

**BOLHOUSE, BAAR & LEFERE, P.C.**  
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**Does Your Company Need an Angel?**

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Should your business consider outside investment capital?

For many business owners, there comes a point in the life of your business when you must make a decision as to how to finance the company for ongoing operations. In other situations, you may need an infusion of capital to take your business to the next level.

There are several options available to you. You can borrow money from a bank, from family members and friends, or seek funding from a venture capitalist or 'angel' investor - a wealthy individual (or group of individuals) who provides capital for a business in exchange for convertible debt or ownership equity.

While there are some differences between the two forms of outside investment, as with any financing mechanism, there are pros and cons to consider. We have worked with many companies seeking outside capital, and we have also used our networks to identify investors who may be interested in investing in a particular business.

On the pro side, and in addition to the obvious capital infusion, outside investment capital can be a "good fit". Often times, the investor brings not only capital, but knowledge and relationships that are helpful to the company as it seeks to grow. Outside investors can also bring business and management acumen that would cost a lot of money if you were to pay for it by the hour.

On the con side, outside investors will expect a high rate of return. You may also give up some or a majority control of your company. In addition, the process of seeking outside investment capital can be time-consuming, and may not bear a positive result.

Ultimately, you as the business owner or the owner of an idea will need to decide whether or not the pros outweigh the cons before seeking outside investment.

If you have any questions, or wish to explore the concept further for your own business, please do not hesitate to contact my partner, David Lefere or me.