



ElaraCapital

10 Steps to VC/ PE Investment

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01.

Is Your Company VC/PE Investible?

Model supportive of institutional investment

Business in place to support superior IRR expectations

Clear path to exit (IPO, Sale)

02.

Why Do You Need VC/PE Capital?

Clarity in the fund deployment plan

Strong upside potential post cash injection

Investor stigmas with pre-revenue investments & secondary transactions

03.

Is the Market Opportunity Large Enough?

Present & future market potential

Research + anecdotal evidence

Alignment of operating plan

04.

How Strong Is Your Team?

Depth & breadth across management team

Confidence in execution capability

Credible industry track record



05.

How well do you run your Business?

Revenue, profitability, sustainability

Key operating & financial drivers

Evolution over time

06.

What is the Competitive Landscape?

Knowledge about competition, its performance

Appreciation of customer & supplier dynamics

External disruptors

07.

What Valuation do you want?

Anchor your expectations

Benchmark against peers / previous transactions

Supplementary aspects to valuation such as incoming investor rights

08.

Do you have a Business Plan?

Quantitative projections in the near future supported by current run rates

Different scenarios during investor exit & probable returns realized

Credible fund deployment plan

09.

Which Investors should you target?

Understand investment criteria

Do reference checks

Play for the long haul

10.

Are the hygiene factors in place?

Strong references go a long way

Credibility & verifiability of data

Promoter viewed as custodian of investment



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