

THE IGNITION PLAN

Fire Up your Startup!



Greetings!

Another issue is under the wire! Let's jump right into the 2nd part of our discussion on fundraising. Last month's issue proved to be very thought provoking and generated many questions and ideas. We talked about the appropriate mindset once you commit to a fundraising plan, now it's time to think about tactics.

As always, feel free to reach out with your thoughts and questions.

Craig

LESSONS LEARNED:

The Three Ts and why they matter to

potential investors

Once you've committed to bringing outside resources into your business, the next step is to craft your message to educate the market on the opportunity. It's an absolute certainty that the amount of time you will have to describe the business will be far less than you hope. **How will an outsider with no knowledge of your business view your company and the opportunity?** Focus on the **3 Ts** (team, technology and traction) to provide a compelling overview of the opportunity and to generate interest in learning more:

Team: There's an old cliché in the fundraising community that investors bet on the jockey, not the horse. Why? It's almost guaranteed that the plan you have in place for your business will change so **investors are looking for teams who can adjust and adapt to keep the company on track.** Focus on emphasizing your team's complementary skill set, experience and access to network connections. This will get investors comfortable with your ability to execute, strategize and capitalize on opportunities.

Technology: This category applies to your product or service and does not have to be technology driven. It's a given that your product/service offering is compelling and valuable to your customers (I've yet to see a company promote themselves as anything less than game changing). You will have to describe what you do and why customers will pay but this should not be the focus of the discussion. **Focus on the benefit: how does your product or service provide extraordinary benefit to your customers?** This will emphasize that you have a unique offering that solves a compelling customer problem and that customers will pay for the solution.

Traction: As we know, investors balance risk vs. reward when evaluating opportunities. Traction (accomplishments and progress) is the most effective way to promote your abilities and to mitigate risk. **Investors would almost always prefer to fund execution** and the more you have accomplished, the more credible you are and the less risky the business.

The next step in this process is to craft your specific investor presentation. If you'd like to see how I approach this piece, drop me a note at craig@startupbreakdown.com and I'll send you a copy of my investor presentation framework. I've gathered tips and best practices over the years that I think you will find helpful.

Good luck!



Let's face it, no one has all the answers (even if we must act like we do) so this is your opportunity to, "ask Craig anything". Submit a question and I will select one to answer and discuss in the next Ignition Plan issue. I am here to answer whatever burning question is on your mind, ranging from fundraising, founder issues, sales strategies, etc.

Submit your question here



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