

iv. Fundraising Documents

Which Documents do I need to raise funds?

There is no set rule for which documents are required to successfully raise funds. Some investors will prefer old-fashioned business plans while others are happy with a trendier pitch deck. Either way, the impression of competence and professionalism that you can create by having all the various types of documents available can be very important.

Remember, no one really knows whether your business will ultimately succeed – your task is to convince investors that you look like the kind of entrepreneur who should succeed.

This section gives advice on all the documents you might need on your fundraising journey. (Documents required for closing a deal like term sheets and shareholders agreements are dealt with in a later section). Guides and templates for all the documents mentioned in AIN Learn can be downloaded from the Useful Documents section.

The principal Documents you might need for this stage of fundraising are:

1. [Pitch deck](#)
 2. [Executive Summary](#)
 3. [Business Plan](#)
 4. [Financials](#)
 5. [NDA \(Non-Disclosure Agreement\)](#)
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What if I don't have any docs?

If you don't have any docs it's not a problem. While it is a good idea to have a number of different documents available in order to create the impression of your competence, you can still easily get by without all of them.

So if you don't have any there's no need to be put off from starting your fundraise. If you've decided to use the [Angel Investment Network](#) platform, the proposal form that you use in order to submit a proposal will suffice as your first 'document'. And after this you can easily create a simple pitch deck and executive summary; it will even help you structure a longer business plan.

The point is, there's no need to feel hamstrung by a lack of documents for two reasons:

1. You don't need any to get started following a proposal template;
2. Given the right resources it won't require much time and effort to produce some investor-winning, well-branded documents.

Plus there is no rule that dictates that you need documents to raise money. That said, I wouldn't advise you to pitch your business without any paperwork!

How important is the design?

We touched upon the notion of branding yourself as competent and professional above; this notion must

also extend to your documents themselves. Whether you are crowdfunding, seeking angel investment or applying to accelerators, looks are exceedingly important in contributing to the overall impression that you are likely to succeed.

Remember, people do judge books by their covers. That is not to say, they only judge books by their covers; obviously, once they've read the contents of the book they will have more information to use in their evaluation of it, but if that initial impression is positive this can give the reader a positive framework with which to view and interpret the contents. The importance of this mustn't be understated.

Consider the two slides below. Both give the same information, but which are you likely to endorse more?

Exhibit A:

Bad

Image not found or type unknown

Exhibit B:

good

Image not found or type unknown

So it ought to be clear why design work is important.

But how can you get design work good enough for your pitch deck, especially if you don't have an in-house designer?

For a start, if you are competent on Microsoft Powerpoint (or other presentation software) and have a good eye for design then this won't be a problem at all. If you're not, then find a friend who can help you.

Here's a list of useful presentation tools to help you or your friend do the best possible job:

- [Canva](#) (*Free*): amazingly simple graphic design software. It will take you a day or so to get to grips with it, but the end result can look like you've used a pro graphic designer. Plus it's free unless you want particular graphics.

- Microsoft PowerPoint (*Free*) (obviously)
- [99designs](#) : this is great if you're prepared to spend a little bit. Post your idea and give specifications, then sit back as hundreds of designers compete for your business. You get to look at lots of designs and pick your favourite. Plus you'll get the opportunity to build a relationship with whichever designer you pick.
- [Adobe Kuler](#) (*Free*) : A useful free tool to help you match colours and give your presentation a good palette.
- [Dribbble](#) (*Free*): describe themselves as 'Show and Tell for Designers' – a great resource to find ideas.
- [Crowdspring](#) : an alternative to 99designs.

As regards your logo, unless you are particularly fortunate in your friends, you may need more professional help. A logo is not essential for fundraising but it will help.

If you decide you want a logo before you start fundraising, or perhaps while, it's important to realise that it doesn't have to be perfect from the start; remember, it's liable to change multiple times throughout your company's journey. So you don't have to spend thousands on it initially. That said, a good logo can help you strike the right impression.

Useful logo tools:

- [99designs](#) : same benefits as above.
 - [Squarespace Free Logo](#) (*Free*) : simple, free logo creation.
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1. Pitch Deck

Your Pitch deck can be considered as the primary weapon in your fundraising arsenal; it is frequently the first document downloaded by prospective investors on [Angel Investment Network](#).

When you think about it, this makes a lot of sense – you are not going to read someone's full business plan or try to arrange a meeting with them until you are convinced of the merit of their idea. Their proposal may have intrigued you enough to download a document, but that document is always likely to be their Pitch Deck because it will (hopefully!) give you the most important details in a well-structured and succinct presentation. If you still like the idea after reading the Pitch Deck then you might be inclined to read their full business plan or arrange a call/meeting with the entrepreneur.

So your Pitch Deck should be the document you work on first (at least when it comes to fundraising – if you've got to this stage the chances are you already have some form of business plan where you formulated your idea).

This is good news because Pitch Decks are not difficult to do and should not take too long, provided you have a firm grasp of what you need to say and how you need to say it. For this, there are loads of great online resources to help you.

Just google "how to write a pitch deck" or something similar; and you'll find a plethora of templates, examples etc...

We've read them all and come up with our own helpful guide which you can download [here](#).

2. Executive Summary

An executive summary is a synopsis of your full business plan. It is a bit like the Pitch Deck in that it is

designed to intrigue prospective investors enough to look at your full business plan or arrange a call/meeting with you.

The difference is that it is usually less visually appealing and more text heavy than a Pitch Deck allowing you to fully articulate your key points. The purpose is to get readers to want to find out more and to get them to appreciate the opportunity.

To write your executive summary, you will need to have written your full business plan in order to condense it. Your structure will basically follow that of your business plan, but with the points heavily condensed so that only the most impressive and key ideas remain.

N.B. Your executive summary should be no longer than 2 pages.

Again, if you google “[how to write an executive summary](#)” you’ll find a multitude of helpful resources and templates. Here are a few you might find particularly useful:

For a good general introduction - <http://www.inc.com/guides/2010/09/how-to-write-an-executive-summary.html>

For more information and links to examples - <http://articles.bplans.com/writing-an-executive-summary/>

For a step-by-step guide - <http://www.wikihow.com/Write-an-Executive-Summary>

3. Business Plan

After you have formulated the beginning of an idea, your business plan will be the natural next step. It can be a simple and joyful task as you set your idea to paper and begin your startup journey. Your business plan will be the document from which all others stem. It will also be a work-in-progress as you will constantly need to amend and update as your idea and your business develop.

The process of writing your business plan will help you:

- Clarify your business idea
- Spot potential problems
- Understand your goals
- Measure your progress

In a nutshell, your business plan is a written document describing your business in detail. It will cover every aspect of your business: strategies, objectives, the idea, marketing etc... And as such it will not only be important for convincing customers, suppliers and partners to support you but also for securing investment or a loan.

As ever, the internet is a wonderful hive teeming with good advice on constructing your business plan. Of course each plan will vary according to the specific needs of the business, but most advice holds true for all.

The links below take you to the best advice we’ve found on the subject including examples and templates:

Great for general advice - <https://www.entrepreneur.com/article/76140>

A How-to guide - <http://www.startupdonut.co.uk/startup/business-planning/writing-a-business-plan>

A decent business plan template to use as a starting point - <https://www.princes-trust.org.uk/help-for-young-people/tools-resources/business-tools/business-plans>

4. Financials

The financials section falls within your business plan and advice for it can be found on it within that section. But it is worth just making a separate point in passing.

For many startups, the idea of ‘doing their financials’ seems ridiculous because they might only be concept stage and as such any projections they make will be wholly fictitious. This is a valid point, but the more knowledge you can demonstrate about running a business smoothly, the more an investor is likely to place confidence in your ability and thus your business.

So, even if financials won’t play a significant part in your initial funding round, it is nevertheless important to begin familiarising yourself with how they would look. That way, if you get asked about it when pitching you’ll be able to give a good answer as to why you haven’t produced a financial document yet and in so doing demonstrate that when you do reach the right milestones you will be able to do so.

5. NDA (Non-Disclosure Agreement)

What is it?

An NDA or Non-Disclosure agreement (also known as a Confidentiality Agreement (CA), Confidential Disclosure Agreement (CDA), Proprietary Information Agreement (PIA) and Secrecy Agreement (SA)) is a legal contract between two or more parties through which the parties agree not to share information covered in the agreement.

This agreement is used to protect any type of confidential proprietary information or trade secrets.

Do I need one?

You may have the greatest business idea in the world, but to get it from idea to reality you will necessarily have to share the information with other parties; and not only prospective investors, but also stockists, suppliers, accountants, lawyers, banks, marketing agencies etc...

Some the information you may consider too precious to the ultimate success of your business and too useful to potential competitors for you to share freely. Basically anything you would consider your [intellectual property](#).

If you feel like this reflects your situation, you may want to consider asking investors to sign an NDA before you give them the full explanation of your idea. You also may want to take this [check test](#) from gov.uk (if you’re a UK based company) to ensure that you have taken all the appropriate steps to protect your idea.

However, getting investors interested is not an easy task; and even after you have got them interested, they are busy people and can lose interest very quickly. Asking for an NDA creates another level of friction that can potentially put investors off.

So my advice would be not to ask for one unless you feel it strictly necessary.

Where can I get an NDA?

Your safest bet is to consult a lawyer regarding confidentiality, and if necessary they can draw up and appropriate NDA for you to use.

Alternatively, you can find some excellent free templates and examples on gov.uk