



HOW TO RAISE 1M AS A YOUNG START-UP

CHICAGO (August 13, 2013) – After announcing the close of their first investment round, Dan Klein & Patrick Tannous, co-founders of Tiesta Tea, offer tips of raising money for young entrepreneurs like themselves. Their success allowed Tiesta Tea, a loose-leaf tea company specializing in exotic flavors and simple functions, to double its original funding goal, close the round within four months and ultimately turn a handful of investors away.

Be Confident

Raising money is all about attitude. There is a big difference between begging for money and showing investors this is the way for them to make money. The latter answers the single greatest concern investors have.

“Don't be afraid to be cocky. A lot of the times it translates to confidence. We spoke with confidence about our product, our vision and our team. This was truly the first step in showing investors we had something special and that they're going to want in on it,” stated Tannous.

Establish a Selling Point

Raising money is like selling a product. It's hard to bring attraction without a good selling point. Since day one, Tiesta Tea has taken nontraditional approaches to selling that has set them apart from competitors. The success of their unique in-store demo program, “Demo Derby”, has allowed the company to refuse slotting fees from grocery chains, which is an unorthodox tactic in the industry and extremely attractive to investors.

“After all investors were in and we closed the round, I asked them why they did it. A lot of investors liked our marketing approach of our Demo Derby and saw room for growth throughout various aspects of our company. Most importantly, they said they believed in us,” said Klein.

Generate Buzz

Raising money is like hosting an event; you need to create a buzz in order to get and maintain interest. On top of sending out applications to angel investment groups and investment firms, Tiesta Tea hosted their own investment presentations in Chicago. The result was a significant turning point for the young start-up.

“We rented a huge ballroom and set up our in-store demo booth with every Tiesta Tea blend on display. This was the only way we could completely convey our vision to investors and ultimately show them what a great opportunity this is. The events were such a success that we actually signed a few on the spot. I also got emails from people that weren't at the event telling me that they were interested in the opportunity,” said Klein.

Create Scarcity

Raising money is about creating scarcity and making it as a limited edition. In the middle of the financial round, Tiesta Tea sent out an email list of investors who had already signed up. This was done to create a feeling of high demand.

“Create a situation where people feel they are lucky to be able to invest. As if they don't answer this email by tomorrow with an offer, they miss out on this amazing offer. If you can do that, you are going to be very successful in raising money,” said Klein.



Tiesta Tea took a nontraditional route to raise their money. It was a risky and exciting time for the young company. Through this investment round, Klein and Tannous gained valuable lessons and believe many young entrepreneurs can relate to and even learn from these same challenges.

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About Tiesta Tea:

Tiesta Tea Company is a loose-leaf tea company based out of Chicago, Illinois. Their all-natural, loose-leaf teas are packed with high quality fruits and herbs from all around the world. Their goal is to take the confusion out of tea by organizing the teas into five functional lines that explain the effects they have on the drinker (Energizer, Slenderizer, Relaxer, Immunity and Eternity). They believe this simple approach, along with unique flavors like Kiwi Cherry Bonanza and Banana Split will appeal to the masses and raise awareness for loose-leaf tea. Check out Tiesta's teas online at www.tiestatea.com or find them in major grocery retailers across the United States. Find out more information about Tiesta Tea Company by going to www.tiestatea.com or calling 312-202-6800. Keep up with Tiesta Tea by following them on Twitter or liking them on Facebook.

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