



Can u suggest a method of getting valuation of a pre-revenue startup that has reached product-market-fit , has a competitive position and is addressing a large market.

For valuing a pre-revenue startup that has reached product-market fit, has a competitive position, and addresses a large market, two widely recommended methods are the Berkus Method and the Scorecard Method.

The Berkus Method evaluates up to five key success factors—sound idea, prototype, quality management team, strategic relationships, and product rollout/market potential—assigning each a value typically up to \$500,000. This method aims to reduce risk elements and usually results in a valuation up to about \$2.5 million based on qualitative achievements and risk reduction across these dimensions.

The Scorecard Method benchmarks the startup against average pre-money valuations of similar startups by region and sector, then adjusts the valuation based on weighted factors including management team strength, market opportunity, product/technology, competitive environment, and sales channels. Each factor is scored relative to peers (e.g., better than average = 125%) and weighted to get a multiplier for the base valuation, providing a more comparative and customized valuation.

Both methods suit pre-revenue startups by focusing on qualitative factors such as team quality, product readiness, competitive positioning, and market size rather than past financials. The Berkus method is simpler and risk-focused, while the Scorecard method leverages market comparables and benchmarking for a tailored estimate.

Other methods like Cost-to-Duplicate (assessing the cost to recreate the startup), and Risk Factor Summation (adjusting valuation by risk factors such as technology and market risk), can also supplement these approaches depending on the startup's specific characteristics.^{[1] [2] [3] [4] [5]}

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1. <https://cheqly.com/value-a-pre-revenue-startup/>
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3. <https://www.finrofica.com/news/how-to-value-a-pre-revenue-startup>
4. <https://omnicard.in/blogs/startup-valuation-14092024>
5. <https://marckenconsulting.com/how-to-value-a-startup-without-revenue/>
6. <https://growth91.com/blog/how-do-pre-revenue-startups-get-valued/>

7. <https://www.linkedin.com/pulse/how-value-pre-revenue-startup-dishant-mahajan-zr2xc>
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9. <https://www.forecastr.co/blog/pre-revenue-startup-valuation>
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