

Demystifying Investor Readiness

March 2023

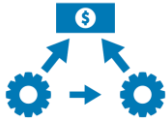


What is investor readiness?

Overview

Investor readiness is the capacity of an enterprise to “understand and meet the specific needs and expectations of investors,” and plays a critical role in shaping whether a business receives investor funding.

Key factors



Business Viability

Demonstrate that business is sustainable with a sound business model, unique value proposition and qualified team.



Investor Material

Business plans, financial models, investor teasers and memoranda should make a compelling case for investment in the business.

EEP Africa offers 2 routes to investor readiness:

- **Business Development Support (BDS)** – Services offered at various stages of business needs through skills transfer or business advice
- **Investment Facilitation (IF)** – Service that seeks to connect investors and businesses looking to raise capital and preparing them for investment

Why is Investor Readiness important?

Understanding your
business better



Investment-ready businesses understand their capital needs and are aware of the capital available to them. Such businesses are best placed to manage external financing.

Engage better with
investors



An investment-ready business can raise external capital more easily as it is prepared to meet the right investor, as well as their needs and expectations.

Accelerate the capital
raising process



Businesses will have their documents and information prepared in advance, which will shorten the due diligence process and minimize other process delays.

What are investors looking for?



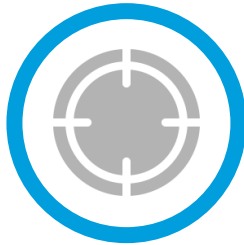
What to expect from your investor

Understanding investor focuses

After understanding their capital needs, businesses should familiarize themselves with the investor landscape and use key factors to help the most relevant investors



Geography



Sector focus



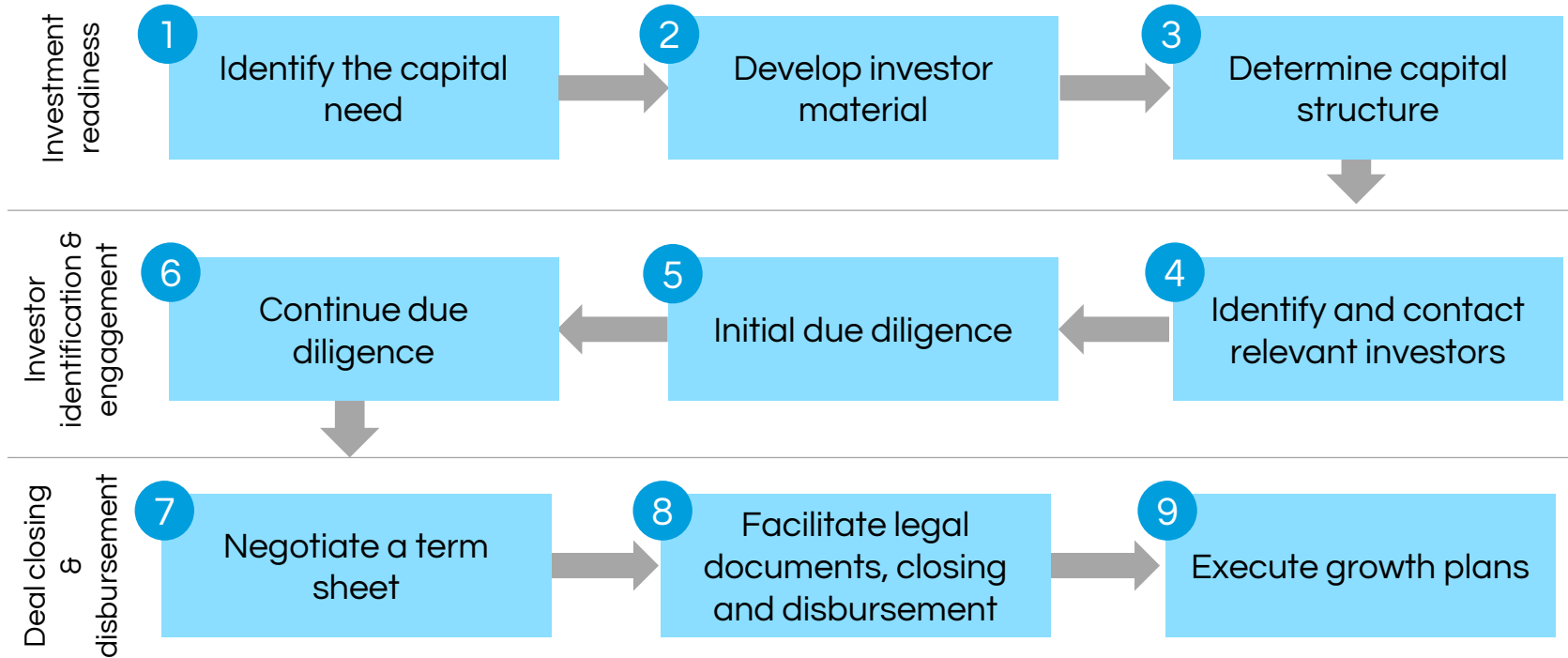
Ticket size



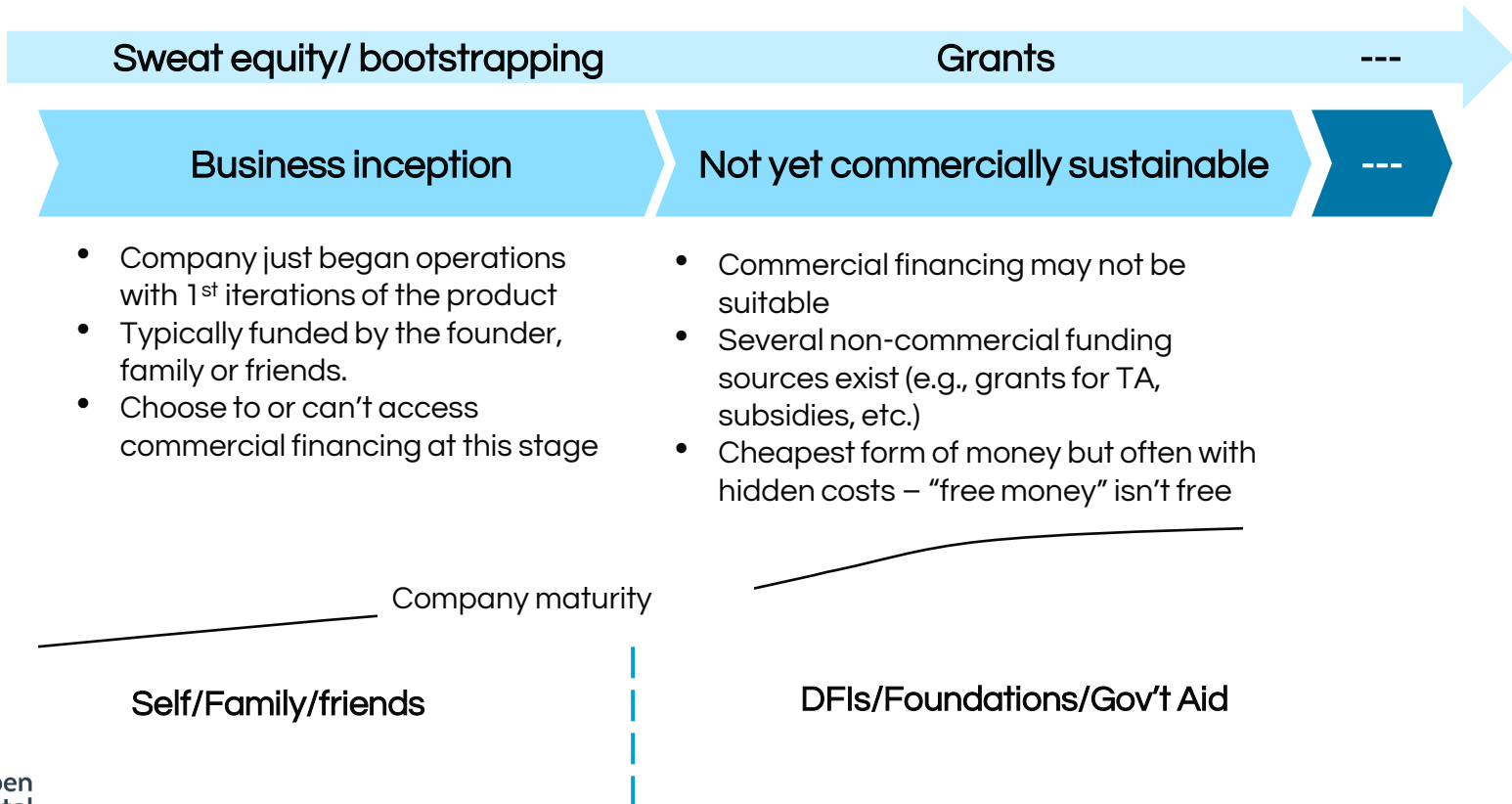
Capital type

Key resources for finding investors include investor networks (e.g., Global Impact Investing Network), business databases (e.g., Crunchbase), investment events (e.g., Sankalp) and/or 3rd party investment support (e.g., Open Capital)

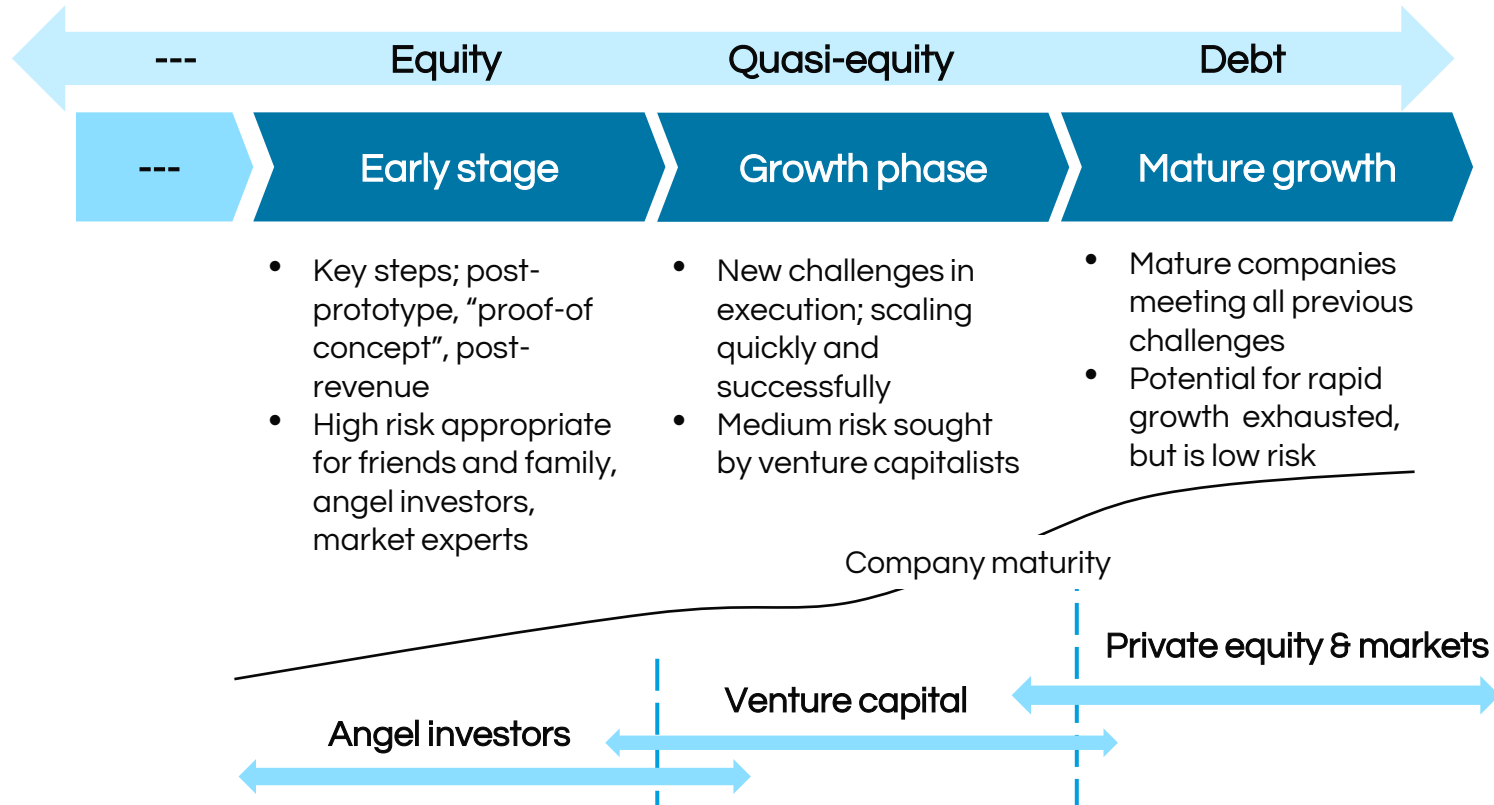
What does the full investment process look like?



What type of investment should I be seeking? (1/2)



What type of investment should I be seeking? (2/2)



Questions?