Twitter Thread by Gagan Biyani

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At Udemy, we were 3 first-time entrepreneurs trying to raise seed capital. We made every mistake in the book.

We got 200+ no's and wasted 12 months fundraising.

We eventually pulled through, just barely. ■

This thread shares our mistakes as lessons for founders.

****Read On****

We built an impressive product, but we were nobodies.

We thought: we need money to build our vision, so let's go talk to some investors.

WRONG.

Nobody gave a fuck that we needed money. We needed to prove we deserved their money.

We met some associates and intermediaries who might introduce us to investors.

Few decision-makers wanted to meet with us.

We should've stopped there.

If getting meetings is hard, it will take you forever to raise.

Instead, spend your time building product + getting traction.

I was frustrated with investors: treated them as adversaries who asked dumb questions. My derision turned them off.

Learn to understand and appreciate investors. Follow them on Twitter, listen to podcasts from @HarryStebbings or

@eriktorenberg.

An investor's job isn't easy.

They kiss a ton of frogs just to find one deal that may make them money 10 years from now.

They only win if you become a billion dollar company.

Don’t kid yourself - if you aren’t the right fit, bootstrap.

Risk-adjusted, bootstrapping can make you happier and more successful.

When pitching, we were too in the weeds - talking about next quarter or next year.

Investors don’t give a shit about next year. They care about the next decade.

Paint a picture of 10 years in future: how will the world be different and how will you build a $1B+ business?

We finally got some meetings. We had 50 meetings in 3 weeks.

Everyone said no except one Turkish billionaire.

Don’t trust Turkish billionaires. Don’t trust any investors who are outside of the Valley ecosystem.

The billionaire ghosted us.

After that many no’s, we accepted defeat and regrouped.

We had made a huge mistake: we didn’t launch! Investors could smell our launch anxiety and didn’t invest because there was no traction or urgency.

Show the investors you’ve got chutzpah. Press the button.

■

We built “Silicon Valley hype” with our launch - TechCrunch, Mashable and ReadWriteWeb covered it (this was 2010!).

We were on top of the world, and sent some follow-ups to investors.

They didn’t care.

Don’t succumb to SV hype - investors are (mostly) smarter than that.

How did we eventually raise?

Simple: we found true believers. @darian314 and @bubba put their name behind us after watching us for a year.

There is a “whisper network” amongst investors: they all share notes. If you want to raise a round, get into the network.

The “herd mentality”

Once you get your first yes, close everyone else quickly. If you have a good first investor, you should be able to close the round within 3-4 weeks.

Keep everyone updated with your progress, create momentum, and close as fast as possible.

Raising is only the beginning. The real work continues; take a moment to celebrate, then get back to building!

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