

INVESTMENT MIX FOR ENTREPRENEURS

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Entrepreneurs often allocate the resources of the business strategically to ensure financial success. However, not all entrepreneurs succeed in the investment game. One must understand the facets of each investment vehicle and determine if it is suitable for the business.

HERE ARE INVESTMENT MIX OPTIONS THAT MIGHT BE RIGHT FOR YOUR BUSINESS

1 Investing in various market offerings within the same industry

A good entrepreneur will normally invest on different market offerings within the same industry. For example, the food service industry can further be sub-divided into fine dining, casual dining, fast food and *turo-turo*. Investing in wide range of businesses in the same industry will enable the entrepreneur to take the ups and downs of the market no matter what the economic condition.

2 Allocating resources on investment products from different industries

Entrepreneurs can also have several enterprises playing in several industries (games). The basic logic behind this is each game has its own cycle, seasonality or pattern. For instance, Chinese *tikoy* and moon cakes are only in demand a certain time of the year. Same with Christmas products, candles, flowers, and so on. The rule is to invest in counter cycle enterprises so that there is always something on the top of the cycle at any given time. This type of investment mix will prevent the feast and famine reality brought about by a single investment.

3 Investing in various market offerings within the same industry

Depending on the entrepreneurs' age, investments can be:

- a) With high returns but high risks
- b) With increasing value over time
- c) With lower returns but ensured regular cash flow

A young entrepreneur may have more time compared to an older one, making the first and second options ideal types of investment. They have more chances to achieve greater yield as they can still build their investment over time. For more senior entrepreneurs, investments with regular and sure cash flow should form part of their portfolio. But it does not mean that they can no longer aim for high return investments. It is just advisable for them to allocate majority of their funds to options with low but regular returns to ensure that they can fully maximize the fruits of their investments.

It is essential for entrepreneurs to be smart about investments. This way, they are able to maximize the potential of their enterprise and efficiently allocate the resources of their business.