

India Kitchen Congress

Mentoring session - How to raise funds from a VC

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Two Waves - Startup 1.0 and now 2.0

First wave - 1.0 - 2012 to early 2022

Gap - Funding Winter - mid 2022 to mid 2024, Healthy correction !!

Second Wave - 2.0 - mid 2024 to 2034 - next 10 years

Topics covered

Why do you want to raise funds from a VC

Are you a “VC fundable” business

Understanding a VC’s mindset

What does a VC look for in a startup

Valuations in very early stage of Founder’s journey



Why do you want to raise funds from a VC ?

Ownership, Dilution related thoughts

Investor Relations with a VC, Communication, Answerability

Do you have limited resources to scale your business

Are you ready to hold highest standards of governance in your Co.

Can you facilitate a good outcome / exit for the VC

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Are you a VC fundable business ?

Low Dilution – Cap table

Solving a Large problem, a large Pain Point, Scalability

Absorption of Large amounts of Capital

Asset Light, Technology at the core or as an enabler

Ability to raise subsequent rounds and provide an exit to the VC

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Understanding a VC's mindset

VCs also raise funds from LPs (Limited Partners)

VCs Expect high ROIs, Every Investment needs to be Outlier

Financial Investors, not Strategic, fixed time frame

Essentially they provide capital

What does a VC look for in a Startup Founder

Hustle, Agility and Fire, Ability to Pivot when needed

Well articulated problem statement

Good complimentary team with sound execution track record

Large market opportunity, providing high growth potential

Defensibility – MOAT – Either thru IP or Superior Execution

Valuations – How to justify

A million dollar question !!!

Valuations in Early stage companies

No track record, Pre / Early Revenue

Founders profile – their education background

Founder's past experience of running startups, Serial Entrepreneur

Complementary skill sets of co-founders

IP, Defensibility, Moat

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What to say to Angels on these questions -

What is the valuation at which you are raising

How much are you raising

What's the minimum cheque size

TS related points - When do I transfer funds ?



What to say to VCs / Institutional Investors on these questions

What is the valuation at which you are raising

How much are you raising

Market size is small, it's a competitive space

How do you make your business scalable



Happy Fundraising !!

Thank you

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