

Financial opportunities in the Green Economy

Find below possible sources of financing a green business in means of raising money as a start-up:

1. Friends and Family

Friends and family might be willing to invest in the ideas of a start-up, which can be tricky sometimes. There always should be some kind of lending agreement in writing with the terms clearly laid out.

2. Business Loan

There are different kind of loans to apply for. They do differ from country to country and depend on the kind of start-up one is going for.

3. Crowdfunding

Individual investors might be exactly the right kind to finance a start-up. There are different websites available with the particular focus on receiving lots of small donations from regular citizens. In return, investors either get the innovative product, service or something similar. Possible websites are: <https://www.kickstarter.com/> , https://www.indiegogo.com/#/picks_for_you ,

4. Business Partner

When selecting a business partner, it should be ensured that the goals for the business are aligned. It might also be a good idea to agree on a buyout option.

5. Angels and angel groups

Angel investors are individuals with surplus cash and keen interest to invest in start-ups. They also work in groups for a better screening of the proposals before investing. They might also offer mentoring or advice.

6. Venture capital

Venture capital is professionally managed funds who invest in companies with a huge potential. Normally, they invest in a business against equity and exit when there is an IPO or an acquisition. Venture capital also provides expertise, mentorship and evaluates the business from the sustainability and scalability point of view. However, venture capital investment is more appropriate for small businesses that are beyond the start-up phase and already generate revenues.