

Welcome to Elpha's early stage fundraising guide. We have collected advice on fundraising from our expert guests in our Office Hours[link] and Spotlight[link] series. We have linked to the source of each piece of advice, so you can browse the corresponding posts for more details.

Investor Relationship Building

Research investors deeply to take a more targeted approach to outreach.

Investors will always take a meeting, and they will always leave their options open by saying that they invest in everything from seed to growth rounds. But, the fact of the matter is that they do have a "sweet spot." It is important to understand that sweet spot so you are not continually discouraged throughout the course of fundraising.

- [Leah Solivan, GP at Fuel Capital](#)

Leah shares more on transitioning from operator to investor, building a thriving marketplace, the mechanics of marketplaces, and stress management as a founder.

Connect with angels, preseed funds, and accelerators to get capital for your MVP. Most traditional investors will want to see an MVP and some traction, but angels, preseed funds, and accelerators are more comfortable investing earlier and can frequently be strategic and value added help as you build.

- [Ela Madej, founder of Fifty Years Fund](#)

Ela shares more on raising capital, starting a VC firm, transitioning from a founder/CEO to an investor, managing stress levels while pursuing hard things, plant-based diet, and Y Combinator.

Be in fundraising mode or not. If you are in fundraising mode, focus on nothing else. If you are not in fundraising mode, avoid distractions like investor meetings and focus instead on building a great product or getting customers so you are in a good place with the business ahead of any future rounds of fundraising.

- [Cindy Wu, founder of Experiment and Jelly*](#)

Cindy shares more about joy of doing science, steward-ownership where profits serve purpose, co-founding a company with your boyfriend/best friend (twice), successful and unsuccessful attempts at raising capital, operating a company in Seattle/San Francisco/New York City/Honolulu, living and working from a 1-bedroom apartment with a staff of 6, moving your entire staff across the country, co-founder conflict and break up, living with bipolar disorder, trying to work in politics, and caving.

Run a focused fundraise process and sell the big vision. When you're ready to fundraise, do it in a very concise time period and reach out to everyone you've met that you like at once so you can time everything together. For the pitch itself, put a lot of work into a really compelling one-liner and think really big. How will you build a business as big as/bigger than Paypal, or Bank of America?

- [Amy Sun, partner at Sequoia](#)

Amy shares more about fundraising, transitioning from PM to VC, creative expression tools, and building and growing product teams.

Take investor feedback at the aggregate level. If one or two people pass, it is likely just a misalignment with their focus, but if 100 people pass, then there may be a fundamental issue with your deck, product, or pitch. In the latter case, ask for feedback from friends who have experience raising and who will be honest with you. Investors are usually hesitant to speak with companies they passed on or to give honest feedback.

- [Sarah Kunst, founder of Cleo Capital](#)

Sarah shares more on fundraising, raising a fund, and advising startups.

Understand the post diligence process and specifically the transaction document process. Getting the actual term sheet finalized, even after the decision to

invest was made, can take much longer than expected. Ask the venture capital firm upfront what the transaction process looks like and what the expected timeline is.

- [Lauren Nkuranga, founder of GET IT](#)

Lauren closed her Series A round during the COVID-19 crisis while pregnant. She shares more on her story and her advice for other founders.

Pitching

Pitch your big vision. The problem is that investors always haircut someone's vision or projection - they know it is risky and make their own mental adjustments. So founders do themselves a disservice if they pitch the base case because their broad vision gets a double haircut. To break this mental model, founders should pitch their best case - the one in which they raise all the capital they need, hire top tier talent, find world class product market fit, and generate outsized returns.

- [Jennifer Neundorfer, founder of Jane VC](#)

Jennifer shares more on fundraising and operating during the pandemic, building companies in this new world, and team building for female founders.

Highlight the size of your market and the pain point you are addressing in detail both qualitatively and quantitatively. This is especially important if you are building a product for a market that the investors you are speaking with are unfamiliar with (such as a female oriented market when pitching to mostly male investors).

- [Anarghya Vardhana, GP at Maveron](#)

Anarghya shares more on transitioning from operator to investor, having a successful career in venture, managing a busy schedule, and fundraising for b2c companies.

Show demand before fundraising. Selene Cruz, founder of Re:store shares her experience. “What I did instead is try to show demand before fundraising. I contacted

brands that I thought might be interested and built a waitlist of 500 brands. I jumped on the phone with almost 200 of them and build our pricing/ offerings (PS. I'm super awkward on the phone :D). I found a location that was perfect and negotiated a deal with the landlord. Then, I curated brands from our waitlist and pre-sold them with LOIs. Of course, we wouldn't be in SF without some tech so I mocked up a brand dashboard and scouted a team that could help build this in the future.”

- [Selene Cruz, founder of Re:store](#)

Selene shares more on fundraising, the future of retail, and GTM/sales strategies.

Find a co-founder if possible. Doing so is helpful for your own workload and shows investors that you have been able to get buyin on the vision from someone else. You can try before you buy and work on smaller projects with potential candidates.

- [Holly Liu, founder of Kabam](#)

Holly shares more about Y Combinator, applying to accelerators, fundraising, and being a female founder.

Advice for female founders pitching from [Aileen Lee, founder of Cowboy VC](#)

- put early in the presentation how large the addressable market is to get the audience excited. Institutional VCs are usually looking for addressable markets of \$5bn at a minimum.

- some say that female founders tend to pitch smaller ideas than men. Make sure to share a big mission or vision early on - one that sounds like it could grow into a large, \$1bn + company some day.

- that said - try not to overreach or over spin / stretch the truth - it risks your credibility. Women are not given the benefit of the doubt that men are, so it gives your audience a reason to ding you.

- give examples where you have hustled to figure out something

- practice your pitch a LOT! It will give you confidence and help calm nerves, and also allow you to be yourself and feel natural about telling the story.

Aileen shares more on being a VC, starting a fund, and championing for change with a non-profit.

3 key things to mention in a pitch deck from [Anu Hariharan, Y Combinator partner](#)

- 1) Huge market opportunity
- 2) Early signs of product market fit (why customers love you)
- 3) Team - why YOU are the team to go do this

Anu shares more on growth stage investing, fundraising, and transitioning from engineering into VC.