

PLAN YOUR FINANCES FOR A START UP

Only 10 of 100 entrepreneurs plan their investments, says Sharad Singh, founder of Invezta.com, an online investment advisory platform.



1 Take a long-term approach: "If you know you want to begin your venture in a longer term, say 10 years, you can look at a 70:30 investment in equity and debt instruments. But you may not always be willing to wait that long for the idea to click", said Singh.

2 Plan for short-term needs: "For shorter terms, when you know your venture may be set up in the next three years, then you can invest in liquid funds, ultra-short term funds, fixed deposits and short term debt funds," said Vishal Dhawan, a Mumbai-based financial planner. "The reason being that for shorter terms, you would want to keep some liquidity at hand for

setting up your venture.”

Have an emergency fund: Both Dhawan and Singh suggested that young and budding entrepreneurs should keep at least three years of expenses saved up before they set up their business.