

VCS are generally bombarded by requests for meetings, so a warm introduction helps an entrepreneur's request float to the top of the list.

— CHRIS WAND
Foundry Group, Investors in
Zynga

Why do I need an introduction?

You're not the only entrepreneur in the world who is trying to raise money. Investors get more requests for meetings than they can accommodate in this lifetime or the next. So they use introductions to prioritize and filter meeting requests.

You *could* send investors a cold e-mail, but your traction, team, or product better be mind-blowing — and they probably aren't.

Getting an introduction is a test of your entrepreneurial skills. If you can't convince a middleman to make an introduction, how will you convince employees to join your company? How will you convince customers to buy from you? How will you convince investors to put their money in your pocket?

Who makes the best introductions?

An effective middleman is simply someone investors listen to.

But not all middlemen are created equal. The quality of the middleman helps investors prioritize meeting requests. It's easier to land a meeting with a high-quality middleman. And if the middleman sucks, you won't get a meeting.

Who makes the best introductions? In rough order of effectiveness:

1. Entrepreneurs whom the investor has backed and made money with, wants to back, or is currently backing.
2. Other investors whom the investor has co-invested and made money with, wants to co-invest with, or is currently co-investing with.
3. Market, product, and technology experts such as senior executives at dominant companies or lauded professors.
4. Lawyers, accountants, and sundry industry people like us.
5. Communists.

6. Someone the investor met at a party once.

Use this list to measure a middleman's potential. But the details of a middleman's relationship with investors are more important than this list. So ask your middleman questions like:

“How do you know the investor? What have you done together? What companies have you sent him that he has subsequently backed? What makes our company interesting enough for you to make an introduction?”

Follow the introductions. Your lead investor will likely be a friend of an angel who you met through the advisor you met at your girlfriend's father's 55th birthday party.

We spoke with 16 angels and 12 VCs. Angels made 24 introductions; VCs only made four. The average angel introduced us to 1.5 other investors, but the average VC only introduced us to 0.33 other investors. That's a 5x difference!

— *Adam Smith, Founder, Xobni*
“Raising Money, Some Data and Tactical Advice, Letters to Graduating YC Companies, Letter 2”
xobni.com



(how to pitch startups to investors)

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