

## MODULE

Funding opportunities

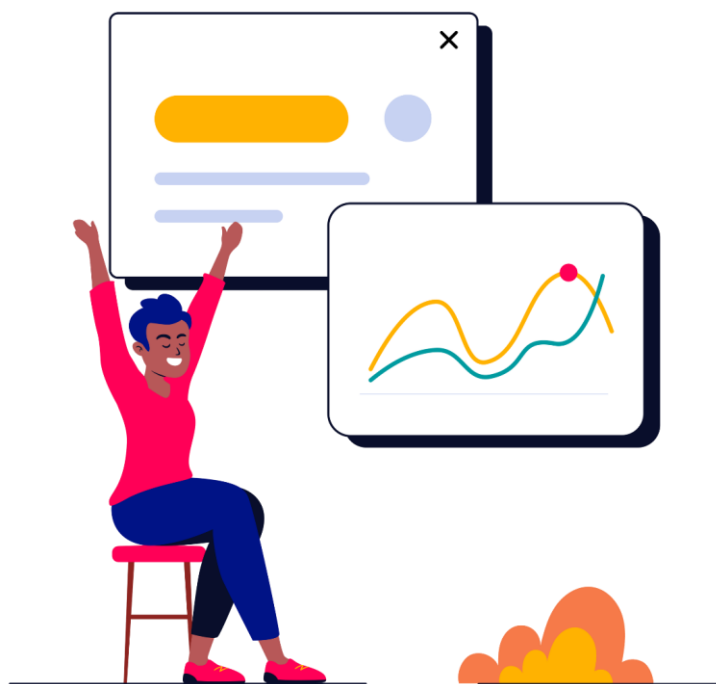
## SHORT DESCRIPTION

In this module you will be provided with detailed information, tips and resources regarding funding opportunities, basic rules of funding opportunities, reasons, and sources to search for funding, the process of start-up funding, as well as the components of your pitch.

## CONTENT

### Funding opportunities for migrant entrepreneurs

Migrant entrepreneurs face a series of difficulties and barriers when it comes to the establishment of their business in host communities. A large number of European countries have adopted migration policy measures to be applied for migrant entrepreneurs willing to establish or operate their own business. These policies are designed to select immigrant entrepreneurs and investors as contributors for the growth of national economy. Apart from creating special policies directed to migrant entrepreneurs, it would be more effective to ensure that all immigrants in every national context have basic language and financial literacy in order to become entrepreneurs. Additionally, support measures should be designed and implemented, targeting both start-uppers and experienced entrepreneurs in order to increase their impact.



Financial accessibility is a cornerstone for migrant entrepreneurship. On one hand, the establishment of a company depends more than anything else on capital requirements; on the other hand, credit restrictions are one of the main causes of failure of migrant enterprises. Consequently, enhancing migrants' access to credit would be a key tool for the development of migrant enterprises.

## The basic rules of funding opportunities

- Keep in mind that not all businesses are fundable

A business must satisfy a certain set of criteria prior funding. A business can be fundable from an investor's point of view, if it is possible to scale up.

- Remember that funding is not an indicator of success

The general idea which is spread through the news and media regarding funding is not the correct one. Funding is just a first step for the establishment of a business. Nevertheless, funding is not obligatory for a start-up, as there is a great number of businesses which have grown without any funding. Therefore, funding might be needed in some cases, but it is not a requirement.

- The business should be self-sustainable

The first source of funding should be your paying customers, meaning that your business should produce enough revenue and profits to fund its expansion. In case additional funds are not possible or needed to be gathered, then it would be advisable to look for funding.

## Reasons to look for funding

- Scale up your operations

One of the most well-known reasons for funding is to scale up your operations. In case, for example, you have already established a business, started its operation, and successfully implemented your idea, and it's running well. In the meanwhile, you want to scale up your operations or expand your business. This is the right time to consider funding.

- Establish a competitive advantage

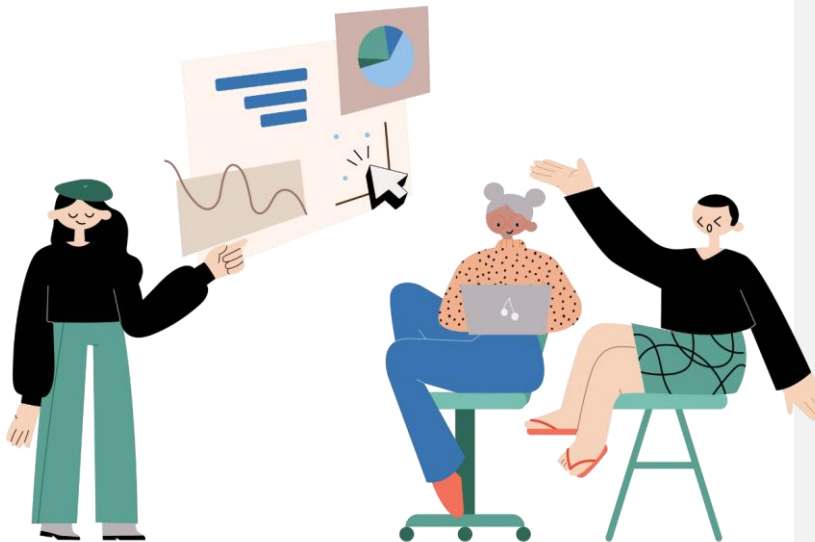
The second reason to look for funding is the establishment of competitive advantage over other business and the overall competition of the labor market and quickly acquire a substantial market share.

- Fund your short-term operational expenses

Funding could also be a great idea, if you want to fund your short-term operational expenses or working capital.

- Research and development

According to the nature of the business, the entrepreneur may need an extensive research and development period. In such cases, it is necessary to get funding from the first steps.



## Sources of funding opportunities

- Bootstrapping

Bootstrapping is a good way to start your business and it refers to the utilization of your own money or borrowing from friends and family. Bootstrapping requires entrepreneurial discipline and financial responsibility to run a business.

- Crowdfunding

Crowdfunding is also an alternative in order to raise funds through crowdfunding platforms.

- Startup competitions

Taking part in and winning Startup competitions can also help you to gather some funds along with gaining some credentials, as well disseminating activities of your business.

- Incubators and accelerators

There is a great number of platforms which function as incubators and accelerators. Such platforms can be really assistive in the first steps of the business pre-revenue. Accelerators and incubators provide the startups with a small amount of funding, mentors, networking opportunities, and resources.

- Government programs

On national level, there are government programs available for every business sector. Depending on your entrepreneurial sector and the needs of your business, you can profit from such programs, ensuring that you meet the requirements for these.

- Equity investors

Equity investors can also prove to be a funding resource. In this framework, there are angel investors who invest their own money on specific startup sectors and phases.

- Debt investors

Debt investors are usually banks and commercial institutions. The most known form of debt funding is through credit cards. Except from credit cards, personal loans are the most popular investment paths for funding. For personal loans a business plan is not required. Personal loans would also have a personal liability to pay back and interest rates are comparatively higher than commercial loans.

## The process of startup funding

Before we dive into the process of funding, let us understand what investors look for before investing.

- Idea and its potential

The starting point for every entrepreneurial activity is definitely the idea and its possibilities. The idea must be SMART, meaning Specific, Measurable, Achievable, Realistic and anchored within a Time Frame.

- Business

Investors also focus on the business including the credibility of the core team and their ability to execute the idea. Considered as equally important is the business model and revenue model along with your positioning, pricing, and cost structures.

- Future potential

Investors do not only focus on the present but also the future potential of the business which can be showcased through a well-drafted business plan which includes the business strategies, the usage of funds, value proposition, and the exit strategy.

- Return on investment

Additionally, investors look for the return on investment. It is important that the investors feel confident in the investment proposition and are convinced that they will be able to earn their investment back.

## The essential components of your pitch

Before approaching investors for funding, you must prepare your pitch. You should dedicate adequate time and effort in research, creation, and preparation of the components of the pitch before approaching the investors. In case you feel confused regarding the initial steps required, you can get professional help to create your business plan and pitch documents.

**Z komentarzem [KM1]:** Link to the mentor profiles in FAMET website

The essential components of your pitch include:

- a comprehensive business plan in which you present your plans within the next 5 years, along with investment offerings and estimated valuations (the basic steps for the creation of your business plan are described below and presented in the video)
- a complete and concise presentation of around 15 to 25 slides with a summary of the business plan
- an even shorter well-crafted summary of your summary. This is a 2-page document summarizing the overall business plan. Such documents are usually used for formal communication with investors and sponsors.
- an elevator pitch which is a 5-minute verbal summary of your basic business plan. It is called an elevator pitch because you should be able to pitch it to someone during an elevator ride. The elevator pitch comes in very handy to pitch to investors when you meet them at events or conferences.



#businessplanning #startups #entrepreneurship

Business Planning for Startups & Entrepreneurs

Source : <https://www.youtube.com>



#### GUIDELINES/TIPS

10 Tips for funding your entrepreneurship:

- Show your business model
- Know your audience
- Work on a Better Sales Process
- Look for Venture Investors
- Focus more on improving
- Have a detailed record of your business
- Ask for help
- Network meaningfully
- Keep business finances separated from personal finances
- Appreciate all contributions

#### 10 Tips to Craft a Strong Business Plan:

- Know your competition
- Know your audience
- Have proof to back up every claim you make
- Be conservative in all financial estimates and projections
- Be realistic with time and resources available
- Be logical
- Have a strong management team
- Document “why” your idea will work
- Describe your facilities and location for performing the work
- Discuss pay out options for the investors

#### Quotes

The financial markets generally are unpredictable. So much so that one has to have different scenarios... The idea that you can actually predict what's going to happen contradicts my way of looking at the market. – George Soros

“An entrepreneur without funding is a musician without an instrument.”  
— Robert A. Rice Jr.

#### EXTERNAL RESOURCES/ TOOLS

[https://ec.europa.eu/growth/smes/supporting-entrepreneurship/migrant-entrepreneurs\\_en](https://ec.europa.eu/growth/smes/supporting-entrepreneurship/migrant-entrepreneurs_en)  
- Migrant entrepreneurs, Internal Market, Industry, Entrepreneurship and SMEs

<https://www.jeffbullas.com/startup-funding/> - Startup Funding – A Comprehensive Guide for Entrepreneurs

[https://www.emen-project.eu/wp-content/uploads/2020/09/D3.1-Inclusive-Ecosystems\\_towards-a-comprehensive-support-scheme-for-migrant-entrepreneurs-in-Europe-FINAL.pdf](https://www.emen-project.eu/wp-content/uploads/2020/09/D3.1-Inclusive-Ecosystems_towards-a-comprehensive-support-scheme-for-migrant-entrepreneurs-in-Europe-FINAL.pdf) - Inclusive Ecosystems: towards a comprehensive support scheme for migrant entrepreneurs in Europe

<https://www.youtube.com/watch?v=9jIEfX0lct8> - Business Planning for Start-ups & Entrepreneurs



Funded by the  
Erasmus+ Programme  
of the European Union

<https://www.entrepreneur.com/article/350208> - The Best Business Funding Options for Immigrant and Refugee Entrepreneurs

[https://publications.iom.int/system/files/pdf/policy\\_guide\\_migrants\\_refugees.pdf](https://publications.iom.int/system/files/pdf/policy_guide_migrants_refugees.pdf) - Policy guide for migrants and refugees

<https://www.startupdonut.co.uk/business-planning/write-a-business-plan/start-up-business-plan-top-10-tips> - Start-up business plan: Top 10 tips

<https://startupswb.com/3-crowdfunding-campaigns-to-support-migrant-and-refugee-entrepreneurs.html> - 3 Crowdfunding Campaigns to Support Migrant and Refugee