

# Venture Capital

Funding for start-up  
businesses with potential



Thecasesolution.com

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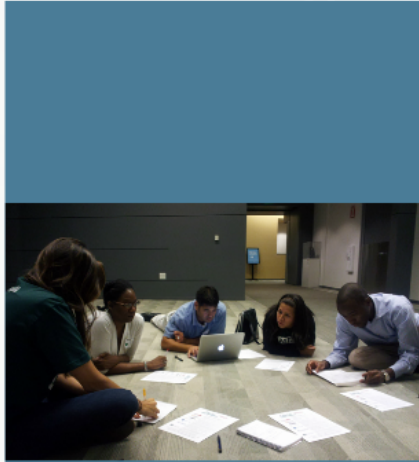
# *Venture Capital*

*Funding for start-up  
businesses with potential*



# *Starting a company*

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Venture Capital Definition  
Oxford: 1. capital invested in a project in which there is a substantial element of risk, typically a new or expanding business.

Today, many entities which started as mere ideas and dreams have become a reality.

Often times, people aspire to create something of value that they may call their own, where they carve their worth into a tangible proof of their hard work and determination.

But with lack of resources, it can be impossible for these hopes to be sculpted into reality.

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# *The Solution*

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Luckily, venture capital funds are a powerful means to provide entrepreneurs with money and other resources, such as business expertise.

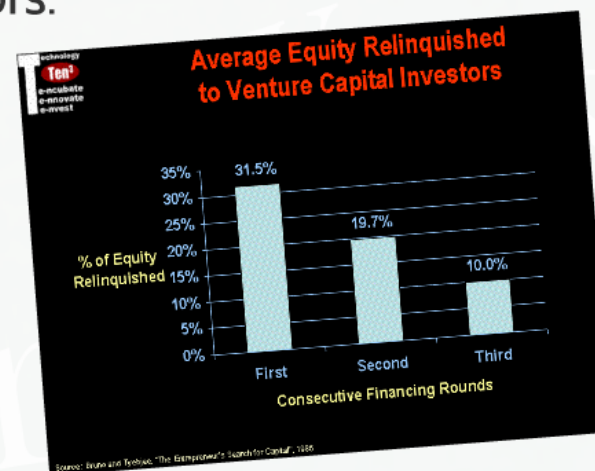
For start-up companies which do not have access to capital markets, venture capital can often be the most important means of backing for their new business.



# What is it? Why Invest?

Venture capital is a type of private equity, which is high-risk and hopefully high-reward for investors. Here, the payout potential can be much greater than for investing in established and successful companies.

With this risk associated with investing in new companies, venture capitalists in return usually have a large amount of control in company made decisions. Naturally, a sizable chunk of the company's ownership also is given to these investors.



# *Where do you get it from?*

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Venture Capital funds can be obtained from sources such as the TSX Venture Exchange or venture capital firms.

Otherwise, networking and crowd funding can be of use, where LinkedIn provides many networks for firms seeking VC funding or wanting to learn about companies that may provide it.



# Venture Capital Financing Process (Key stages)

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## 1. "The seed stage"

Considered the set up stage, an **angel investor** or investor in a venture capital firm is asked for funding for their idea. The person or venture looking for funds must convince investors that their idea is worthwhile. ●

Afterward, investors must conduct a feasibility study where the decision to invest time and money into the project is made.

At this stage, the risk of investors losing their financing is considered greatest, where the rate of losing the investment is around 62%.