7 Mistakes to Avoid While Raising $200M from Investors

1 Met with investors in the wrong order

- Rank prospects from most interesting to least interesting
- Reach out to the LEAST interesting first, and work your way up
- Use early feedback to strengthen your pitch with each new meeting

3 Most interesting

2 Middle-interesting

1 Least interesting

2 Focused my pitch on the wrong things

Seed: market & team

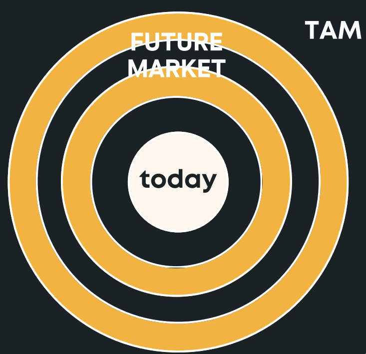
Series A: product market fit

Series B: repeatable sales process

Series C: command of unit economics

Series D: profitability (or path to)

3 Didn't present the market well



4 Didn't time the raise correctly

- You should fundraise when your momentum is at a "local maximum".
- This could be a big product launch, landing a whale, hitting profitability, etc.
- This becomes the why now section of your pitch.

5 Chased valuation

Instead do the following:

- Be willing to accept a slightly lower valuation if other terms are great
- Don't let them prop up your valuation by increasing the liquidation preference
- Keep it at 1x non-participating

6 Didn't negotiate the term sheet well enough

- Make sure all key terms are covered (board composition, liq preference, etc.)
- Don't sign anything unclear, or if the investor marks something "TBD".

7 Wasn't ready for due diligence

You need to have your house in order:

- ✓ 3-5 yr financial model
- ✓ metrics per customer
- ✓ cap table
- ✓ legal docs

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