

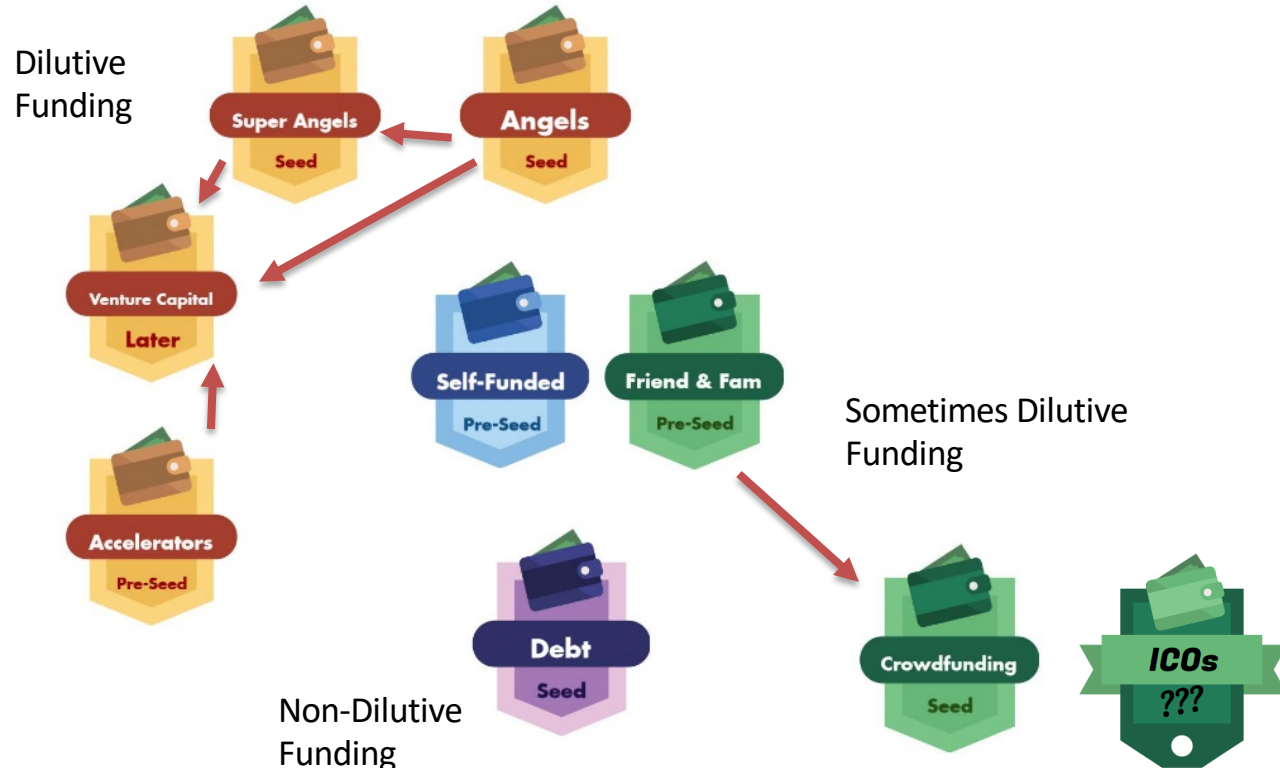
FINANCING PATHWAYS

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Sources of Funding



Sources of Funding



Things to consider

Area	What it is
Funding	Who provides the funding?
Stage of interest	Pre-seed (sometimes “friend and family round”): build MVP Seed: show traction or build prototype A round: start to scale or build final product
Amount of investment	Pre-seed: under \$500k, usually Seed: under \$1.5M, usually A Round: under \$5M, usually
Value-Add	What do investors add, if anything, to your business?
Fund Size	How much money can they deploy?
How they make money	What’s their motive?

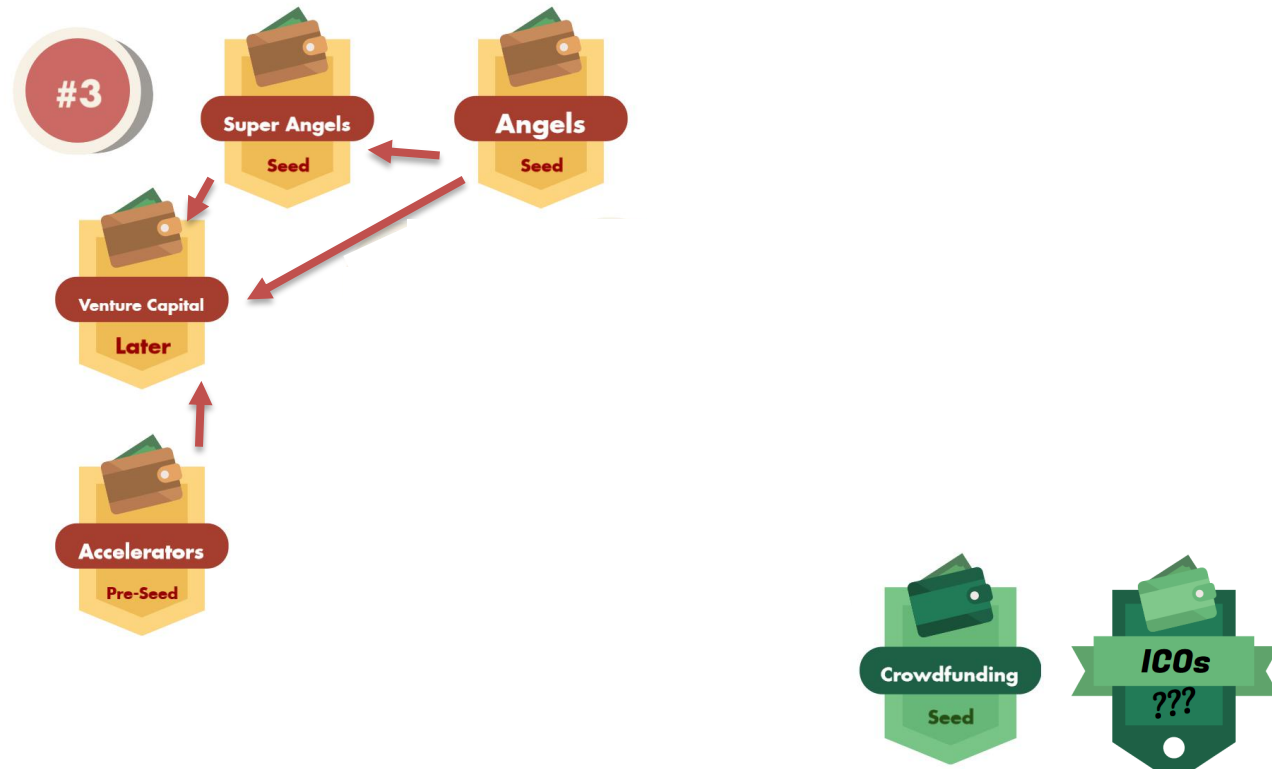
Sources of Funding



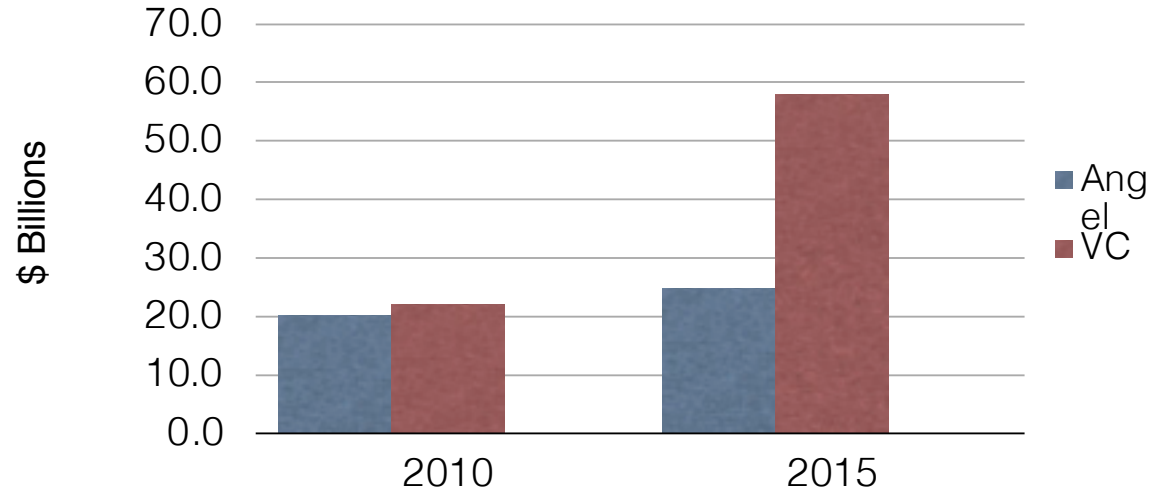
Non-dilutive funding

- Usually all pre-seed
- Differences in type
 - Self-funding and affordable loss
 - Loans
 - Friends and family convertible notes

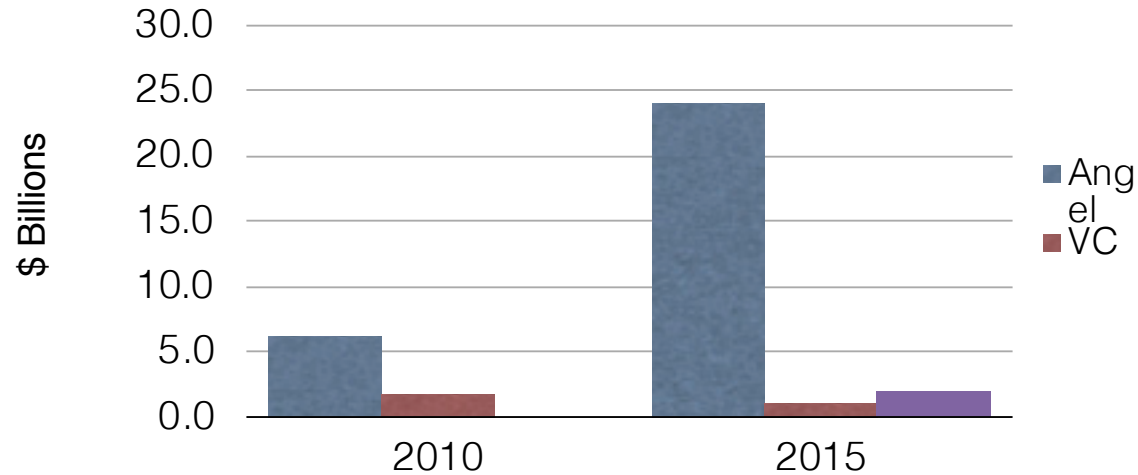
Sources of Funding



Sources of investment



Sources of investment: seed stage



VC vs. Angel vs. “Super Angel” vs. Accelerators

	VC	Angel	“Super Angel”	Accelerators	Crowdfunding
Stage of interest	Round A	Seed	Seed	Pre-seed	Pre-seed
Amount of investment	\$2M+	\$25,000-\$500,000+	Depends	\$20,000-\$100,000	\$100-\$1M
Value-Add	Networks, governance, guidance	Sometimes	Networks, governance, guidance	Initial mentoring, networks	Indirect
Fund Size	\$100M+	N/A	\$10M-\$70M	\$10M-\$30M	N/A
How they make money	Fees and carry leading to large exits	Equity leading to any exit	Equity leading to any exit, fees	5%-10% equity	They don't/ They will

Conclusions

- Many ways to get funding
- Each approach has pros and cons – not always substitutes
- Early choices impact later ones



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