

WHAT VENTURE CAPITAL INVESTORS LOOK FOR

Before **investing** in a startup

STARTUP FUNDRAISING READINESS:
50 QUESTIONS EVERY FOUNDER SHOULD BE
ABLE TO ANSWER

ANSWER





Startup Fundraising Readiness: 50 Questions every Founder should be able to answer

Can you answer this question if an investor asks it tomorrow? Use this checklist to assess your fundraising readiness and identify where to focus your preparation.

Questions	I know <i>I can answer confidently and support my answer with evidence.</i>	Still, not sure <i>I have an answer but need stronger data, examples, or clarity.</i>	I don't know <i>I am not prepared to answer this question today.</i>
INVESTOR FIT			
1. Why am I targeting this investor?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Does this investor actively invest in my industry?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Does this investor invest at my stage?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. What companies similar to mine are already in their portfolio?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. What value can this investor bring beyond capital?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
MARKET OPPORTUNITY			
6. How large is my addressable market (TAM)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. What market trends support future growth?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Why is now the right time for this solution?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
PROBLEM AND SOLUTION			
9. What problem am I solving?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. How painful is this problem for customers?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Why do customers need a solution now?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
COMPETITIVE ADVANTAGE			
12. What makes my solution different?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Why can't competitors easily copy us?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. What barriers to entry exist?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. What intellectual property do we own?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
GROWTH STRATEGY			
16. Where will the company be in five years?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. What are the major milestones to get there?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. What markets will we expand into?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

19. What resources are required to scale?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. How will this investment accelerate growth?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
TEAM			
21. Why is our team uniquely qualified to solve this problem?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22. What relevant experience do the founders have?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
23. What skills are missing from the team?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
24. Can our team execute under pressure and uncertainty?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
TRACTION			
25. What proof do we have that customers want this?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
26. Do we have paying customers?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
27. Do we have pilot projects or partnerships?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
28. What revenue have we generated?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
29. What metrics demonstrate growth?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
FINANCIAL READINESS			
30. How much capital are we raising?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
31. How will the funds be used?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
32. How long will this funding last?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
33. What are the key financial assumptions?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
34. What does success look like after this round?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CORPORATE STRUCTURE			
35. Is our company structured appropriately for venture investment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
36. Are there any legal or ownership issues that could create concerns during due diligence?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
37. Is our cap table clean and investor-friendly?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
COMMUNICATION			
38. Can I explain my company in 1 sentence?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
39. Can I explain my technology to a non-technical investor?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
40. Can I communicate a compelling vision?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
41. Can I represent the company effectively with customers, partners, and future investors?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FUNDRAISING PROCESS

42. Why are we raising capital now?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
43. What risks still exist in the business?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
44. What are investors likely to challenge during due diligence?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
45. Why should an investor choose us over other opportunities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FOUNDER SELF-ASSESSMENT

46. Am I coachable?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
47. How do I react to criticism and rejection?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
48. Do I have the resilience required to build this company?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
49. If I were the investor, would I invest in this company?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

THE ULTIMATE QUESTION

50. What does success look like for both the founder and the investor?

Calculate your score

I know = 2 points **Still, not sure= 1 point** **I don't know = 0 points**

Readiness score = (Points earned ÷ Maximum possible points) × 100

Example: 35 I know (70 pts) + 10 Not sure (10 pts) + 5 I don't know (0 pts) = 80 / 100 = 80% Readiness

Fundraising readiness guide

85–100% Investor ready	<p>You have strong answers to most of the questions investors are likely to ask. While no startup is perfect, you appear well-prepared for fundraising conversations and due diligence.</p> <p>Next step: Begin or accelerate investor outreach.</p>
70–84% Nearly ready	<p>Your foundation is solid, but investors may identify a few areas that require stronger evidence, clearer messaging, or additional preparation.</p> <p>Next step: Focus on strengthening the questions marked 'Needs Preparation' before actively fundraising.</p>
50–69% Preparation needed	<p>You have several important gaps that may reduce investor confidence. Fundraising is possible, but expect significant scrutiny during discussions and due diligence.</p> <p>Next step: Prioritize the highest-risk areas such as market validation, traction, financial planning, team, and competitive advantage.</p>
Below 50% Build before you raise	<p>Your business may still be in an early preparation stage. Investors are likely to view the company as higher risk until core questions can be answered with confidence.</p> <p>Next step: Focus on customer validation, business fundamentals, and strategic planning before launching a fundraising process.</p>

Want help closing your gaps? Book a free 30-minute strategy call with Nexuma's venture support team.

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