

CO.W TIPS



HOW TO FIND CAPITAL TO GROW THE BUSINESS

➤ *Hady Wenham of Forme Spa and Wellbeing*

– meet –

HADY WENHAM



*Hady Wenham is the owner of Forme Spa and Wellbeing
with ten spas all over New Zealand.*

*She bought the first one in 2002 using the equity in her
home and since then has expanded to create a well-known
and well-loved brand.*

Hady's advice for

FINDING CAPITAL TO GROW THE BUSINESS

Having a dream of owning your own business and making it come true are two different things, especially if that dream requires capital to get it off the ground. It can also be a struggle to work out how to find the money to take your business to the next level, so we spoke to Hady Wenham who made it happen in different ways - and asked her for advice.

 *Hady's advice for anyone needing to find capital to grow their business:*

ONE

As much as possible, know your business is going to succeed first. Do the numbers thoroughly and be sure it's worth putting money into. Of course, nothing is guaranteed, but before you go out looking for investors, applying for loans or putting your house down as security, you need to know there's a need for your product or service.

TWO

Always ensure you have enough cashflow to cover a number of costs hitting at once. Things like GST and Provisional Tax can be unexpected surprises for a small business, so in addition to covering day to day operating costs, wages and PAYE always ensure that you include these in your cashflow forecast.

THREE

Have your debt at a comfortable level before you push for further expansion. I could have grown the business faster and taken more risk, but the way I did it meant it was within my comfort zone. There's an opportunity cost there sometimes in that you could miss the market, but it needs to be something you are comfortable with as everyone has a different level of risk.

FOUR

Refine the model before you expand and ensure the business can be profitable. It's all too easy to get caught up in topline sales and all the publicity that a shooting star can get, but make sure this is translating to a profit now - or in the near future - before you expand further.