

At what stage should I secure investment?

If you are at the idea stage

Idea-stage businesses are typically not Seed Investment deals. You should look at different forms of funding for your business mentioned earlier on in this guide.

Investors want to see some level of proven product market fit and to do that you need a working prototype or what is called an MVP, a minimum viable product. They want some level of proof that there are customers out there and they are willing to pay good money to use your product or service.

If you are not yet at that stage look at local, national or sector-based accelerator programmes. Accelerators work by helping you develop your business idea and build relationships with industry to gauge potential interest in your product or service. They sometimes provide a small amount of seed funding too, just to help you get off the ground.

There are many accelerator programmes in the UK and the best of which can be found in our [membership directory](#).

If you are at the pre-revenue, pre-profit or profit-generating stage

Pre-revenue, pre-profit and profit-generating businesses are all possible candidates for seed investment.

Pre-revenue businesses can often be very high-risk ventures and businesses in this position will need to show 'proof of concept' or have a protected idea such as relevant intellectual property.

Businesses in the MedTech, CleanTech and other science-based industries are more likely to be pre-revenue when seeking seed investment. Investors are not necessarily looking for revenue at this stage but what they do want to see is some level of comfort that the product or service has real commercial potential. Showing a deep understanding of the industry the industry problems and how your product solves that problem will be crucial to convincing investors to invest.

Understandably, companies already generating revenue or better still, a profit, are sometimes more likely to secure seed investment as investors can see a higher likelihood of return. As a general rule of thumb, the more advanced the business is in technological or commercial milestones the more seed investment they can attract and the easier it will be to secure. That's why you hear the term bootstrapping an awful lot at the early stages, you really should do all you can to get your business as far as possible before reaching out to seed investors, it will save you a lot of time in the long run.