture capitalists to promising startups. The typical funding amount ranges from £50,000 to £500,000.
- This funding is important as it helps in generating precise attraction the investors.
- To adapt the seed findings startups are required to show their potential of showcasing some results (Alharbi, 2020).
- The main advantage of this funding is that it helps the startups with the availability of resources needed. The challenge of this finding is the dilution of investment and meeting investors' expectations.
- Airbnb, Dropbox, and Uber are some successful examples of seed funding.



Crowdfunding

- This is the type of funding in which a large number of people help in developing the funding for a specific project.
- This approach helps investors to gain funding without thinking of the outer funding requirements.
- One of the challenges of this approach is related to building a distinct campaign to attract customers.
- To attract investors impactful plan is essential to be considered for improvements.
- Oculus VR, Pebble, and Coolest Cooler are some of the success stories allied to crowdfunding (Guckenbiehl et al., 2022).



Angel Investors

- These are the wealthy investors who willingly invest in their money in projects with higher potential.
- The start-up needs to have a compelling business plan to adapt the investment (Vijai, 2019).
- This helps in adapting the support from experienced investors.
- Dilution of equity is one major risk associated with this investment.
- The startups need to be transparent while adapting this investment.
- Google, Dropbox, and LinkedIn are successful examples of this investment (Schückes et al., 2021).

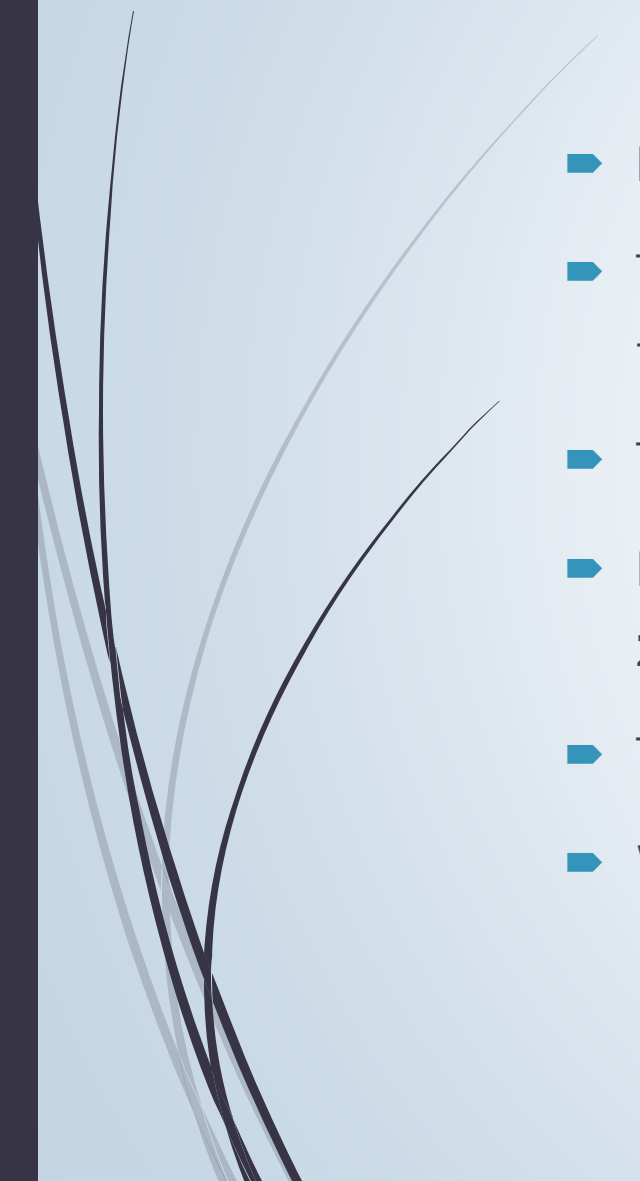


Venture Capital

- These are the investors adapting pool to invest in the startups with high potential.
- The clear business plan is required to attract them.
- The major advantage of the approach is that it ensures the startups with better adaptability of substantial capital (David et al., 2021).
- The pressure to accomplish the expectations of the investors is a major challenge.
- The valuations and ownership need to be processed for adapting better results.
- Facebook, Airbnb, and Uber are the success stories of these venture capitals (Sopjani, 2019).



Debt Financing



- Business loans and lines of credit are some examples of debt financing.
- The strong credit history and detailed plan are required to adapt the funding.
- This provides startups with the accessibility of significant equity.
- Risk of default is one major risk associated with the approach (Sharma et al., 2020).
- The financial plan needs to be impactful to build the negotiation.
- Warby Parker, Harry's, and Glossier are examples of success stories allied (Mokhtarrudin et al., 2017).



Grants and Government Support

- Tax incentives and grants are some examples of government support being processed.
- The strong business plan helps in implying and engaging distinct support.
- The major advantage of this approach is that it offers funding without equity (Kumar et al., 2022).
- The challenge relates to following the obligations processed by the government.
- Bio-bean is one of the successful business examples which use government support (Yang et al., 2017).

Successful Fund-Raising Stories

- Monzo: This is a UK-based digital bank that has elevated over £370 million in funding since its formation in 2015. The company's achievement can be credited to its inventive product offering and robust focus on user skill, which has earned it a faithful following of customers and investors alike.
- TransferWise: TransferWise is a London-based fintech company that has transformed the way individuals send and received money internationally. The company has raised over \$1 billion in funding and is valued at over \$5 billion, making it one of the most successful fintech start-ups in the world (Arena et al., 2018).
- Bulb: Bulb is a UK-based renewable energy supplier that has elevated over £140 million in funding since its founding in 2015. The company's success can be attributed to its obligation to sustainability and transparency, which has earned it a loyal following of customers and investors (Alharbi, 2020).



Role of Networking in Fund Raising

- This helps in adapting distinct options to pitch the funding.
- Provides the advantages for processing the better relationship essential for change (Vijai, 2019).
- Provides the advantages of staying active with the process being implied.
- This helps in knowing the practices of change being followed and processed for the evaluations required (Guckenbiehl et al., 2022).



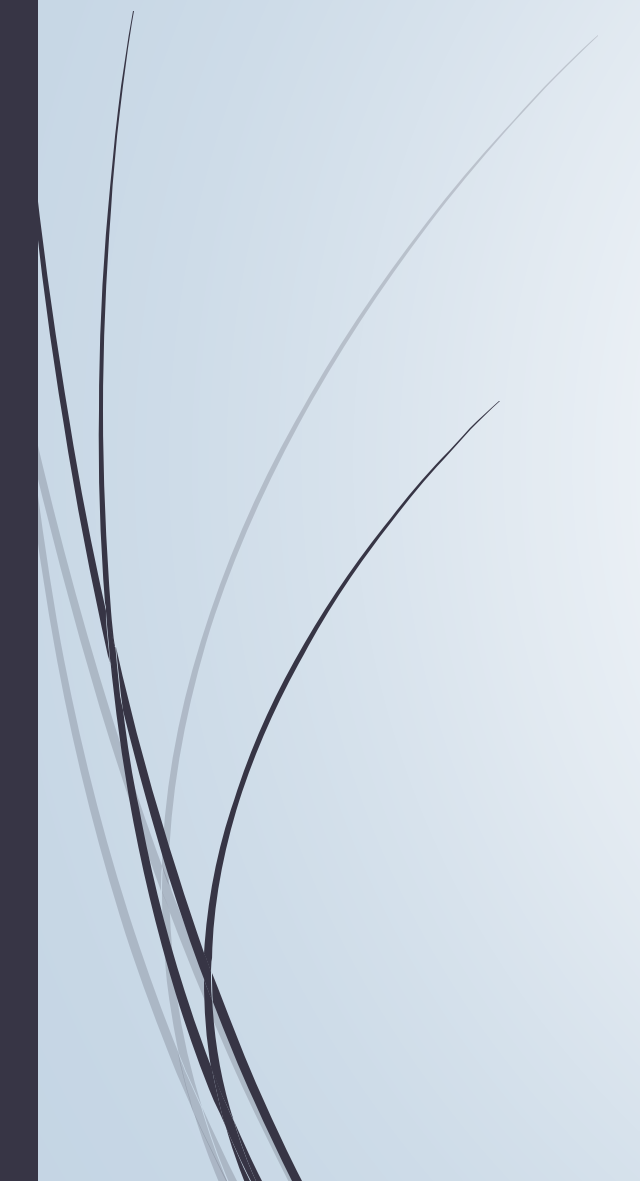
Valuation of Startup



- The size and potential of the market help in analyzing the value.
- The evaluation of the industry process provides the advantages of evaluating plans for modifications.
- The marketplace evaluation and accessibility promote the financial interventions being followed (David et al., 2021).
- The acquisition and funding evaluations help in accessing the key determinants that need to be planned impactfully.
- The plan of negotiation helps in implying the required changes (Schückes et al., 2021).



Negotiation with Investors



Prepare for the
negotiation

Understanding the
objectives of
investors

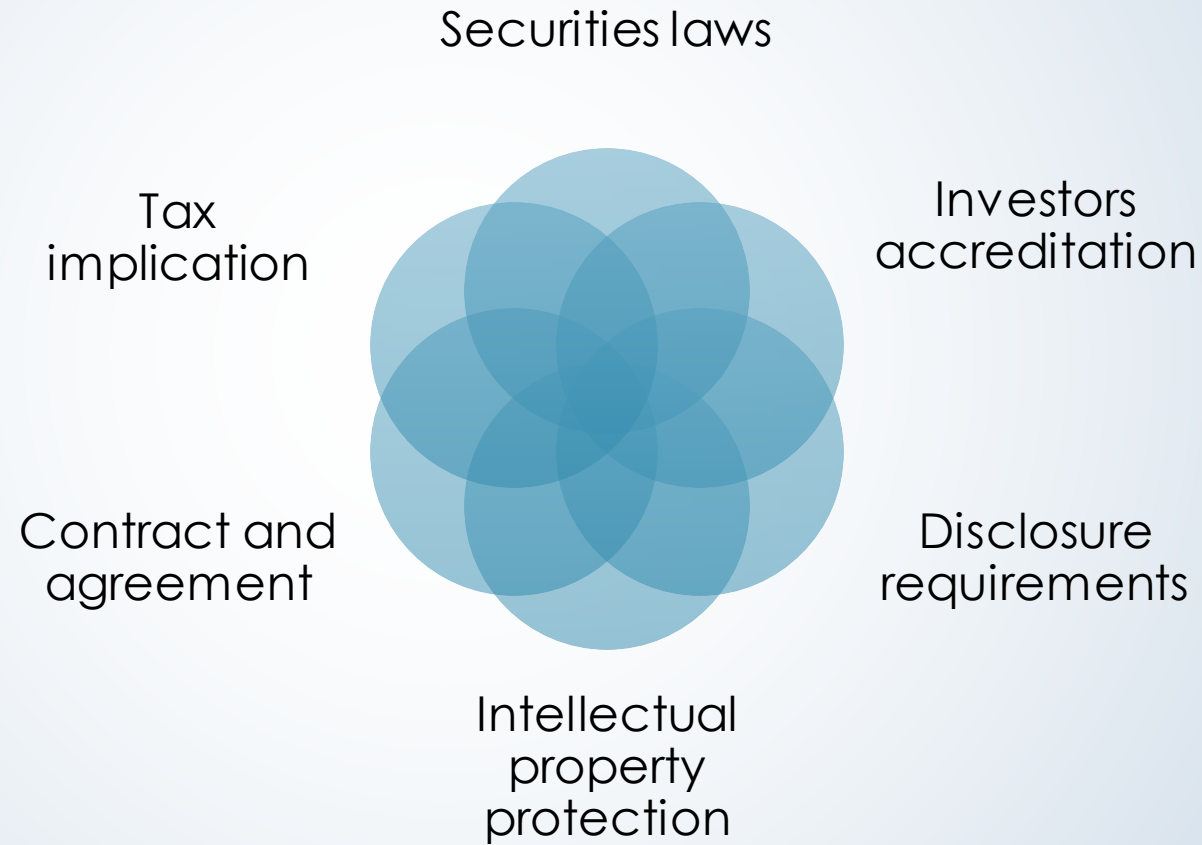
Being flexible

Building
relationship

Seeking
professional
advice

Source: Sopjani, 2019

Legal Aspects of Fund Raising

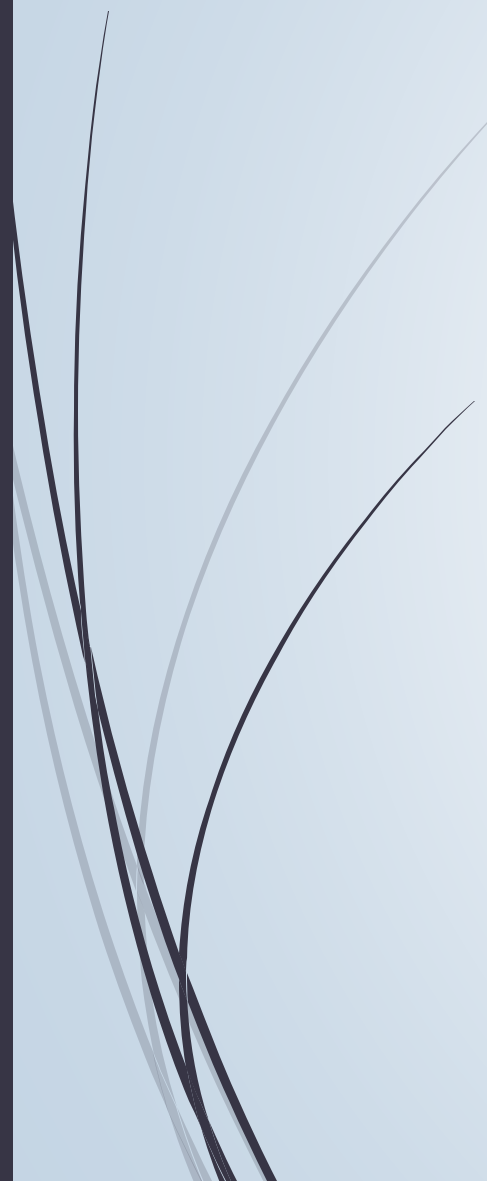


Source: Sharma et al., 2020



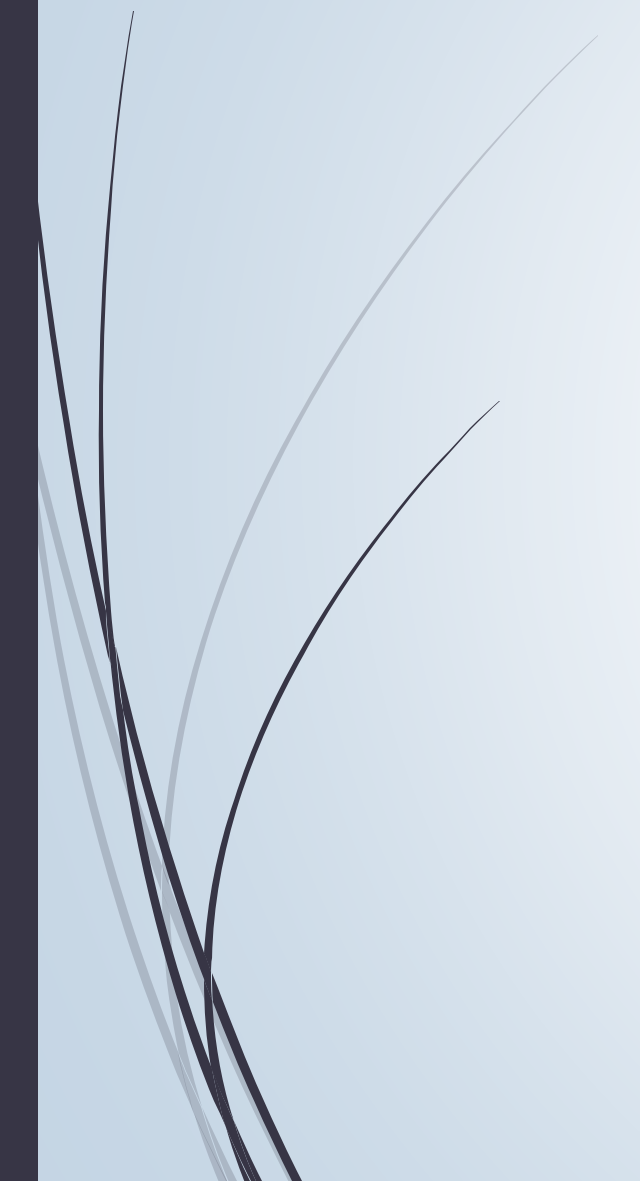
Opportunities of Fund Raising

There are several benefits associated with the Fund raising.





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Common Mistakes to Avoid

Lack of preparation



Focusing solely on valuation



Overestimating the marketing opportunity



Ignoring the feedbacks



Not building relationships



Failing to adapt alternatives



Source: Yang et al., 2017



Conclusion

- Fundraising helps startups with the accessibility of financial support.
- There are several options for funding but adopting a clear plan to crack them is necessary.
- The proper planning and evaluation of the required changes is required while generating the process of innovation.
- The legal regulations are also need to be followed thoroughly

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Introduction

Fundraising plays a vital role in implying financial support for startups in any distinct industry. This report will help in analyzing and promoting the changes which help in considering the practices of better fundraising options along with an insight into their strength and weaknesses. The report will help in evaluating and developing the changes which are required to get placed and considered with better objectives to be engaged for financial support. This also relates to constructing and evaluating some of the robust interventions the process of funding implied for adapting the significant outcomes being implied and measured in the broader context. Developing and practicing better insight towards the determinants of changes which helps in the evaluation of modifications to be implied and engaged in the broader context. Analyzing the opportunities and threats will help in evaluating the robust practices of change being implied to the better accessibility of improved outcomes.

Challenges Faced by Startups in the UK

Fundraising could be considered as the major approach to adapting financial support which is required for generating and evaluating the changes that need to get placed for the startups. At the current time, the startups of the UK are being engaged with the evaluation and practices of better outcomes to be engaged and placed in the major context. One of the major challenges facing by startups is limited access to capital and funds. Not having enough financial evaluation affects the values adapting by these startups and creates the requirement for generating the practices which help in engaging the determinants which provide the advantages of evaluating financial changes (Kotenko and Bohnhardt, 2021). The lack of significant financial practices and evaluations would also help in leading the choices of growth to be placed and argued in the broader context. The limited resources are one other major negative influence associated with the practices of startups which creates challenges and negative influences in terms of implying the key practices needs to be placed and implied significantly. The negative influence could also be related to engaging the innovations and determinants which are essential to be followed impactfully.

Types of Funding Options Available

There are several options for funding available in the current marketplace of the UK. These options of funding help in developing the determinants of change to be implied for the financial support of the better accessibility of building the choices required to get engaged in the broader context. Some of the funding options available are:

Seed Funding: This is the very first approach of funding in which the startup receives the first installment of funding which helps in adapting and evaluating the robust modifications required to get placed and evaluated in the broader context. This approach of funding requires the startups to have a significant business idea which helps in generating and processing the evaluation of the right approach of generating the distinct practices of the support being implied in the broader context. Some of the common investors in this approach are friends and family who help in adapting the distinct support and evaluation along with the accessibility of changes to be placed in the broader context (Odey,2021). This would also be related to implying and engaging the evaluations essential to be carried out and measured significantly. This approach ensures building the practices of modifications required to be placed. This helps in engaging the investment in minimal efforts and provides the determination about distinct practices of improvements to be followed.

Crowdfunding: This is the approach in which a small amount of money gets accessed by a large number of groups via using an online platform as the funding option. This helps in adapting and accessing the key innovations which are required to get placed and presented along with the key modifications which are necessary to be placed in the broader context. This provides the advantages for evaluating and implying the modifications which are necessary to be placed in the broader context. This relates to building and engaging the changes which are required to get practiced and implied with the determinants of some possible modifications to be argued and measured impactfully (Iliashenko, et. al., 2019). The startups are required to get placed and engaged with some of the major changes essential to get engaged and measured with a better connection to the accessibility of reforms being measured and handled significantly. The approach ensures to engage the key accessibility of growth areas to be carried out on the distinct measures which provide the advantages of better outcomes.

Angel Investment: These investors are people with higher net worth who invests in the startup in exchange for equity. Businesses play a vital role in developing and engaging the innovations which provide advantages of evaluating the robust support to being implied along with the accessibility of advantages. This also helps in implying the key evaluations which are essential to get placed in the broader context while building and implying the accessibility of broader development to be carried out in the broader context. the investors are being associated with the interventions of practices of development to be implied in the broader context to be placed on the significant measures (Gonzalez-Uribe and Klingler-Vidra,2020).

This also relates to building and accessing the possible changes which provide the areas of improvement and growth to be placed in the broader context.

Venture Capital: These are the firms that invest in the startup and ensure to adapt the practices of change and better evaluation of modifications essential to get implied with the significance of growth to be engaged in the broader context. The organizations provide accessibility of the development areas to be placed and implied with the innovations to be measured and handled impactfully. This can also be related to building the accessibility of certain changes to be placed in the relevant ways along with the accessibility of some of the modifications to be implied in the possible ways (Cacciolatti, et. al., 2020). Building the interventions along with the significant insight towards the better accessibility of finances provides advantages of evaluating and accessing the modifications essential to be implied in the broader context. The approach helps in managing the evaluation of startups being followed on certain changes to be placed and argued along with the required innovations.

Debt Financing: This is the approach of lending money from some institute like a bank. This distinct approach of managing and developing the business evaluation provides advantages in evaluating some of the most relevant procedures which provide the advantages of processing and engaging the change required to get followed in the broader context. This also promotes the evaluation of some of the possible areas in which money could be implied and engaged by building the practices of development to be carried out impactfully. This also is the major approach that helps in implementing and processing some of the most impactful and relevant financial determinants being carried out significantly (Ahl, et. al., 2022). The evaluation of these practices also helps in generating better areas of development and interventions to be placed on the significant and relevant measures. The accessibility of better debts would help the business in leading some of those key evaluations which provide the distinct modifications of arguing and implying the practices of growth to be followed.

Grant and Government Support: The accessibility of grants along with the better practices of modifications provides with advantages of evaluating the fewer challenges of return. This helps in implying and engaging the possible accessibility of interventions required to be followed and managed by the implementation of certain development and change areas to be implied in the broader context. The support from the government refers to building the funding interventions and accessibility of key development areas to be placed along with the changes in the financial growth areas (Hutchison and Lin, 2021). The determination of change

could be implied along with the accessibility of better insight to maintain the operations and required procedures without thinking of the changes and determinants needed to be fulfilled. This also provides the advantage to evaluate some of the key development areas being argued and measured in the broader context along with the areas of growth to be followed and measured on the distinct evaluation of changes.

Opportunities of Funding

The process of funding provides UK organizations with the advantages of adapting and evaluating district practices which provide with the development of the newly introduced startups. This helps in generating significant practices which provide the advantages to evaluate and engage the determinants which are essential to be managed while adapting the capital and financial support. One of the major advantages of startups is of adapting the distinct accessibility towards the capital which provides evaluation and practices of change to be followed in the broader context. This also helps in generating innovation and competitiveness which helps in developing and evaluating some of the probable development areas to be carried out and measured in the key possible ways (Lam and Fu, 2019). This also relates to maintaining knowledge and skill development as the startups are being associated with better practices of evaluation to be implied and followed with the constructive practices of growth to be followed in broader and relevant ways. The process of diversification is also related to engaging and evaluating some of those key practices which help in implying and arguing the modifications essential to get placed in terms of managing the business cluster.

The key areas of growth to be implied in terms of letting the government support along with the better process of evaluation to be placed and implied in the key relevant ways. Better funding opens the sources of networking along with better insight towards the innovations essential to get placed for implying the development and growth of the business to be implied significantly. This also provides the determination about some of those key practices which are essential to get placed as per the requirement and accessibility of some of the changes that need to be placed for the evaluation and progression of the funding in the broader context (Goldstein, et. al., 2020). This can also be defined as the major requirement to engage and evaluate the determinants of better business identification and accessibility of the support being implied with the practices and areas of growth to get implied and handled in the broader context. This also ensures the accessibility of some of the growth areas to be planned and implied for the betterments to be placed impactfully. A better evaluation of the areas of

growth plays a vital role in measuring and accessing the changes and development areas to be placed as well as engaged impactfully.

Challenges of Funding

Indeed, funding is a good option for startups in the UK to process their business operations distinctly but this also includes certain challenges and negative influences which are essential to get processed and implied in terms of building significant insight about the evaluation of growth and development to be followed on the broader context. One of the major challenges associated with the finding is increasing competition as the challenges affecting there in terms of evaluating and practicing areas of growth and development to be placed in the broader context. On the other hand, the evaluation of marketing also helps in placing and generating key changes which are required to get placed and argued with the possible areas of development to be followed and argued on the possible ways (Gaurav, et. al., 2019). The uncertainties of the market evaluation affect the marketing and its accessibility to the business organizations while placing and implying the relevant areas of development to be carried out and placed in the broader context. This also creates challenges in terms of measuring some of the development and evaluation areas to be implied with the better accessibility of findings. This also requires the practices of development and change to be followed significantly.

Several funding sources give distinct rights to investors in the decision-making of business progression. This creates challenges in terms of implying and practicing some of the possible modifications which provide the advantages of leading and building the possible growth areas to be followed and placed impactfully. This also creates challenges in terms of adapting to the possible innovations that business is looking forward to adapting. The insight and evaluation towards these key distinct changes and practices are essential to get placed and implied with some of the broader changes which the business operations could imply with better accessibility of the fundings. The limited intervention and practices of development also create negative influences in terms of generating and measuring the practices of key growth areas to be followed and placed in the broader context (Kotenko and Bohnhardt, 2021). The challenges are essential to get placed and implied by the determination about some of the key possible innovations which are required in terms of evaluating some of the most of the probable development areas being followed and measured on the probable ways. This also helps in accessing and promoting the evaluations which are required to get followed and engaged significantly.

Impactful Ways of Fund Raising

The process of fundraising requires distinct evaluations and determinants which provide the advantages of evaluating and practicing key changes essential to be placed in the broader context. While introducing the business one is required to have distinct savings which help in generating and processing the base of the business operation. Along with that, the accessibility of possible determinants required to get implied with key changes which are essential to be processed in terms of evaluating and proving the areas of accessibility and changes to be carried out in the key relevant ways. The distinct aspects and evaluations of fundraising are essential to be focused on the major objectives that need to be fulfilled by the startup (Odey, 2021). This helps in implying and developing some of those practices which provides the determination about some of the most impactful and relevant practices to be followed while implying the accessibility of changes. This could also be defined as the major need to build some of those practices which are essential to be influenced and practiced with the better development areas to be followed in the probable ways. This also provides the determination of growth to be followed impactfully.

Conclusion

Fundraising helps in processing and implying the change in practices which provides the advantages of engaging and developing better financial support for the startup. This indicates adapting and practicing relevant areas of growth to be carried out and placed impactfully. This is also related to building the changes which are essential to be followed and placed impactfully. The intervention of the startup policy provides advantages in engaging and practicing some of the key growth areas required to get placed and engaged in the broader context. This also plays a key determination and significant role in terms of evaluating some of those modifications which provide the accessibility of key change areas to be placed and engaged in the probable ways. This also is the major requirement for evaluating some of those development areas to be placed and argued impactfully regarding the change essential.

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