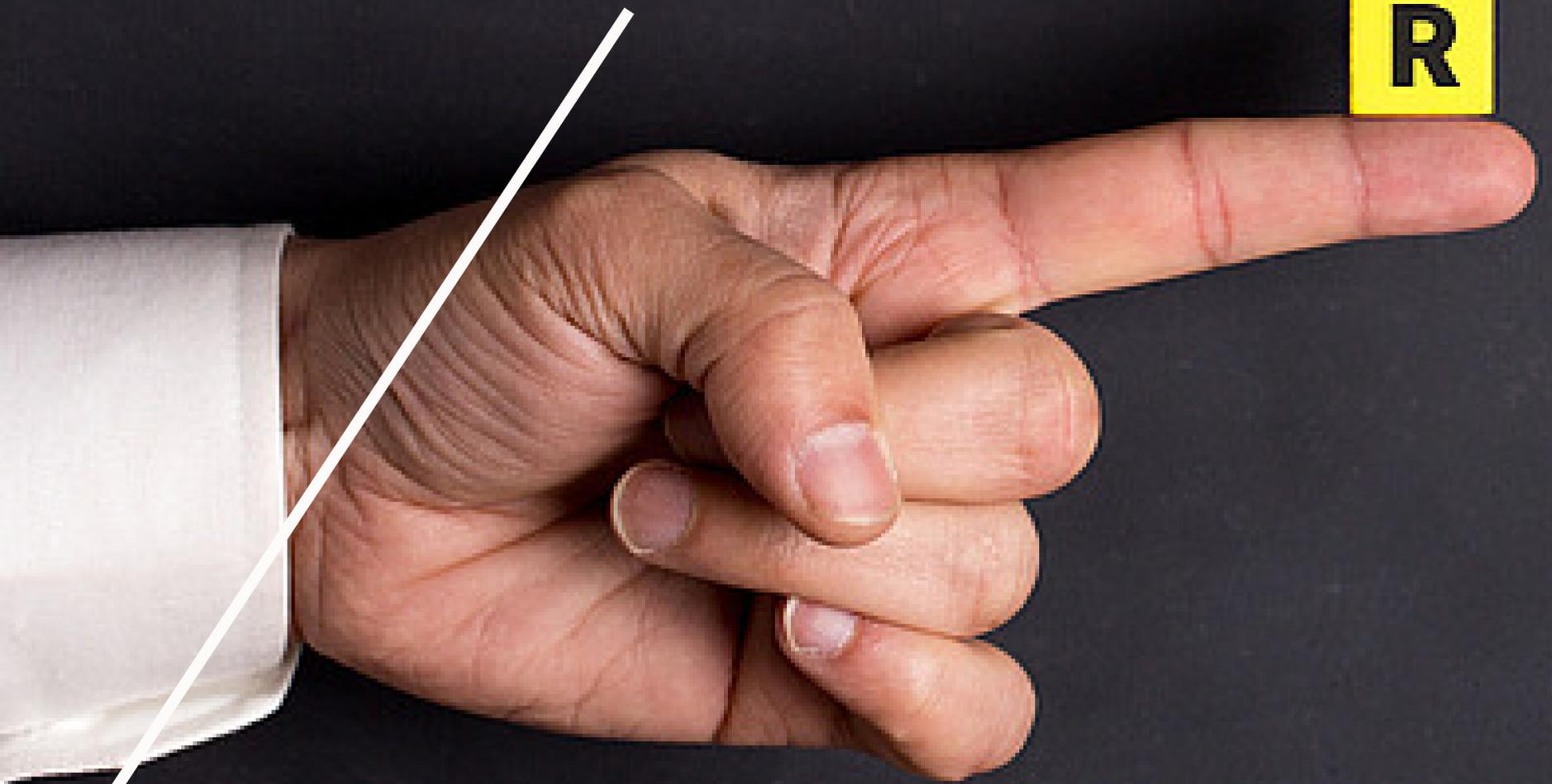
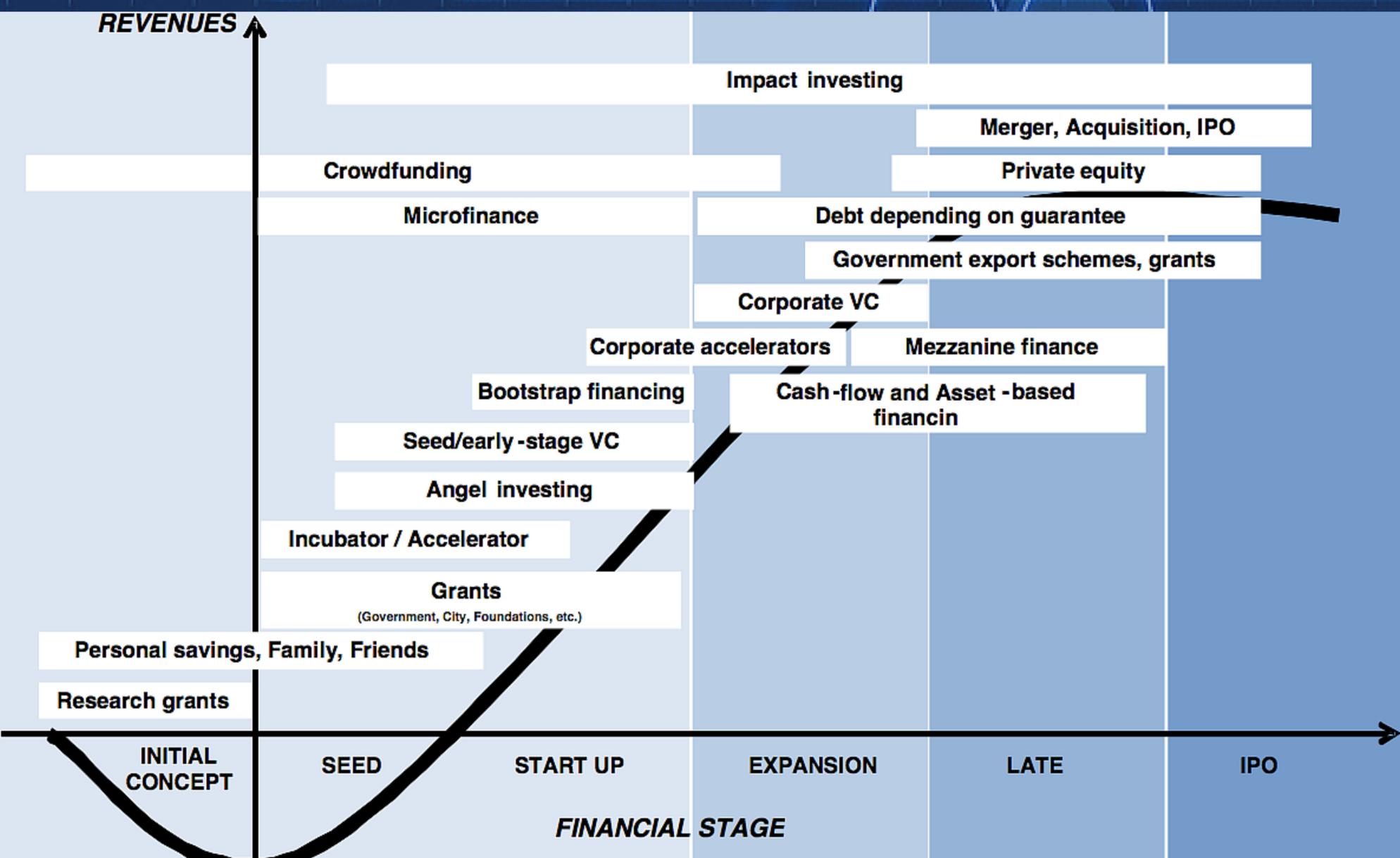


# STAGES OF INVESTMENT

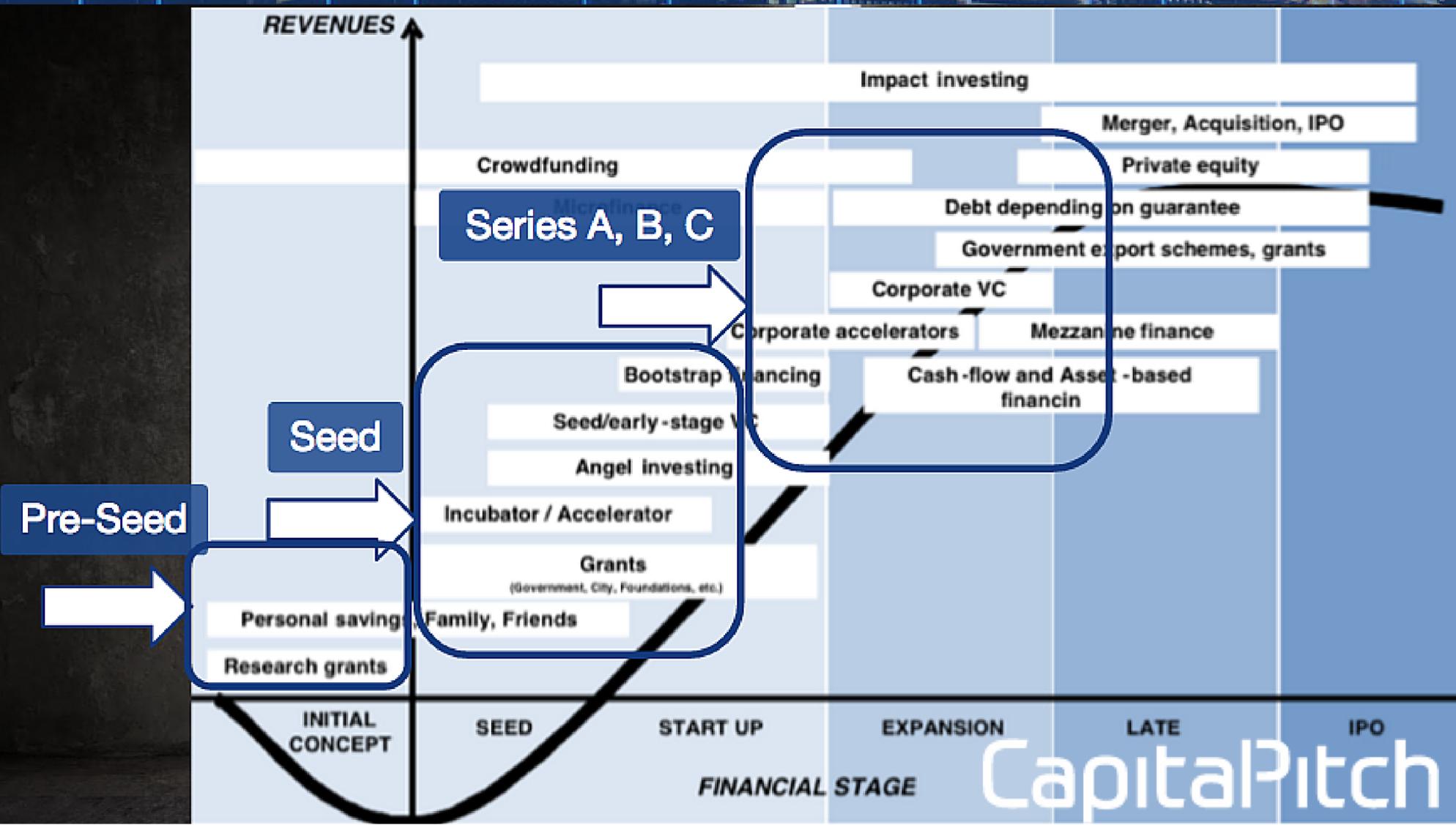
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# Sources of investment



# Stages of investments



# Pre-Seed

Pre-Seed Startup tends to be associated with the early prototype stage prior to launch and product-market fit. At this stage most pre-seed startups fund via bootstrapping (i.e. founder's funds) and the three FFF's (friends, family and fans). The three FFF's are usually within two degrees of separation from the founder. Your startup is unlikely to be ready for Sophisticated investors such as Angel investors or VCs... yet. At this stage you are looking for co-founders, partners and people that will have time to roll their sleeves up and help build and validate your product.

Networking events, rewards based crowdfunding, friends, family and others in your own personal/extended networks will be some of the best solutions to your access to capital problem at this stage. Also remember that it's NEVER too early to get customer validation. If you have not done this yet then now's the time to start.



# Seed

A Seed round Startup has a product, even if it's just a Minimum Viable Product (MVP), and should be seeking a capital injection for research and development, to scale up initial sales & marketing activities and find product market fit. There may also be some additional investment in improving the product however that should not be the predominant use of funds. More important than any other activity at the Seed round stage is acquiring customers and positioning yourself to graduate from a Startup into a Scaleup.

Friends, family, networking events, rewards and equity based crowdfunding, angel investors and others in your own personal/extended networks will be some of the best channels to solve your access to capital problem at this stage. You are significantly more likely to raise money from these networks than anywhere else, but if they are smart and will add value to your startup they will need to see a well thought out strategy and due diligence information.

# Series A

A Series A round startup signifies the move from Startup to Scaleup. Series A startups have demonstrated clear product-market fit, consistent scalable revenue growth and are now ready to take their growth to the next level. There will always be additional investment in improving the product, however that should not be the predominant use of funds. More important than any other activity at the Series A round is acquiring customers, building organisational infrastructure and scaling up fast.

Series A funding will come from more sophisticated investors, high net worth individuals and early stage venture capital sources. At this stage you will need to take a BIG step up in your level of expertise in the capital raising strategy. It will be absolutely essential for you to get advice and help from experts to make sure you can secure it quickly and get on with startup.

WHAT STAGE ARE YOU?



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