



2025 Investor Readiness Checklist for Founders

Your essential blueprint for seed fundraising preparation. With actionable checklists and expert insights at each step, **this guide helps founders at any stage identify gaps in investor readiness and build a solid financial foundation.** Created by Fondo's CEO David J. Phillips, who used these exact strategies to raise over \$10M for Fondo (YC W18) and previously led an \$18M acquisition for Hackbright Academy. As an angel investor in 100+ startups including Rippling, Flexport, and LiquidDeath, **David shares the insider knowledge that's helped Fondo's clients raise over \$1 billion from top-tier investors.**



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Step 1: Product & Growth

Why This Matters: Investors bet on traction, not just ideas. Having a functioning MVP with real user feedback transforms your pitch from theoretical to proven. That weekly growth metric isn't arbitrary—it shows investors you've found product-market fit and can execute consistently, dramatically reducing their perceived risk.

- Launch your MVP and get real user feedback.
- Achieve measurable weekly growth (target ~7% week-over-week).
- Document customer testimonials and usage metrics clearly.
- Verify clear signs of product-market fit (retention, organic growth).

Step 2: Evaluate if Raising is Necessary

Why This Matters: Not every startup needs external funding at every stage. Being strategic about when and why you raise prevents dilution and ensures you're seeking capital for the right reasons. The best founders approach fundraising as a tool to accelerate already-working strategies, not as a lifeline for a struggling business.

- Identify exactly how funding accelerates your growth or achieves critical milestones.
- List alternatives to fundraising (e.g., bootstrapping, consulting).
- Decide clearly: Are you raising now, or waiting for more traction?
- Outline the risks and rewards of raising at this stage.

Step 3: Craft Your Story (Pitch Preparation)

Why This Matters: Investors fund narratives they can believe in. A compelling, coherent story that connects your team's unique abilities to a massive market opportunity is what opens checkbooks. The best pitch isn't just factually accurate, it creates emotional resonance and makes your success feel inevitable.

Formidable Founders

- Create short, compelling founder bios highlighting relevant expertise.
- Prepare answers to "Why you?" – emphasize resilience and resourcefulness.
- Compile specific evidence of previous accomplishments or expertise.

Promising Market

- Clearly define your target market size (TAM/SAM/SOM) in concrete numbers.
- Identify and articulate why your market is rapidly growing or ready for disruption.
- Draft a simple, concise statement of your market opportunity (elevator pitch).

Traction & Metrics

- Quantify and clearly present your weekly/monthly user or revenue growth.
- Document key metrics (CAC, LTV, retention, engagement) in an easy-to-share format.
- Prepare a "traction dashboard" showing progress clearly (use charts or visuals).

Final Narrative

- Write a concise 2-minute pitch clearly linking team, market, and traction.
- Validate your pitch narrative with trusted advisors or successful founders.
- Practice pitch delivery regularly until it feels natural and convincing.

Step 4: Financial & Legal Readiness (Startup Hygiene)

Why This Matters: Financial disorganization is a major red flag for investors. Clean books and proper legal structure signal professionalism and reduce friction during due diligence. With Fondo managing your bookkeeping, accounting, and investor reporting, you'll have investor-ready financials that inspire confidence and accelerate the funding process.

Company Setup

- Confirm proper incorporation (typically Delaware C-Corp).
- Ensure all founders' shares and equity agreements are clearly documented.
- Verify cap table accuracy (tools: Carta, Pulley).

Basic Financials

- Produce clean, investor-ready Profit & Loss statement, Balance Sheet, and Cash Flow.
- Categorize expenses accurately; reconcile all accounts.
- Engage accounting service (e.g., Fondo) for professional cleanup if needed.

Financial Model

- Build a realistic 12-18 month financial projection model (with key assumptions).
- Clearly state planned use of funds and expected outcomes from funding.
- Prepare simplified financial summary for your pitch appendix.

Data Room Setup

- Create a secure digital data room (Dropbox, Docsend, Google Drive).
- Upload incorporation documents, IP agreements, and cap table.
- Include financial statements, tax filings, contracts, and SAFE/note templates.
- Maintain clear, organized folders for quick investor access.

Step 5: Fundraising Goals & Strategy

Why This Matters: Strategic fundraising is about quality, not just quantity. Being deliberate about your target raise amount and investor fit prevents endless pitching cycles and ensures you bring on partners who add more than just capital. The right investors become your advocates, advisors, and door-openers.

Raise Amount & Terms

- Calculate 12-18 months runway needed; set your raise amount.
- Decide on a convertible instrument (SAFE) or priced equity round.
- Set initial "low" target (e.g., state \$250k if your ideal target is \$500k).

Investor Targeting

- Research and list ideal seed-stage investors (angels, seed funds).
- Prioritize investor outreach based on likelihood of investment and strategic fit.
- Secure warm intros through your network; schedule meetings quickly.

Step 6: Fundraising Execution (Running a Fast Process)

Why This Matters: Fundraising momentum is everything. A dragged-out process signals weakness, while a tight, well-orchestrated campaign creates urgency. The most successful raises often happen in weeks, not months, because founders understand the psychology of investor FOMO (fear of missing out).

Outreach & Meetings

- Schedule initial investor meetings within a tight 2-week window.
- Run parallel conversations; avoid sequential scheduling.
- Continuously update investors about positive fundraising momentum.

Pitch Iteration

- Record pitches (Zoom or Loom), review, and improve your delivery.
- Track investor reactions; quickly adjust your pitch and slides based on feedback.
- Maintain a running investor FAQ with prepared, polished answers.

Maintaining Momentum

- Share good news proactively ("Just got a commitment last night").
- Leverage initial commitments to create urgency and FOMO among investors.
- Gently set a closing timeframe ("We plan to finalize the round by X date").

Step 7: Closing the Deal

Why This Matters: The final mile matters—many promising rounds fall apart in the closing stages. Clear communication and professional execution during closing cement your reputation as a reliable operator. With Fondo handling your investor reporting needs, you'll maintain transparency and trust with your investors long after the checks are cashed.

Commitment Tracking

- Confirm all verbal commitments immediately in writing (email or text).
- Send investors standardized, simple docs for signature (e.g., SAFEs via Clerky).

Closing Logistics

- Establish a firm closing date and clearly communicate it.
- Ensure timely collection of signed documents and wired funds.
- Confirm receipt and thank investors individually.

Post-Close Communication

- Inform all pending investors clearly when your round closes.
- Maintain respectful, professional communication with all investors.
- Ensure commitments made during fundraising are honored (allocation of shares).

Step 8: Maintaining Morale

Why This Matters: Fundraising is emotionally draining. Maintaining team morale during this period is crucial for continued product momentum. Remember that fundraising is a means to an end—building a great company—not the end itself. Keeping the broader mission in focus helps prevent burnout and keeps your culture intact.

- Regularly communicate updates internally to co-founders/team to boost morale.
- Celebrate wins (even small ones) along the fundraising journey.
- Be transparent internally, but avoid unnecessary stress for the broader team.
- Remind your team (and yourself) of the big-picture mission beyond fundraising.

Need Help Getting Your Financials Investor-Ready?

Fondo specializes in startup bookkeeping, accounting, and investor reporting—all the financial infrastructure you need to impress investors and close your round. We've helped hundreds of founders secure funding with clean, professional financials. Planning to fundraise in the next year? Let's talk about how we can prepare your startup's financial foundation.

[Schedule a 15-Min Financial Consult !\[\]\(003082e50e3009141f59bd5df831749f_img.jpg\)](#)