

# ENERGY CATALYST

## Investment guide: Investment signpost



Innovate  
UK



## Getting started with the investment process

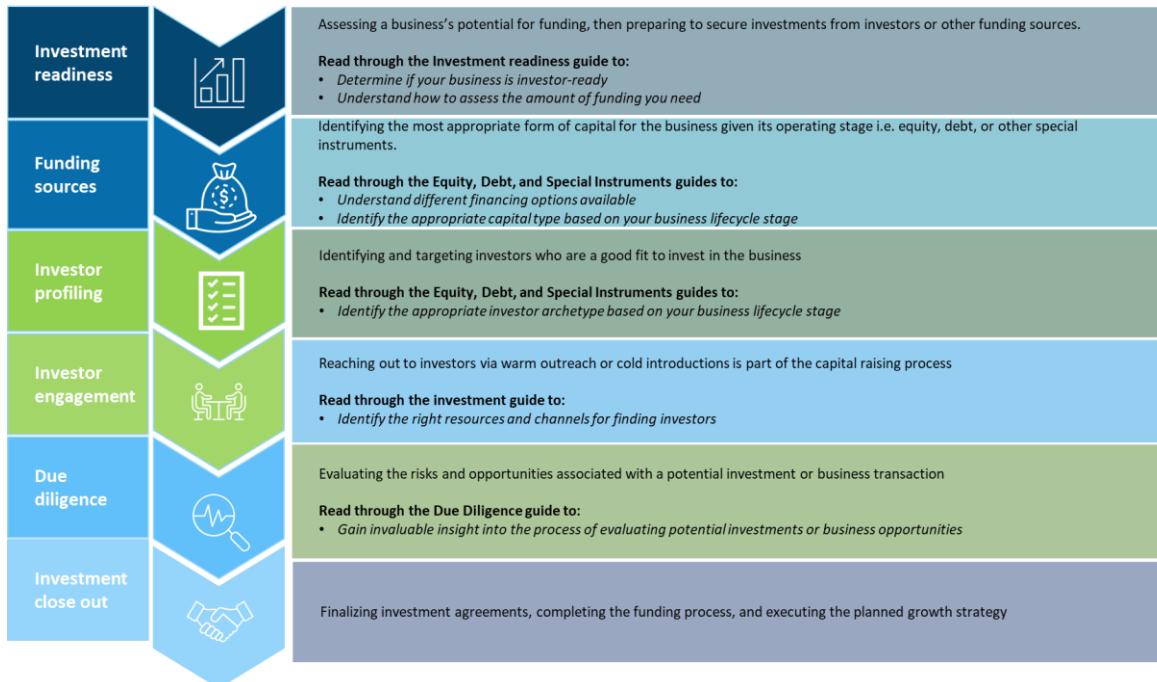
### Introduction




Business development encompasses the strategies and activities undertaken to enhance the growth, success, and sustainability of a company. An essential aspect of business development involves securing external funding from potential investors to support various phases of growth. Entrepreneurs need a comprehensive understanding of the investment landscape to make informed decisions, attract suitable partners, and position their ventures for success.

The following infographic outlines the fundamental steps of the investment process. The investment guides within this series offer detailed insights into each of these steps, providing valuable information on preparing for investor engagement, identifying the most appropriate funding sources, establishing effective connections with potential investors, navigating both the buyer's and seller's due diligence processes, and successfully finalizing investment agreements.

### Key business stages covered in the investment guides

Figure 1: Key steps in the investment process



| Key   | Stage               | Description  |
|---|---------------------|--|
|  | <b>Pre-revenue</b>  | Businesses with unproven business models and little market traction i.e., ideation stage, prototype stage, seed stage, etc. They have minimal cash flows and are a high investment risk. Patient capital, such as equity, quasi-equity, and grants is suitable for businesses at this stage.                         |
|  | <b>Post revenue</b> | Businesses with proven business models that are significantly de-risked but still require reinvestment of cash flows for growth. Equity, quasi-equity, and structured debt are the most appropriate investment options at this stage.  |
|  | <b>Post profit</b>  | In this stage, companies have a strong market presence, sufficient traction, and can generate sufficient cash flows to service short-term or long-term debt. Debt allows businesses to maintain full control of their operations while securing financing at a cheaper rate than alternative options such as equity. |

Learn more about investment structure options for businesses in the investment readiness guide, equity guide, debt financing guide, and special instruments guides listed below to determine the suitable options for your business.

## Further Reading

Investment readiness guide: [Link](#)

Due diligence guide: [Link](#)

Equity guide: [Link](#)

Debt financing guide: [Link](#)

Special instruments guide: [Link](#)