Twitter Thread by Dayton



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What I learned from raising my first seed round.

This isn't a how-to guide, that may come later. This is just a story and observations from my own experience.

See, I didn't know what I was doing at all...

We had a built a prototype, people seemed to like it. Investors seemed to like it. Not because I showed it to them, I wouldn't know how to do that.

But I got a lot of inbound asking about the product and found myself stumbling into meetings with people with no real goal.

We decided it was time to raise and I had to figure out how to do that.

I'm not from SF. I'm from small town Missouri. I didn't have connections.

But I did spend a lot of time making internet friends. It's what I've done my whole life. In particular friends in @genzmafia

It was here I had some help from @nhuebecker on the first pitch deck I ever made. It went a long way btw - Thanks nick!

And met a lot of connected people thanks to @ItzSuds. He also got me on clubhouse.

In there I started talking to people and met @YousifAstar

Yousif taught me the game. I cannot stress this enough he taught me everything. Pitching, materials, intros, down to the verbiage of my emails.

He taught me how to be intentional with raising instead of stumbling into meetings.

I blocked off two weeks and got started.

1. You want to make a CRM of all your potential investors.

2. You want to find people to get intros to these investors

3. Schedule all your meetings in a 2 week window

4. Pitch your heart out. And remember it's about your story and your team more than your numbers

5. Close!

I'll have to make another thread about this in detail. Theres so many nuances... I remember getting intro emails and not even knowing how to respond to them. I had to ask what to say.

Though one person also deserves a lot of credit in this story and that's Sahil..

I sent @shl a cold email. He didn't care about intros and he didn't care about status.

He just liked what we were building and believed that we could make it. He was our first big check in.

Sahil then helped us fill the rest of the round. He had to teach me how to make a blurb. Thanks to his help and everything I learned from Yousif the round came together in 24 hours.

In fact, it doubled.

Things snowballed. Every new commitment led to more intros and before I knew it we had double the commitments ($4m) from the $2m we wanted to raise.

This all happened in 24 hours and was very overwhelming... See, now I had to learn to tell people no.

It felt weird turning down money. But that money is expensive. If we had taken these deals we would have diluted ourselves more than 30% in a seed round.

Additionally you now have to pick your partners. Who do you want by your side for life? Don't rush these decisions.

10-15% dilution is EXCELLENT
15-20% dilution is Good
20-25% dilution is Okay
25% + dilution is Bad

We ended up only taking 1.5 of the 4

When choosing partners pick people who have the strongest conviction. Pick people who you can be yourself with. Pick people who will genuinely help you.

And avoid any red flags like the plague. Regardless of how much money they want to give you.

They will be with you for life!

Then when its all over you'll realize that was easier than you thought and that what comes next is much harder.

Hiring, Organizing, Managing, Shipping is much much much harder than raising.

But I know from the other side raising can look like a big mountain to pass.

I can't fit all the details in a thread but if you're raising or want to raise I would love to help you the best I can! Just send me a DM and we can talk more.

We can go over investors, pitch, materials, or even the little nuances like what to say in emails ■

In closing it was fun to learn how to play the game and I would love to teach others.

I'd also recommend anyone to reach out to those mentioned in the thread as they are incredibly founder friendly.

And a big thank you to everyone else who has helped us along the way. I would have to make a very long thread to mention you all, but you know who you are!

I'm incredibly humbled and grateful for all that you've done ■