



**Understanding
your funding
needs and
planning your
fundraising**

Assess Your Financial Requirements

Assess Funding Requirements: Evaluate the total funding needed to achieve your project's objectives. This should include costs for development, production, marketing, and ongoing operations. Conduct thorough research and budgeting to estimate expenses accurately.



Review Cash Flow: Assess your current cash flow and available resources. Determine how much capital you currently have and how long it will sustain your project's operations without additional funding. This analysis will help you understand your immediate financial needs and inform your funding strategy.



Plan Ahead: Plan your next funding sources well in advance, ideally at least 6 months before you anticipate needing additional capital. This proactive approach allows you ample time to explore funding options, build relationships with potential investors or lenders, and prepare necessary documentation.



Consider Funding Alternatives: Explore various funding alternatives based on your project's needs, stage of development, and financial situation. This could include equity financing from investors, debt financing from lenders or financial institutions, grants, crowdfunding, or strategic partnerships.

Access to equity or debt financing is conditioned by your overall business readiness level

Required business milestones

- 1 Have you demonstrated your problem-solution fit ?**
You can demonstrate that your business idea solves a real market need, based on an understanding of your target clients
- 2 Are you able to justify your market potential ?**
Your growth hypotheses need to demonstrate a strong scale potential, justified by underlying market research
- 3 Have you demonstrated a viable and scalable business model ?**
Your business model needs to clearly explain how your company creates, distributes and captures value
- 4 Do you have a team, a product and an organization that can support your scale ?**
You have or can access the right people, with the relevant experience, talent and drive to make the business successful

Required documentation

- 1 Business plan**
- 2 Pitch deck**
- 3 Valuation (for equity funding)**

Integrating a new shareholder into your business is done through a set of legal documentation

The Term Sheet

The Term Sheet is a legal document of a few pages which summarizes the financial and legal conditions of fundraising (in particular the valuation of the company and the main terms of the shareholders' agreement).

The purpose of the term sheet is to facilitate discussions, negotiations, and agreement in principle on key terms.

The Share Purchase Agreement

The share purchase agreement is a formal contract or an agreement that sets out the terms and conditions relating to the sale and purchase of shares in a company. It is a detailed document that clearly sets out what is being sold, to whom and for how much, as well as any other obligations and liabilities.

The Shareholder Agreement

A shareholders agreement is an agreement among the holders of shares in the business that regulates governance, decision-making processes, acquisition and sale of shares, provisions for the resolution of any future disputes between shareholders...