Funding criteria

TIA uses the following criteria for investment:

- Ventures solving critical problems with unique solutions that are scalable.
- Quality of the management team with a good track record, having complementary skills and relevant domain experience. All entrepreneurs are welcome to apply - first time entrepreneurs, second time entrepreneurs and entrepreneurs who may have been unsuccessful in their earlier first attempt.
- Entrepreneurs who can provide evidence of the validation of their concept and particularly those who have begun to engage with the market have a stronger proposition. Validation would be a 'Proof of Concept' for an IP product or service; Post-revenue and month on month growth on traction.
- A robust and tested go-to-market strategy.
- A team with a desire to be mentored and coached.
- A reasonable valuation that fits within the risk/reward expectations of TIA Angels.
- An entrepreneur who can articulate the fund ask, capital allocation and targeted outcomes.
- A credible exit strategy for investors.

TIA uses the following criteria for investment:

Management
- Specific experience
- Overall experience
- Complete team

Technology
- Level of technology risk
- Time to prototypes
- Time to first ship

Market opportunity
- Market definition
- Market size
- Market growth rate
- Significant competitors
- Domestic or international

Capital structure
- Amount and type of investment
- Has the management invested (skin in the game)
- Date and price of last round if any.
- Are previous investors coming in this round?
- Loans, if any, outstanding

Company strategy
- Does the company address a significant problem?
- Competitive advantages (price, patent, lead time, skilled team, etc.)

Marketing
- Does the company effectively communicate its message?
- Can the company distinguish itself from the competition?

Intellectual property, if applicable
- Number of patents granted
- Number of patents applied for

- Scope and strength of patents
- Licenses owned

Proposed deal

- Amount requested
- Pre-investment valuation
- Post-investment valuation
- Terms

What the company needs

- Resources beyond capital
- Introduction to customers
- Distribution partners
- Key team members
- How else can we help you?

Company financial status

- Current profit/burn.
- How much in the bank?
- Cash horizon
- Quarters to break even

Liquidity event

- When and how

TIA Application

The initial application will take 15 minutes to complete if all the information required is prepared and ready before you start filling the forms.

Prepare for applying using the downloadable files that lists questions that need answering. A 3-minute video pitch presentation will speed up the TIA process timeline and is required with the application. For guidance, we have provided downloadable draft templates. They will help you to communicate salient aspects of your business. At each stage of the application process entrepreneurs can preview how their data will be seen by investors, see the value of the questions/detail being requested.

The TIA process should take 16-24 weeks for completed applications.

Please email global@tie.org in case you face difficulty accessing the platform, for application related questions. You may call TIA

TIA Process

1. **Application**

Interested companies complete the online application.

2. **Committee Pre-screening at the TIA Chapter**

The applications are pre-screened by members with industry experience.

3. **Pitch presentation at the TIA Chapter**

The presentation is a presentation to Investors.

4. **Presentation to all TIA Angels**

After a company has presented to the chapter in the closest geography and has received investment interest traction from members of that chapter, the company then has the unique opportunity to present to all TIA Angels across the world.

5. **Due Diligence**

The Company then enters a due diligence phase. One or two Angels will take the lead in due diligence and negotiations with the company.

6**. Deal Closure**

The entire process can take 12-24 weeks. After signing the SHA and other documents funds will be released.

Prepare for Investor Questions with Data

1. Market potential of a company's product or service offering(s), revenue potential for the industry, and its growth rate.

Is the opportunity large enough to pursue. Size of the opportunity determines whether the investor will receive a healthy return within a designated time frame (often three to five years).

2. Calculation of market potential, industry sales and growth rate.

Market potential estimates are supported by independent research as well as bottom-up or top-down calculations. Some Angels will have domain expertise and will be able to quickly assess an entrepreneur's figures.

3. Uniqueness of the business.

Is it a unique business in a mature industry? Or a revolutionary product that requires educating customers? Both these questions identify challenges of the startup, will it face a price competitiveness or take too long to create a market?

4. Understanding of consumer choice behaviour. Why will customers "need" to purchase the product or service? What specific needs does it address?

This underlies how a product will gain traction, customers will demand it based on market trends.

5. Growth potential of the business.

Investors like a large growth opportunity that scales quickly. Explain how revenues are estimated from market potential.

6. Why is the management team considered exceptional to deliver the opportunity?

Investors look for the following knowledge and the person(s):

- Experience of building a startup,
- Industry experience (or with the product),
- Humility to learn,
- Energy or passion for what they are doing,
- Resourcefulness,
- Integrity,
- Perseverance,
- Risk-taking ability.

7. Risks of the opportunity.

- Competition
- Changes or shifts in technology,
- Governmental and regulatory policies,
- Access to people
- Product risk

8. Risks of the investment.

What happens if current capital raise requires a next financing event and that gets delayed?

9. Competitors.

The extent of competition in the business, positioning and differentiation, both on the supply and demand side. Angels with domain experience will be able to ascertain the depth of market understanding.

10 Competitive advantage.

Ability to reach the target market in a manner that is more effective than the competition. What is unique that gives the startup an edge? "First-mover advantage" is rarely a competitive advantage.

11. Intellectual property- patents, trademarks, copyrights, etc.

IP assets of the startup. These are industry specific. This is an important part of the due diligence process (non-disclosure agreements, non-competes and/or employment agreements) to ensure that the startup has taken steps to protecting its intellectual capital.

13. Customer acquisition strategy and metrics.

A tested and validated go-to-market strategy. What is the customer acquisition cost? Average and target revenue per customer? Customers are required to break even. Do you know the product sales cycle and cash cycle? And so on.

14. Customer retention strategy or reducing churn.

The heart of growth. Knowledge of what is important to customers. How the product will be supported and the costs of providing support. Does the product require repurchase, will existing customers buy again, or service again and recommend it to others?

15. Unit economics, Time to profitability and cash flow.

Growth preempts profitability because the goal is to reach an exit milestone quickly.

16. Alliances or partnerships like marketing alliances, licensing arrangements, selling/distribution agreements, channel partnerships, software agreements, etc.).

Demonstrate how alliances may have helped distribution or sales channels for your products and services. Do the alliances create a competitive advantage, help you reach customers more efficiently, or create barriers to entry?

17.What the management team has to learn to make the startup work?

This demonstrates the humility and candidness in asking for support from the investors.

18. Key hires by when.

The plan to fill key positions now and in the future. Plans of compensating people, attract, motivate, and retain employees while keeping labor costs under control.

19. Probable exit options.

When will investors monetize their investment?

20. Use of the capital.

A timeline of milestones targeted, how capital will be deployed and what it will allow you to accomplish.