

SELECTING INVESTMENTS: THE 7 “P” S



Questions to Consider:

- › Before making an investment, can you considered the 7 Ps?

Guidance

A professional process is important. Designing a process and looking at each step along the way with as much information as possible is important in a successful family business. When doing this it is important to consider how best to decide on a particular investment.

One effective way of determining if an investment is worthwhile is by considering the 7 “P”s:

Performance.

Understand the financial history

People

Who’s involved?

Philosophy

What are they hoping to accomplish? How similar are your philosophies?

Price

How can you buy and sell, and what will happen along the way? What kind of profits can be made?

Process

What limitations will this investment have? How can you get it into a fund? How liquid is it? Has it maximized potential already?

Partners

What is their background?

Post investment policies

What information will you get, and how much control will you have over the investment?

By considering all these criteria, it can be much easier to understand the value of an investment before making it.