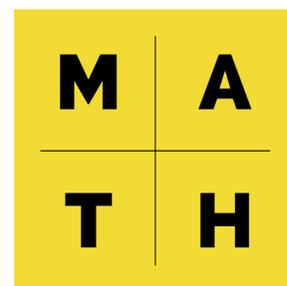




WE LEAD WHAT WE VALUE

Founder's Preparation Checklist

What to expect in your journey with MATH.



VENTURE PARTNERS

Our goal is to invest – and we have three levels of investment.

Intellectual Capital

We invest in strong teams by giving our time and leaning on our operating experience to help build your idea into a scalable business. You should feel this in every meeting that you have with us.

Social Capital

We invest our social capital in strong teams with a great idea – we leverage our network to make introductions. When we feel like an idea is ready, we will tap our network to help in any way possible.

Financial Capital

We invest financial capital in strong teams with a great idea that fits our investment thesis. If we invest capital from the fund, it is because you have convinced us you have a strategy for an unfair advantage in customer acquisition.

How can you maximize your chances of gaining all three levels of investment?

MAXIMIZE CHANCE

Maximizing Your Chances of Gaining Investment

We are often surprised by the number of founders that request meetings with us then come in unprepared. In fact, many times we get cold emails from start-ups requesting meetings that clearly do not fit our investment criteria and have no idea of our investment thesis.



Going in unprepared is a sign—we view it as a proxy for the level of work, effort, and due diligence the entrepreneur will do when they meet with potential customers. It’s an almost immediate deal killer for us if the entrepreneur comes into a meeting unprepared and didn’t take the time to look at our website to understand who we are, what our investment thesis is, and what our hot buttons are.

Mark Achler

In order to promote more effective meetings, we decided to provide a roadmap for entrepreneurs wanting to maximize their chances of gaining investment. Follow these basics:

Pre-Meeting

- Do your homework
- Know your customers
- Focus on relationship building

First Meeting

- Talk about the big pot of gold
- Know your numbers
- Be transparent

Post-Meeting

- Incremental steps of credibility
- Financial model and cohort analysis
- Communicate consistently

Pre-Meeting

DO YOUR HOMEWORK

If you do your homework, you'll know that MATH invests in digital technology across a variety of sectors, with one common thread. Our portfolio companies demonstrate an unfair advantage in customer acquisition. It's a straightforward thesis: nobody ever went out of business because they had too many customers.

So, guess what we're going to spend a lot of time talking about in your meeting with us?

Be prepared to talk about your customer acquisition strategy and how you and your team are delivering on it. Help us understand your unfair advantage (channel partners, market urgency, network effects, etc.). You will get our attention from the beginning if you talk about sales.



As a venture capitalist, if you want to whisper sweet nothings into my ear, talk from the voice of the customer and have a clear path to customer acquisition. As we say at our venture fund, it's all about sales.

- Mark Achler

KNOW YOUR CUSTOMERS

CEOs that meet with us are really good at defining their KPIs, but they're often stumped when we ask them what the KPIs of their customers are. This is an immediate red flag. Good salespeople demonstrate empathy for their customers by understanding what they need and what motivates their decision-making.



We do not have a product-first thesis, we have a customer-first thesis.

- Dana Wright

You should know your customer's problem inside and out. You should be able to articulate what your customers want and need and the value proposition of your solution.

If you aren't prepared to speak eloquently about your customers, then you aren't prepared for your meeting at MATH.

FOCUS ON BUILDING A RELATIONSHIP

Read about us and call the founders at our portfolio companies to learn how we've partnered with them. Ask them about the good times – and the hard times.

“ MATH has really been true partners. I can pick up the phone, call Mark or Troy or Dana anytime I need help. They have good contacts, they give great advice – it's like having somebody else in the business that you could call that could lend you a hand with whatever type of challenge you're having.

- Nathan Hanks, CEO Music Audience Exchange

Meeting

TALK ABOUT THE BIG POT OF GOLD

MATH, and any early-stage VC for that matter, isn't investing in the current business – we're investing in the future. We're long-term thinkers that hold and grow businesses in our portfolio for many years before they're harvested for an exit. We want to understand your vision for the future.

“ The first thing you have to do is demonstrate the opportunity, or as I call it, the 'big pot of gold.' The second thing you need to do is show that you have a low-risk path to getting there. Sounds simple, but if the investor believes you have a low risk path to a pot of gold, he/she is going to write you a check.

- Troy Henikoff

KNOW YOUR NUMBERS

There is no way around it. If you are coming to us for money, you have to know your numbers – even if they are made up assumptions (make sure you tell us which ones are real and which ones are made up). We want to be able to see the logic and understand how you think about unit economics and customer acquisition costs. We need to know that you will be good stewards of the investment and that you have a command of the business economics.

“ Some teams that come to us think it is too early to put numbers down. Wrong. If you, the person that knows and believes in your business the most can't put numbers around it – how do you expect an investor to?”

- Dana Wright

BE TRANSPARENT

At MATH, we have decades of operating experience and have deep connections in entrepreneurial and tech ecosystems. We help companies make critical decisions, recruit talent, and prepare for exits. But we can only help our portfolio companies if they're transparent about their needs.



We want to understand the founding team's strengths and weaknesses, and that requires you to be honest with us. If you tell us that you're good at everything and don't need any help other than a check, alarm bells are going off in our heads. Nobody is perfect.

- Mark Achler

Post Meeting

INCREMENTAL STEPS OF CREDIBILITY

Your first meeting with MATH is unlikely to get deep into the weeds. We want to assess problem/solution, customer acquisition, team, and size of opportunity. After the first discussion, be proactive in continuing the conversation. Send over your deck if you haven't already. Send customer case studies and testimonials, articles about the business, research that highlights the market urgency for your product, etc.



When you're working with VCs, you want to treat them as a prospect that you're selling for your own company. After meetings I send out materials, send items for follow-ups that were discussed in the meeting, send calendar invites for the next meeting. All of those little things are going to show that you can take ownership of the relationship, both with them and customers

- Sterling Douglass, CEO Chowly

FINANCIAL MODEL AND COHORT ANALYSIS

After our first conversation or two, it's time to do some real MATH. Have a clean financial model ready to walk through with us (in Excel, NEVER in PDF form). There are lots of ways to build a model, but a good one will answer this key question: what do we have to believe in order for you to reach the big pot of gold? In other words, make sure the model assumptions and drivers are clearly highlighted.



As the CEO for SurePayroll, I knew my financial model inside and out since I built it. I could answer any question about any cell and look like a genius. In the end, I did eight deep dive meetings on the financial model and EVERY ONE of the firms that did the 90-minute meeting with me either made an investment in the company or made an offer to invest in the company. Every single one.

- Troy Henikoff

In addition, given MATH's focus on customer acquisition, it would be very helpful for us to see a cohort analysis if your data is robust enough to include one. If you are unsure of how to build it, ask us! We're happy to walk you through it.

COMMUNICATE CONSISTENTLY

At MATH, we want our portfolio companies to send us monthly updates that include any major developments in customer acquisition and how they're tracking on top-line growth, cash burn, and KPIs. If you get in the habit of doing that early – after your first couple of meetings with us and before we even write a check – we know that you'll be a good communicator.

These regular communications will indicate very clearly if and when we need to lean in as active investors. At MATH, we are always asking ourselves what we can do to help our portfolio companies. If we're armed with up-to-date information on the health of those companies, we will be equipped to do just that!