



PITCHING TO VCS:

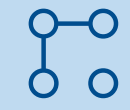
75+ Prep Questions for Startup Founders

Regardless of your startup's stage, all entrepreneurs should anticipate and be ready to address a range of questions during their investor pitch. To help you prepare, the following is a non-exhaustive list of questions venture capital investors typically ask startups gleaned from a range of sources, including online and interviews within RBCx and our partners.

Key areas your pitch should cover

At the beginning of your pitch, your presentation and deck should offer VCs a clear and concise overview of what your business does, why it's worth placing their bets on you, and how you'll deliver a return on their investment. Expect to cover the following points:

- What problem are you solving, and why does it matter?
- What is the business model, and how do you monetize?
- What is unique or proprietary about your product or service?
- What is the competitive landscape and how is it changing?
- What is your market opportunity and how do you plan to capture it?
- What are the revenue and growth models?
- Can your team deliver?



MARKET ANALYSIS AND OPPORTUNITY

03



FINANCIALS

05



COMPETITIVE LANDSCAPE

03



TECHNOLOGY

06



BUSINESS MODEL

04



TEAM

06



TRACTION

04



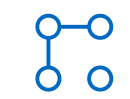
INVESTMENT / DILIGENCE

07



MARKETING AND CUSTOMER ACQUISITION

05



MARKET ANALYSIS AND OPPORTUNITY

1. Is the market completely new, emerging, or already existing?
2. What is your total addressable market size (TAM)?
3. What is your serviceable available market (SAM)? Serviceable obtainable market (SOM)?
4. What percentage of the market do you hope to capture and over what period of time?
5. What kinds of people, groups, or organizations have this problem?
6. How are they managing the problem now?
7. Who is the customer/early adopter?
8. Who is your ideal customer?
9. What trends do you see in the market? How do you track them?



COMPETITIVE LANDSCAPE

1. Who are your competitors? How does your solution stack up?
2. What barriers to entry or scale exist?
3. Where does the competition fail or let customers down?
4. Why won't a huge corporation build something like this and use their existing customer base and capital to capture market share?
5. What are the key differentiated features of your product or service?
6. How rapidly are your competitors growing? How entrenched are they in the market?
7. Why is now the right time for your product or service?
8. Why haven't your competitors done this yet?



BUSINESS MODEL

1. What is your revenue model?
2. Is your product/service offered as a one-time purchase or subscription model? Why?
3. What profit margins are you operating on?
4. How will scaling impact margins?
5. How much support (eg. technical assistance, training) is needed to onboard the customer?
6. Is there a delay between your costs and the revenue you earn from a sale?
7. How can you prove that you have a truly unique value proposition?
8. Would a breakdown of your existing supply and/or sales chains disrupt your ability to deliver?



TRACTION

1. What early traction has the company had (eg. sales, traffic, app downloads, etc.)?
2. How much did you grow in the last quarter? In the past 12 months?
3. How many users do you have? How many paying customers do you have?
4. How big is the churn? What is your retention rate?
5. What is your annual growth rate? What is your total rate of growth?
6. Do you have any strategic partnerships that will help you achieve your goals?
7. What pivots have you already made?
8. What feedback have you received? Do you have any testimonials or reviews from customers about their experience and why they chose you?



MARKETING AND CUSTOMER ACQUISITION

1. How do you plan to penetrate your target market?
2. What are your primary marketing activities?
3. What is your PR, marketing, and social media strategy?
4. What is your go-to-market strategy? How much will it cost?
5. Do you have a direct sales team? How are they compensated?
6. What is the typical sales cycle between initial customer contact and closing of a sale?
7. What is the cost of a customer acquisition (CAC)?
8. What is the projected customer lifetime value (LTV)?



FINANCIALS

1. What have the revenues, expenses, and net income of the business been in the past?
2. How much equity and debt has the company raised?
3. What is the capitalization structure?
4. What are your financial projects for the next three years and are they realistic?
5. What are the 3-5 key metrics you're focusing on?
6. What future equity or debt financing will be necessary?
7. What is your monthly burn rate and current financial runway?
8. How long will it take for you to be profitable? To break even?
9. How will valuation of an exit be determined given market comparables?



TECHNOLOGY

1. Why is your technology unique?
2. Do you have a product/service or prototype that you can demo? If not, how long would each one take to develop?
3. What is the product enhancement roadmap?
4. What key intellectual property (IP) do you own (eg. patents, trademarks, copyrights, domains, trade secrets etc)?
5. What legal risks do you foresee? What are you doing to mitigate them?
6. What comfort do you have that the company's intellectual property does not violate the rights of a third party?
7. Are you aware of any product liability risks? Are there any potential risks to customers?
8. What regulatory risks could impact the business?



TEAM

1. Who are the founders and key members of your team? How did you meet? Do the founders get along?
2. How is the company currently organized? How many employees do you have?
3. How did you come up with the idea? How and when did you get started?
4. What relevant domain experience does the team have in this industry, especially in management, technology, product, sales, and marketing?
5. Did the founders work together in the past? Are any of them related?
6. Who are your board of directors and what are their backgrounds? How are they compensated?
7. Who are the key professionals (lawyers, accountants, auditor, etc) working with the business?
8. How do you plan to scale the team in the next 12 months?



INVESTMENT / DILIGENCE

1. How much do you need? How did you get to this number?
2. What milestones will the financing get you to and when?
3. Is a certain amount already committed?
4. Who else is interested?
5. How much is your pre-money valuation? How did you come up with your valuation?
6. What was the previous pre-money valuation? When was it?
7. Will existing investors participate in this round?
8. What are you looking for in an investor?
9. What are the company's long-term goals? What is your exit goal (IPO or M&A)?

Remember, each question provides an opportunity to showcase your startup's strengths, address potential concerns, and build trust with potential advisors. Good luck, and please reach out to an RBCx Advisor to learn more about how we can help your business grow.