

Working with an investor

Develop A Professional Working Practice

Inspiring confidence, especially in those with a stake in your business is a crucial component of trust. Once again these are seeds you will hopefully have sown from the outset, but there are other codes of practice that should make any partnership more manageable on a day-to-day basis.

Although it's crucial to keep an eye on your investor expectations at all times, that's not to say you shouldn't be honest if the forecast isn't always as positive as they'd (or indeed you'd) like it to be. It is much wiser to be realistic about financial forecasts, than be unable to deliver on a forecast that proves to be wide of the mark.

Whether in the form of good or bad news, strong communication is ultimately the key to any entrepreneur/angel relations. And needless to say, it is much preferable to impart that information in person or by telephone than it is to rely on emails. It makes the enterprise much more human and strengthens those all-important bonds of trust.

Manage Your Investors

Every investor is different and for each one who's prepared to sit silently in the wings, there's another who'll want to be kept informed about the cash-flow situation, profit and loss figures, budgets and what you plan to do in the future to optimise performance and sales. In between there's also likely to be many investors who are happy simply to receive the monthly report, but it's ultimately your job as the business helmsman to plan for each and all of these eventualities.

In the same way as you may have to manage difficult team members, you may also need to manage a difficult investor, asserting your own informed decisions if they're coming under close scrutiny and, on occasion, even pushing back on what might be interpreted as interference.

On the other hand, you may feel that you have to coax more involvement from an investor who is not making any real input. In any eventuality expressing concerns about whether an investor is being too active or too passive is a crucial cornerstone to building a strong and trusting working partnership.