

Funding Challenges for Tech Companies

As technological advancements continue, rapid growth within the industry is par for the course. Tech entrepreneurs once looked to "angel" investors or venture capitalists to secure their companies' initial and growth funding. Now, startups are outnumbering financial backers, which often limits or completely halts a new company's growth.

Challenges technology companies face when finding the necessary funding to begin or grow include:

Near constant evolution within the industry

Tech continues to advance at staggering rates. By the time one technological advancement becomes readily available to the masses, a newer, "better," faster development is debuted. Financial agencies become overwhelmed by the swell and oftentimes ignore technology companies' requests for financing.

Quick growth, without quick access to capital

According to recent [research](#), it is estimated the global technology marketplace will grow 5% in 2017, with the US contributing 5.9% growth. The rise in technology companies goes hand-in-hand with the rise of funding options necessary to their success. Many times these companies are growing at a rate that financiers are unwilling to lend to.

Startups are often offered limited investor amounts

Startups need money -simple as that. To begin a company or to ensure continued growth, initial funding must be substantial. Many investors do not have the equity to lend extensive advances on capital. Lenders consider their risk factor, which leads to low lend amounts.

Lenders without technology industry experience

Many lenders do not understand the technology sector, seeing it as an oversaturated market, with high failure and are therefore leery to lend. However, this continues to not be the case. Technology companies face an uphill battle, when vying for funding against industries that have set reputations.

In conclusion, technology will continue growing for the foreseeable future, becoming one of the most influential industries. Financial institutions must be willing to accept new startups, so new companies can contribute to the marketplace.

Thermo Credit can help. With more than 30 years experience in [financing](#) the technology industry, it knows the market. Thermo Credit has the funding, experience and knowhow to lend responsibly to startups and growing technology companies.