insights

INVESTMENT READINESS

An Analytical and Statistical Guide to Preparing a Business for Funding

All figures are approximate (approx.) estimates compiled from public industry reports and rounded for easy reading.

2026

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What It Means to Be Investor-Ready

Investment Readiness (IR) is the degree to which a business, for example (e.g.) a startup or Small and Medium Enterprise (SME), is prepared to seek, receive and manage external investment and to pass investor due diligence (DD).

- **For founders:** being able to prove the business case with evidence, not promises.
- **For investors:** confidence that capital will be used well and that risks, that is (i.e.) financial, legal and market risks, are under control.

Dimension	Ready looks like	Not ready looks like
Financials	Clean books and a defensible forecast	Shoebox accounting and guesswork
Story	Clear problem, solution and market size	Vague vision without focus
Evedence	Traction data, references and pipeline	Claims without proof
Legal	Clean cap table and owned Intellectual Property (IP)	Unclear ownership and missing contracts

Key abbreviations (abbr.) used in this report

Key abbreviations (abbr.) used in this report IR = Investment Readiness | VC = Venture Capital | DD = Due Diligence | SME = Small and Medium Enterprise | IP = Intellectual Property | USD B / M / K = US Dollars in Billions / Millions / Thousands | avg. = average | approx. = approximate | est. = estimated | yr = year | mo. / mos. = month / months | CAGR = Compound Annual Growth Rate

Funding Roadmap: Steps and Forces

How the readiness journey works and which forces shape the funding climate.

The Investment Readiness (IR) journey

01 Assess
Score readiness across the core pillars

02 Fix gaps
Financials, legal and the story

03 Build evidence
Deck, data room and metrics

04 Pitch + DD
Meet investors and answer diligence

05 Close + deploy
Sign, receive funds and report

Force analysis: what helps and what hurts a raise today

Tailwinds for fundraising (+)

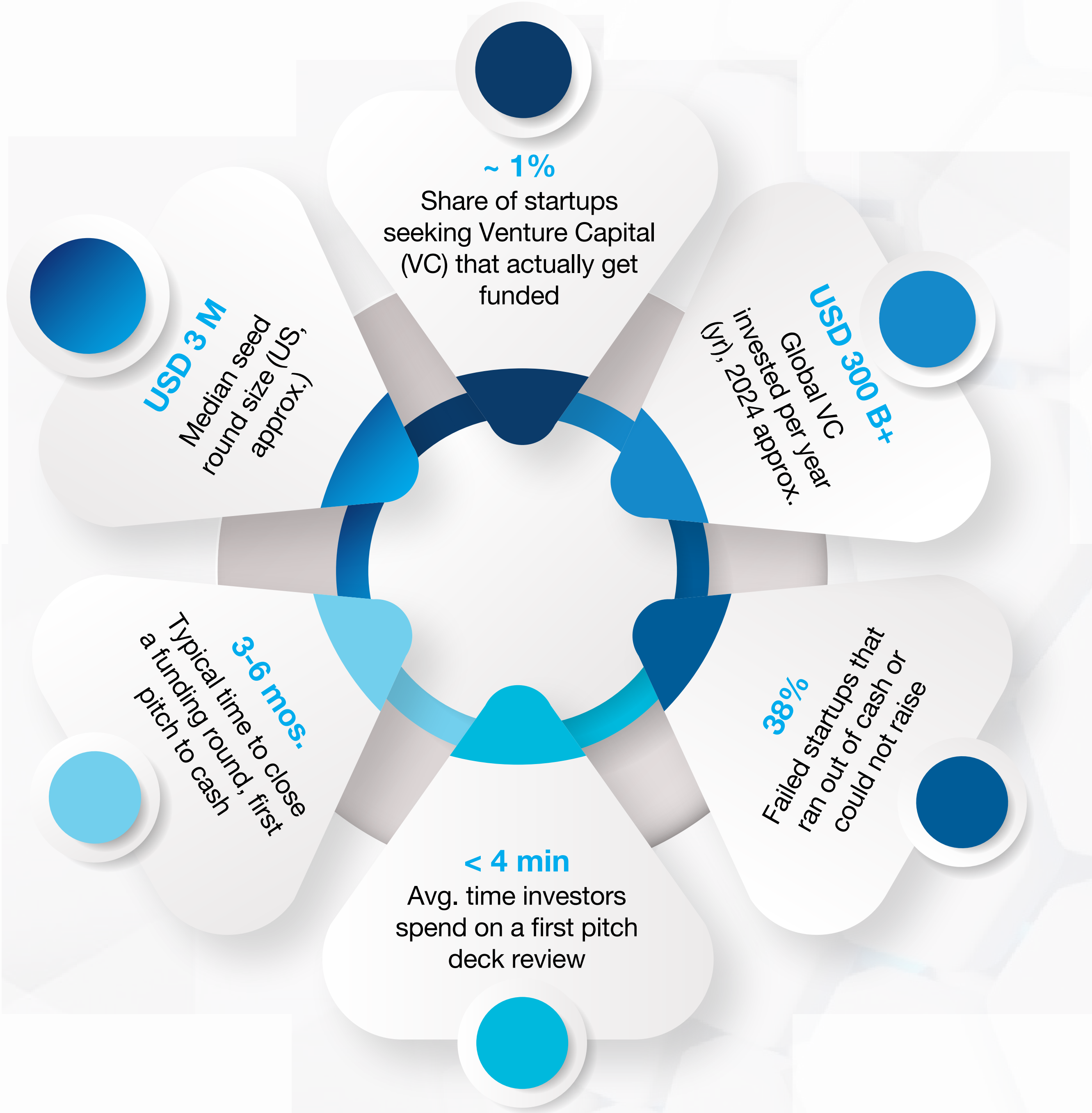
- Large pools of uninvested capital (dry powder) waiting for good deals.
- The Artificial Intelligence (AI) boom is pulling record capital into tech.
- More angels, accelerators and government (govt.) support programs.
- Standard deal tools, e.g. SAFE notes, make early rounds faster.

Headwinds for fundraising (-)

- Investors are far more selective since the 2021 funding peak.
- Due diligence (DD) is longer and valuations are under pressure.
- Approx. 99 of every 100 pitches never get funded.
- Founders underestimate legal, tax and accounting preparation

Funding Landscape in Numbers

Headline numbers (nos.) every founder should know before raising.

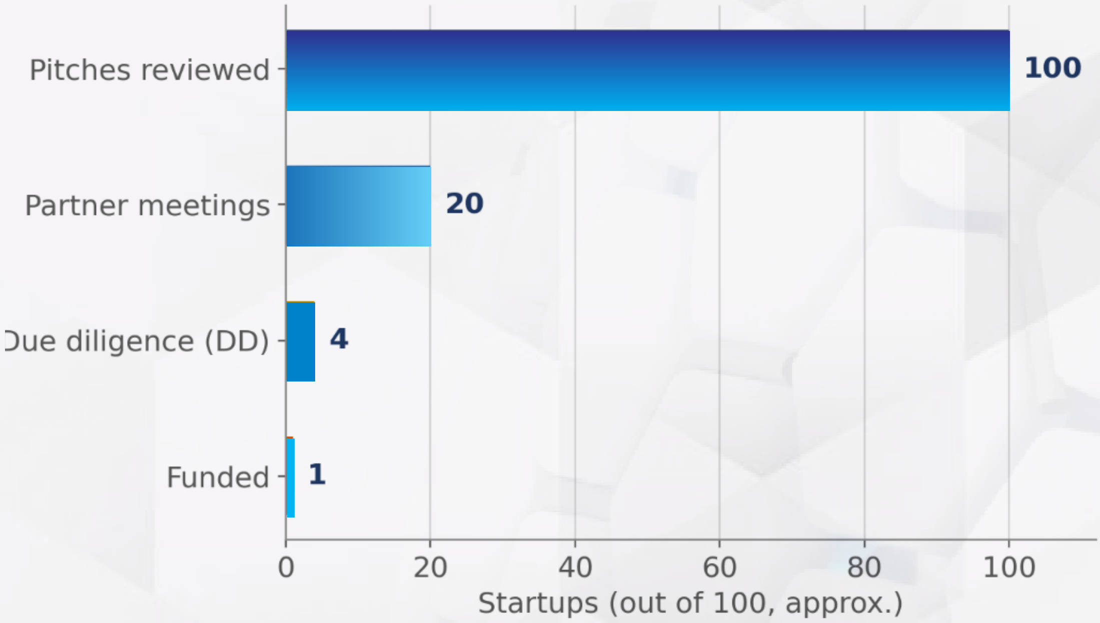


Source: Crunchbase News (news.crunchbase.com/venture) | CB Insights (cbinsights.com/research/startup-failure-reasons-top) | DocSend Startup Index (docsend.com/index) | Carta Data Desk (carta.com/data) | KPMG Venture Pulse (kpmg.com). Figures 2023-2025, approx. and rounded.

Your Real Chances of Getting Funded

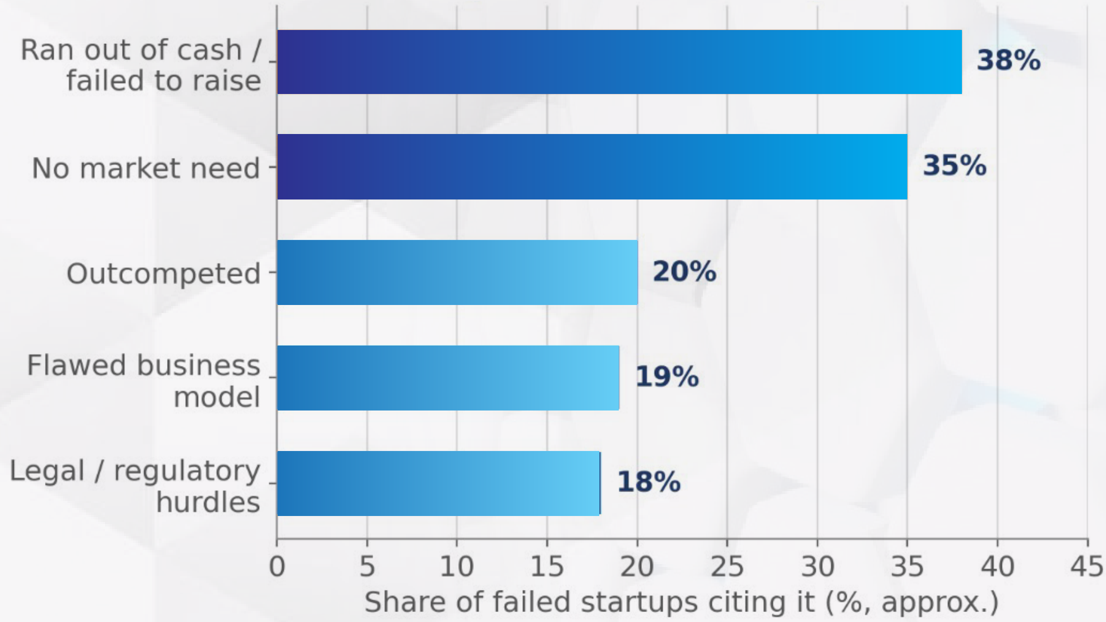
Headline numbers (nos.) every founder should know before raising.

The VC Funding Funnel (per 100 pitches)



Takeaway: only approx. 1 of 100 pitches gets funded, so readiness is the edge.

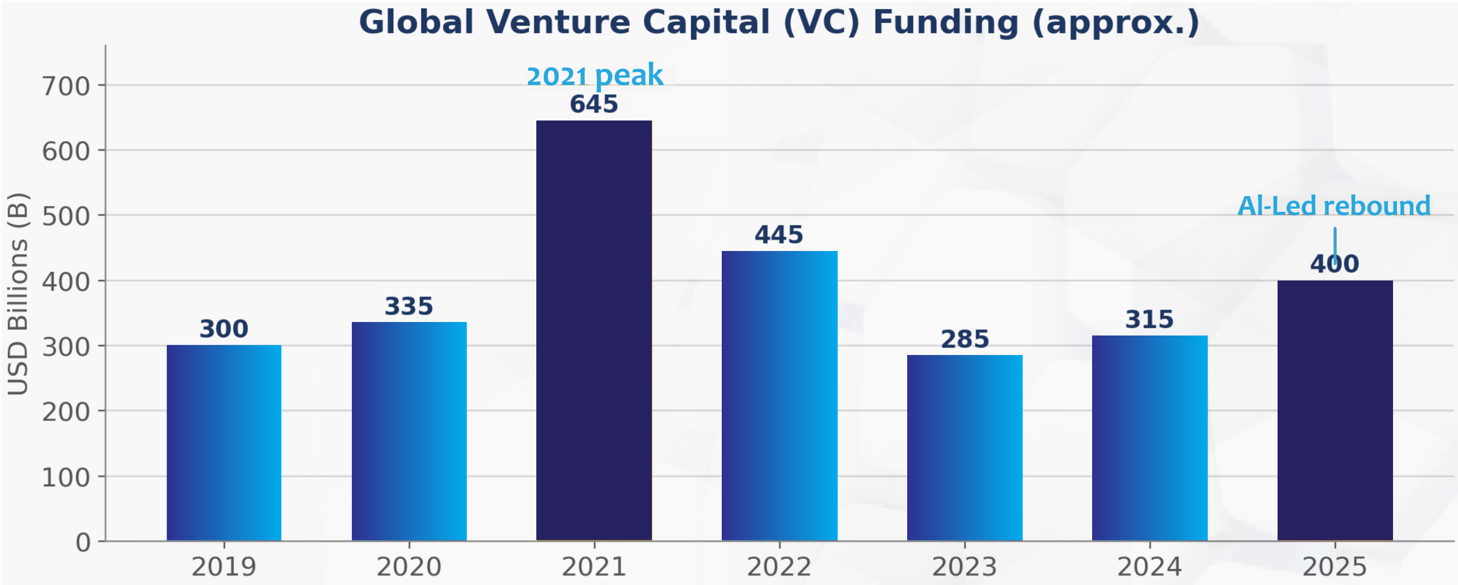
Top Reasons Startups Fail



Takeaway: cash and market fit, both readiness issues, top the failure list.

Source: the funnel is illustrative, based on screening and funding rates reported by Crunchbase News (news.crunchbase.com/venture) and DocSend (docsend.com/index); failure reasons are from CB Insights (cbinsights.com/research/startup-failure-reasons-top). Multiple answers were allowed, so shares sum to more than 100%. All figures approx.

How Global Funding Has Moved Since 2019



- Funding boomed to approx. USD 645B in 2021, then fell approx. 55% by 2023 as interest rates rose.
- The 2024-2025 rebound is led by Artificial Intelligence (AI) deals, which now take approx. 40-50% of all VC.

Source: funding history compiled from Crunchbase News (news.crunchbase.com/venture) and KPMG Venture Pulse (kpmg.com). Values are approx. and rounded.

Funding Stages and the Readiness Checklist

Funding stages and expectations (approx., 2024-2025)

Stage	Typical raise (US,Approx)	What Investors Expect	Readiness Focus
Pre-seed	USD 100–500K	Founding team and a validated problem	Vision, prototype, and early users
Seed	USD 1–3M (median approximately USD 3M)	Working product and early revenue	Product-market fit evidence
Series A	USD 8–15M (median approximately USD 10–12M)	Repeatable growth engine	Unit economics and metrics
Series B+	USD 25M+	Scale and market leadership	Governance, reporting, and expansion

The Investment Readiness (IR) checklist by pillar

Pillar	Key investor question	Proof to prepare
Team	Can this team deliver?	Founder track record, key hires and advisors
Market	Is the market big enough?	Total Addressable Market (TAM) sizing and competitor map
Product	Does it work and stand out?	Demo, roadmap and Intellectual Property (IP) status
Traction	Is there real demand?	Revenue, users, retention and sales pipeline
Financial	Do the numbers hold up?	Clean books, a 3-yr forecast and unit economics
Legal + Governance	Any hidden risks?	Clean cap table, signed contracts and compliance

Where to Focus First: Four **Priority Areas**

These four areas deserve the greatest emphasis because they decide whether a raise succeeds.

1

Financial readiness

Clean books, a defensible forecast and an 18-24 month (mo.) runway plan are the first filter investors apply.

approx. 38% of failures trace back to running out of cash.

2

The pitch and the data room

A sharp deck plus an organized data room shortens due diligence (DD) and builds trust quickly.

Avg. first deck review lasts under 4 minutes (min.).

3

Traction and metrics

Monthly Recurring Revenue (MRR), Customer Acquisition Cost (CAC), Lifetime Value (LTV) and retention turn a story into proof.

Series A now typically expects approx. USD 1 M+ in annual revenue.

4

Governance and legal

A clean capitalization table owned Intellectual Property (IP) and signed contracts stop deals collapsing late.

Legal and regulatory issues appear in approx. 18% of failure post-mortems.

Source: cash and legal failure shares from CB Insights (cbinsights.com/research/startup-failure-reasons-top); deck review time from DocSend (docsend.com/index); revenue expectations from Carta (carta.com/data).

INSIGHTS

What the numbers actually tell us.

01

Funding is rare: only approx. 1 in 100 startups that seek Venture Capital (VC) gets it, so preparation is the main differentiator.

02

Cash discipline decides survival: approx. 38% of failed startups simply ran out of cash or could not raise again.

03

Attention is short: investors spend under 4 min on a first deck review, that is (i.e.) readiness must be visible instantly.

04

Raising takes time: a round typically takes approx. 3-6 mos. from first pitch to money in the bank, so start well before the runway ends.

05

Milestones price the round: median rounds run approx. USD 3 M at seed and approx. USD 10-12 M at Series A (US).

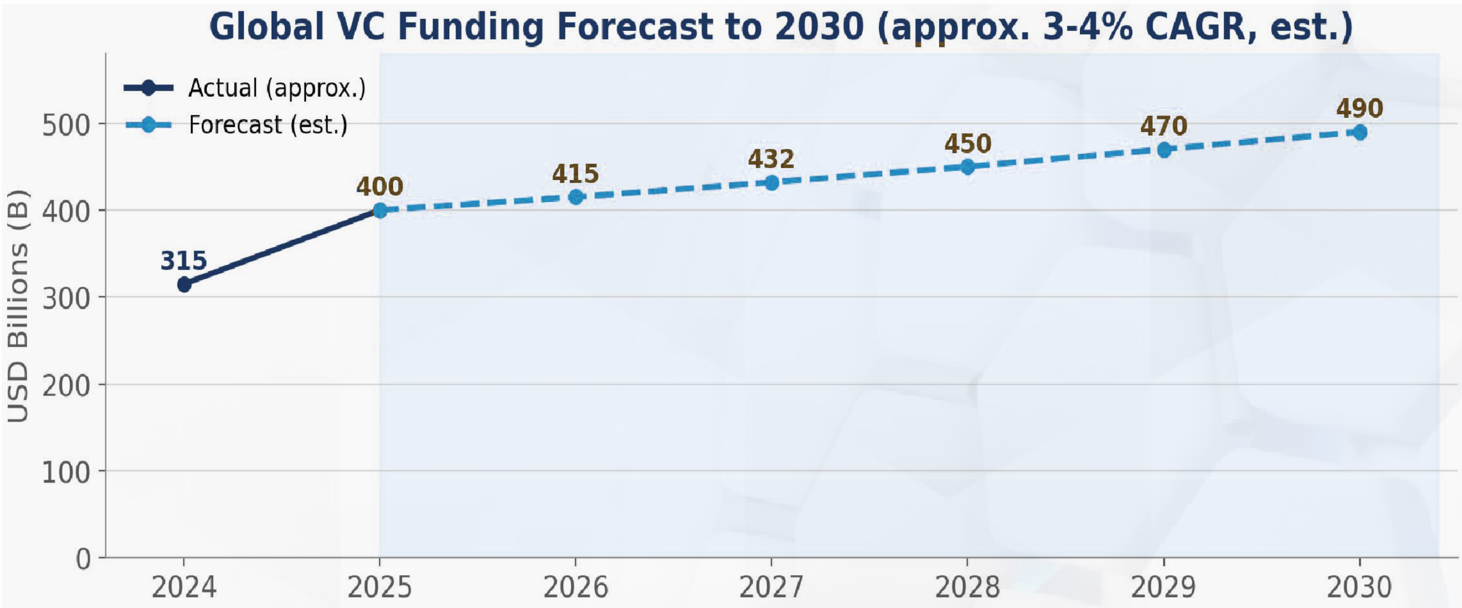
06

The bar has risen: global VC fell approx. 55% from the 2021 peak to 2023 and investor selectivity has stayed high ever since.

Source: figures as sourced on Slides 4-8, that is (i.e.) Crunchbase News (news.crunchbase.com/venture), CB Insights (cbinsights.com/research/startup-failure-reasons-top), DocSend (docsend.com/index) and Carta (carta.com/data).

Future Outlook 2026 – 2030

What the numbers actually tell us.



- Selectivity stays high: profitability and unit economics will outrank growth at any cost.
- AI dominates capital flows: approx. 40-50% of VC already goes to Artificial Intelligence (AI) and this share stays high through 2030 (est.).
- AI also screens the deals: automated due diligence (DD) makes clean data rooms and machine-readable metrics a must.
- Funding menus widen: revenue-based financing, crowdfunding and government (govt.) programs grow next to classic VC.
- Steady recovery: global VC reaches approx. USD 490 B by 2030 at approx. 3-4% CAGR (est.).

Source: 2024-2025 history from Crunchbase News (news.crunchbase.com/venture); the 2026-2030 values are the author's estimates (est.) extrapolated from that trend.
Note: predictions are estimates (est.) based on current trends, not guarantees.

Contact **Us**

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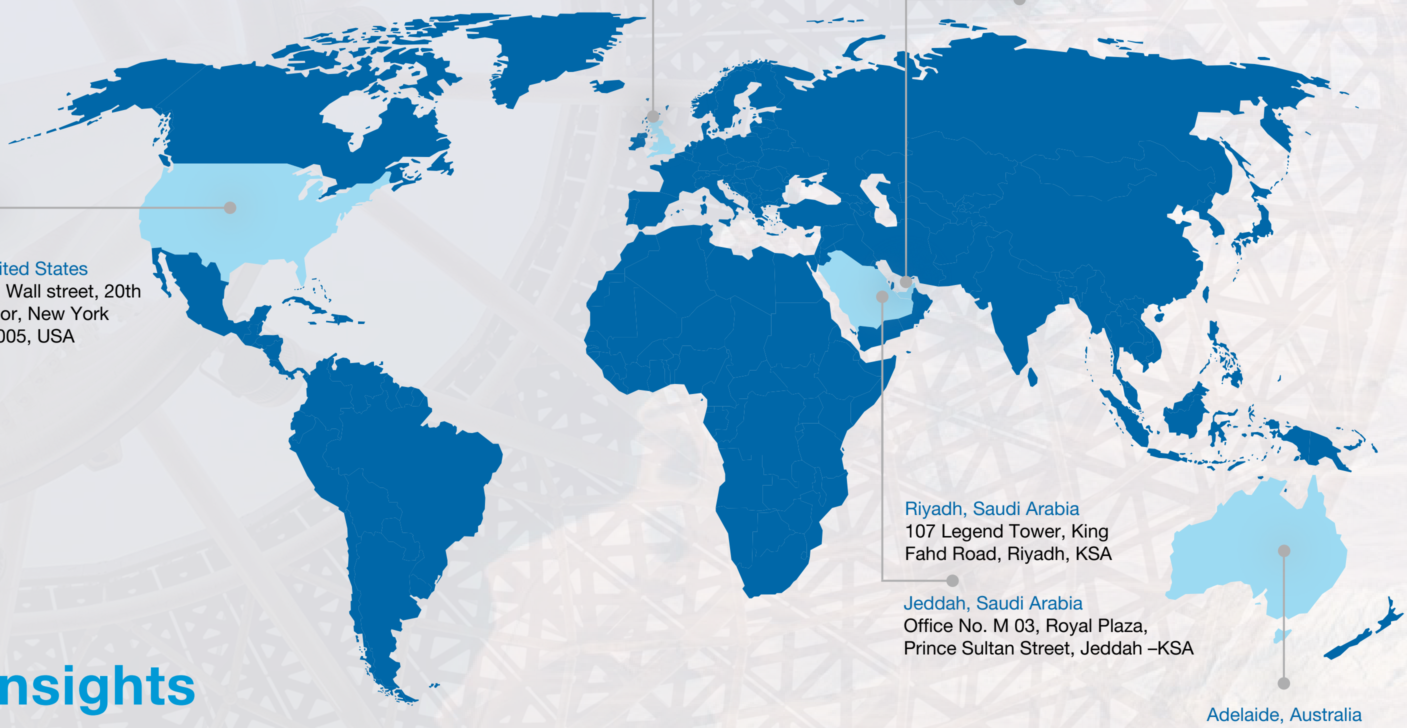

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