

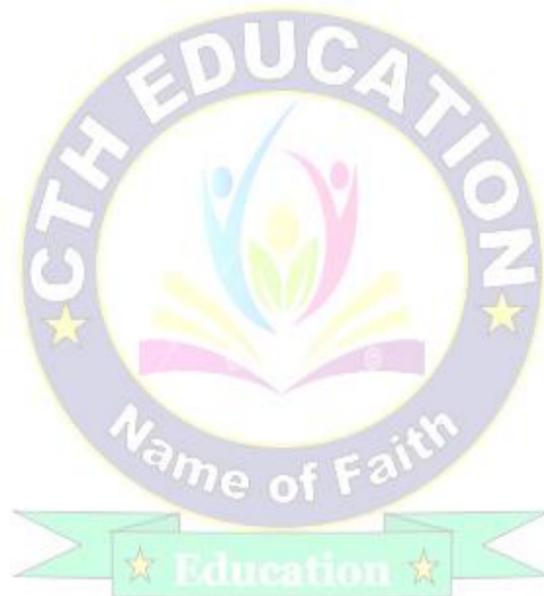


Unit – 05: Financing and Protection of Ideas

- Financing methods available for start-ups in India
- Communication of Ideas to potential investors – Investor Pitch
- Patenting and Licenses

Questions to be discussed:

1. Describe in details Financing methods available for start-ups in India.
2. How do you communicate with potential investors?
3. What is Patent License? Discuss in brief.



Financing methods available for start-ups in India:

- Funding refers to the money required to start and run a business.
- It is a financial investment in a company for product development, manufacturing, expansion, sales and marketing, office spaces, and inventory.
- Many startups choose to not raise funding from third parties and are funded by their founders only.
- However, most startups do raise funding, especially as they grow larger and scale their operations.
- There are various financing methods are available for start-ups in India, some of them given below:
 1. Self-funding / Personal Savings
 2. Crowd-funding
 3. Angel Investment
 4. Venture Capital
 5. Loan from Banks/NBFCs
 6. External Commercial Borrowing (ECB)
 7. CGTMSE Loans
 8. Venture Debt

How do you communicate with potential investors?

- If you are an entrepreneur, you need to know how to pitch your business.
- When you communicating with investors then it is important to keep a few best practices in mind.
- Following these best practices can help ensure that your communication is effective, engaging and appreciated by your investors.
 - Be Transparent.
 - Be Clear.
 - Be Responsive.
 - Be Proactive.
 - Be Thankful.

What is Patent License?

- A patent license is an agreement.
- It someone commercially make, use, and sell your invention for a specified period.
- The owner of the patent is the 'licensor,' and the person who is receiving the license is the 'licensee.'
- Licensing deals involve payment for the license.
- The licensor will either receive a single-time payment or as continuing payments known as royalty, depending upon what is agreed between the licensor and the licensee.
- A license is a permit to use something. For example, an adult can get a driver's license, which permits him/her to drive a vehicle.
- But this does not give him/her ownership of the vehicle.