

## >: 3 Questions to ask before investing in a private company

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1.) The first question hits me right between the eyes and it's "How much money could I lose?". Warren reminds me every day "Don't lose the money. Of course all rewards have risks, and usually the greater the reward the greater the risk. A little education in, or maybe a lot of education in the venture I'm risking my capital in may make me money by what I save if I don't make this investment. 2.) Second question or series of them are to the person wanting to start this venture. How much of their own capital or other assets are they risking? What kind of experience do they have in this type of business? Success failure rate in other ventures? Why do they want to do this? Do they have a business plan? Do they appear to be responsible? Personality for this type of work? Character qualities such as honesty, fair, trustworthy, not a quitter, problem solver, good work ethic. I could go on. It's my money and I need to feel good and safe about the person I'm investing in. If they understand this they should be glad to sell me on themselves. 3.) Is the public ready for this? Could I or would I really use this product or idea. Is there a need? Will there be a need? Right time and location? 4.) I had to add this because it may be the most important question. My gut feeling.

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