PitchBook

PitchBook's guide to VC fundraising for startups

Overview

Building a business from scratch is hard, full stop.

Millions of global entrepreneurs try their hand at launching new products and services each year, but studies suggest that only 40% of startups will ever become profitable. For companies that do reach the milestone of profitability, it's often achieved after years of arduous work.

Still, the opportunity is there, and veteran founders, first-time entrepreneurs and other innovators recognize that. From Silicon Valley to Copenhagen, Tokyo to Frankfurt, and everywhere in between, these savvy pros are developing the next-new-thing across every sector, vertical, segment and emerging market. This guide is an introduction to the venture capital (VC) fundraising process. Across the pages to follow, we'll dive into the stages of VC fundraising, the pros and cons of self-funding and external funding, how to approach investors when you've decided your business is ready to seek external funding and more. We'll also share feedback from founders and investors about what has worked—and, importantly, what didn't—in previous fundraising pitch meetings they've been part of.

In short, if you're a budding or established entrepreneur, if you've founded a company or you're thinking about doing so, if you've come up through the accelerator pathway and are ready for what's next, this guide is for you.

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The stages of VC fundraising

Startup companies wind their way through a complex path of funding options. After a company has bootstrapped, incubated and accelerated itself as far as it can go, its founder(s) may choose to seek venture capital funding—cash raised from investors employed as general partners (GPs) at VC firms. Startups use the VC funding they raise across a wide range of applications, including building out their teams, reaching a profitability milestone or expanding their offerings to a global market.

The graphic below is designed to help budding founders and entrepreneurs get rooted in the approximate stages of venture capital fundraising, which their own startups may interact with at various points in the future.

The VC funding pathway

As you and your team chart a course through the fundraising landscape, take a look at the pathway in front of you. At every stage, multiple financing sources and options exist—each path ripe for further exploration. Later-stage rounds, Series C and beyond, have their own set of considerations, but as a first-time founder and/or first-time fundraiser of venture capital, digging into those can come later.

Pre-institutional (sometimes called pre-seed)

*see note on page 5

Pre-institutional funding refers to financing rounds with no institutional investors involved.

Financing sources:

- Accelerators
- Bootstrapping
- Crowdfunding
- Incubators
- Friends and family
- Small-business loans (SBAs)

Seed stage

Seed money is a type of financing where an investor provides capital in exchange for equity.

Financing sources:

- Accelerators
- Angel and super-angel investors
- Equity crowdfunding
- Founders
- Incubators
- Founders' friends and family
- Micro-funds (less than $50M)
- Small-to-medium VC funds

⋆ Did you know?

The definition of pre-seed is evolving. Traditionally, pre-seed was referred to any financing that occurred prior the first intuitional stage. But today, with more VC funds investing in pre-seed companies than ever, pre-seed is turning into an actual stage of investment within the industry.

Earlier-stage rounds

Series A

Series A financing is the first formal round of venture capital financing.

Financing sources:

- Accelerator
- Corporate VC
- Equity crowdfunding
- Incubators
- Large multi-stage VC funds
- Small-to-medium VC funds

Series B

After Series A rounds, Series B is the next formal round of VC financing.

Financing sources:

- Accelerators
- Corporate VC
- Equity crowdfunding
- Incubators
- Large multi-stage VC funds
- Series A investor(s), plus additional VC(s)
- Small-to-medium VC funds

Later-stage rounds

- Series C
- Series D
- Series E
- Series F
- Series G
- Mezzanine
- Bridge
- IPO

A closer look at seed and early-stage funding rounds

How do seed and early-stage funding rounds stack up? See the table below.

	Seed	**Series A**	**Series B**
Average funding range	$1M-$5M	$2M-$20M	$2M-$20M
Stage of development	Small team, product development and/or testing, low-to-no revenue	Growing team, finding product-market fit, growing revenues	Growing team, finding product-market fit, growing revenues
Application of funding	Building and testing the product, defining goals, getting it into the market	Building or iterating on the business model, lining up distribution, launching a product, hiring a team, adding new customers	Scaling the team, increasing revenues, taking the market
You know you're ready when...	You have a minimum viable product (MVP) to showcase to investors to help them understand the problem, the solution and why the capital is necessary for growth	Your MVP has been created and shipped, and iterations on that product have been implemented to some degree	A product is continuing to be developed, but new markets need to be approached and additional sales growth and development are needed
What to look for in an investor	In-depth knowledge of the market your company is in, a deep understanding of the challenges that might arise in product development and launch and a strong network of other investors that can help with future equity raises	The ability to help ramp up sales, develop an approach to marketing a company's products and a history of doing the same for other companies within your industry	The ability to help ramp up sales, develop an approach to marketing a company's products and a history of doing the same for other companies within your industry

So, you think your startup is ready for funding?

Congrats! That's amazing—it means you've built something really special, and the promise and potential of your startup's offerings are fueling your fire to reach the next level. Read on.

The pros and cons of self-funding vs. external funding

Before we dig into the pros and cons of self-funding vs. external funding, let's take a peek at a few companies that chose to self-fund (at least to start) and a few that exclusively took in VC funding. The takeaway? Both are viable paths to consider, and every founder's journey through the process of fundraising for their startup looks different.

Companies that self-funded

Company	Headquarters	Founded	Market cap	Founding story
Atlassian	Sydney, AU	2002	$46.48B	Self-funded until 2010. IPO'd in 2015.
Shutterstock	New York, USA	2003	$2.33B	Self-funded until 2007. IPO'd in 2012.
Wayfair	Boston, USA	2002	$6.56B	Self-funded until 2011. IPO'd in 2014.

Companies that took in VC funding

Company	Headquarters	Founded	Market cap	Founding story
Poshmark	Redwood City, CA, USA	2011	$794.38M	Secured seed-stage VC in 2011. IPO'd in 2021.
Palantir	Denver, USA	2003	$15.27B	Secured seed-stage VC in 2004. IPO'd in 2020.
Coursera	Mountain View, CA, USA	2012	$2.20B	Secured Series A funding in 2012. IPO'd in 2021.

*Data via PitchBook as of 5/12/22, data subject to change

Now, let's take a closer look—

Self-funding

The self-funding approach to raising capital for a startup is, well, just what it sounds like. Also known as bootstrapping (of the "pull yourself up by your bootstraps" variety), self-funding involves an entrepreneur leveraging their own resources—their personal savings, friends and/or family or bank debt—to finance their company's growth. Bootstrapping founders are not raising capital for their company's future through fundraising efforts targeted at VCs. However, if a founder wants to bootstrap but can't tap into their own savings or family money, they may need to take out a small-business loan, also called an SBA loan.

Benefits of self-funding

1. Founder(s) retain full ownership of the company and 100% of its profits
2. Founder(s) maintain more control over the direction of the company
3. Founder(s) *truly* work for themselves—they aren't required to give away board seats to investors, whom they'll ultimately need to appease to raise more capital down the line

Drawbacks of self-funding

1. Founder(s) without sufficient personal capital, or proximity to it, may need to take on more debt than those who seek external funding
2. Bootstrapping is a financial risk for the founder(s), whose personal finances are then enmeshed with the business
3. Businesses that are self-funded tend to grow more slowly

External funding

External funding includes any capital raised or acquired from sources outside of the company or founder(s) themselves, inclusive of all venture capital funding rounds.

Benefits of external funding

1. The money founder(s) raise via VC fundraising is theirs to use however they see fit
2. VC capital can help a startup scale up—posthaste and on the double
3. Founder(s) may benefit from access to venture capitalists and their extended networks, paving the way for knowledge transfer and expertise sharing the founder(s) may not otherwise glean

Drawbacks of external funding

1. Raising funds to keep the lights on is a laborious process for founder(s); perfecting a pitch, identifying a target list, reaching out, shopping your proposal and scheduling follow-up meetings is arduous (it is, however, *easier* with PitchBook), especially when you're running day-to-day operations at a company simultaneously
2. Founder(s) have less control over their company; investors own a stake in the startups they invest in and with their own bottom line tied to the company's performance, they often want a say in decision making
3. Raising too much capital too early is one of the primary reasons startups fail; scaling too early could lead to inefficient spending that won't tee up a company up for longer-term success

Self-funding vs. external funding: Which is right for you?

To help you discern whether self-funding or external funding may be a better fit for your startup, add a checkmark in the A or B column to indicate which sentiment is most closely aligned with your unique journey as a founder, taking into consideration the realities of where your company is now, where it's headed and what your team needs most. Not sure how to answer? Go with your gut. Your intuition has gotten you this far already—don't doubt it now.

A			B
A. You prefer to call the shots when it comes to plotting out the longer-term trajectory of your company	☐	☐	**B.** You are open to input and believe other perspectives will ultimately lead your company to a better position within the marketplace of ideas
A. You have your personal finances situated in a way that if the business were to experience hard times, you'd still be able to meet your own basic needs and fulfill your financial obligations	☐	☐	**B.** If your company were weathering a period of prolonged hardship and operations were tied to your personal finances, it would be difficult or impossible for you to continue meeting your own, personal financial commitments (rent, mortgage, bills, loan payments, etc.)
A. You have a vision for the future of your startup fleshed out—you're not looking for significant feedback that would alter that path	☐	☐	**B.** While you have a good sense for where you'd like to see your company go over the longer term, you're not set on one particular path or destination

A. You like when processes are streamlined and simple—in your experience, too many cooks in the kitchen doesn't typically lead to a better end result

B. You appreciate wading through the muck of a complex set of considerations; you know your own limitations and blind spots and you welcome expertise from others—you believe it will ultimately strengthen your startup's offerings

A. You have access to personal savings and/or a robust network of friends and family that you'd feel comfortable approaching about a potential business loan

B. Realistically, you, your co-founder(s) and your combined personal networks don't have the type of deep pockets you'd need to float the business for a period of months or years

A. You are deeply connected to the mission and values of the company you're building, and as such you're hyper-vigilant about input and suggestions that would introduce potential deviations from either—even over the shorter term

B. You know the value of your offering in a competitive marketplace overall; as long as that value is maintained, you're less concerned with iterative next steps and open to feedback about specific tactics to reach your next milestone and longer-term goals

A. You're not in a rush—slow, deliberate growth is a priority for you

B. You're ready to grow and scale... like, yesterday; you're eager to get your product or service to the market, at-scale as soon as possible

A. The idea of taking on significant debt to be able to move the needle at your startup is not a risk that appeals to you; the pros of access to a large pool of cash don't outweigh the cons associated with paying back on those debts

B. You need access to a large pool of cash in order to do your startup justice; you know you can't get your company where it needs to go on a nothing-burger budget; you're confident that when your startup takes off, you'll be able to repay any debts and still come out on top

Now, tally up the number of checkmarks in columns A and B.

Mostly A

If you checked more boxes in column A

You ought to consider self-funding your startup—at least for now. You've got access to the funding you need through personal and back-channel sources that don't involve inviting more people into leadership (or boardroom) positions. You're not at risk of tanking your personal finances, and with that sorted, you're freed up to do things exactly how you want to do them and at a pace that works for the company you're building. You have the opportunity to be slow(er) and more deliberate, so you and your team may be less likely to make major missteps—and if you do, there's time to assess and chart a new, better path.

Mostly B

If you checked more boxes in column B

You should consider seeking external funding for your startup. You have an incredible idea and you know your product or service offers (or will offer) a differentiated solution to a pervasive pain point, but you're open to fleshing out the finer details with a tenured network of pros. In fact, you believe that your company's offerings will ultimately be strengthened by inviting new voices into the room. Right now, you don't have access to the funding you'd need to fuel the growth your company is capable of—outside of VC. And you're willing to put in the work to get the cash in hand you need. While you're detail oriented, you also want to move forward and fast—why hit the brakes now?

Equal A/B

If you checked an equal number of boxes in columns A and B

No worries! It's not written anywhere that once you choose to explore self-funding or external funding that you're locked into that track forever. Plot a trajectory that leaves the door open to a combination of both. Consider going as far as you can with what you've got direct access to right now, today. When you approach the point of exhausting those resources—financial or otherwise—switch gears. Bring in the heavy hitters when the timing is right (e.g., when you've established profitability and need an infusion of cash to level up).

Your sights are set on securing VC funding. Now what?

Before we dive in, let's take a quick look at some of the most active seed stage, Series A and Series B investors. Using data from the PitchBook Platform, the table below highlights top investors in each funding round by number of investments made in the past five years. The takeaway? There are plenty of opportunities across all funding rounds to secure the capital you need.

Top 8 seed investors by number of seed stage investments (2017-present)

Investor name	Deal count	Most recent seed investment amount	Company name
Internet Initiatives Development Fund	126	$1.4M	Careerist
Expert DOJO	84	$0.2M	Lifechart
Think Bigger Capital	82	$0.2M	Kupay
Hatcher+	72	$0.3M	Moja Ride
APX	65	$2.1M	Unown
Jumpstart Health Investors	54	$6.0M	Cellevolve
Ideaship	38	$6.5M	DeepSurface Security
Latitud	36	$5.0M	Morado

* Data via PitchBook as of 5/16/22; date range 1/1/17-5/16/22
**Seed Investors defined as investing 75%+ of all deals in seed stage
***Investment amount represents total amount of round, not investor's individual contribution

Top 8 Series A investors by number of Series A investments (2017-present)

Investor name	Deal count	Most recent seed investment amount	Company name
BlocTech Investment Group	27	Undisclosed	LDX Asset Management
Redline DAO	16	$8.3M	Neptune Mutual
Redesign Health	15	$25.0M	Jasper
Grains Valley Venture Capital	15	Undisclosed	No.1 Career
Guinness Ventures	14	$4.2M	Dragonfly AI
Maintrend Capital	12	Undisclosed	Dosec
Evok Innovations	12	$58.5M	Sanctuary AI
Capital Nuts	12	Undisclosed	Bigverse

** Data via PitchBook as of 5/16/22; date range 1/1/17-5/16/22
**Series A Investors defined as investing 75%+ of all deals in stage A
***Investment amount represents total amount of round, not investor's individual contribution

Top 8 Series B investors by number of Series B investments (2017-present)

Investor name	Deal count	Most recent seed investment amount	Company name
KDB Investment	9	$30.0M	Virnect
Mesa Verde Venture Partners	7	$68.0M	Glycomine
CITIC Medical & Heath Group	7	$47.1M	JYSS BIO
Oppo	6	Undisclosed	Ykccn.com
TPG Alternative & Renewable Technologies	5	$13.7M	Ambar
Mango Cultural and Creative Fund	5	$14.8M	Meipian
Hyundai	5	$20.9M	Morai
Epiphron Capital	5	$16.0M	Clarapath

** Data via PitchBook as of 5/16/22; date range 1/1/17-5/16/22
**Series B Investors defined as investing 75%+ of all deals in stage B
***Investment amount represents total amount of round, not investor's individual contribution

Now it's time to suss out whether you and your startup ought to be vying for seed round or Series A funding. Here are some key considerations:

How do seed stage and Series A funding rounds compare?

Both occur in the early stages of a startup's VC fundraising efforts and both tend to represent lower relative dollar values when compared to later-stages (Series C, D and subsequent rounds). Additionally, seed and Series A funding are both leveraged to dial in a startup's core offerings, business plan, team, launch plan and market viability—all the steps necessary to set a company up for success into the longer term. Here are some differences to consider:

1. The amount of capital a startup can raise is typically less at the seed stage ($1M-$5M) than in a Series A round ($2M-$20M).

2. Because of the smaller price tag, seed stage funding can come with fewer strings attached. Investors stand to lose less if a seed-stage company they've invested in doesn't pan out.

3. Seed funding typically includes a larger group of participating investors, giving founders access to a more robust network and pool of expertise.

4. An infusion of Series A funding can be used to ramp up quickly, but with VCs investing higher dollar amounts, the pressure to perform (or outperform) is higher.

Can you make it through the seed phase with your own money?

We discussed in a previous section that it's totally possible to fund a startup through a combination of self-funding and externally sourced venture capital funding. All the pros and cons of self-funding discussed earlier apply here too—from retaining equity and control to putting your personal finances at risk and traversing a slower path toward growth.

Should you skip seed funding and go straight to Series A?

If you already have a strong business model, a viable product and revenue, you can choose to forego a seed round. Moving right along to Series A, you'll have access to a larger sum of capital—and quickly.

However, keep in mind, this consideration relies on the assumption that the names of these rounds are very important. But, sometimes, they're just not.

There's no major benefit to skipping a seed round necessarily, unless you're a developed business already. If you're eight years into building your company and you're just trying to raise capital, you might skip the seed stage. Seed stage companies have a connotation of being emerging, not yet fully defined or focused, which a more established business may want to bypass. That said, you can raise a Series A or Series B round for your first round.

How long does it take to get VC funding?

You should be ready to hit the grindstone for at least six months. Some startups are able to raise the capital they need in three months, while others may take a year. You're playing the long game here, so be prepared for anything.

A gameplan for VC interactions

Now that you know what round of funding you'll be vying for, let's get down to brass tacks.

Step 1

Identify the investors that align with your values

No two VC firms are the same, and every investor brings their unique perspectives, preferences and values to a pitch meeting. Finding the right investors—the ones uniquely suited to help your startup reach its maximum potential—is vital. Here are some questions to ask yourself, as you begin to evaluate your must-haves and nice-to-haves when it comes to potential general partners (GPs):

- How active would you like an investor to be? Are you interested in an active, vocal player—someone who will help shape your vision and mold your business? Or are you looking for an investor that will stay in the background?
- Where is the firm headquartered and where are its satellite offices?
- What does the firm's previous investment performance look like (e.g., amount invested, pre- and post-money valuations)? Have its other portfolios gone on to raise more capital?
- How does the firm compare to other firms that you are targeting for investment?
- Does the investor focus on startups in specific industries, verticals or emerging spaces?
- What other deals has the fund manager led?
- What firms have they co-invested with in the past?
- How much dry powder, or cash on hand, does the firm have?

The view from across the table

As you vet potential investors for alignment with you and your company, they'll be doing the same. Here are some questions that investors will ask themselves when evaluating your startup, to see whether it's a fit for their firm's investment portfolio:

- Are there any challenges this company might face relative to the industry or vertical it's operating within?
- What does the competitive landscape look like—who are the major players and up-and-coming heavy hitters operating in the same space?
- What can I glean about this company by looking at its revenue figures, cap table and financing history?
- What's the executive team's track record, and do they have the right mix of experiences to grow a business?

Finding the right investors with PitchBook

Leveraging the PitchBook Platform, founders can:

- Get key information about hundreds of thousands of investors, including firms' assets under management (AUM), available dry powder and office locations
- See VCs' investment history at a glance, including deal size, type, industry and geography
- See a firm's investments and portfolio company exits
- Get need-to-know details on exits and buyers
- Assess firms' investment trends and exits by industry and type, broken down by number of deals, median deal size and last investment date
- Curate a list of investors who are active in your industry and region
- Get to know who's on a firm's investment team with details on the deals they've led, funds they've run and board seats they've held
- See the number of deals a lead partner has participated in and across which industries
- Dive into an investor's funds and performance data
- View details on a firm's co-investors, parsed by year, series and industry

How StradVision uses PitchBook to find international investors

South Korea-based software company StradVision enables autonomous vehicles to recognize objects, understand what they are and how to interact with them. Hyung-Tae Kim, the company's VP of Finance, says it can be hard for Asian companies to raise funds abroad, especially in the West.

Using PitchBook, Kim and his team can target the right North American investors—considering their past investments, dry powder and more.

STRADVISION

"It makes our pitches and meetings more efficient and relevant, since we know who we're talking to and what they're interested in before we talk to them," Kim says. "PitchBook is a wonderful platform to acquire critical financial investment intelligence."

Learn more about how StradVision uses PitchBook

Step 2

Perfect your pitch

With a list of potential investors in hand, it's time to dial in your pitch. How can you do that? To find out, we connected with Carrie Colbert, founding and general partner of Curate Capital—a PitchBook client.

Founded in 2020 and headquartered in Houston, the venture capital firm focuses on funding early-stage, female-founded startups.

> **"When it comes to pitching, I want to know what problem you're solving, how you're solving it and why you are uniquely suited to address the issue."**
>
> — Carrie Colbert, Curate Capital

To give an effective presentation that addresses exactly why a GP should invest in your company, you should be able to speak to:

The industry and your startup's unique place within it

Investors are often experts in your company's industry. To make sure you're on equal footing, do your homework and clearly demonstrate that you know your market. Track your competitors closely and be ready to convey your company's key differentiators. "The startup world is crowded," Colbert says. "Being able to articulate what differentiates you makes a big difference to investors."

The evolving market landscape

Actively research market participants in your sector and beyond and be able to define your current market landscape—including market size. "Understanding the market at large shows an investor that you've thought beyond the myopic perspective of your company in isolation," Colbert adds. All the better if you've got presentation-ready market maps to help reinforce your assessments.

How the investor will make a profit

An exit may seem distant, but it's top-of-mind for investors. Show them how they'll profit from investing in your startup, via a well-planned exit. "I want you all-in on building your business for the long haul, while being keenly aware at the same time of who might ultimately acquire your company," Colbert says. "It may sound a bit paradoxical, but it's imperative that you, as a founder, hold both perspectives at the same time: commitment to building with an eye on the exit."

STEP 2 CONTINUED

The anatomy of a pitch deck

Pitch decks are meant to provide visual support for what you say during your pitch meeting. As a general note, pitch decks should be clear, concise and straightforward. Here are a few format and content suggestions to get you started:

Pitch deck template

Title
Company name, logo, one-line elevator pitch describing what you offer.

Problem
What is not working about the way things are right now?

Solution
How does your startup solve the problem mentioned in the previous slide?

Traction
What numbers-based indicators can you point to in order to show you're onto something?

Target market
Who is in your addressable target market?

Competition
Who are your competitors and where do they fall short compared to what you're building?

Vision
Where is your company headed, and how will you get there?

Team
Who's helping you along this journey, and why are they the right people for your company?

Use of funds
What's your next milestone, and how much additional capital will it require?

*Adapted from Y Combinator

Step 3

Approach your target list of investors

At this point, you've got a lot going for you: A target list of investors whose preferences align with your company and its industry, a compelling pitch you can confidently rattle off in your sleep and an accompanying deck that helps tell your story. Now it's time to put everything into motion. It's time to hit send on some initial intro emails to investors. Here's a template you can use for inspiration:

To:

From:

Dear [investor name],

[Quick, personalized statement to show that you've done your homework on this investor.]
I'm the [title] of [company], which is a [description of your company and the problem it solves].

[1-2 sentences describing the pervasiveness of the problem, your company's specific solution and how it's differentiated from others in the market]. Because you focus on [industry], I wanted to share some information about where we are in our journey.

We initially launched on [date], and since then, we've achieved a number of milestones:

- Acquired [#] of [customers/users/subscribers/members], including [name a few, if possible]
- Assembled a world-class team representing experience from [name a few companies]
- Achieved [specific revenue metric] of [$#]
- [Other relevant metric, like growth rate %, $# in monthly recurring revenue, repeat order rate %]

Now we're looking to raise a [$# pre-seed, Seed Series A, Series B round] to [main goals of this capital raise], while continuing to build out the existing product with new features.

[Personalized paragraph about why you want this investor on your team, what value they can provide your company, and an acknowledgment of what issue areas have—or expect to—that they can help advise on.]

Thanks for your time, and I look forward to hearing back from you.

Warm regards,
Your Name

*Adapted from Elizabeth van Rooyen

Presagen
AI Enhanced Healthcare

"PitchBook helped us target suitable investors for our Series A raise. Great tool for startups to assist with raising money."

— Don Perugini, Founder and CEO, Presagen

Step 4

Give a pitch presentation that wows

Having completed steps 1-3, this should be the easy part—right? You've done your research. You've done enough due diligence to know which investors might be a fit. And, importantly, you've secured time on their packed calendars. You're prepared with, and able to speak authoritatively to, your startup's story and key offerings, its positioning within the market and the opportunity they have to profit by investing.

But the cold, hard truth? Despite all that, presenting in person isn't easy. Telling a compelling story succinctly to a person whose job entails hearing many similar spiels is hard. The good news is that the more you do it, the easier it gets. And with every presentation given, you have more experiences to pull from, evaluate, refine and retool over time.

A founder's point of view on pitching

"As a founder, your job is to sell a vision, communicate a story and get people to buy in. The reality of it is you shouldn't be able to convince everyone because if you could, then your thing would be so obvious, and there would be no market opportunity. While objectively that sounds true, it can be hard in the moment when you're going out and pitching this thing you really care about.

My biggest takeaway is that not everyone is going to see what you see, and they don't need to. While I may not have liked all the feedback I've gotten, I try to disassociate myself from it personally and say, 'Okay, what can I do better? How do I continue to refine my approach and process? How do I leverage my strengths to better position myself and this company?' It's about resilience and persistence."

—Trevor Rozier-Byrd, Founder, Stackwell Capital

How to make a lasting impression—from a VC's perspective

Curious about what you can do to stand out from the pack of founders vying for startup capital? We touched base with Linda Greub, managing partner of Avestria Partners—a PitchBook client. The San Francisco-based VC firm funds early-stage women's health and female-led life sciences companies. Here are a few things that catch Greub's eye during a pitch meeting:

"Number one: preparedness, a clear presentation, an ability to answer questions thoroughly and thoughtfully—even if the answer is, 'I'll have to get back to you.' Timely follow-ups, if there are any after an initial meeting, and an awareness of Avestria's thesis. You'd be amazed at the number of companies that reach out to us that haven't read our investment thesis in advance."

"We're also impressed by companies that are looking ahead. For healthcare specifically, founders can demonstrate that characteristic by giving an overview of regulatory and reimbursement plans, sharing ideas for potential partnerships and having an exit date and potential acquirers in mind. Obviously, things can change, but we like to see that the company is looking long-term."

"We look for founders and funding teams that can recognize future challenges. That awareness on their end allows us to see if and how we can truly add value as their investment partner."

— Linda Greub, Avestria Partners

NORTH FORGE

"In 10 months, PitchBook has helped eight of our founders with capital raises. It has led to more than 26 pitches in the last four months alone."

— Joelle Foster, CEO, North Forge

Reminder: You've got this—your most unique offering is you

There are many component parts related to securing VC funding for your startup. There's a lot to remember, a lot to get right and a lot of what-ifs. It's stressful. But when you hit send on that email, or take your place at the front of a conference room, remember that you—your game-changing ideas and the hard work you put in up to this point—are what got you here. **You** got you here. Take up that space, tell your story and get what you came for.

And maybe you'll get something wrong along the way. A misstep is a meaningful opportunity to hone your approach—something founders don't tend to shy away from. With ample prep and the right pivots, you'll bounce back after any setback.

PitchBook
Win what's next

What to do after you've secured VC funding

Whew! With capital secured, take a beat to recognize all you've accomplished so far. Developing a business plan, crafting a pitch, connecting with investors, effectively telling your story and the value proposition of what you've built to investors again and again... that's not easy.

That said, now it's time to implement the plan you've crafted diligently over time.

It's time to: hire a team, build out your company's offerings, reach that next milestone—and then do it all again.