

In building anything sustainable, the principle of having strong foundations and getting the building blocks in the right order always apply. Be sure to raise enough capital and be clear on what you are going to spend it on. Don't waste it - and make sure you are getting the maximum impact from every euro you spend. Lots of entrepreneurs say of capital raised, "If I had it again, I would spend it differently." Always look to identify the point at which the growth journey will become self-funding, as investors will ask this question.

4 Safeguard your own financial security

As an entrepreneur, you must be very aware of your personal risk profile and what risks you are comfortable taking and what risks you are not. The best entrepreneurs beat the odds by being very aware of their own risk parameters and understanding the risks they are taking in making daily decisions. In the early years of growing a business, entrepreneurs often put everything on the line, which can sometimes be a necessity. I always

advise entrepreneurs, once they gain financial security for themselves and their families, that they should never put this at risk again. A post-recession trend we see is entrepreneurs selling minority stakes to partners, allowing them to bank some financial security personally while freeing them up to look at business expansion with a clear conscience. If this

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simple premise was applied by more entrepreneurs historically in Ireland, the impact of the global financial crisis would have been significantly less. Don't be over-leveraged, and regularly simulate downturns in trading for your business to ensure you have a plan in place to survive if worst comes to worst. Investors will be interested in downside modelling and scenario simulations. An entrepreneur can choose an investment partner when they don't need capital to grow but want to take some money off the table and secure their personal financial security.

5 Find a partner you trust

Regardless of whether you are looking for investment into your business or to sell a stake to gain personal financial security, in choosing a partner you must get the basics right. The most important question to ask yourself is "do I trust them?" And, next: are their interests wholly aligned? Can you view this investor as somebody who will be a supportive partner on your growth journey? As with any relationship, the acid test of its strength is how the parties react in a crisis when the going gets tough. You must find somebody who is fully committed to you on both the good and bad days on your journey. Entrepreneurship is like a rollercoaster and the only certainty is that there will be ups and downs, high and lows - and you need somebody who is as committed as you are at all times. Always do personal reference checks on the individuals you are looking to partner with.

6 Trust your gut

Great entrepreneurs trust their gut and make decisions based on it. It is vital to listen to your gut when deciding on

investment and any new partner. Most people who have successfully raised capital will tell of how it "felt right". You should be careful about making decisions with spreadsheets and based on purely financial metrics. You must pick the partner you are most comfortable with. I always believe entrepreneurs should look at what package a partner provides. I view cash as the commodity and that entrepreneurs should ask what more can a partner do for me in terms of relevant advice, access to contacts, support etc. This can ultimately be far more valuable than capital to the company.

7 Don't get distracted

Taking on investment can be a very time-consuming process. Be sure you don't lose focus on the day-to-day running of the business while you are raising investment. I have seen this happen several times and it results in the performance of a business dipping at the worst time for an entrepreneur. The rule is: once you have an investment partner you are happy with, focus on agreeing an efficient investment process to completion. Expect your new partners to commit the necessary time and resources to complete a transaction quickly. The longer a process takes, the riskier it will be. If investment processes fail, they can be damaging for the business and very demoralising for the teams.

8 Don't be disheartened by refusals

They say Walt Disney got over 300 'no's' from potential funders before he got his first 'yes' that made it all possible. So never give up, because "If you can dream it, you can do it."

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COMMERCIAL PROFILE: CLOSE BROTHERS COMMERCIAL FINANCE

Celebrating a decade in business for Close Brothers Commercial Finance

Ten years ago, Close Brothers Commercial Finance opened the doors to its Belfast office on the cusp of the global banking crisis. During that time, mainstream banks reined in lending. While sourcing funding from traditional lenders became increasingly difficult for Irish SMEs, Close Brothers Commercial Finance was there to offer assistance and support through the uncertain economic period.

The Close Brothers parent company is a London FTSE 250-listed banking group with a reputation for a responsible and prudent approach to lending. The group continued to trade profitably throughout the financial downturn without requiring any government support.

"Some thought that our timing could have been better when we opened our office in Belfast in

2007, on the brink of the deepest recession in living memory. In reality, it was the perfect time for us to bring our franchise to the market in Ireland," says Ciaran McAreevey, the managing director of Close Brothers Commercial Finance.

"We had a great opportunity to forge new customer relationships and to support SMEs on the island of Ireland, by making sure they had the funding they needed to continue running their businesses successfully."

Close Brothers Commercial Finance recently opened new offices in Cork and Belfast as part of its continued expansion, following the success of moving to their new Dublin workplace in 2016 and Galway office in 2013.

They are able to offer local support from expert staff, with extensive knowledge across a broad range of in-



Ciaran McAreevey, managing director, Close Brothers Commercial Finance

dustries. It remains difficult for SMEs to access funds from traditional lenders, as there has been a reduction in the number of banks operating across the island. However, Close Brothers Commercial Finance continues to lend to SMEs and is achieving significant growth in its

customer base.

Asset finance is a popular product, and this side of the business has more than doubled over the last three years. Asset finance allows SMEs to purchase or refinance capital equipment such as commercial vehicles, print machinery or construction plant and

equipment, by spreading the cost over an agreed period of time.

This type of funding is an ideal fit for SMEs looking to invest in business growth, and provides them with a simple and flexible option to do so. Types of asset finance offered include hire purchase, refinancing, finance or operating lease, and sale and HP back.

Invoice finance is another option, which provides fast access to cash tied up in outstanding customer invoices. It's more flexible than an overdraft or a loan, and can grow as the business does. The market-leading invoice finance system offered by Close Brothers works alongside the SME's financial accounting software, is self-reconciling and can release up to 90 per cent of the value of invoices as soon as they have been raised.

Asset-based lending

(ABL) is a product that can offer higher levels of funding for larger companies with a funding requirement from €1 million to €25 million. ABL combines an invoice finance facility with additional funding provided against assets such as stock, property or plant and machinery. For businesses with a strong track-record of cash generation, a cashflow loan can also be included within the package.

Close Brothers continues to be a leading provider of asset, invoice finance and ABL across Ireland. The company provides fast decisions, flexible funding and simple access to increased working capital for SMEs. Its team of specialists has extensive experience offering local decision-making and delivering bespoke packages for businesses.

www.closecommercialfinance.ie