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Real Advice for Founders From VC Partners - atrium

Joanna Shevelenko COO, Atrium October 17, 2019

7-8 minutes

Fundraising and perfecting the pitch for early-stage companies can feel like a massive undertaking. At [Atrium Scale](#), we asked four VC partners what they look for in a founder and their pitch, top tips for nailing the presentation, and what founders should look for when choosing the right investors.

Top characteristics that VCs look for in your pitch

Sarah Tavel, General Partner at Benchmark



“What makes me lean into a company is when the founder describes a future that I never would have thought about before. They make me feel like it will be the future and they have a path to get there. Being a founder is an affliction: you’re obsessed with your idea, you wake up every day to do it, and you have the grit and determination to push through.”

Rick Yang, Partner at NEA



“We look for founders with really high capacity. When we think about investing, we think about how the company is going to scale over time. To scale as a company, you need to start with a baseline of capacity. For early-stage companies, founders not only need to think about every single aspect of the business but recognize areas they haven’t thought as much about and take a genuine interest in learning them.”

Connie Chan, General Partner at Andreessen Horowitz



“We talk a lot about founders who have a “secret,” whether it’s knowledge from a previous career or different way of thinking about the world that most people would disagree with. Those are the kinds of companies and founders that we gravitate toward.”

Rick Yang, Partner at NEA



“We also look at taste: design, storytelling, and a founder who really has that secret, like Connie mentioned. These are thoughtful founders that know what will resonate within the consumer experience to get consumers to use their product. This is something we’ve really seen take shape over the past five to six years in many different sectors.”

The biggest piece of advice for founders preparing their pitch

Daniel Levine, Partner at [Accel](#)



“At about seven years old, I figured out I could say something that wasn’t true, and you could get away with it. For a seven-year-old, this is magical. But what you realize over time is that it’s extremely hard to keep track of that. The most important thing for any founder is to just be genuine. It’s not only easier but it will quickly tell whether we’re going to like each other and work well together.”

Rick Yang, Partner at NEA



“This may be controversial, but I process investment and company overview decks really well. It can be 50/50 for which VCs really like getting a polished deck but I personally do because I can synthesize and digest information better that way. Be thoughtful in putting together a deck even though much of the pitch is about building the relationship. We still want to see how you present your business to customers, employees, and future investors.”

Connie Chan, General Partner at Andreessen Horowitz



“Treat the whole task of fundraising like a big project and do your research on it. Going to an event like Atrium Scale is a great place to start. When you’re making your list of VCs you want to talk to, figure out which general partner might be the best place to start. Research whether they have investments in conflicting companies and won’t be a good match for you. Have everything in a [spreadsheet](#), prep your data, and be prepared for the due diligence questions, such as cohorts, engagement, org chart, and cap tables. If you don’t have that data readily available, especially, it can spook an interested VC.”

Sarah Tavel, General Partner at Benchmark



“When people come into pitch, they think it’s all about convincing the investor that they should invest in the company. **But the first order of operations is for founders to be authentic with themselves. They need to make sure they are convincing themselves first that this is a company worth raising money for.** It’s easy to project what you think VCs want and try to solve for that but it can turn into a house of mirrors in terms of what the core of the company is. Convince yourself first that this is something you want to spend the next 10 years of your life on.”

Common blunders founders make during the pitch

Rick Yang, Partner at NEA



“Even if the VC firm is a pretty large company, thinking that the partners don’t talk to each other is one of the things that is the most frustrating on our end. Most venture firms are very collaborative. Having a conversation with one partner, figuring it out it’s not the right fit, and then cold reaching out to another partner without mentioning it is very frustrating.”

Connie Chan, General Partner at Andreessen Horowitz



“During the pitch, especially in seed or early-stage companies, painting a picture of an acquisition in the near future isn’t a good idea. If we get the sense that the founder might sell-off within a year, that’s a big turn-off. If we’re going to give up a board seat and spend a lot of time with this company, we’re hoping this can be a home run—not simply make it to the first or second base.”

How to pick the right investor—and leverage their skill sets

Connie Chan, General Partner at Andreessen Horowitz



“Helpfulness is key, but help comes in many different ways. It can mean that they give you the best terms, that they have management experience that can help you build a large company, or that they know insights about your product or your sector that you don’t that add to your product thinking. Founders should look at where they have personal deficits and find an investor that can complement them”

Sarah Tavel, General Partner at Benchmark



“It can seem like you expect less from your board member than you should. The analogy I always give is if you stop dating before you get married, you’ll never know how great a marriage can be. Just as a great marriage can make you the best version of yourself, a great board member can make you be the best version of yourself and help build the company you want to build. It’s easy to reduce the person on the board to money or control but it’s the right relationship between you both that makes a noticeable difference in building a company.”

Daniel Levine, Partner at Accel



“The most important thing is using the same criteria I use in reverse: you build a great relationship with someone, you like them, you trust them, and you think they can be helpful. People often think about the investing process as zero-sum, which is categorically not what it is. I’m buying equity in you and your company over time. You really want a good match with your investor—you should try to get to know them as well as possible and find out what their firm can do. Sometimes, you might be a great company but you’re just not a match with the investor—and that’s okay.”

To get more tips, watch the full panel discussion below. And to attend our next Scale event, [apply now](#).

Fundraising advice from Benchmark, NEA, Andreess...

