

# How to Convince Investors to Invest in Your Startup

Founders try to convince investors with their pitch but most would be better off if they let their startup do the work. **Understand why your startup is worth investing in**, then explain this well to investors.

**How your startup seem like one of the big successes? You need these things >>>>>>>>**

**Source:** Paul Graham from



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# #1 Formidable

Every startup has reasons to invest and not. If investors think you're a winner they focus on the former, and if not they focus on the latter.

The foundation of convincing investors formidability. **Seem like you'll get what you want, regardless of whatever obstacles are in the way.** Formidable is confident and not mistaken.



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## #2 Truth

To seem most formidable, stick to the truth.

Convince yourself that your startup is worth investing in. To evaluate whether your startup is worthy, you have to be a domain expert. **Investors can tell quickly this by how well you answer their questions.** Know your market well.



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## #3 Market

**You will also need a plausible path to owning a big piece of a big market.** Your target market has to be big, and capturable by you. But the market doesn't have to be big yet. Indeed, it's often better to start in a small market that will either turn into a big one or from which you can move into a big one.



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## #4 Rejection

Rejection will be awkward, because the most common question you'll get is "who else is investing?". The people who are good at acting formidable **solve this by giving the impression that several investors are about to commit.**

The best solution is to explain why investors have turned you down and why they're mistaken.



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## #5 Different

Just be concise. **Many investors explicitly use that as a test, reasoning (correctly) that if you can't explain your plans concisely, you don't really understand them.** But even investors who don't have a rule about this will be bored and frustrated by unclear explanations.



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**So here's the recipe for impressing investors when you're not already good at seeming formidable:**

1. Make something worth investing in.
2. Understand why it's worth investing in.
3. Explain that clearly to investors.



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