

Are we the right type of company to be raising money from investors?• Investors are looking for 8-10x return on their investments

Do I understand the consequences of raising money?

- giving up equity each round, getting diluted, etc

Qs to ask yourself:• How much control do you want to have over the speed of the growth of the company?• Are you ready to give up some control of your company in exchange for some rocket fuel?• Are you ready to lock yourself into this long-term commitment?

How to know when you are ready:• Consider how investors think about risk:

- team risk (are you the right people doing this)
- market risk (are there enough people who want it)
- execution risk (can you actually build it)
- distribution risk (can you have your product reach the customers?)
- Good general rule of thumb, approach investors when you have a launched product with at least 1000 users or 100 paying customers

Preparing your Pitch:• Your Story is important – sell the dream• Prepare your elevator pitch (1-2 minutes) and a 5 minute pitch – practice it out loud, with friends, a lot

Materials to prepare:

- pitch deck (8-10 slide deck, meant to be brief and be quickly skimmed through in 2 minutes by investors in order to decide whether they want to meet you). Includes: 1) problem trying to solve, 2) solution to that problem, 3) market & size, 4) competitors, 5) what makes yours unique, 6) team• financial projections – Excel spreadsheet that has all the formulas in place so they can understand the assumptions you are making in your business, and why those assumptions are realistic.• (we'd add – also prepare an executive summary)

HOW CAN I GET IN FRONT OF INVESTORS?

Networking• You need to immerse yourself in the local startup community

Warm Introductions• Referral from a trusted source

Be Strategic• Create a list of investors that are ideal for your startup, and find who they have invested in. Approach those founders, if they believe in you and your business, they can make the introduction.

How to create this list of investors?• research• use Angel List: as a directory – can also use it to finish your round (contact influential people on Angel List and have them recommend you)

How much are you looking to raise?• You need to raise enough money to hit milestones to get you to the next round – that means you need to raise more than you think.

At what valuation?• Determining your valuation: make sure it's high enough so you're selling about 20% of your company.• Valuation is just an educated guess about the value of your company.

What are the Financing Options?• Equity and Convertible Debt options explained

Social Proof

• lineup of big names of people who are supporting you – advising you, investing in you, partnering with you – this lends you credibility

- Sell the dream
- Steer the conversation
- Only show slides if asked
- LISTEN to what they are asking (there's a risk they want you to address)
- Be direct, answer succinctly, eg. 'yes, and here's why'
- Let them know why you are interested in them
- Show momentum
- Create scarcity
- Show your Passion

Once you've completed your round, get in touch! We would love for you to share your funding journey with us.