

BOOK REVIEW

Title: *Show Me the Money: How to Raise the Cash to Get Your Business off the Ground*

Authors: Alan Barrell, David Gill, and Martin Rigby

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Reviewer: Dr Wei Wang, Managing Director of 2W China Consulting Ltd and author of *The China Executive* (2006)

Entrepreneurship from the Money Perspective: A Coherent Narrative from Three High-Profile Entrepreneurs

Entrepreneurship begins with an idea. That is why BBC's highly popular series *Dragon's Den* has a companion book called *Your Idea Can Make You Rich*.

Yet, if you think you have an idea and therefore are prepared to give up your income-guaranteed day job in order to start off your entrepreneurial journey to great wealth, you need to be made aware of the other side of the *Your Idea Can Make You Rich* coin: your idea can also make you very poor—indeed, very, very poor.

And the reason for this hard truth can be found in Wei Wang and Peter Chang's article "Entrepreneurship and Strategy in China: Why 'Porter's Five Forces' May Not Be", published in the inaugural issue of the *Journal of Chinese Entrepreneurship* (2009). There, the authors summarise the three strategic forces of entrepreneurship as "Project, People and Penny"—that is, idea, people and money.

So, if you don't know how to deal with people or how to handle money, you will be doomed to failure no matter how bright your idea is.

As the title implies, *Show Me the Money* focuses on money, one of the three strategic forces (or determining factors, if you are sceptical about anything containing the word "strategy") of entrepreneurship. Putting it like that, however, does not do full justice to what *Show Me the Money* is really about. What the book actually does is walking the reader through the maze of entrepreneurship, including idea and people, albeit with a sharp focus on money, the bloodline of any enterprise.

Substance

Each of the three authors is a "dragon", to borrow the jargon from the BBC, meaning someone who has built up businesses from scratch and either has or has access to funds

for new ventures. If you don't quite like the jargon, then think of a shrewd businessman—one who has decades of business experience.

As Entrepreneur in Residence at the Centre for Entrepreneurial Learning, Judge Business School, University of Cambridge, Professor Alan Barrell is much in demand as a speaker and adviser on entrepreneurship and smart funding around the world. David Gill is Managing Director of St John's Innovation Centre, Cambridge, one of the most vibrant entrepreneurial communities in Europe. Martin Rigby is an entrepreneur and a venture investor—through ETCapital, an early-stage technology investment firm he founded in 1993, he has invested in no fewer than 40 innovative technology businesses.

Given the above background information on the authors, you may be surprised, like me initially, at why they have joined forces to write this book—surely, each author has got enough material for a book of his own.

And this has everything to do with the word “distil” in their introduction to the book. “Our goal has been to distil and simplify the lessons we have learned,” state the authors. “We have all run companies and managed venture funds...and dedicated much of our own time to helping the rising generation of entrepreneurs understand how to build a business case and raise smart money. It is on this accumulated experience of lecturing on business models, raising and managing money, judging business plan competitions and mentoring start-ups that we have drawn in putting this book together.”

Structure

Show Me the Money is structured in seven chapters. However, it would be totally wrong to read the book from Chapter 1 to Chapter 7 in order to find conclusions at the end. This is because each chapter is almost self-contained, concentrating on an important topic or stage in the never ending finance process of an enterprise. Depending on the topic you are interested in, you can begin with any chapter, really.

- Chapter 1 is on “first principles”, which applies to those who are thinking about starting an enterprise or who are already up and running but still at an early stage.
- Chapter 2 is on “the market for money”, which covers the different types of business finance that are available and the channels of access to it.
- Chapter 3 is on “preparing for fundraising”, which is about how to put together a proposal and pitch it to potential investors.
- Chapter 4 is on “negotiating and deal-making”, covering the legal stuff, such as IP and the use of lawyers, and the wisdom for dealing the potential investors.
- Chapter 5 is on “banks, grants and new sources of funding”, which applies mostly to ventures that have a regular income from customers.
- Chapter 6 is on “valuation”, i.e. valuing your business or at least part of it when it comes to selling a portion of equity to raise vital risk capital.
- Chapter 7 is on “planning the future”, which deals with such issues as investor relations and board dynamics after funding has been secured.

I find that the above structure has worked well for the authors and the reader. Had the authors chosen to organise their materials into a strictly linear structure, they would have had to come up with many abstract concepts to link up all the materials, and, as a result, the reader would have found it much more difficult to engage with the book.

Still, much openness and liveliness is added to the book by the case studies mostly at the end of the chapters. At the end of Chapter 1, we find an interview Alan Barrell conducted with Jonathan Milner of Abcam plc, which is currently valued at a market capitalisation of \$1 billion. But like any venture, its beginning was humble. “Jonathan was a PhD candidate working in cancer research and was frustrated by the lack of a regular supply of the reagents he needed.” In 1998, he founded Abcam to fill this serious gap in supply and demand after convincing his wife to re-mortgage their house to raise £11k. A friend of his put in £4k and got 40% of the company... With these types of insights, I am tempted to think that it might be a good idea to read the case study first to get a feel for what is covered in the chapter before actually delving into it.

Style

Although written by multiple authors, this book is amazingly coherent—no doubt, the result of excellent teamwork among the authors (recall that they are all “big beasts”) and of effective steering from the publisher. It reads like a narrative told by a single author so that the information and insights you get from it are totally integrated.

To be sure, books on the hard stuff that is finance can easily become dull. But the authors have successfully overcome this problem by peppering their writing with anecdotes and real-life stories, making the book an entertaining as well as informative read.

Needless to say, this book is useful to all practising entrepreneurs—that is, small and big. I, as founder of two small companies, for one, have greatly benefited from reading the book because it has stimulated me to reassess the financial positions of my companies. As a consequence, I am now in the process of putting into place a new set of funding strategies for them with the aim to elevate them to a new level.

The book should also be immensely beneficial to the business education world. Compared with many abstract textbooks written by people who have never set up and run an enterprise, *Show Me the Money* should be immediately appealing to students on entrepreneurship-related courses. Academics who engage in research on business finance as well as entrepreneurship will find a wealth of source information from the book, too.

As the global business landscape is characterised by exponentially growing numbers of people choosing to become an entrepreneur, publications on entrepreneurship have become a growing industry. But *Show Me the Money* is unique as it will help you become a master of money on your long and hard entrepreneurial journey.