

Five Signs Your Business Is Ready to Raise Capital

I have raised capital for multiple companies across my career, and I have advised many more founders through the process. The ones who struggled most were not the ones with weak businesses. They were the ones who approached investors before they were ready.

Five Signs You Are in a Position to Raise Successfully

- 1. You know exactly what the capital is for.** "We need money to grow" is not an answer. Investors want to know the specific initiatives, the expected outcomes, and the timeline. Vague use of funds signals unclear strategy.
- 2. You have proof of the model.** Not projections. Evidence. Customer traction, revenue growth, retention data, and margin trends, something that shows the model works at a small scale and can be expanded.
- 3. Your financials are clean and current.** Three years of organized statements, a working financial model, and the ability to answer detailed questions about your numbers without hesitation. This is table stakes.
- 4. You understand your valuation and can defend it.** Founders who anchor on a number without logic lose credibility immediately. Know your comparable transactions, your revenue or EBITDA multiple, and the assumptions behind your ask.
- 5. You have thought about the terms, not just the check.** Equity dilution, governance rights, board seats, and liquidation preferences shape your future more than the dollar amount. Know what you are agreeing to.

Raising capital is not a test of how much investors like you. It is a test of how well you understand your own business.

Ready to assess your readiness? Upfront Clarity helps founders prepare before they approach investors. Start with a free conversation at www.upfrontclarity.com or call (203) 530-1180.