

Pitching To Angel Investors:

*5 Questions To Get Right
Before Pitching*



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As an entrepreneur, you will face questions and challenges as you start and grow your business. Whether you are launching a new startup or seeking funding for an existing venture, there are critical factors that investors will evaluate to determine the feasibility and profitability of your business. In this ebook, we will explore some of the key question areas you should be able to answer to attract investors and position your business for success. We call these questions the 5 “T”s.



What is your TRACTION?

Traction is the ultimate proof of concept for your business. It shows that your customers are willing to pay for your offering and that your sales are trending upwards. The ability to demonstrate traction is critical when seeking investment, as it provides investors with confidence in the viability and potential of your business.

If you can demonstrate that your product or service is in high demand, investors will be eager to get on board and support your growth. Achieving traction early on can also set the stage for long-term success, indicating that your offering has staying power in the market.

Traction is about hitting sales targets and building a loyal customer base and establishing a strong reputation in your industry. When investors see that your business has achieved traction, they are more likely to see the potential for continued growth and profitability in the years to come.

So if you're looking to secure investment for your business, be sure to focus on demonstrating traction. Show investors that your offering has what it takes to succeed and that you're ready to take your business to the next level.

Can your **TEAM** execute?

Having a team with the right skill set and expertise is a crucial factor in the success of any business. When attracting investment, investors want to see a team that can execute their vision and successfully brings their product or service to market.

A strong team is often a key factor that sets successful companies apart from those that struggle to gain traction. Investors are looking for teams with diverse skills and experience, including a CEO who can lead the company, a technical co-founder who can develop and innovate the product, and a proven sales and marketing professional who can drive revenue growth.

In fact, many investors prioritize the team over the product or service itself. Instead, they would invest in an A team with a B product rather than a B team with an A product. This is because they know that a strong team can adapt and pivot their product or service as needed to meet the market's demands and ensure long-term success.

Ultimately, having a team that can execute is essential for securing investment and driving growth in any business. Whether you're an entrepreneur looking to attract investment or an investor looking for high-potential opportunities, it's important to focus on building a team that can deliver results.

What is your TEN-X POTENTIAL?

The concept of Ten-X potential is a crucial consideration for investors seeking high-growth opportunities. Simply put, it represents the potential return on investment an investor can expect if they invest a certain amount of capital in a business. The goal is to generate a return of at least 10 times the amount of the initial investment.

For entrepreneurs, having a clear understanding of their Ten-X potential can be a powerful tool for attracting investment. By demonstrating a strong potential for high returns, they can capture the attention of investors and secure the funding they need to fuel their growth.

At the same time, investors must carefully assess the Ten-X potential of a business before deciding to invest. This involves analyzing factors such as the market size, competition, scalability, and overall growth potential of the business.

Ultimately, the Ten-X potential represents the potential for exponential growth and significant returns on investment. Whether you're an entrepreneur seeking funding or an investor looking for high-growth opportunities, understanding and maximizing your Ten-X potential is essential for success.

How will you manage TECHNOLOGY and other risks?

One of the most critical factors that investors consider when evaluating potential investment opportunities is the sustainability of a company's competitive advantage. They want to see that your business can withstand the challenges posed by technology and market risks and continue to deliver value to customers over the long term.

To demonstrate a sustainable competitive advantage, investors will want to see evidence that your idea or technology is protected and that there are significant barriers to entry for competitors. They will also look for a proven track record of success and a clear understanding of your target market.

In addition, investors will want to understand your business model and the potential for recurring revenue. They will want to see that your company can operate with a low headcount, that you have high margins to ensure profitability, and that you have a viable exit strategy.

Ultimately, demonstrating a substantial and sustainable competitive advantage is essential for securing investment and driving long-term growth in your business. By focusing on protecting your idea or technology, understanding your target market, and building a profitable and scalable business model, you can create a compelling case for investment.

What are your TERMS?

When seeking investment, it's essential to have a clear understanding of the terms you're requesting from investors. This includes considerations such as your company's pre-money valuation, the amount of funding you seek, and the ownership stake you're offering in exchange for investment.

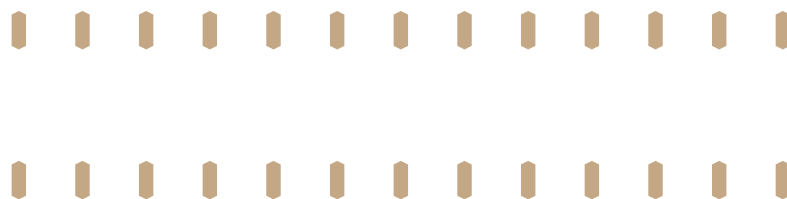
Investors will want to see that your current round of funding takes your company to profitability and that you have a viable plan for raising sufficient capital to achieve your goals. They will also look for evidence that you have letters of commitment from other potential investors and that you're offering at least 20%+ ownership in your company.

It's also important to understand the market norms when it comes to deal size and geographic focus. Angel investors, for example, typically invest within a 100-mile radius of their residence and have a high end of around \$750,000.

Ultimately, investors want to see that you clearly understand your financial needs and that you're offering a fair deal in exchange for their investment. By demonstrating a solid plan for raising capital and setting realistic terms, you can increase your chances of attracting the investment you need to drive growth and achieve success.

In conclusion, these are some of the key questions you should be able to answer to attract investors and position your business for success. While each investor may have different criteria, being able to answer these questions will demonstrate that you have a well-planned, viable business that has the potential for profitability and growth.

Interested in specific questions that Angel Investors ask? Read on - >



Are you ready to take your pitch to the next level but need more help? We know it can be tough to prepare for intense questioning from investors. But don't worry, we've got your back!

Our comprehensive assessment tool, available now at

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is designed to help you prepare for pitching to angel investors. With years of experience screening deals for the Utah Angels, a coalition of private investors who have invested over \$100 million in successful companies like Omniture and Skull Candy, our assessment offers valuable insights into the questions investors are likely to ask.

By taking this assessment, you'll get a comprehensive evaluation of your business and identify areas where you may need to improve. You'll also get expert advice on how to present your business in the best possible light. Whether you're a seasoned entrepreneur or just starting out, our assessment is the perfect tool to help you evaluate your readiness for investment.

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