

After the Workshop . . .

## Simple Hack to Help You Decide How Much Funding to Raise

Identifying your startup's value inflection points is a crucial part of determining how much funding to raise. The best way to discover what inflection points matter most to investors is straightforward—but commonly overlooked. Before you make a pitch to raise funding, engage with select investors to learn what metrics they want to see. Then, develop a plan to meet those metrics.

After the workshop, commit to applying this simple but extremely effective hack outlined below.

### Steps

1. **IDENTIFY** potential investors. Which firms align with your stage in the fundraising journey? Which have a track record of investing in ventures similar to yours in the past? Make a list.
2. **SELECT** 2-3 investors whose approach fit with your venture. Make an appointment to talk, in person if possible. Note: this is *not* a meeting to pitch your venture and ask for funding. The purpose of this meeting is for you to acquire information.
3. **ASK** investors these 2 crucial questions:
  - What metrics do you expect to a startup to demonstrate in order for you to invest?
  - Have you invested in any businesses that fall into a similar category? If so, what did that company do to convince you to invest?
4. **LISTEN** and take notes. After the meetings, review their responses in aggregate. Do they share any similarities? What meaningful metrics (value inflection points) did they identify?
5. **CHOOSE** one value inflection point that investors want to see that you can reach in the most efficient manner.
6. **LIST** the uncertainties that you need to address to reach that one value inflection point.
7. **DEVELOP** a full plan to address those uncertainties and calculate the cost to do it. Factor in:
  - Resources required
  - Cost of those resources
  - Buffer. Once you have determined resource costs, add a buffer. Generally, 30% offers a reasonable buffer.
8. **ENGAGE** with investors in an ongoing manner.
  - Once you have your plan, ask investors for feedback on it and iterate accordingly.



# How Much Funding Do You Need to Raise?

## Sample Log | Metrics that Matter to Investors for Your Next Value Inflection Point

Date	Investor	<b>Value Inflection Point</b> <i>What metrics do you expect to a startup to demonstrate in order for you to invest?</i>	<b>Plan to address uncertainty</b>	<b>Capital needed to address uncertainty and meet metric</b> <i>Resources + Costs of resources + Buffer</i>	<b>Feedback on plan</b>