Twitter Thread by martin_casado



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0/ Questionable fund raising advice you may want to think twice about before following. A thread.

1/ As an entrepreneur I had to raise money many times. Not knowing what I was doing, I'd follow popular advice on the topic. As an investor, I now realize how much of that wisdom likely worked against me. Here are my picks for the most questionable fund raising tactics ...

2/ "Raise in May or Sept. because VCs are gone for summer ": This is simply no longer true, most of the VCs I know work through the summer. I sure do. And I have a lot more time then since many founders believe this anachronism.

3/ "Put time pressure on the raise": While some deals go quickly, that is often due to legitimate market dynamics (well known company/team). If that's not you, adding artificial deadlines can push investors away who don't believe they'll have adequate time for diligence.

4/ "Add buzz words in your pitch" Trust me, we're likely way more tired of buzzwords than you are. Improper or gratuitous use of buzzwords will strictly weaken your pitch. On the other hand, if a phrase is buzzy, but well defined and germane, it's fine to include.

5/ "Raise while claiming you're not raising". Either you are raising or you aren't. Either are fine. But if you claim not to be raising, an investor is less likely to do the work needed. It looks particularly bad if you turn around and say your raising a few weeks later.

6/ "Don't speak to junior partners" Junior partners often are the true experts in a space. Without their support, the GP is less likely to gain confidence in a deal. Working through junior partners is generally the right path unless you know the GP well.

7/ "Pretend to be more mature than you are" We write checks for teams with little more than a slide deck. So we have no problem with immaturity. Posturing as more mature than you are may instigate more rigorous diligence. And over claiming rarely looks good.

8/ I'd love to hear other questionable fund raising advice. There is a lot of bad or outdated guidance out there. Thanks for reading :)