



The 3 biggest Fundraising Mistakes Founders Make

There is no easy way to fundraise. Everyone who tells you otherwise, lies. But it helps to avoid mistakes that people make over and over again.

Mistake #1: Failure to understand how investors think.

Being an entrepreneur is hard. The daily emotional hardship of growing your startup into a real company is not for everyone. You have a vision. In your mind it is very clear and straightforward. It's your baby and you know everything about her. When you reach out to investors you might think you are talking to some idiot you doesn't understand what you're doing. Why is it so hard to explain to them that you will be the next superstar and that your company will become a multi-billion dollar company?

But be prepared for a lot of no's and a lot of people who don't get it. Empathize with others and put yourself in the shoes of the investor when you are raising money from them. Their decisions are not always rational, and they know nothing about you and are bombarded with investor pitches every single day.

And don't take a no personally. Just because an investor tells you 'no' it doesn't mean your baby is ugly.



Mistake #2: Lack of selectiveness in choosing Investors.

Once you're a little further along and have interest from people, it's still for the best that you don't take money from an investor who doesn't understand your startup or space. **Pinpointing the right investor is critical.** "Investors are two things: First, they're a cost on your time. You've got to spend time convincing them to sign up, and then you have to spend time dealing with them after they've signed up, and then you have to do a bunch of things with your company that may not be the right thing because it's what your investors need.

Secondly, you'll also have them forever — or close to it. "You can never get rid of them. You're stuck with them for a long time. It is said that **the average relationship with an investor is for longer than the average marriage.**

Mistake #3: Give Up Too Soon.

It can be hard to know when to throw in the towel. Persistency is key. The best companies in the world almost always get a lot of no's before eventually a maybe and a yes. Keep talking and don't give up. The matching process really is very hard.