

## Tips for Fund Raising Using Angel List

*The following is a guest post by Rick Perreault. Rick is co-founder & CEO of [Unbounce](#), a Vancouver-based company that develops a web based platform which makes it easy for non-technical marketers to build & test landing pages without having to rely on I.T. or web developers. Rick tweets @rickperreault about marketing, entrepreneurship and backyard vegetable gardening (during the summer months).*

I recently had the opportunity to use Angel List (<http://angel.co/>) as part of raising a Series A for Unbounce and wanted to share a few things that I learned along the way.

First off, Angel List is a pretty awesome service that makes it easy for introductions to happen between entrepreneur and investor, kinda like a mini Facebook for investors and entrepreneurs. However, there were some things I wish I would have done differently or had known before I got started. I made some mistakes. In some cases, I was not as prepared as I could have been and learnt alot on the fly. So today I want to take the opportunity to share the top 6 things I did that helped me raise capital with Angel List.

### Tip #1 Use video to tell your story

In hindsight, probably the most effective thing I did was include a link on our profile and in all my email correspondence to a video of me giving our pitch I had the opportunity to pitch at the last GROW Conference here in Vancouver and lucky for us, they recorded it. I included it on our Angel List profile and almost everyone that contacted me commented that they watched it and especially liked the Q&A. Here is the link to the video: <http://www.youtube.com/watch?v=1WcpFqKA7So>

You don't need to spend any money doing this either. Record yourself giving your pitch and providing answers to all the typical questions that you get from outsiders and post it on YouTube. Your passion, conviction and knowledge of the problem you are solving will come across in ways that a deck can never achieve and by presenting your own Q&A, you'll skip all the typical questions and have a much more constructive meeting when you get on a call with an investor.

### Tip #2 Get commitments for endorsements early

You probably have advisors and/or commitments from investors already or at the very least, someone of influence that likes what you are doing. Let them know that you are going to raise investment via Angel List and ask them in advance if they would endorse your company. Once your profile goes live, your first email(s) should be to them asking them to comment & share your profile.

There are a lot of companies posting on Angel List and having people of influence endorse your business will help you stand out and give visitors to your profile page a reason to take a good look at your startup.

Reality Check: If you can't get at least one person of influence to endorse your business, you are not ready for Angel List.

### Tip #3 Prepare your email responses in advance

In our first 24 hours on Angel List, we received a lot of followers and request for introductions. Both are opportunities to pitch your company as both enable you to contact the investor but unless you are prepared in advance, it can be overwhelming — I was not prepared on our first day.

Typically, those who follow you may simply be curious while those who request an introduction are interested so use your available meeting times on those who are asking for an introduction. Additionally, there are those who fit your criteria as an ideal investor better than others and reality is, you may get more interest than you can handle so remember to focus on those who fit your criteria as an ideal investor first.

Prepare your initial communication in advance and save them in a text file. Here are the three responses that I used.

**a) For those who followed us:**

Hello [Name]

Trust you are well and thank you very much for your interest in Unbounce. I've attached our current deck and I'm including here a link to a short video about our company [link to video]. Let me know if you have any questions about Unbounce and please feel free to share this information with others.

Best Regards,

**b) For those who requested an introduction:**

Hello [Name]

Trust you are well and thank you very much for your interest in Unbounce. I would love the opportunity to introduce you to our business. Would you be available [day] at [time] for a quick call? In the meantime, I've attached our current deck and here is a link to a short video about our company [link to video] for you to review. I look forward to talking soon.

Best Regards,

**c) I had a third response for those who I really wanted to speak with:**

Hello [Name]

Trust you are well and thank you very much for your interest in Unbounce. Having read your profile, I would love the opportunity to introduce you to our business. I'm hoping to have a short list of investors by [short time period] and currently have [investor] and [investor] confirmed. Would you be available [day] at [time] for a quick call? I'm also free for the next hour if you have a few minutes to give me a call on my mobile [your number]. In the meantime, I've attached our current deck and here is a link to a short video about our company [link to video] for you to review. I look forward to talking soon.

Best Regards,

I tweaked this a little for each individual however, having these on hand saved me from having to write 100+ emails from scratch.

#### **Tip #4 Prepare an investor data sheet**

You'll need an effective way to keep track of all your investor contacts and conversations - your leads. You'd be surprised how easy it is to not remember who've you've spoken to or how the conversation went. Seriously, after your first dozen calls, your memory will fail you so get into the habit of writing stuff down.

As contacts are made, you will need to keep on top of your leads so prepare a spreadsheet in advance (recommend Google Docs). I organized mine by name, email, contact #, VC firm [If applicable], Links to Angel List & Crunch base profiles, a field for notes and finally, amount they typically invest. The beauty of Angel List is that you can learn a lot about the investors that contact you and based on their profiles, almost predict if they will be a good candidate or not. For this reason I also included a rating for each potential investor on my spreadsheet.

Sub-tip: speaking about bad memory and calls, it's hard to take good notes when you are pitching so I found it helpful to have someone else on the call with me when possible to act as a second set of ears & take notes.

#### **Tip #5 Rate your investor contacts (just like you would your prom date potentials)**

Related to my investor data sheet, I also created (truthfully, by evolution than by design) an investor rating system. Nothing too complicated but effective. Why? Because we were not interested in all investors equally and investors were equally not all interested in Unbounce to the same degree. I gave a sets of points, one for our interest in them and another for their interest in us with low interest being 1 point, 2 points being the middle, and high interest 3 points. For example, a high profile investor with a history of investing in our space and interested in what we are doing might be something like, our interest high + their interest medium for a total of 5 points. Another example might be an investor with no previous investments nor experience in our market and for various reasons is lukewarm on the investment opportunity, our interest low + their interest low or med for a total of 2 or 3 points. By each name I had two numbers and over time these would either go up to down or replaced with a yes or no. Think of it another way, this is really no different than the process you went through in trying to choose the perfect date for your high school prom.

All this is important because you have limited time and it will help prioritize your actions and focus who you want to spend your time on. So when a #6 wants to have a call at 3PM to discuss the opportunity and a #2 wants a 3PM conference call to introduce me to one of their friends that will help #2 validate whether or not this is an opportunity, you will quickly know who to bump to a later date. Again, think of it like the prom, if you spend all your time asking people who are the wrong fit, you run the risk of not having any date for the prom.

Tip #6 Share the responsibility of raising capital with someone on your team

Finally, raising capital is a lot of work and you will not sleep well until you close the deal. However, to get it done fast and as painless as possible, you will need support from your team and you all need to discuss in advance what role each of you would play in this big step for your company. In our case, Unbounce COO Jason Murphy was the other half of this initiative and CCed on everything. We broke down responsibilities like this:

My role was to pitch and get a yes from the investors we wanted on board and was responsible for maintaining our Angel List profile, our deck, leading all the meetings and initial contacts. Jason on the other hand came in after the first meeting to provide all follow up material (CAP table, financials, corporate) and coordinated all interactions between respective legal teams. This division of responsibilities allowed us to move fast but more importantly, allowed us to support one another when either of us were feeling overwhelmed – it will happen.