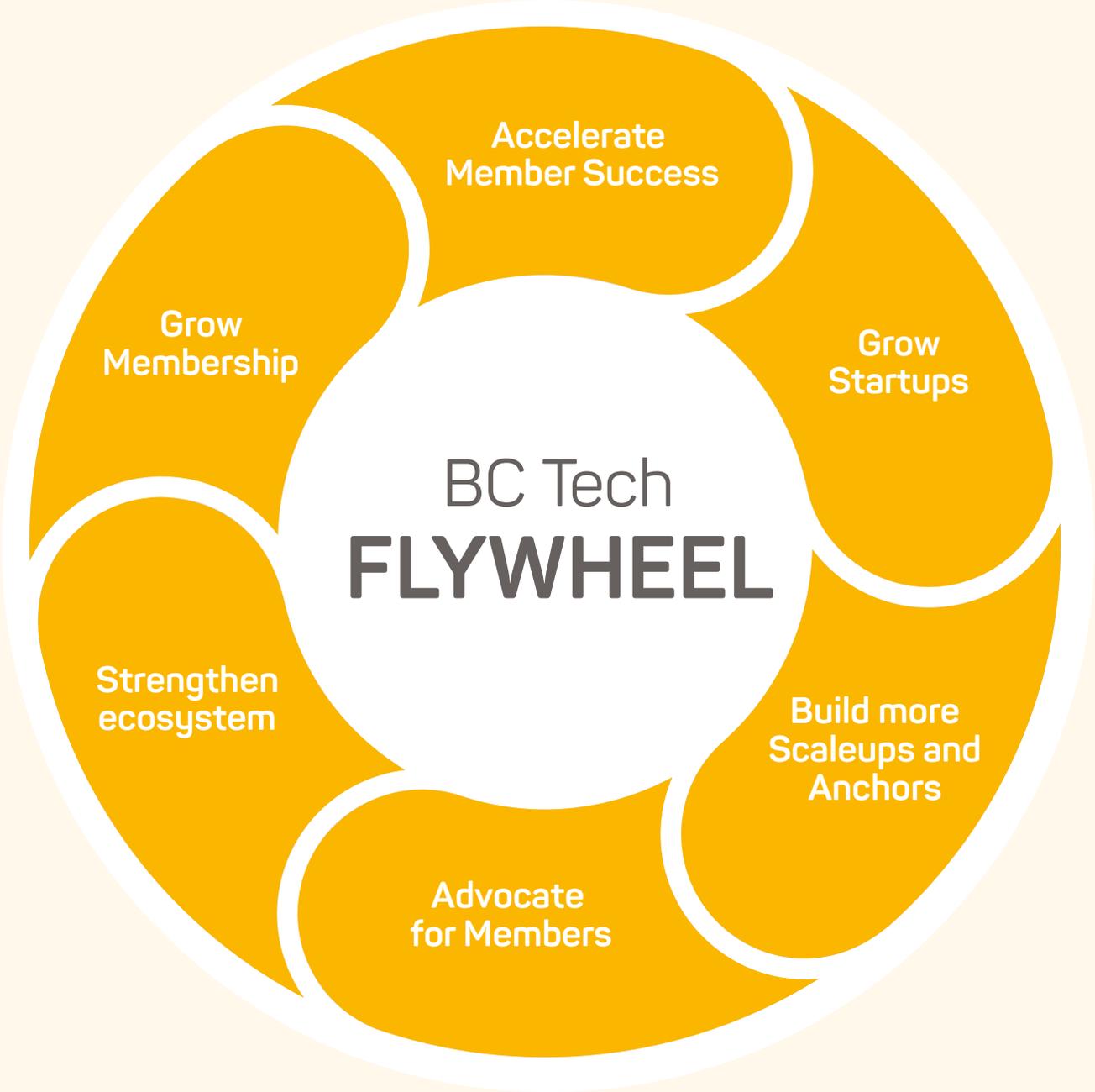




Kaylee's Fundraising Tips

Seed 2023

Kaylee Lieffers | CEO @ Blankabrand.com | 30 Under 30 | Top E-commerce Voice



Accelerate
Member Success

Grow
Membership

Grow
Startups

BC Tech
FLYWHEEL

Strengthen
ecosystem

Build more
Scaleups and
Anchors

Advocate
for Members

MESSAGE FROM BC TECH CEO



Members helping members.
It is at the root of everything
BC Tech does.

So when Kaylee Liefers, BC Tech Board member and CEO of Blanka, shared with me her experience of fundraising in 2023 I saw immediately the opportunity to share it more widely with our members.

Straight from a founder's mouth, I hope you find Kaylee's advice and recommendations, presented in an easy-to-digest format, as thoughtful and actionable as I did. BC Tech's mission is to accelerate the success of our members and know you'll find the insights shared here will do just that!

If you'd like to leverage more insights from other BC Tech members, consider joining our [C-Council program](#) where these topics are discussed in impactful, confidential peer-to-peer forums. Today we have 11 peer groups, including a dedicated Startup C-Council. Or access our online educational platform, [Scaleup Academy](#), to hear directly from more founders and leaders.

JILL TIPPING
CEO & PRESIDENT, BC TECH

DISCLAIMER

This document is the result of my free-flow writing, my thoughts/experiences. Don't judge based on my grammar or spellcheck, I didn't spend time reviewing that after the fact hehe!

blanka.

A quick ask:

If you found this document helpful, can you please do me a favor?

Follow Blanka on [LinkedIn](#) and [Instagram](#)! Thank you!

The purpose of this document is to share an overview of our experience fundraising, learnings, things I'd do differently, etc. I will try not to include all the generic tips you can find online, but rather I want to share the tactical things that nobody told me. All numbers below are in USD.

Also, for some quick math. I heard in 2021 you needed to have 40 investor meetings to land a term sheet. I heard in 2023 that number was closer to 80. I can verify we probably took 65 – 70 meetings before term sheets rolled in.



In Jan 2023 here are some other numbers that I was hearing (in USD):



Pre-seed typical raise amount

\$500k - \$1M

at \$3 to \$7M valuation; usually post revenue with first users and MVP built



Seed typical raise amount

\$1.5M - \$3M

at \$8 - \$15M valuation; \$0 - \$200k ARR



Series A typical raise amount

\$5M - \$10M

at \$25 to \$50M valuation; \$1 - \$4M ARR

First it's important to share our timeline, because while our official fundraise only took 10 weeks, there was a lot of preparation that went into the process in advance that contributed to our success:

September 2022

Invited into Forum VC's accelerator; their program runs "investor week" three times per year. The plan was that Blanka would participate in Forum's February investor week. We chose to participate in the accelerator because Forum was able to unlock relationships with investors in the US (which we didn't have and we wanted to raise a US round, so this was very helpful for us)

HOT TIPS

That made all the difference:

You get out what you put into an accelerator;

I think a lot of startups get into accelerators and think everything will just happen for them, but that's NOT the case. You need to work super hard!

Fellow founders are the most valuable people in your network.

So many founders made introductions on my behalf and that's how I was intro'd to Forum, other investors, etc. So take the time to build meaningful relationships and try to pay it forward when you are able to do so.

Create a spreadsheet

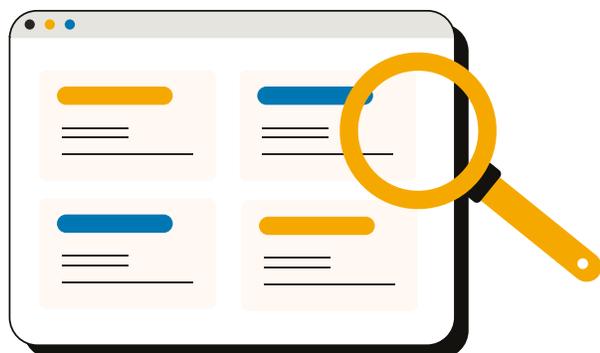
(or some other tracker, but Google worked best for me) to track every single investor you know. The columns I used in my sheet were:

- Fund:**
- Investor name**
- Investor email**
- City:** note this has come in handy when I travel and want to see who is in NYC that I need to catch up with
- Stage Focus: Seed, Series A, etc.**
- Company updates Y/N:** this is where I tracked who I sent my monthly updates to
- Notes**

I started sending out an investor newsletter in September and it was the best thing I ever did;

it started with only 6 people on my list and has now grown to over 200. It's written super plain text in an email and I have sent it consistently every month for over a year now. Here's the structure that I use:

- TLDR:** monthly revenue, monthly revenue growth rate, paying customers
- Highlights**
- Team**
- Key Asks:** this is a really powerful section where you can ask for help (e.g., an introduction, or maybe suggestions for a role)
- Thank yous:** when appropriate, I include a shout out in my updates to someone who went above and beyond to help me. It's important to thank the people that have helped you early on
- I always add this to the bottom of the update so that people know they can opt out: *PS - You are receiving this email because you have expressed interest in receiving updates about Blanka. If you ever want to be removed from this list, please don't hesitate to let me know.*



October 2022-January 2023

This time was spent (1) building relationships with investors, (2) crafting Blanka's narrative and story, (3) working super hard to hit key metrics that were required for a seed raise, at the time we needed to reach minimum US\$250k in ARR, (4) building our deck. During this time, I also started pitching at as many events as possible to get prepared for fundraising. This included Vancouver Angel Forum, Vancouver Economic Forum Lightning Pitches, BC Tech Dragons Den, Firehood Pitch at SaaS North (seriously, I signed up for everything that would force me to practice pitching Blanka). I also was going to sign up for Alliance of Angels in Seattle, and had a few 1:1 calls and also signed up for office hours with their team. Although we didn't end up pitching at their event, their team forwarded our deck out to their network and that's how we ultimately were introduced to our lead investor.

HOT TIPS

That made all the difference:

I have always signed up for every startup newsletter so that I know when these types of opportunities pop up. For me, I find that the newsletters in Vancouver specifically were really important leading up to our Seed round (NVBC, BC Tech, etc). However, now that we have our eyes on Series A, **I am starting to sign up for the newsletters in NYC, LA and SF because those are the cities where our customers, partners and future investors are.**

I started attending conferences. The best conference I attended was SaaS North, where I met Neil Grunberg from Storytime Capital (one of the first committed cheques in our round!)



Get your deck designed. I know you're fundraising because you have no money, but in this case you need to spend money to get more of it. This will cost at least \$2k and be the best decision you'll ever make. It's like the saying, dress for the job you want. Well, that but with a nicely designed deck. Game changer. Here's the designer we used: <https://www.linkedin.com/in/nikola-vucicevic/>

Practice, Practice, Practice

Leading up to kicking off your fundraising, practice pitching your narrative at least 10 times. **You should know the deck off by heart** without needing to even look at the slides.

Pre-empt what objections you will get: Start thinking about what objectives or questions you might get and prepare an answer. For me, so many investors asked: "oh so you just slap a logo on the same product over and over again."? At first I didn't know how to reply to this, but with practice I was able to say "Well, what you're referring to is the practice of private labelling. 10% of the products on Sephora's shelves are private labeled. 10% of a \$430B industry is substantial. Even more, Kylie Jenner started her billion dollar business private labelling before building out her own factories."





Investment Memo
Write an investment memo and do the work for them. This is their love language

Before fundraising starts, **have your data room ready**. Your financials should be really solid – I had a tab with all my inputs / assumptions and those drove everything in the model. There really shouldn't be anything hardcoded because you should be able to justify everything. Checklist for your data room (also you don't want to OVER DO the data room, sometimes too much info allows them to find reasons why not to invest):

- Financial projections
- Product demo
- Product roadmap
- Cap table
- Customer case studies or references
- Product data (for us, a Stripe export) > note I had this in a separate folder and only shared it if someone asked
- Hiring plan for next 3 years

If you're able to soft circle some capital before you land on terms, that's great! Use it during your conversations with other investors saying something like "I have \$250k soft circled, so our focus right now is to land a lead investor to set the terms". Interestingly, even though I had some capital soft circled, I didn't end up closing all of those investors (this was my decision, but I ended up having better investors that were a better fit, so I used initial "soft circled" money to get bigger cheques essentially).

Write a blurb about your company.

Once you start fundraising, you're going to start asking for introductions (or people will offer to make introductions on your behalf, and the NICEST MOST HELPFUL thing you can do is send them a forwardable email that they can easily forward to said introduction). But that forwardable email needs to be amazing so you should spend A TON of time crafting the best blurb ever about your company. I got a lot of coaching on this, and the general structure was:

3 sentences (market size, then team, then what you're building)

3 bullets

Plus a final line about your fundraise

Here's an example of ours, I removed some details just because this might be shared more widely:

In the \$430B recession proof beauty market, new brands are being launched daily. Blanka's technology makes it easy for brands of any size to source and customize the highest quality beauty products - with no minimums. Founded by a 2x entrepreneur and 30 Under 30 recipient, Blanka's platform is the wholesale hub and fulfillment partner for branded beauty.

Some highlights:

- \$XXk ARR with more than XX% YoY revenue growth
- \$XXk revenue from inventory sold (41% of the \$560k GMV) in 22'
- Onboarded over 12,000 sign-ups, with 400+ paying customers, growing at 10% MoM

NOTE

For Canadian founders speaking to US investors, put everything in USD, but don't add "US" before the number. It looks lame apparently. Also, use things like "\$220k" and "23" versus \$220,000 and 2023 to be more concise and brief (unlike this entire long document!)

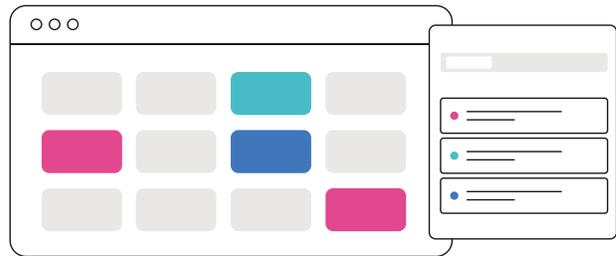
February 27th

Investor Week Kickoff!

On this day, Forum sent Blanka's blurb out to their community of investors who had the opportunity to book a time in my Calendly. At the same time, I sent an email out to the growing investor newsletter list I had saying that I had kicked off fundraising and included my Calendly link so they could book time.

Update I have started using [VimCal](#) instead of Calendly because it allows you to "suggest" times in an email (instead of just sending a link, which I find has a lower conversion rate and can be super impersonal)

Also fyi, I put a referral link into that VimCal hyperlink so that I get a free month when anyone signs up 😊 always thinking like a bootstrapped founder. Doing this on one official day created momentum and I was able to tell investors that I kicked off on Feb 27th and have been super busy in calls (they get more interested in you when they know others are also having conversations with you).



HOT TIPS

That made all the difference:

If you're a FORUM founder in Investor Week, open your schedule up EVERY DAY for as many hours as possible and clear as many meetings as you can. Think of this like a sales pipeline and if someone is booking a "demo" with you and can't find a time that works, then they probably won't come back again. Also open the Forum link up for 30 days (forum said 2 weeks but I did more!)

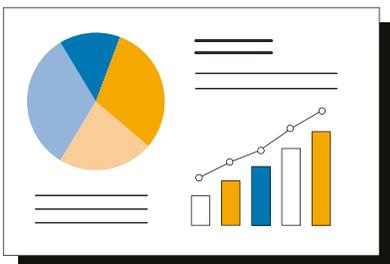


If possible, **don't pitch to your top investors first.** The first two weeks of fundraising, I was still learning a lot but by the time week 4 rolled around, I was an expert. I really wish I could have pitched some of my top investors on my list in week 4 versus week 1.

Use doc share. You don't have to pay for it - the platform will tell you that you need to upgrade but you don't actually have to you can just close their pop up window. Doc share is awesome and will show you what pages were most viewed (and for how long). It will likely be your team slide.

The version of your deck in Doc Send (which is the same deck that is in your blurb) should not have an appendix. I've also heard to keep out the financials and use of funds slide. **Keep it short** and make the investor curious and want to learn more about you. Think about it like your Bumble profile, you don't need to share too much detail or it might scare someone away...

 Dropbox DocSend



Also, at times you will see someone random view your deck, which means it was shared. Follow up with a note saying something like: "Hi John, I saw you flipping through our deck and wanted to check in and see if you're open to hopping on a quick call? Here's a link to my calendar or feel free to share some times that suit you and I can send over an invite"



In advance of ANY investor meeting, **make sure to send your deck** (without the appendix). This is so important. This allows them to get up to speed on your company and often resulted in a more in depth initial conversation and eventually got to term sheet faster (one investor we met on a Wednesday and the following Tuesday they sent us a term sheet – that was 6 days)

In advance of every call, have **your product ready to demo**. I was shocked how many people just wanted to dive into that immediately.

Take notes in every single meeting. I used Evernote because it is (1) free, (2) has good search functionality, (3) was easy to organize. Every investor had a tab.



At the beginning of every call, an investor will share a bit of information about themselves. In your notes, there are a few key pieces of information you need to figure out (and they will usually offer it up, but if they don't it's ok to ask, it shows you understand):

- How big is their current fund size
- How much has been deployed
- What stage do they typically write cheques at
- How big is their average cheque size
- What is their target ownership (this helps you understand what valuations look like)
- Do they typically do safes or priced
- Do they lead or follow on
- How long does their process take / what does the process look like (this is a good closing question at the end of the call)

When did they do their last deal? This is a nice way to ask whether they even have money to deploy. THIS WAS A MISTAKE I MADE - I got so excited about certain funds, only to learn later in the process that they were running a skeleton ship with no dry powder.

- **At the beginning of a call...**
after an investor shared about them, I'd ask if they want to just have a conversation or flip through a deck. If you feel more comfortable using a deck, then this might not be the best option for you, but I tend to "perform" better when it's a conversation.
- **During a call...**
write down all the questions the investor asked. After the call, you should reflect and figure out if you have a solid response. Also, if you hear a question more than twice, build a slide for it in your appendix. I started with 15 slides during fundraising and ended up with over 50.
- **After the call...**
send a thank you note (include your deck link again), ad them on LinkedIn and also add to your investor spreadsheet. Do this before the end of the day! Don't let this wait – you need to remain top of mind. I stayed up very late handling followups.
- **Afterwards...**
some investors may ask you follow up questions that require additional information. I always put that into a Google Doc so that I could reuse the answers (often I got similar questions). Also this google doc had our logo on it and used our fonts – one of our current investors commented on everything being on brand and looking very clean and professional, which they said gave us extra brownie points.

Be comfortable changing your narrative. Over the course of fundraising I learned what resonated with people and I changed my slides around and changed the story to flow more seamlessly.

Celebrate hearing "no".

It sucked, obviously, but I wrote down every single objection into a document and then wrote down what my response would be. This document turned into 10 pages and helped me better craft Blanka's story because I started to identify where investors might have objections (or where I clearly wasn't telling the right story)

When you do get a no, **don't ever fight back or try and change their mind.** These could be future Series A investors. I just always was very kind and thanked them for their time and asked if I could add them to my newsletter list. Sometimes I wouldn't even ask, I would just say something like "I totally understand. It was great getting to know you through the process. I've gone ahead and added you to our investor updates so that you can continue to follow us along in our progress."

Negotiating term sheet: This could be an entire document entirely, but my only advice is to make sure you have an amazing lawyer who is willing to walk you through the process and answer the dumb questions. Geoff became my therapist in addition to being our lawyer, and I'm so grateful for him. Update: After speaking with other founders who have raised, I have increasingly become more aware at how critical a good lawyer is to a successful raises. Bad lawyers who aren't on top of things will be the reason why a round doesn't close in time or why you don't get the proper terms in a deal.

Make sure your lawyer has helped founders raise rounds before and do a TON of diligence on them

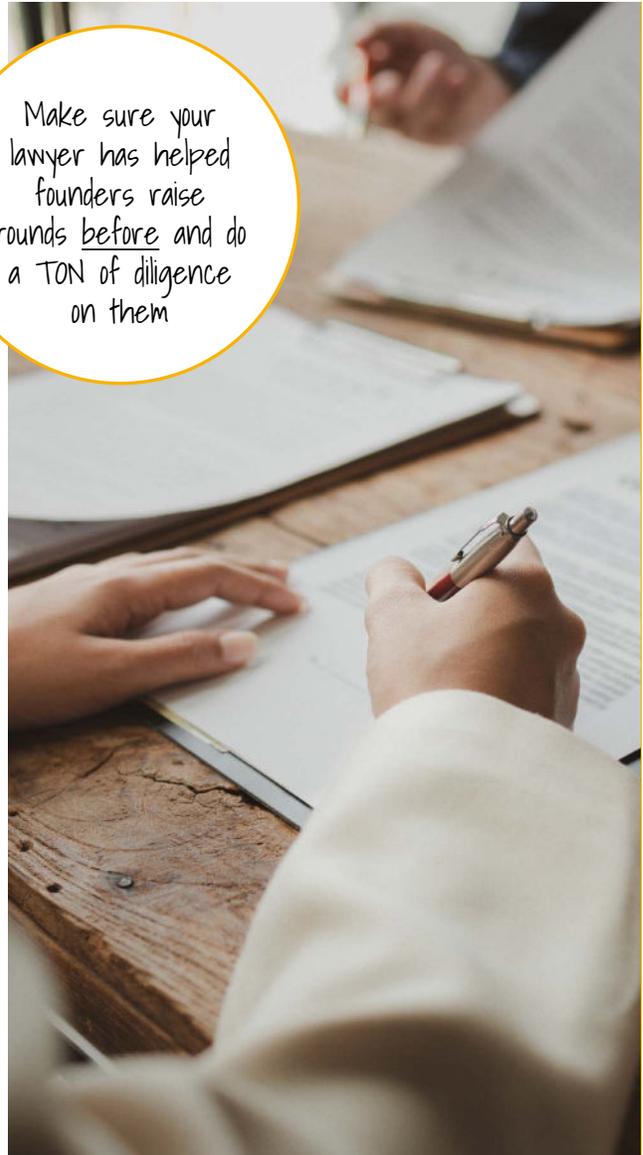
Helpful Links

There are a few aggregators/community builders that send out deal flow to their newsletter subscribers. I submitted Blanka for every one of them and actually got some great inbound:

- [Andrew Yeung's newsletter](#)
- [Daily Dealflow](#)

During our fundraising process, we didn't do any cold reachouts, rather we leveraged LinkedIn to see where we could drum up warm introductions. That being said, here are a few lists of pre-seed/seed investors that might help if you're looking to do cold outreach:

- [List of investors investing in underrepresented founders](#)
- [Funds that lead seeds](#)
- [No warm intro required investors](#)
- [List](#)
- [List](#)
- [List](#)
- [Post](#)



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A quick ask: if you found this document helpful, can you please do me a favor? Follow Blanka on [LinkedIn](#) and [Instagram](#)! Thank you!