

Fundraising aspects important to first time founders: team, external help, investor perspective.

bonus: how to reach investor

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In fact, **50%** of startup problems can be **eliminated** by **seasonal entrepreneur** as a founder

First time founder significantly **reduces** chances of investor to get **return**

Importance of team in fundraising:

Team

TEAM is **80%** of INVESTMENT DECISION



A **good team** with a **bad idea** will fix the idea.

A **bad team** with a **good idea** screw it up

Your team :

1



**Ideally that you worked together
Even better, if you achieved something
If is relevant to what you are doing now, its perfect**

2

**Investors look for stayers, not sprinters (building company usually takes 2-5 years), everyone hates changing teams
People should have potential to run company with revenues they are forecasting
Clear motivation of all key participants**

3

**Personal fit and relevant references
Soft skills - investor asking question: 'are this people able to negotiate partners and convince people all the way to the bank?'***

 take **3.6X** longer to reach scale stage compared to a founding team of  and they are **2.3X** less likely to pivot

Business-heavy founding teams are **6.2X** more likely to successfully scale with **sales driven startups** than with product centric startups

Balanced teams with **one technical founder** and **one business founder** raise 30% **more** money, have **2.9X** more user growth and are 19% **less** likely to scale prematurely than technical or business-heavy founding teams

How your team looks from investor perspective?

You have no co-founders – **why?**

If you have work / entrepreneurial experience but have't build partner relationships?

You **wasn't able** to convince someone to quit job to execute **your** idea?

Or maybe it's **one-man** show? (in this case its better be **scalable**)

2-3 co-founders is the best: You are able to code, develop business and do marketing for free for a long time

Team is first check on **how good** your venture is

- **Intermediary** or **ally**
- **Get an ally – good idea** 
- **Finding intermediary – not always good idea**
- **There are always people that know more than you, have come through what you are about to embrace, know relevant people, know investors. Utilizing their help is good idea.**
- **This guy should make you relevant intros, coach, help to structure and close the deal**
- **Drawing presentation is high-qualified, yet technical exercise**
- **Best case is if you inspire people doing this for free**

If you need help with forming business model and wrapping up project –  immediately

Founder is the one how knows model best

Using **intermediaries**

Not all market intermediaries are good guys

Before working with anyone – get **personalized** feedback.

Ask about results. Do background check.

Make sure your intermediary will not be a **dealbreaker**:

Problem is that they are often focused on **own remuneration** (exclusivity, non-diluted equity, attracting low-quality investor)

How intermediary compensation would be **structured** ?

Performance based remuneration **only**

Think if your interests are **aligned**

You must decide **when** and **how** intermediary is
rewarded

Most of the projects do not think about investor perspective at all

Think about:

Relevance of your project to investor

Investor return

Investor EXIT

You should:

Know your business model

Have a rationale why it shaped this way

Have a pragmatic launch plan

Have KPI set which you will monitor first 3m

Be ready for fast data-driven decision making

Build a defensible sales forecast

Have financial model

Have cap table

Preliminary deal structure scenarios and outcomes

Exit outlook

Bonus: how to reach investor

Do not spend effort on side activities - 'Packing' projects (business plan, financial model, presentation, shaping business model)

Too many founders start fundraising too early

Start building **great company.**

Great companies have no problem with reaching investors – investors reach them.