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## How to Raise Capital for Start-Ups and Other Business Ventures

Interview with RaiseCapital.com CEO Richard Singer

By [Karen Schweitzer](#), About.com

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It takes more than just a great idea to run a successful business. Entrepreneurs and existing business owners need capital to pursue their vision.

To learn more about the best ways to acquire start-up funding and other financing for business ventures, I spoke with [RaiseCapital.com](#) CEO Richard Singer. Here's what he had to say on the topic:

### **Q: What is the first thing business owners should do when they have an idea that they want to get off the ground?**

A: Research, research and more research! The first thing you must do is research every aspect of your idea - from potential competitors, to costs, to how long it will take to get your idea developed. You will also need to ascertain how much initial capital you will require. Without that knowledge, getting your idea past the development stage will be next to impossible.

### **Q: Entrepreneurs and small business owners are often lectured on the importance of networking. How important is it for start-ups to network?**

A: Networking is the best way to build professional relationships, maintain and cultivate contacts and disseminate information about yourself and your business. Networking can help you get over the bumps that inevitably impede business development. Effective networking can be a low cost form of marketing. Start-ups can use networking to help fund projects and identify potential employees or strategic partners.

### **Q: Where should entrepreneurs concentrate their networking efforts? Is it better to network at small events or high-profile events?**

A: A mix of both small and high profile events is best. High profile events can allow you to network among a large group of accomplished people, however, small events afford you the opportunity to have more "face time" with those at the event. Networking on the internet is also an effective tool that does not require you to be away from your office or business.

### **Q: Is there any way for entrepreneurs and existing businesses owners to use the Internet to get the funded they need?**

A: Entrepreneurs and existing business owners can use our website [RaiseCapital.com](#) to seek funding for their ventures. The [RaiseCapital.com](#) platform allows entrepreneurs and existing businesses to market their business ideas and capital needs directly to investors for free.

### **Q: How exactly does RaiseCapital.com work?**

A: [RaiseCapital.com](#) is a free website that allows users to post their business ideas and capital needs whether a start-up or existing business; using text description, pictures and/or video presentation. Once you become a member and post your business idea, registered investors will have the ability to contact you directly via email about your capital needs. Investors have the ability to directly communicate with members who have posted their capital needs. In addition, registered investors can set up industry email alerts, create a watch list and use our search technology to find local, regional or nationwide (and Canada) investment opportunities. Investor registration is also free and easy.

**Q: Entrepreneurs are sometimes shy when it comes to seeking start-up funding because they worry about someone stealing their business idea. Is this a legitimate worry? What can business owners do to protect themselves and their ideas?**

A: If you have concerns about your idea being copied, then you might consider revealing only enough information with respect to your business idea to garner interest from investors. There should not be any disclosures that would allow someone to misappropriate your idea. If you have such concerns, then once an investor contacts you, you might want to consider asking that investor to sign a confidentiality or non-disclosure agreement before you fully reveal your product or business idea in full detail. The RaiseCapital.com website has a sample confidentiality and non-disclosure agreement that we encourage members to review. Many business ideas that are posted on the RaiseCapital.com website do not lend themselves to copying, in such circumstances a confidentiality agreement may not be necessary.

**Q: Are there any common scams that people should be aware of when searching for start-up funding?**

A: The easiest way to avoid scams, whether common or not, is to use common sense. If a potential investor asks you for money up-front, that is typically a sign that something is wrong. The so-called "Nigerian Scam" has used this technique to swindle millions of dollars from an unwary public. In addition, if someone is making an initial contact asks you for personal information unrelated to your business, such as your personal bank information, tax returns, your date of birth and social security number; you should be extremely suspicious.

**Q: Do you have any other tips you can share with start-ups and existing business that are seeking capital?**

A: Patience and perseverance should be any entrepreneur's mantra. The fund raising process is lengthy and time consuming. It requires patience to grow a company from nothing to something. It requires perseverance to negotiate the inevitable ups and downs of fund raising. Most importantly, you must convey to investors your commitment and belief in your venture. If you don't then no one else will.

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