Are you Ready to Raise Capital for your Start-up?

This Checklist Will Help You Decide

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Market Research

- Verifiable Data

- Demonstrates the Need and Viability of your Business Idea
Fellow Travelers on the Journey

- An Experienced Mentor or Advisor

- A Co-Founder
Business Plan

- What your Business Is
- How your Business will make Money
The Numbers!

- Financial Model and Proformas:
  - Projected Sales Revenue
  - Costs
  - Gross & Net Margins
  - Growth Rates
  - Burn Rates
  - When Business will turn a profit
  - Capital need to get to profitability

- Experienced Investors expect detail
Potential Customers

- Testimonials from your prototypical customer

- Testimonial from major client interested in your idea
Real Ability

- Your Prior Experience
- Your Proven Credentials
- Training/Outside Resources to Help
A Brand

- Viability and Character of your Business

- Demonstration of Identity to concisely and creatively drive your idea home
The “Ask”

- How much money do you need?
- When do you need it?
- What will you use it for?
Payoff/Exit

- How will investors get their money back?
- When will they get their money back?
- What is their return on their investment?
- If crowdfunding – what rewards for different levels of investment?
Decks

- Pitch Deck: Visual and Very High Level
- Intro Deck: “Teaser” Version of Pitch Deck
Investment Summary

- One Single Page
- Investment Highlights
- Capital “Ask”
Term Sheet

- Not Mandatory but Good Idea
- One-Page: What is important to you
- Investment Terms and Conditions:
  - Investment amounts
  - Valuations
  - Voting Rights
  - Board of Directors Composition
Potential Investment Sources

- Bootstrap
- Friends and Family
- Seed: $50K to $1MM
  - Angels/Angel Funds
  - Individuals
  - Early-Stage Venture Capital Funds
- Series A: $2MM to $10MM
  - Strategic Investors/VC’s
Investor Fit

- Type and Stage of Company Investor focuses on
- Investor Vertical:
  - Software/SaaS
  - Fintech
  - Manufacturing
  - CPG
  - Renewable Energy
  - Many other Verticals
Investor Data

- Make a list of potential investors
- Record notes about each investor contact
- Note investors that are not interested
- If rejected – ask “Why?”
Checklist before raising capital:

1. An Experienced Advisor/Mentor
2. A Co-Founder
3. Business Plan
4. Market Research
5. A Financial Model
6. 1, 3, 5-Year Proformas
7. Potential Customers
8. Real Ability
9. Skin-in-the-Game
10. A Brand
11. An “Ask”
12. A Payoff/Exit Plan
13. Pitch Deck
14. Intro Deck
15. One-Page Investment Summary
16. Term Sheet
17. Research Potential Investment Sources
The Cycle of Startup Financing

- Seed Capital: Angels, F&F
- Early Stage: VC’s, Acquisitions/Mergers & Strategic Alliances
- Later Stage: Mezzanine
- IPO
- Public Market: Secondary Offers

Revenue over Time

- Valley of Death
- Break Even

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