**Assignment Day 1 Memo**

**Haas Impact Fund**

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**What are the key features of a startup that all the different investors (impact or not) desire?**

I would outline the general investment criteria for any startup to include some of the following key features:

* **Management Team:** a team with the right skillsets, mindset, and drive for the problem
* **Market Opportunity:** Large enough Total Addressable Market and Serviceable Addressable Market (e.g., at least $500M); reasonable alignment on Serviceable Obtainable Market from top down and bottom up calculations
* **Growth Potential:** thought through a revenue model and ability to generate profits past the initial product idea
* **Competitive Advantage:** good response to “why hasn’t [large firm in the market] already done it?”
* **Exit Strategy:** plausible exit within 5-8 years
* **Matches with the Investor:** this could mean that there’s a personality fit or that the investor mission matches with the startup, etc.

**What is the role of the word “impact” which is consistent with this model (again, consistent with all investors in the list above)? What is the role of the word “impact”, to which you most relate? (This can be the same or different.)**

Based on the descriptions from several of the investors listed above, “impact” is generally used as an addition to the investment criteria. So in addition to looking at profitability, team management, etc., these firms are looking at the startup’s a) intention for creating positive social change, b) the evidence and probability of making that impact, and c) the ability to sustain that change.

Various firms have different focus areas. Some are focused on all impact areas based on the UN Sustainable Development Goals (SDGs) whereas other firms have more specific impact areas that they are interested in, e.g., Climate Change, Healthcare, Education. Additionally some firms have an impact criteria that extends all the way to the management team, e.g., the gender makeup and equity held by members of the leadership team.

At a high-level, this matches with my view of impact as well. I would naturally want to know what cause the startup is hoping to advance (e.g., climate, health, education), what communities they are impacting and how intensely they are making that change (based on some metric).