

Alaska Angel Conference

Investor First Coffee Playbook

(For Entrepreneurs)

The purpose of this playbook is to provide some ideas to help you guide a conversation with an investor during a first coffee. The purpose of these interactions is to build a rapport with the investor, share high-level details about your business, and begin the process of determining whether or not this investor will invest in your company.

Rapport Building

- Introduce yourself to them and share what it is that interests you about your company or why you joined the Angel Conference.
- Tell them how you came up with the idea for your startup
 - Be sure to share key insights into customer problems you have discovered. Did you personally experience the customer problem? If so, be sure to share that.
- How long have you been working on this?
 - When did you go full time, etc?

Market

- Who is the primary customer?
 - Try to be specific. Are they consumers, businesses, or the government?
 - What kind of consumers? (Men, women, children? how old are they? What do they do? etc)
 - What kind of businesses? (SMB - Small and mid-sized or Enterprise, how many employees? How much revenue? etc)
 - You are trying to convey a very clear picture of who pays money for your product.
- What problem is your customer trying to solve?
 - How do they solve the problem currently?
- How big is this market?
 - There are many ways to size a market
 - # of potential customers (assuming 100% market share) * money collected per year
 - # of potential customers (assuming 100% market share) * the amount of money they spend solving the problem today (without this product)
 - Is the market growing?

Product

- What is the product?
- How does it solve the customer's problem?
- What is the current state of the product development?

- How many have you sold?
- How does the pricing work?
- Physical products
 - How much does it cost to produce?
 - How do you handle manufacturing?
 - What is the lead time? How long does it take to produce?
 - Are there returns?

Team

- Tell them about your team. Do you have co-founders? If so, who are they and how did you meet them?
- Who does what at the company?
- Which areas are you looking to recruit next?

General Tips

- You are asking a person to trust you with their hard-earned money -- Be nice
- Being transparent and honest builds trust demonstrates integrity
- Investors almost never sign NDAs. Try to speak generally about your business without divulging your secret sauce. If you can't discuss your business generally without NDAs in place, angel investors may not be the best source of capital for your business.
- Think of this as a first date. You're looking for a 2nd date, not a marriage proposal!
- You should expect to conduct this initial meeting in 30-45 mins
- This is not a cross examination or interrogation! This is about building rapport.
- Try to be helpful regardless of whether you ultimately invest in this company.