



Fund Raising 101

for first time entrepreneurs



The SWAN Impact Angel Network



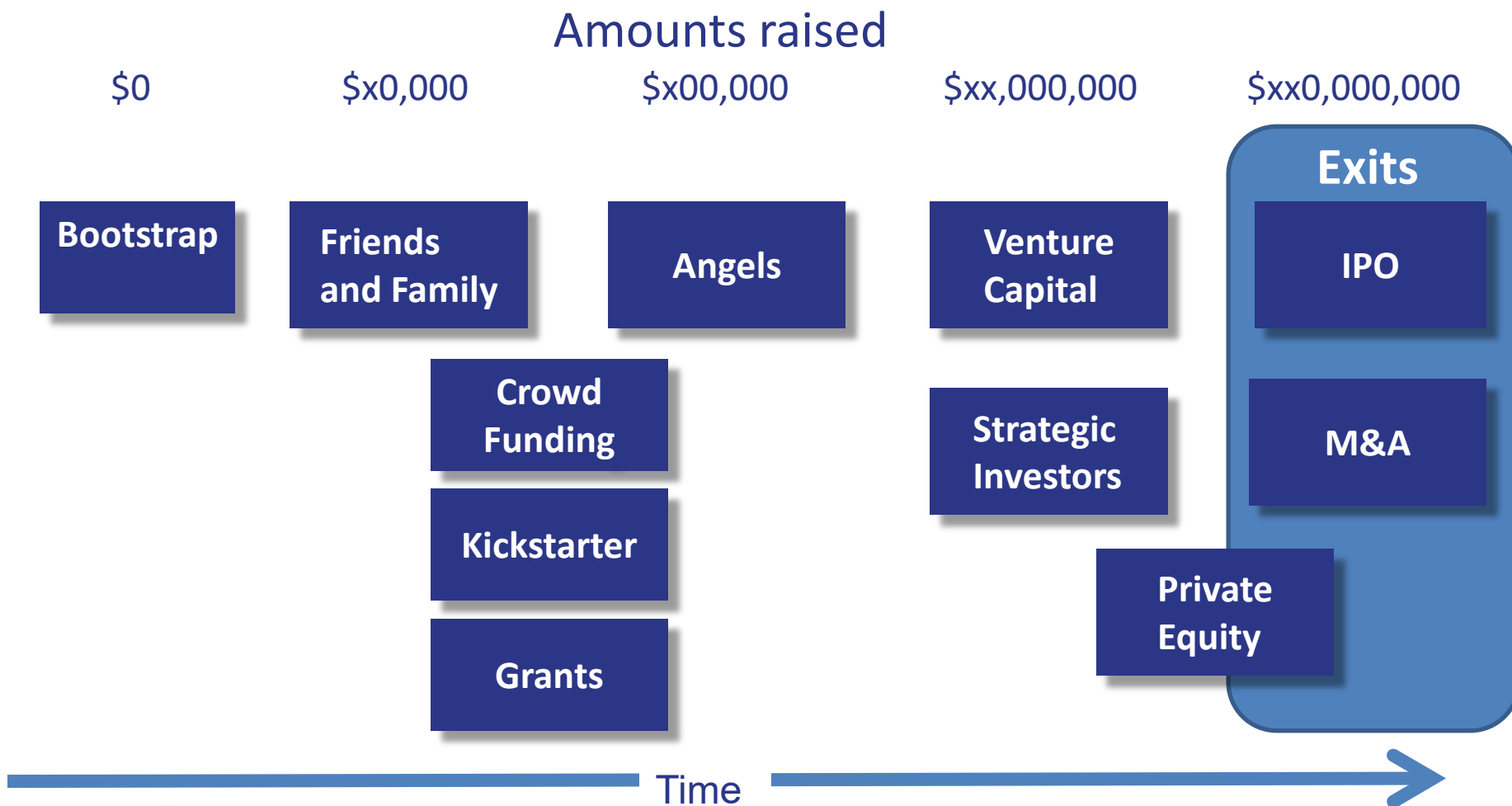
Focus

- We invest in social and environmental impact companies
- We affirmatively support founders who has historically been excluded from funding

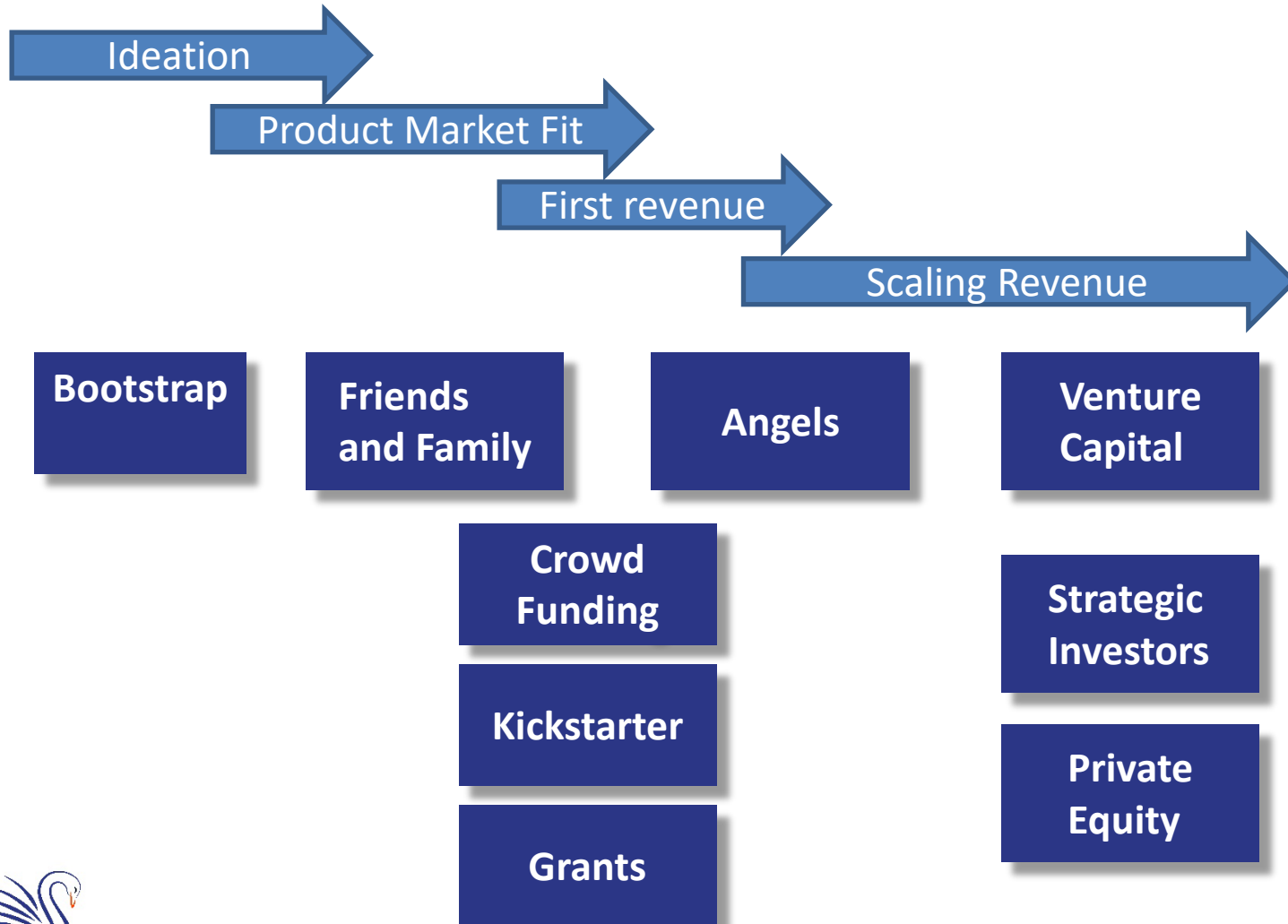
Stats

- 85 angel investors
- Chapters in Austin, Dallas and Houston
- First investments in 2016
- To date, have invested \$12.6 in 32 companies
- Per year, we evaluate about 280 companies and fund about 6 to 8

Stages of Fund Raising



What funds are used for



Timelines

**Company
creation**

**Angel
Investments**

**Venture
Capital
Investments**

Exit

Year 0:
Employees get
common stock

Years 1-2:
Angels make loan
to company or
buy preferred
stock

Years 3-5:
VCs buy
multiple rounds
(A/B/C..) of
preferred stock.
Any angel loans
convert to
preferred stock.

Years 7-10:
Investors and
employees can
cash out

First Steps

- Learn, learn, learn and test your ideas
 - Most importantly, from potential customers
 - Get advisors on board
 - An accelerator can be extremely helpful
- First version of a pitch deck and financial model
 - Deck covers all the typical topics
 - Product, market, sales, technology, finances, competitors, etc.
 - Get feedback from friendly reviewers
 - Where are the holes?
- Keep refining the pitch until you feel confident that the plan makes sense



Checklist: before very first investor pitch

- ☐ 100 potential-payers interviews
- ☐ Solid conviction about product-market fit
- ☐ If a software company: Minimally Viable Product (MVP)
- ☐ If a hardware, pharma or materials company: patent application(s)



Topics to be included in an Investor Pitch

Team

Product –
Technology &
Competitive
Advantages

Market
Opportunity

Sales
Approach

Impact
Efficacy
(if you have an impact
mission)

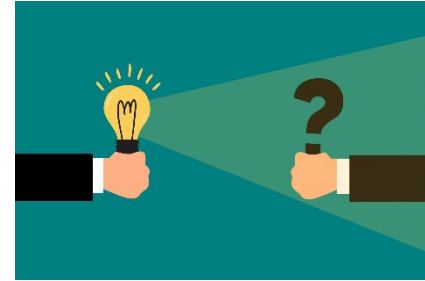
Finances

Deal Terms

Corporate
Structure -
Governance

Exit
Opportunity

Key Investor Questions



- Competitive advantage
 - How will you maintain competitive leadership for 7 years, until an exit?
- Sales and go-to-market
 - What specifically will your sales team be doing to ramp sales starting in year 2 or 3? Show that you understand the specific sales challenges that you will face.
- Team
 - The team is likely incomplete in terms of skills and knowledge. How do you compensate for that?
- Exit potential
 - What acquisitions are happening in your general market area?

Raising Funds is a Real Slog



- Iterative / non-linear process
 - 1 step forward, followed by 2 steps sideways or backward
 - Emotional roller coaster
- Raising money can be a full-time job for CEO
 - 6-12 months per round



Sign up for our email list
and apply for funding at
<https://swanimpact.org>