

# Anticipating Investor Questions



# Pre Session Questions: Handling a Conversation with An Investor:

Understanding their investment objectives What would you like to learn?



### Typically, investors will gauge on an investment opportunity based on a few factors:

Founders Are they Investable
Material

Traction, Unit
Economics &
Product Market Fit

Scalability: Market Size / Potential

Investment Exit Potential

Valuation Ratios - Will it provide good ROI?



### Founders: Are they Investable?

- Attitude & willingness to learn
- Track record as a Founder
- Are they prompt and consistent in their replies?
- Are they trustable?
- Reputation amongst startup community



# Traction & Unit Economics: Has it Achieved Product Market Fit (PMF)

- Traction: Has the startup attain consistent growth over a period of time? (at least 6 months)
- Product Market Fit: Has the startup attain positive and sustainable Unit Economics, using scalable channels?
- What is your Customer Lifetime Value & Cost per Acquisition?



### Scalability: Market Size & Potential

- What is the addressable market?
- TAM: Total Addressable Market
- SAM: Serviceable Addressable Market
- SOM: Serviceable Obtainable Market → This is key.
- What would your potential traction be if we extrapolate it attained a portion of the market?



#### **Investment Exit Potential**

- What are my exit potential and option?
- Who are the potential buyers (M&A) and investors for your business?
- What is your (founder) exit plan? Are you looking for IPO, building a sustainable (profitable business) or Silicon Valley tech-style growth for equity growth gains



# Will it Provide me Good ROI - Return on Investment

- What is my investment potential?
- How long will it take?
- What are the trends to pursue me (investor) to invest in your business?