

Diary of a student entrepreneur - Vol. 4

In the fourth diary entries, our student entrepreneurs discuss the importance of money and raising funds for their startups.

Anika Riley, Work Smarter

Few startups can just grow organically without funding. I know we can't. Merely getting to MVP can be a costly and challenging process. That being the case, I think one of the toughest things to hear as an early stage startup is "we don't invest in ideas". It made me frighteningly nervous the first time I heard it, so I think the phrase warrants some context.

An idea means different things to different people. I'm a bit of a perfectionist, and I chronically understate everything to make sure I can over-deliver. So when we were starting out, I thought that phrase meant "we'll invest when you have serious revenues". Since my co-founder and I have known from the start that we'll need funding to get past our MVP stage, that statement was rather crushing. Having investors speak with us in LaunchBox has really helped me form more realistic views of the investment process.

An idea is something you have in a dream, while on a run or over pints. If that's what you're pitching, then yes, I wouldn't invest either. After idea and before sales, however, there's a whole lot of work. Here, founders are doing endless hours of market research, talking to industry leaders and testing feasibility. Writing a business plan, creating a regulatory strategy, planning execution. Starting to write code, getting input from all sides and then don't forget: pivot, pivot, pivot.

Now, after some more research and a few more pivots, you've got yourself an opportunity. While that might seem like a nuanced linguistic difference, it's a difference of a few thousand hours of stubborn effort and a lot of frustration. Ideas are interesting, opportunities might just be investable.

Cian Fogarty, Greener Globe

Funding is the backbone of any business. Without money, there isn't much room for a company to blossom. However, funding isn't hard to come by. With many fantastic organisations such as the Local Enterprise Office, Enterprise Ireland and many competitions, incubators and accelerators, if the entrepreneur is willing to look for money, they will find it.

Bootstrapping is the norm nowadays with early-stage startups, and has proven very useful for Greener Globe so far. We've learned in LaunchBox that startups should be very careful about giving away their equity at an early stage, as you may give away too much too soon. Luckily for us in Greener Globe, we received a grant from the LEO which moved us from an MVP to a proper business. This has been really vital for us.

Reputation is vital for all new businesses. You have to prove to all customers that you are a high quality and trustworthy company. Being in the product industry your product is the face of your business - it must be top quality.

We got our products tested in an international standard lab of one of the largest MNCs in our sector. These results showed us that our product met the highest standards and was fit for the market. We still test our products as they leave the manufacturer to ensure that this high quality is maintained and that Greener Globe keeps its excellent reputation.

Lizzy Hayashida, Change Donations

Funding is an exciting topic. On the one hand, having access to funds makes it easier to test and market your startup. On the other hand, operating without funding makes you really think through your business idea and justify when and where you spend money. It also makes you think creatively to solve problems and allows you to maintain full control of the direction of the business.

Change Donations was born out of an MBA project, so, we have been really fortunate to have had access to fantastic faculty who have helped us connect with the right people in the industry. This combined with the tremendous encouragement and advice from LaunchBox, and friends and family have allowed us to define the product, talk to potential customers and validate the market on a meagre, self-funded, budget. We are now beginning to look for funding and have spoken extensively as a team about what this means for us. Being a social enterprise, we all recognise the importance of finding investors who will be complementary partners and really believe in the vision. As we move into our next company phase and look for investors, this will be the most critical factor for us.

For more on the LaunchBox programme visit the [website](#).