VENTURE WRENCH

Four Mistakes that can kill your startup by killing investor interest in your deal

It's easy as an entrepreneur to make mistakes that can kill your chance of raising money from investors, perhaps killing your startup! 4 Things "not to do" if you want to improve your odds of success!

1) Not Understanding Your Competitive Environment

Potential Investors who are interested in your theme are actively looking for companies and players in your space. You had better know your competitors, because investors will know your competitors! They may be considering investing in those competitors and are just milking you for competitive intelligence. At the least they will be checking to see how good an entrepreneur you are. Never reflexively say "they're not as good as we are", it makes you look naive and insecure, instead, make sure you can clearly articulate what sets you apart from other players in a way that builds a moat around your business.

Have you done a SWOT on all the elements of your business including your competitive landscape? Do you know these elements?

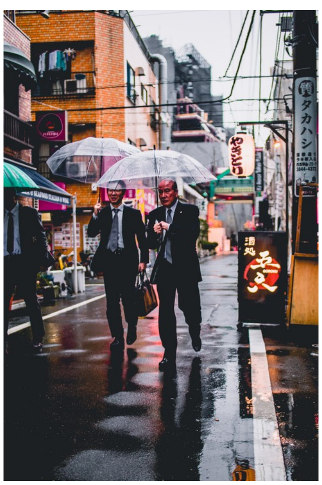
2) Not understanding Investor Themes - What is Hot and What is Not

Every investor and every Venture Capital Firm has a theme or themes, including what they like/ understand/ are passionate about and which industries the investor used to work in. Venture firms COMMIT (largely) to investing in these themes to their LP's and they aren't supposed to invest in other things! Do you know what theme you fit in? Is this theme still hot? Not? One VC said, "Venture Capitalists are like 6 year old soccer players, they're all bunched up at the ball." Where's your ball?

3) “Show the Money” to investors - Not knowing that Startup Financials are a compelling lie!

As an entrepreneur, you have to have a robust set of startup financials AND you have to believe them (sort of...). BUT...no one else will believe them (really). It’s the exercise that counts. You have to think through assumptions, milestones, drivers. Everything has to be bottoms up (NOT top down). Investors want to know, how fast? how big? AND, investors will run your numbers in their head! They’ll run comparisons, ratios, runways. Have you? Do you know it all cold? If not, you won’t look like someone they want to invest in.

4) Not Designing the Perfect Investor!!



Most entrepreneurs start out trying to raise money from any investor they can find. Smart entrepreneurs spend time “Designing the Perfect Investor™” first, then going out to find those perfect investors. Every wasted meeting with an investor costs time: the time of the meeting plus the time of the preparation, often that’s days! Every wasted meeting costs money, and if you live somewhere other than the “big markets”, travel cost can be $1000 or more per wasted trip! Worse, each meeting with the “not perfect” investor risks poisoning the well – do you know how and why the structure of Venture Capital makes poisoning the well the most likely outcome of meeting with not perfect investors???

Want to know more? Could you use some help?

At VentureWrench.com our aim is to level the playing field for entrepreneurs. We use machine learning to help curate the best, most actionable resources to help entrepreneurs succeed and our founders, serial entrepreneurs themselves, create articles, posts and courses that fill gaps in the market. Our CEO, Nicole Toomey Davis, has just launched a course titled "Designing the Perfect Investor, Raising Money for your Startup". She has created a step by step process to help entrepreneurs:

1) Identify their Fit in the market

2) Identify the characteristics of the Perfect Investors and identify ways to find those investors

3) Create the tools they need to be ready to raise money from investors

If you think this might help you improve your odds for success and save time and money, for less than the cost of a hotel night, visit VentureWrench.thinkific.com to sign up!