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Questions VCs Will Ask You

3-4 minutes

This is the last in a series of posts about fundraising from VCs. The first post explained how the various series of funding (e.g. Series A, B, C, etc.) [differ from a seed round](#). The second post focused on best practices [for raising a Series A or venture round](#). This last post lists the set of questions you should be able to answer (and will likely be asked) when raising a round. Thanks to [Satya Patel](#) from [Battery Ventures](#) for providing suggestions for the list.

As someone raising a Series A, you should be prepared to answer the following questions:

1. Team

- Who is your team?
- Who are the 2-3 key hires you need to make for the company?
- How do you plan to scale the team in the next year?
- Why is your team uniquely qualified to solve this problem? What unique insight do you have?

2. Market and business model

- What is the big opportunity you are addressing? What are the steps to getting there?
- What is your business model? How will you make money? How big of a market is your specific market really (i.e. the market or customers from which you will extract direct value, not “Local is huge, and we are in local, so of course we will be huge”)?
- Who is the competition? Why will you beat them?
- Why are you uniquely positioned to win in the market?
- What is the market structure and dynamics? How do these dynamics map against your strategy?
- What are you doing that is different?
- What are your customer unit economics (CPA, churn, LTV)?
- If you are working in e.g. financial services, music, or the like you will be asked about legal or regulatory risk.

3. Product

- What problem are you solving?
- Why do users care?
- How is this better than what is out there? How big of a difference is this really?
- What are your major product milestones that are coming?
- What are the 2-3 key things your product lacks?
- What have you learned from the early version of the product?
- Product demo - show me a demo
- Product traction. What are the key metrics of use of the product? How have the numbers been changing recently?

4. Distribution

- How are you going to distribute the product? How are you going to acquire customers? Is this an SEO, SEM, viral, radio ads, direct mail, PR, other based business?
- Some may ask about per customer acquisition costs and ARPU
- What advantage if any do you have for distribution?
- How has distribution worked so far? What has worked/not worked?
- What do you plan to do next for distribution?

5. Fundraise and financials

- What milestone will the capital get you to?
- Why do you need to raise money? How much money do you really need? Why don't you need less (or more – another key items to think about)

- How much dilution will you give up? What is your pre-money target range?
- What will you use the capital you are raising for?
- What are your basic financial projections?

6. End game

- Why can this be a billion dollar business?

Any other questions you have been asked when fundraising? Add them to the comments section.

You can follow me on Twitter [here](#).

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