



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

**This Checklist Will Help
You Decide**

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Market Research

- Verifiable Data on Size of Market
- Customer Discovery to Demonstrate the Need and Viability of your Business Idea

Fellow Travelers on the Journey

- An Experienced Mentor or Advisor
- Co-Founder(s) with different skills

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 (& co-founder's) Prior Experience
- Your (& co-founder's) Proven Credentials
- Training/Outside Resources to Help

A Brand

- ◉ Creatively assert the 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 and achieve?

Payoff/Exit

- How will investors get their money back?
- When will they get their money back?
- What is the 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
- Supplemental Deck: More detail

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. Co-Founder(s)
3. Business Plan – Written Document
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



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