


Additional Resources

www.womenconnect.org

Your ability to access a source of funds depends on the development stage of your business



	Pre-seed	Seed	Series A	Series B	Series C+
Investor Type	<ul style="list-style-type: none">• Friends and family• Early-stage angels• Startup accelerators	<ul style="list-style-type: none">• Angels• Early-stage VCs• Accelerators	<ul style="list-style-type: none">• VCs• Super angels	<ul style="list-style-type: none">• VCs• Late-stage VCs	<ul style="list-style-type: none">• Late-stage VCs• Private equity firms• Hedge funds• Banks
Company Stage	<ul style="list-style-type: none">• Prototype	<ul style="list-style-type: none">• Signs of product-market fit• Some traction	<ul style="list-style-type: none">• Revenue growth• First demonstration of scale	<ul style="list-style-type: none">• Ability to scale	<ul style="list-style-type: none">• Large-scale operations
Raise Spent on	<ul style="list-style-type: none">• Hiring critical team members• Developing prototype and MVP	<ul style="list-style-type: none">• Fueling growth• Product development• Testing new markets	<ul style="list-style-type: none">• New sales and marketing processes• New governance• Scale	<ul style="list-style-type: none">• Expensive hires• Expansion into different market segments• Experimenting with different revenue streams	<ul style="list-style-type: none">• Moving into new markets• Fueling acquisitions

Assess your personal and business readiness from an investor perspective

Business milestones

- 1 Have you demonstrated your **problem-solution fit** ?
- 2 Are you able to justify your **market potential** ?
- 3 Have you demonstrated a viable and scalable **business model** ?
- 4 Do you have a **team**, a **product** and an **organization** that can support your scale ?



Investors want to finance ideas that solve real problems

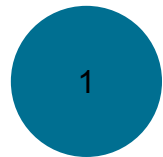
Work on a strong scale strategy and previsions of market shares

Your business model showcases the logic with which your company creates, distributes and captures value

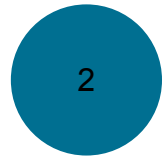
Investors want to know if your startup has the right people, with the relevant experience and talent and drive to make the venture successful

Prepare the documentation potential investors will ask for beforehand

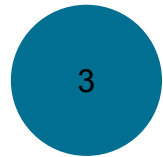
Documentation



Business plan



Pitch deck



Valuation

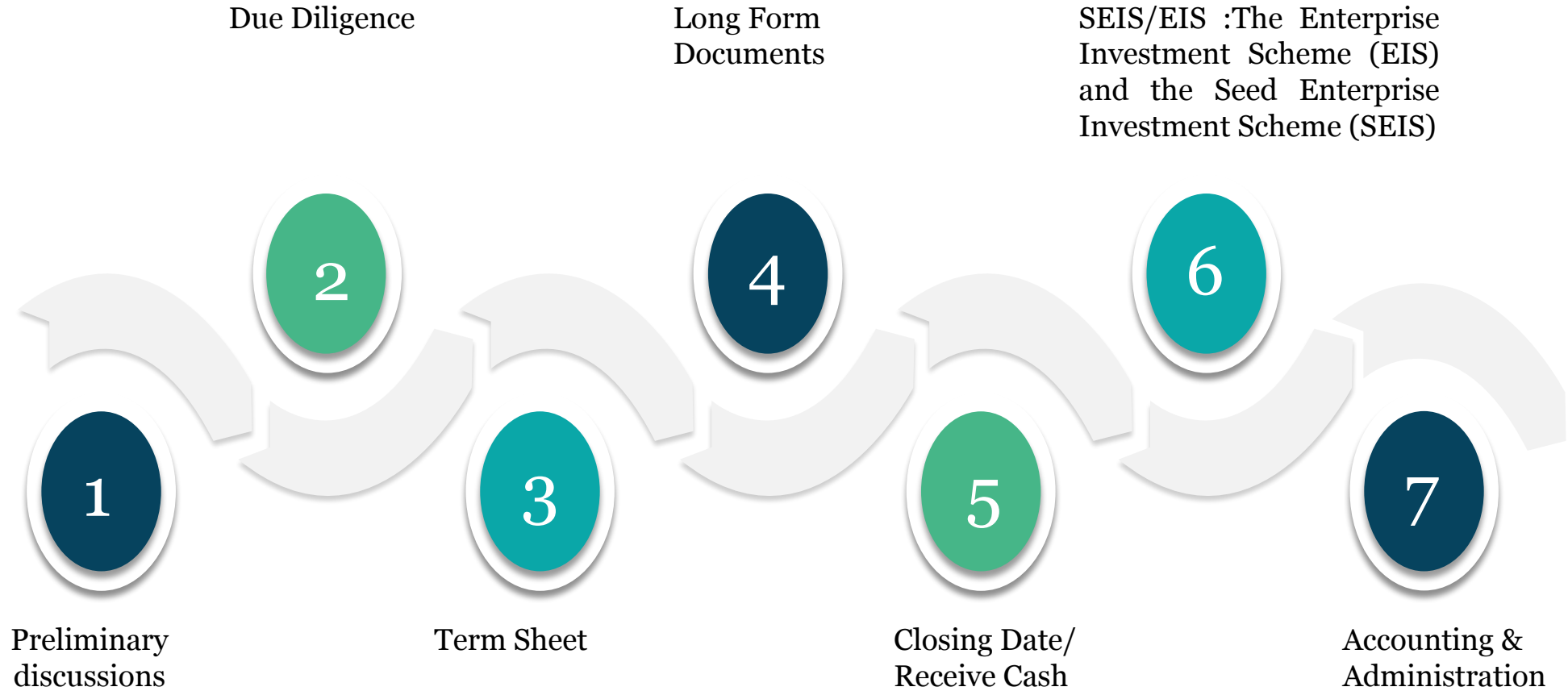


Vision, strategy, business model, financial projections, funding needs and use, ...

Problem, solution, target market, market size, realizations, financial projections, team, ...

The current (or projected) worth of your company. It determines the number of shares an investor will get depending on the size of his investment.

Legal aspects of Fundraising



Safe contract

A simple agreement for future equity (SAFE) is a financing contract that is often used by an early stage startup to raise capital in its seed financing rounds. It mitigates the difficulty of agreeing on a valuation before the startup demonstrates its business model and scale.

A SAFE is an investment contract between a startup and an investor that gives the investor the right to receive equity of the company on certain triggering events, such as a:

- Future equity financing (known as a Next Equity Financing or Qualified Financing), usually led by an institutional venture capital (VC) fund.
- Sale of the company.

SAFEs may have similar features as a convertible debt, but is friendlier to founders. In particular, a SAFE has no:

- Maturity date. Until a conversion event occurs, SAFEs remain outstanding indefinitely.
- Accruing interest. Investors receive only a right to convert their SAFEs into equity at a lower price than the investors in the subsequent financing

The typical clauses that can be found in legal documents

Cash out and liquidity preferences

Politics of distribution of dividends

Restrictions to share transfers (tag-along, drag-along)

Non-compete clauses / non-solicitation clauses

Clauses that regulate future funding rounds

What's my next step to raise funds

Each startup has its own journey for fund raising. Some prefer to bootstrap for years using their positive cash flow to reinvest into the startup, and others prefer to look for funding as soon as an MVP is built. It's important to take your fund raising decisions based on your own objectives. This is a general timeline you can follow to initiate your fund raising journey:

