DEBUNKING FUNDRAISING MYTHS

qodeo
Democratizing venture™

HELP TO GROW
MANAGEMENT ALUMNI

SMALL BUSINESS CHARTER

HM Government

Tips for Diverse Entrepreneurs to Get Better Funding Faster

MYTH 1:

VCs care more about the financials than any other criteria

Actually, team is their #1 criterion, shortly followed by technology

MYTH 2:

You should target the largest investors with a track record in your sector

There is no 'best' investor – just the best fit for your company

MYTH 3:

Raising a small round indicates success and is more likely to close

Raising too little money can indicate a lack of aspiration and will result in future dilution

MYTH 4:

You need to show investors a realistic vision of your growth trajectory

Don't undersell yourself. You need to show an aspirational, best-case scenario

MYTH 5:

VCs are only interested in investing in unicorns

Horses not unicorns more often give VCs realistically good returns

MYTH 6:

VCs only invest in people like themselves

While historically true, the push for diversity is now changing this trend

MYTH 7:

Investors are only interested in companies that are already profitable

They're often more interested in a sustainable, high-growth business model

MYTH 8:

Investors are innovators who will give advice and mentoring

They're typically not innovators but they can offer early stage companies 'smart money'

MYTH 9:

Investors turning you down means there's something wrong with your business

Timing is everything. A rejection just means you're not right for them right now

MYTH 10:

Pitching events are the best ways to get in front of VCs

The likelihood of meeting your perfect match there is slim, but they can still be useful

MYTH 11:

The more investors we contact, the more likely we are to get funding

Focus on best-fit investors - don't neglect your business wasting time on the wrong investors

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