

FAQs

Does TiE India Angels invest in startups only from India?

TiE India Angels is a global platform with investors from across the world. Startups from around the globe can apply for funding.

What is the Investment Thesis of TiE India Angels?

Big Market Opportunity

Significant market opportunities, a combination of short-term (what the founders will do in 18-24 months) and their long-term vision.

Compelling Customer Problem - A problem that wins is amongst the top three problems of a customer. The solution to the problem must change a metric that a customer can experience.

Total Addressable Market - Total Addressable Market (TAM) - total revenue potential from a group of customers served by all companies competing for the market. TAM metrics based on total customers in a market are to be mixed with an understanding of – number of customers in the initial market (for which funds are needed), how much can a typical customer pay, and how much of the market is reachable based on competition. Once the initial market is realized, then the “adjacent” market must have larger growth opportunities.

Strong Team

Domain expertise - Entrepreneurs with domain expertise often develop new solutions (faster) with a higher (speed of) adoption. Do the founders understand and appreciate the psychology of consumer choice behavior? Entrepreneurs sensitive to create a process of product development based on observing and engaging with users.

Committed team - Founders with 100% commitment to launching their startup. And understand what it means to align interest with investors.

Functional skill sets of a team - Skills needed for the business e.g. sales in SAAS, managing channels in CPG, tech. for deep tech. etc.

Founder(s) Values

Ethics - Intellectually honest and self-aware. They know what they need to learn. Are sincere and respectful.

Character - Entrepreneurs should evidence they know how to analyze potential team members' skills and capabilities, recruit people, and build teams. And demonstrate that they treat others well and fairly and help team members grow.

Compelling Product

Traction - Customer traction (engaged users and paying customers) means the product works, and a customer problem is being solved. A metric of consumer retention and loyalty is an indicator of growth potential.

Focused Go-to-Market Strategy

Entrepreneurs need to show a go-to-market approach that shows a product-market fit and how they intend to build scale based on acquiring customers at an acceptable cost of acquisition and lifetime value. The foundation of GTM is a pipeline of interested prospects and learnings derived from early sales success.

Demand creation, customer acquisition, and customer engagement - Entrepreneurs must show a growth strategy based on customer acquisition based on sales and marketing drivers they have established (based on traction) and control. The metrics need to relate to the efficiency of capital deployment. Some funds raised will be deployed towards marketing.

Business Model/Financial Viability

Business Model - Other than how a startup makes money, the margin is often a surrogate measure of risk. A business model with high margins and low capital intensity allows an entrepreneur to learn, taking a longer time by making mistakes. And still having the capital to recover. Lower-margin business models with higher capital intensity are risky when faced with high customer acquisition costs, competitive pressures, or difficult economic conditions.

Valuation - Reasonableness of the Valuation.

Exit Possibilities

Does TiE India Angels charge a fee for arranging funding?

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How is the valuation of a Startup determined?

Valuation of a Startup is negotiated between the entrepreneur in consultation with the lead investor. Investors usually use industry benchmarks of valuations from startups who have raised funding. It is a good idea for an entrepreneur to prepare for discussing valuation, show their assessment of value, have an estimate with a range of variation, and have the flexibility for negotiations.

What is Due Diligence, and how long does this take?

Due Diligence has three dimensions – business, financial, and legal. TiE India Angels have partners who conduct Financial and Legal Due Diligence for the Startups. Due Diligence can take about 4-8 weeks. Keeping documents ready for Due Diligence is important to speed up the process. TiE India Angels share the list of documents needed with entrepreneurs early to complete the process. Investors do the business due diligence.

Does TiE India Angels have a standard term sheet?

Yes, TiE India Angels share a generic term sheet that is accessible to entrepreneurs after they apply for funding.

I am at an idea stage. Can I apply to TiE India Angels?

Yes. Please choose from the following stages while creating your application on TiE India Angels.

- Idea - you have the problem, solution, business model, etc. Well-defined, but you have not built any POC or launched the product in the market.
- Proof of Concept - you have a POC version of the product ready and can give a demo, but the product is yet to launch in the market.
- Beta - product is being tested with a small set of beta customers.
- Early revenues - product is launched, and it has started generating revenues.
- Revenue growth - customer base is growing, which is generating revenue growth.

We do not have revenue. However, we have customer traction through social media metrics. Can I apply to TiE India Angels?

Yes. Traction metrics where monetization is to be discovered are welcome to apply. You will access a list of traction metrics after registering on the site.

What are the different investment instruments used for investing?

- **CCPS - Compulsorily Convertible Preference Shares.** This is the most common instrument used by Startups in India.
- **Equity** - Also called as common shares.
- **CCD - Compulsorily Convertible Debentures** - This is a debt instrument that has to convert into shares compulsorily.
- **Convertible note** - This has been allowed recently in India but allowed only for DPIIT certified Startups. A convertible note is an optionally convertible instrument giving investors the option (on maturity, i.e., when the startup raises the next round of funding) to convert their investment into equity at a predetermined discount to the next round of funding.

Does TiE India Angels have any eligibility criteria for Startups to sign up?

There are no eligibility criteria for startups. The registration and application process are designed to assist entrepreneurs in preparing for fundraising. Attachments are important. They show preparedness to close the capital raise quickly. A video pitch upload is a significant opportunity for you to present to investors even before you are invited for a pitch. It significantly accelerates investment decision making. Cap table, traction metrics, and financial projections are enclosures that reflect preparedness and speed evaluation.

Does TiE India Angels invest in all sectors?

TiE India Angels are sector agnostic.

What all things to keep in mind when preparing an application on the TiE India Angels platform?

Taking time in creating a strong TiE India Angels application is time well spent. Clearly, communicating is essential, but it becomes even more so on an online platform.

Please keep the following in mind.

When writing your pitch, make it clear and unambiguous. Create an excellent one-line summary for your startup. This is the first thing an investor reads. Time in crafting a good one-liner is time well spent. Try to do this in one sentence. Best statements are tested using two tests. One, an eight or 9-year-old school student should be able to understand it. And it should focus more on what customers get and less on what you do. Add a line about why you are building the start-up.

For the Team question: The start-up founder(s) and their team are a predictor of start-up success. Describe the founding team's value, knowledge, and experience that will contribute to technology, product development, go-to-market, and growth. Add anything that you believe works for you. Be candid about gaps, if any, and how you intend to fill them.)

In the Product/Solution question: Describe if the startup is based on the personal experience of the founders? Why do you believe customers will consider and buy from you? Why is your product/service necessary? Is it doing something different/or doing differently? Is it a "need to have"/ "nice to have?" Identify, if possible, the basis of your assessment. Any trials conducted? Testing makes the startup interesting for investors.

In the market opportunity question: What is the market opportunity? And why will it be significant? Total Addressable Market. Identify the immediate opportunity targeted as a stepping stone to a larger opportunity. Do you have an unfair advantage to sell to this market?

In Customer Traction Summary under Traction tab: Show month on month user growth percentages. For example, Month on Month growth: 42%. Also, show the total number of users who have used your product. If you are in the B2B space, also mention the companies that are using your product. If you are in Beta or Proof of Concept, you may not have a month on month growth to show. In that case, mention your stage and the number of users who have tried your product here.

In How do we make money segment: Who will pay (target customer segment)? What are the estimated (or established) margins? What are the costs of the sale? What are the key metrics you use (or intend to use) to manage the business?

In your go-to-market plan. Have you established (or estimated) the cost of customer acquisition (plans to reach your prospects, convert them into customers, and profitably satisfy their needs, either with or without key partnerships)? Have you established (or estimated) the margin structure of channels if used? Indicators you use (will use) to determine the effectiveness of sales and marketing activities.

In the ask section, please identify your funding requirement and its deployment. Knowing the basics of how capital will be deployed shows to investors that you understand capital use. Identify any written commitments for any portion of the funding on the date of application. And expectations of pre-money valuation.

Does TiE India Angels provide startup support through mentoring?

Yes. TiE has a robust mentoring program. Entrepreneurs can access mentoring and incubation support through TiE.

What data is needed for applying to TiE India Angels?

Data that validate answers to the application questions. Plus, cap table, traction metrics, and 3-5 years financial projections with an 18-month month-by-month cash flow estimate are needed enclosures.

How do I contact TiE India Angels?

Please visit the TiE [website](#) to locate contacts of the TiE Chapter near you. TiE Chapters across India manage the TiE India Angels.

What are the different browsers and browser versions supported by the TiE India Angels platform?

TiE India Angels platform works best with the latest browsers - Google Chrome, Mozilla Firefox, Apple Safari, and Microsoft Edge. For the best experience, please upgrade to the latest versions of any of the four browsers.

How do I partner with TiE India Angels as an SME Adviser?

Please log onto the platform as a potential SME Advisor and fill up a short application form.

I am interested in becoming an Angel Investor on TiE India Angels. How can Investors register on TiE India Angels?

Investors can fill up a [form](#). Investors can download the TiE India Angels App from the [Google Play](#) or [Apple App Store](#) and register their interest. You can also apply on the TiE India Angels [platform](#).

How much fee does TiE India Angels charge from Investors?

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