5 Fundraising Rules That Led to My Company Having a 10x Oversubscribed Pre-Seed Round

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In every industry the strength of a relationship matters. *A lot.* Developing and maintaining relationships is not just a nuanced problem for aspiring professionals but a major lynchpin of business. As a growing startup focused on relationships, we aspire to be what we preach. The niche we want to carve is that of being the North Star of relationship building. Everyone in business has this challenge, and while we want to help you track and improve your relationships with AI, we've also learned several lessons along this journey that

we hope you will find useful.

Fundraising is not easy, and as we'll highlight below with the lessons we learned going through the process, there are many landmines to navigate. We have been humbled by the success we've achieved with our relationship-driven approach to fundraising. The lessons learned below enabled us to reach 10X oversubscribed for our round and receive 29 inbounds from VCs interested in investing in our startup. Like many endeavors, this process was not easy, but simple, and we believe these lessons will assist you on your fundraising journey.

1. Be ruthless with your time, but always be polite.

If there is one asset that is truly valuable in this world, and one that we cannot get back, it is our time. Especially as an entrepreneur, it feels like there are not enough days in the week to accomplish all that we need to do. The life of an entrepreneur is that of juggling so many responsibilities, and the time we focus on one thing takes us away from another task that we need to execute. Communicating that your time is not finite is key with people who want a slice of your time, and that includes investors, but also being polite goes a long way when showing you're not interested. Being upfront and honest (while not closing the door), is essential when looking at the long game of building relationships.

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2. Don't be afraid to pressure investors, and come from a

mentality of abundance.

Realize there’s one of your startup and thousands of investors, and that good deals are very hard to come by. Regardless of how investors make you feel, they’re dying to get into good deals, and can’t afford to miss out on a deal that could have a significant outcome. When considering your startup’s success, you need to think about your organization’s goals and longevity, as well as all the employees who are giving their time to follow your dream. There is no shame in pressuring investors to make a decision, but you need to strike that balance by being assertive and being professional. Also, investors are more global than ever before, it’s easy (and cheap!) to find investors in different regions not bound by geography.

3. Building intimate relationships through Zoom is the best way to build trust.

COVID has amplified the need to learn how to develop relationships remotely. While there was always a certain amount of fun associated with meeting someone in person (and this may seem counterintuitive), Zoom can actually be a more effective way to build rapport. People, in general, are attracted to others’ rough edges, as those edges make us human, and those characteristics can be conveyed online as well. Rough edges (or “character”) are something that is probably more common to entrepreneurs, as we are expected to be a bit rougher around the edges, and that lends itself to authenticity.

4. Reactions to your imperfections

on Zoom showcase how you will work together in the future

Since COVID when we take a Zoom call the other participant has been invited to our living room and gets a glimpse of our personal space. With that, they view our imperfections as well, such as a kid banging through the door, or a dog barking. These video calls are real because it's from our home. It used to be that it was "No kids, no pets", but COVID has changed that. This has opened up a level of authenticity and vulnerability, as seeing how someone reacts to a (low pressure) surprise is a good indicator of how they will act when things hit a rough patch.

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We're invited into people's private worlds like never before, and exposed to a different level of intimacy. As an example, when this author was on a call with an investor, and his son walked in crying, the investor was not happy about it. This happened again with a different investor who was much more empathetic. *Who do you think I'd like to work with?* How people respond to your imperfections is a litmus test, and best to find that out early in the relationship.

5. Be willing to get out of your comfort zone by talking to someone who comes from a different background, ethnicity, or language.

These are some of the best conversations you can have. While there is a lot of lip service given to diversity, (and while we all still have a way to go), you'd be surprised what happens when you open yourself up to serendipity. And we're

not talking about transactional and skivvy interactions, but really wanting to learn and help, where the offer goes in both directions.

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This mindset came in handy when we were raising money. We paid attention to the investors, planted seeds, and made conversation with them. Engaging with them on what matters, such as their partners and kids, was important in developing trust. It may sound cliche, but the quote *"people don't care how much you know until they know how much you care"* rings true. Everyone wants to be heard and validated, and this taps in our basic human nature, regardless of their background.

Andrew is an entrepreneur obsessed with how to build better relationships easier and has parlayed his knowledge in this space to start Grapevine AI, a relationships insights platform that uses voice, data, and AI to navigate important relationships. Andrew is an active mentor and advisor for a handful of startups and runs a 750,000+ person community revolving around the startup ecosystem. He and his wife have two adorable boys, ages 3 and 1, was born and raised in Manhattan and is a huge New York Mets fan.

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