

What It Takes To Raise a Pre-Seed Round in 2020

Afore

4-5 minutes

Got 20 minutes? Afore Capital's Gaurav Jain talked to The Twenty Minute Podcast about the state of pre-seed and VC.

Gaurav Jain, co-founder and managing partner of Afore Capital.

Got twenty minutes? Want a crash course on what it takes to raise a successful pre-seed round, what Afore Capital looks for in a founder, or why the future of seed is pre-seed?

Our own Gaurav Jain, co-founder and managing partner of Afore Capital, just sat down with Harry Stebbings, the founder and host of [The Twenty Minute VC podcast](#), and spilled so much wisdom about his VC experience—well, spoiler alert, the whole episode ran twice as long to forty minutes.

The whole thing is an incredible interview, delivering unique insights on what it takes to be successful in the venture capital environment of 2020, but here's just a taste of Gaurav's best quotes and key insights from the episode:

- **What companies Afore Capital invests in:** "We like to invest in a resonating idea. That means unique product insights, or a novel distribution approach, or a founder who has done incredible things in their industry. They say that pre-seed is a bet, but we don't believe that bet is a game of roulette. Because for the companies we bet on, they might not yet have traction in data, but they *always* have traction in thought."
- **What kind of founders Afore Capital looks for:** "We're looking for a few things. One is authenticity: folks who are building their company not because it's a hot space, but because when you look at the arc of their career, you can see how and why they started their company. Second is a non-obvious product insight or interesting distribution approach—anything that gives a company an 'unfair' insight or advantage in their market. And finally, we look for founders who are maniacally focused. People who know more about this market than people who have followed the business four or five times as long. That shows us that the founders have the high clock speed necessary to move things to the next level."
- **On why he became a VC:** "As a guy who grew up in India, I thought the concept of venture was kind of weird. The idea that someone will trade a wad of real cash for a piece of paper that holds no collateral, merely for a promise on the future? It *is* weird, but over time, I really came to appreciate how venture capital served as the engine for growth, and is a key ingredient of how Americans achieve the American dream."
- **On the difference between being successful in venture, and successful as a founder:** "Ambition and growth is rooted in founder DNA, but success in VC often means you need to fight that inherent desire to expand and grow... to stay in your lane, and get really, really good at what you initially set out to do."
- **On why you need a good pre-seed investor:** "The data bears out it's the hardest time in the last decade to raise your first round. Seed deals are happening later in a company's life, and are harder to raise than ever before. Which is why, more than ever, you need a good lead investor to help catalyze your company for its first proper round."
- **On Afore Capital's role in a world where more Series A funds are entering pre-seed:** "Going earlier is a natural step for Series A funds looking to access deals they would otherwise miss. But people forget VC is a service, not a product, and so it doesn't scale the same way products do. So one-size-fits-all isn't the future, pre-seed specialization is. Which is why we think Series A funds will retreat over time. Because the only way to get really good at something when there's a lot of competition is to go really niche."
- **On the biggest misconception about VC:** "It's an artisanal business about honing your craft. It's not about world domination."

But we're barely scraping the surface. To listen to the full episode on your desktop or mobile, click [here](#), and if you like what you hear, don't forget to subscribe to The Twenty Minute VC podcast on [iTunes](#) or [Spotify](#).