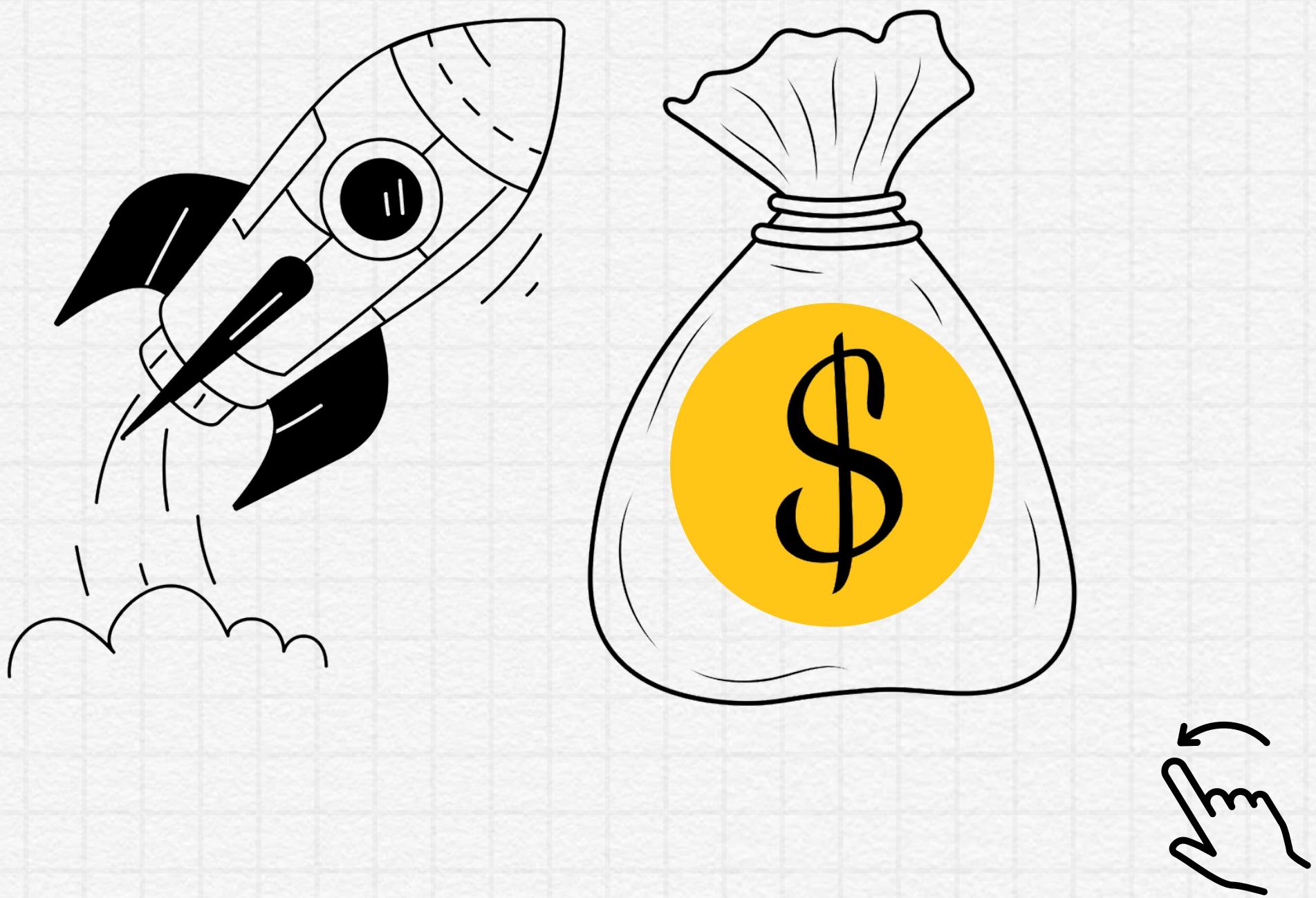


◀ Notes

A,B,C,D of

STARTUP FUNDING



< Notes

Startup Funding

Startup funding is a process of **raising capital** or investment for starting or running a new business venture.

This funding is used to cover the costs associated with starting and **growing** a business, including product development, marketing, hiring employees, and scaling the business.



◀ Notes

Sources of Funding

1) Personal Savings:

Many entrepreneurs use their **personal savings** to fund their startups.

2) Friends and Family:

Friends and family members may provide **financial support** for a new business venture.

3) Banks:

Banks provide business **loans** to start a business.

◀ Notes

4) Angel Investors:

Angel investors are **high-net-worth individuals** who provide funding for startups in exchange for equity ownership.

5) Venture Capital (VC):

Venture capitalists (VCs) are investors who provide funding for **high-growth startups** in exchange for equity ownership.

6) Crowdfunding :

Crowdfunding is a way startups raise funds from a **large group of people** in exchange for rewards or equity

◀ Notes

Stages of Startup Funding

- 1) Pre-Seed Funding**
- 2) Seed Funding**
- 3) Series A, B, C, D
Funding**
- 4) Mezzanine Financing
(IPO)**

< Notes

1) Pre-Seed Funding

Pre-seed funding is made very **early** stage of a startup, often at the **idea stage**.

The funding raised is used for **business plans** and for estimating the market potential. It is provided by angel investors and it ranges anywhere from **\$10,000 to \$100,000**.



< Notes

2) Seed Funding

It is a second round of financing that typically occurs after a startup has **validated** its idea and is ready to **build** a product or service.

It is provided by **angel** investors, and **venture capitalists**, and the amount of funding typically ranges from \$100,000 to \$2 million.



< Notes

3) Series A Funding

This round of funding helps startups take their products and services to **market**, build a customer base, and **scale** operations for higher profitability.

It is typically led by venture capitalists (VCs) or institutional investors, and the amount of funding usually ranges from **\$2 million to \$15 million** or more.



◀ Notes

4) Series B Funding

This financing round helps businesses expand their **operations**, increase revenue, and **develop new products or services**.

The amount **raised** at this stage is usually **higher** than in earlier rounds since investors are looking for a greater return on their investment.

Funding is led by venture capitalists and the amount ranges from **\$10 million to \$50 million** or more

◀ Notes

5) Series C Funding

Series C funding is used to help startups further accelerate their **growth**, expand their operations, and strengthen their market **position**.

The fund is used to **expand** into new markets or geographies, **acquire** other companies, and hire additional **talent**.

It is led by **private equity** firms and hedge funds, the amount of funding usually ranges from **\$50 million to \$300 million** or more.

< Notes

6) Series D Funding

The funds raised in this round are typically used for further expansion, such as **entering new markets**, making acquisitions, or investing in new products or services.

The amount of funding raised in a Series D round can vary widely and is usually at least **\$100 million**, although it can be much higher for larger, more established companies.



< Notes

7) IPO

The **final stage** of startup financing is the Initial Public Offering (IPO).

A private company's share is offered to the **public**, and investors can purchase shares in the business.

IPO helps startups to get access to a **larger** pool of capital, increasing the visibility and credibility of the company.



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