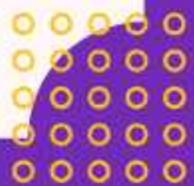




# **WANT TO GET FUNDING? AVOID THESE 10 COMMON MISTAKES**



# Commitment:

BUSINESS  
TIPS

A promise or firm decision  
to do something

## Failing to Make Commitments

You need to show that **you will be able to raise that next round at a high valuation** because of the accomplishments we are funding. If you can show a history of making and keeping commitments, even better.

Don't worry; we understand that the startup world is chaotic and that most of your projections are hardly better than wild ass guesses. However, **we want to understand your intentions and expectations.**



## Only Looking at Equity

Just because you can get an angel or VC investment does not mean that you should. Some other sources of growth capital don't require selling part of your business

**First**, you can look for grants from the government or other organizations.

**Second**, you can leverage partnerships to pay for your product development.

**Third**, you might be able to use debt to fund your cash needs, particularly over the short term.

**Fourth**, you could forgo fundraising entirely and opt to bootstrap your business.

In reality, most companies do some, if not all, of these things at some point.





## Going in Cold

You are at a **massive disadvantage** if your first interaction with an investor is to put your hand out asking for money.

Start networking as **early as possible**. Leverage your existing connections and relationships to get introductions to potential investors or to people who can make those introductions.

Ask them for advice or information. Most investors **love helping founders** and will be happy to give a little bit of time and attention.





## Fundraising too Early

Most companies are **"too early"** because they have not done the necessary validation work to reduce investment risk. We all know that investing in early-stage companies is absurdly risky, but the unnecessary risk is unacceptable. Before you apply, make sure you have examined **all the key assumptions** underlying your business model



WHO

WHAT

WHEN

## Missing the What and Why

I often reach the end of a pitch, having heard all kinds of information but with no idea what the company does or why.

I need to be able to picture your business in action and your users interacting with the solution.

**Give some specific examples of the problem**, rather than stating it abstractly.

Saying that you improve process efficiencies does not paint a clear picture. Tell me about **what users had to do before**, that they don't need to do after adopting your solution





## Failing to Understand Your Audience

Use **standard** everyday English and **avoid jargon, technical terms, or acronyms**. The investor must be able to immediately comprehend what you are saying. If they are confused, they will move on to the next company.

Talk **about your business, not about the technology**. I want to know that your company makes sense. How will you get customers? What key metrics are important?



# FOLLOW UP

## Failing to Follow-up

Most investors are busy and easily distracted. If you wait a few days to get back to us or set the next meeting following a pitch, I am likely to have forgotten most of what you said and be off chasing some new shiny object. If possible, **set your next meeting during the current one.**

## Weak Communications

All aspects of your communications **must be clear and on-point.** There are vast numbers of startups chasing limited funding dollars. Your enthusiasm and energy need to **shine through in every interaction,** even in writing.



WEAKNESS

STRENGTH

## Hiding Weaknesses

Maybe you don't have strong intellectual property protections, or you built most of your solution using third-party components. **You don't need to shout these drawbacks from the rooftops**, but don't make me find them while deep in due diligence either.

If it looks like you have been trying to keep these issues hidden, you are violating our trust. And trust is everything in early-stage investing.



BUSINESS TIPS

**LIKE AND SHARE IF YOU  
FIND THIS USEFUL!**



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