Seizing opportunities with Aldermore

Mark Smith

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Got a niche business idea and not a clue how to pitch it? Read this

Whether your business is the first of its kind, or it needs something unconventional to grow, conveying your ideas succinctly is key to gaining support

▲ "When you innovate, you've got to be prepared for people telling you that you're nuts": Larry Ellison, founder, Oracle Photograph: Jeff Chiu/AP

It was Oracle founder and software entrepreneur Larry Ellison who perhaps summed it up best when he said: "When you innovate, you've got to be prepared for people telling you that you're nuts."

A business can have the greatest and most original idea in the world, but if you can't make a lender or potential investor see the beauty of it, then it could be consigned forever to that notepad you keep next to your bed.

Daniella Gluck had spent 10 years taking her daughter to music classes for the violin and bassoon and spotted a niche for clothes designed specifically for musicians, so she founded Black Dress Code which produces outfits that allow them to move more freely when they play.

"We went to all the high street banks and they all turned us down first time. I think they thought the market was minute and I'm fairly sure none of them had been to a classical concert!

"But then one manager turned up whose mother was a musician and talked the idea through with the lending team, who finally agreed to lend us the money."

The bank rubber-stamped a £25k loan which went towards creating a website and designing a logo, the first range of clothing and a photo shoot. Daniella, a former journalist, says she was out of her comfort zone in the early days and says researching which lenders are right for a specific idea can save a lot of hassle.

She said: "Market research is vital but when you find that market, don't be afraid to talk to potential investors and tell them what you're doing.

"Find opportunities to meet them, such as at trade fairs or networking events, join in the conversations they are having and see how you can help to solve any problems they may have."

When SureCav founder Charlie Ayers got the idea for a new type of cavity wall construction, he admits he 'didn't have a clue' where to start, but says he was advised from the off that having a clear business plan was essential.

> A good business plan is gold dust and must be correct
> **Charlie Ayers, founder, SureCav**

"[The plan] had to explain to potential investors what an innovative building product this was, the background that led to its invention, and its current state of development.

"It also explained the proposed steps required to get the product to the substantial expected market, and identified to potential investors the possible opportunities open to us."

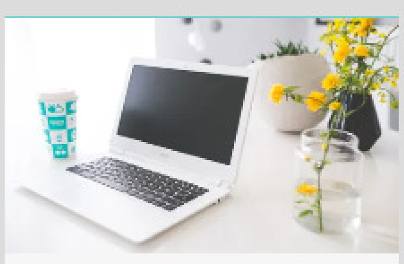
After turning down bids from investors he felt were asking for too much - a bigger slice of his business - he eventually found one through a trade contact who read his business plan and agreed to back it for a 25% share.

"A good business plan is gold dust and must be comprehensive and correct, this will give potential backers confidence in your product," he says. "You must know your facts back to front and be confident in them. You have to sell your idea and your belief in it will give others encouragement."

The big pitch

So when you've done your homework, researched the lending market and completed your business plan, then comes 'the pitch' – a potentially make or break meeting, and a chance to show the lender just what's so special about your idea.

Rob Williams is a director of Hawthorn, a clothing manufacturer based in the City of London, and along with his business partner provides advice to SMEs as part of the government's Start Up Loan scheme. He says SMEs should look at the following when pitching to lenders.



Focus on the financials

Cash is king in business and any lender you're approaching, whether they're your parents or a high street bank, will always be looking at the financials as the basis for your success.

He says: "Showing strong profits via a profit and loss, cost of acquisition and forecasts will take the emphasis off of your idea being 'unusual' and will put it right back on to what the lender is looking for – safety and security."

Tell a story

When you're pitching don't just explain what your idea does, try and build a picture of how it works in the real world, what need does it fulfil and how?

"Stories are a scientifically proven way to capture a listener's attention and hold it," says Rob.

"Rather than turning up at the meeting with just a presentation pack and some spreadsheets, make sure you can interact with the listener on a more human level.

"Create the problem using a story and give the solution, which will of course be your unique or unusual idea within that."

Get visual

Andrew Adcock, CMO of crowdfunding platform Crowd for Angels, says going high tech to illustrate your idea can pay big dividends.

"With any unusual business idea the key is to capture the audience's imagination using digital media.

"Small businesses and entrepreneurs should harness digital media such as video, image and presentations but often hit walls of how to produce the material, the cost of production and making sure their ideas are communicated properly.

"If you are not confident with this you can reach out to a freelancer."

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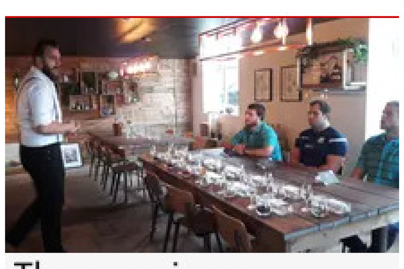

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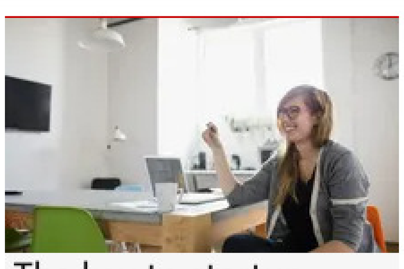

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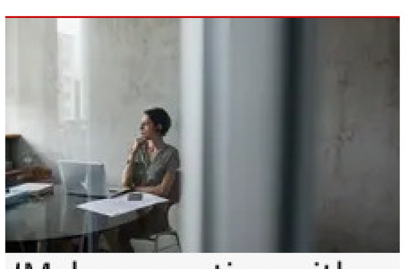

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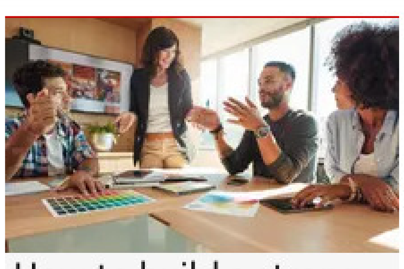

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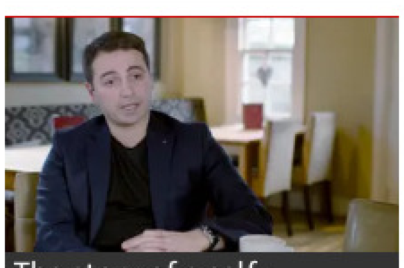

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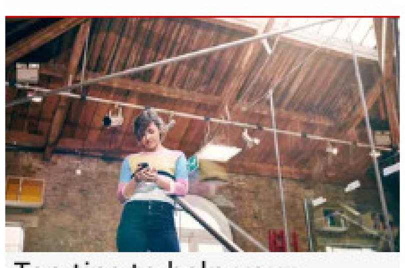

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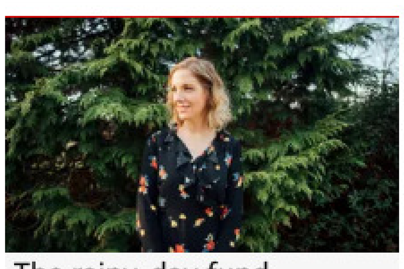

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