Surprising Funding Ideas for Your Business

Look at alternative investments, and find new funding ideas for your startup.

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Mastermind and CEO groups have long been popular among driven entrepreneurs seeking to learn new strategies and ideas for improving their operations.

It’s no secret why. These groups provide a safe haven environment in which entrepreneurs can share and learn from the accumulated experiences of fellow members — as well as from the executive director who leads the group and any speakers who make presentations to it. Entrepreneurs commonly applaud these groups for their ability to help build relationships that make a meaningful difference in their business success — and sometimes even their personal lives.

But increasingly, high-end mastermind and CEO groups are also becoming an avenue for connecting business owners with investors — giving entrepreneurs a new way to access and raise capital.

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Wealthy families seeking

alternative investments and new funding ideas

This trend is being driven mainly by single-family offices. A single-family office is an entity that addresses the many and various needs and wants of a single, extremely affluent family. For example, a "typical" family using a single-family office might have a total net worth of a few hundred million dollars. Single-family offices numbers are booming throughout the world, somewhat in lockstep with the explosion in extreme private wealth.

"We're seeing more and more senior executives of single-family offices, both family members and non-family members, attending various conclaves," says Angelo Robles, founder and CEO of the **Family Office Association** and author of *Effective Family Office*. "More are going to the likes of the World Economic Forum and the Milken Institute meeting, and they are also joining high-end mastermind groups."

Indeed, one survey of 356 single-family office senior executives showed that about one-fifth are participating in a high-end mastermind or CEO group (more than one executive from a single-family office could answer the survey). Moreover, about 60 percent of those participating are in more than one group.

That said, it's not just single-family offices that are playing in this space. Angel investors and multifamily offices – entities that deliver family office services to multiple wealthy families – are also joining mastermind and CEO groups in greater numbers.

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The big question: What do these super-rich individuals and families potentially want with you and your company? There are

two things really.

1. Connections

The executives who manage SFOs are looking to build their professional networks so they will have more resources on tap that could benefit their wealthy families.

2. Profits

Single-family office senior execs are always looking for creative ways to invest their clients' substantial assets. More are realizing that many entrepreneurs in leading mastermind and CEO groups run innovative businesses that can be game-changers – and can make for great investments. "Single-family offices are focusing a growing percentage of their investments in private equity, but one of the challenges is finding creative entrepreneurs with solid business models," notes Robles. "High-end mastermind groups are increasingly seen as good places to find the next unicorn – or even just companies with considerable potential that need patient money, and often great connections, to grow."

However, these single-family office execs typically don't advertise their intentions. "We find that when single-family office senior executives attend events for business owners, including mastermind groups, they rarely disclose who they are and why they're there," says Rick Flynn, managing partner of **FFO Business Management & Family Office** and author of *The High-Functioning Single-Family Office*.

The reason, says Flynn, is that they don't want to be pitched by the entrepreneurs. Instead, they want to search out and approach the companies that they find interesting. "They want to get an honest read on the entrepreneurs. They're doing their homework,' he says. "Only once they've concluded a particular company that's wanting to grow and needs money is a

good candidate for them will they quietly disclose that they’re a single-family office.”

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The upshot: The wealthy – in the form of single-family and multi-family offices and angel investors – are seeing great value in being able to connect with innovative entrepreneurs running excellent companies. It’s a funding idea in their minds. If you’re currently a member of a mastermind and CEO group and looking to become much more successful, don’t be shocked if another member of the group approaches you one day about being an investor in your company. If you’re not yet a member, this burgeoning trend could be yet another reason to sign up.

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