

Activity 3 | Mapping Your Proof to Stage

Once you’ve identified some key uncertainties and potential approaches for addressing them, you can begin to shift perspective and map your value inflection points to stage.

In general, funding stages carry expectations. Investors are looking to see that you have addressed key uncertainties that correlate to specific stages on the fundraising journey.

Typical Uncertainties Investors Expect Startups to Address by Stage		
By the pre-seed round You have . . .	By the seed round You have . . .	By Series A You have . . .
<ul style="list-style-type: none"> • A concept for a product • A story conveying how big the business could become • Anecdotal customer survey data • An early prototype demonstrating your concept of the product 	<ul style="list-style-type: none"> • A solution people use • Acquired customers and have behavior data • Demonstrated customers are willing to pay • Customer acquisition metrics and retention data • Data on the cost to provide and deliver the product 	<ul style="list-style-type: none"> • A solid knowledge of your starting market • Proven the economics of serving that market • An understanding of what it takes to sell to the market • Identified your next target customers beyond the initial market • A financial forecast based on real data

Steps:

Working independently	<ol style="list-style-type: none"> 1. Everyone picks one item from the “Typical Uncertainties by Stage” list above. 2. On the “Mapping Your Proof” sheet, begin to develop a plan that describes the steps you need to take to address that uncertainty.
Working with partner	<ol style="list-style-type: none"> 1. After formulating your plan, discuss with your partner. Chose one person to share first while partner listens critically. Then reverse roles. Be sure to consider: <ul style="list-style-type: none"> • Has your partner chosen the most efficient use of capital? • Are there hidden costs your partner hasn’t accounted for? <p>During your discussion with your partner, take notes and begin to finalize uncertainties you want to address.</p>



How Much Funding Do You Need to Raise?

An HBS Accelerate Workshop

Mapping Your Proof to Stage

1. Review the “Typical Uncertainties Investors Expect Startups to Address by Stage” list. Where does your startup fall on the list—pre-seed, seed, or Series A? Identify which stage you are located in now.
2. Choose ONE uncertainty from the list that you need to address to get to the next stage. Begin to write a plan for how you will get there. Consider your:
 - Approach, resources, time
 - Strength of the proof that demonstrates you’ve addressed this uncertainty. Ideally, you want to show the strongest proof while using resources as efficiently as possible. Keep in mind 2 spectrums for strength of proof for customers and product:

Continuum for Customer Behavior				
Weak				Strong
Intent	Usage	Engagement	Payment	Renew/return
Continuum for Product				
Weak				Strong
Basic webpage	Webpage with signup	Website allows interaction & payment	Website allows orders	Customer renewal

Mapping a Plan

Uncertainty that you intend to address:	
Approach	Resources
Time	Efficiency of proof
Your ideas after discussion	