

Questions Early Stage VCs May Ask You

Elizabeth Yin, General Partner

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I'm a former founder who's reviewed over 30,000 pitches as a General Partner at [Hustle Fund](#) and as a former Partner at 500 Startups.

This is a list of questions I regularly ask early-stage founders in order to decide whether or not to invest.

Questions highlighted in **blue** are what I personally care most about.

Questions in **black** are what many early stage software investors may ask.

Team

- **Tell me a bit about your background and your co-founder(s)'s background.**
- **How do you all know each other?**
 - **How long have you worked together and in what capacity?**
- Why is your team uniquely motivated to solve this problem?
- Why did you pick your co-founder?
- Who do you need to hire during the next 18 months to be successful?
- When was the last time you had disagreed on a business issue? How did you resolve it?
- Do the founders have the knowledge to build the technology or would they need outside help?
- What does the cap table look like? (equity distribution across founders)

Problem You're Solving

- **What is the specific problem you are solving?**
- How big / serious of a problem is it?
- **Why is this a problem?**
- **Who has this problem?**

Solution / Product

- **How are people solving this problem today?**
- **Describe your solution to this problem.**
- What effort / timing is required to switch from a different solution to yours?
- (For deeptech) What is unique about the tech? (Do you have any patents / IP / trademarks?)
- What is your product roadmap for the next 6-12 months?

Market / Market timing

- **Why now?**
 - Why hasn't this worked / been done before?
- How big is this specific market?
 - How many people does it affect?
 - How much money are people spending to solve this?
- What is your unfair advantage?
- Who would you see as your key competitor at the moment? Why?

Customer Acquisition / Unit Economics / Go-To-Market

- **Who is your customer persona?**
 - **Who is the end user?**
 - **Who is the buyer?**
 - What does a day-in-a-life look like for these people?
- **How much are people paying today? (range?)**
 - How much do you think you can charge in the future?
- **How are you currently getting users / customers? (what customer acq channel(s)?)**

- How do you think you will get users / customers in the future?
- How much does it cost you currently to get a user? And in which channel?
- How much does your solution/product cost (COGs)?
 - How much will it cost in the future?
- Why do people buy / use your solution?
- What is the sales cycle to-date?
- How does the product team interact with current and potential customers?
If so, how and how often?

Competition

- **What differentiates your solution from other alternatives?**
- Who are you more afraid of: Google or another startup?
 - Who are you most afraid of?
- What happens if a Google (or equiv) does this?
- Who are the major players?
- What is your moat?

Traction

- When did you start the company?
- How many customers do you have to-date?
 - Or how many pilots / contracts signed?
 - When are the start dates of those pilots / contracts?
 - What are the contingencies?
 - Or how many LOIs signed? What do those look like?
- How much revenue have you generated to date?
 - (Note: GMV is different from revenue)
 - As product revenue vs consulting / services revenue?
 - What are your margins?
- Any notable customers?
 - Any enterprise customers paying big money?
- **What does retention or churn look like? (if you know)**
- What does engagement look like?
- Any upsells?
- When will your company break even in terms of profitability and cash flow?

Fundraising / plans

- **How much have you raised to date?**
 - **At what terms?**
 - Who are your current investors?
 - **How much are you looking to raise?**
 - **What are you looking to achieve (milestones) with this round if everything goes well?**
 - **Use of proceeds?**
 - **Where are you in your round?**
 - **Have the current terms been set? And if so, what are they?**
 - **What is your burn rate?**
 - **What is your top priority for the next 3-6 months?**
 - What are your capital costs? (if capital intensive, like hardware / e-commerce)
 - Minimum batch sizes / inventory / etc?
 - Have you secured a lead investor for the round? If so, who and how much is the lead investing?
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www.hustlefund.vc

@dunkhippo33

