FOUNDER RESOURCE | ANGEL CAPITAL ASSOCIATION

Founder Readiness

Prepare, pitch and close: a field guide for raising angel capital

Raising angel capital is a **process, not a pitch**. Founders who prepare before the first meeting, aim at investors who actually fit, and know what happens after "send me your deck" spend less time on dead ends and more on conversations that can close.

Here is the whole path: should you raise, are you ready, who to target, what each stage looks like, and how to choose investors as carefully as they choose you. *U.S. practice as of October 2026.*

1 Should you raise equity now?

Angel equity is one way to fund a company, and not the right one for every business. Test your plan against these questions.

Question	Points toward angel equity	Points toward another path
What are you building?	A company designed to grow fast and scale, with a path to a significant outcome	A steady business you want to grow from profits and keep fully in your control
How could an investor get paid?	A sale of the company or a later funding round	Regular cash flow that can repay a loan or fund a revenue share
What will the money do?	Fund specific milestones: build, launch, hire, reach the next proof point	Cover working capital, equipment or receivables
Ready for partners?	You welcome investors as part-owners who get updates and a voice in big decisions	You want no outside owners
Looked at alternatives?	You compared them and equity still fits	Not yet. Grants, customer revenue, loans and revenue-based financing may fit better or first

Bottom line: raise equity because it fits your business and your plan, not because it is the option you have heard about most.

2 Are you ready? A checklist

A gut-check, not a gate. A gap is fine if you know about it and have a plan to close it. A gap you discover mid-diligence is the expensive kind.

☐	Have ready
☐	**A reason and a milestone.** You can say what the money buys and what will be true when it is spent.
☐	**Proof of progress.** Evidence that fits your stage: customer conversations, pilots, usage, revenue or technical results.
☐	**A team story.** Who is on the team, who is missing, and who is committed full-time.
☐	**Your story in two formats.** A pitch deck, plus a one-page summary an investor can forward when you are not in the room.
☐	**A simple financial model.** How you make money, what you spend, how long the cash lasts, and assumptions you can defend.
☐	**A clean cap table.** One accurate record of who owns what.
☐	**Legal housekeeping.** The company is properly formed, IP is assigned to it, and key contracts are in order. A startup attorney can confirm.
☐	**A data room.** A tidy folder ready for diligence: corporate documents, cap table, financials, contracts, IP. Build it before investors ask.
☐	**A target list and pipeline tracker.** Who you will approach, and where each conversation stands.

3 Choose your targets

The goal is not the longest investor list. It is the list of people most likely to say yes, and to be good partners afterward.

Know who you are talking to

Term	What it means here
Angel	An individual who invests their own money in early-stage companies
Syndicate	A group of investors who pool money into one deal, usually organized by a lead investor
Angel network or group	An organization whose members meet, review companies and invest alongside each other, individually or through a shared fund
Fund	A pooled vehicle that invests on behalf of outside investors, such as a venture capital firm

Filter your list

Filter	Ask yourself	Where to look
Sector and thesis	Do they invest in my industry and business model?	Their portfolio and stated focus
Stage fit	Do they fund companies like mine today?	What they have actually funded. Stage labels such as "seed" mean different things to different investors
Geography	Do they invest in my region, or need to be nearby?	Their website, profile or group guidelines
Check size	Does their typical investment fit what I am raising?	Their stated range, or deals they have joined
Lead or follow	Will they lead a round or join one led by others?	Past deals, or ask directly
Expertise	Can they help beyond the money?	Their background and portfolio
Path in	How do they accept pitches?	Website form, referral, event or application

Track every conversation. Keep a simple pipeline so nothing slips and you can see where momentum is real:

New	Advancing	Soft circled	Committed	Legal	Wired
First contact made	Active talks or diligence	Verbal interest only	Agreed to invest	Documents in progress	Money received

Run conversations in parallel. Many investors will pass, and that is normal. A single-threaded raise stalls the moment one person goes quiet.

4 The path from first email to closed round

Processes differ by investor and by deal, and how long each stage takes varies too. Think of this as a map of what usually happens, not a schedule.

Stage	What to expect	Do	Avoid
1. Prepare	You build materials, a target list and a data room	Finish the readiness checklist; line up a startup attorney	Starting outreach before your materials can hold up to questions
2. Outreach	A short intro, warm or cold. Many will not reply	Write a brief, specific note: what you do, your proof, why this investor, one clear ask. Follow up politely	Mass emails, long attachments, vague asks
3. Screening	A first look by the investor or a group screening team, sometimes an application or short call	Answer directly and quickly	Overclaiming or hiding weak spots
4. Pitch and follow-up	A meeting or group presentation, then questions	Tell a clear story, listen, and send what you promised promptly	Reading the deck aloud, getting defensive, going silent afterward
5. Diligence	Investors check your claims: financials, legal, customers, team	Share an organized data room and answer fully. Point out problems yourself	Surprises, slow replies, gaps you knew about
6. Terms	An offer or proposed terms. Some deals use a term sheet, others go straight to a standard instrument	Compare all the terms, not just the headline number. Have counsel review	Signing under pressure; fixating on valuation alone
7. Legal documents and closing	Final agreements and signatures. The instrument may be a SAFE, convertible note or priced equity round	Use counsel, keep every investor informed, confirm signatures and funds	Changing terms informally or closing without legal review
8. After the close	Investors expect updates and may offer help	Send regular updates, ask for specific help, keep your cap table current	Disappearing until you need money again

5 Do's and don'ts at every stage

DO	DON'T
Be honest about risks and about what you don't yet know	Exaggerate traction, projections or who has committed
Reply quickly and keep promises about what you will send	Go quiet when the news is bad
Give every investor the same core information	Share one investor's confidential terms or feedback with another
Ask investors about their process, timing and decision-makers	Invent deadlines or claim interest you don't have
Keep a record of what you shared, said and agreed	Promise returns
Treat every "no" as information and keep the relationship	Argue with a pass or burn the bridge
Get legal advice before you sign anything	Rely on informal promises or handshake changes to terms

6 When the answer is "not now"

Most investors pass on most companies. What you do next matters.

- **Say thank you and ask one question.** "Is there anything that would change your mind?" Then listen without arguing.
- **Look for patterns.** One objection is an opinion. The same one from several investors is a signal.
- **Decide whether it is fit or substance.** Sometimes the company is fine and the investor was the wrong match. Sometimes the story or the proof needs work. Fix what you can and adjust your target list.
- **Stay in touch.** Ask if they would like updates, then send a short note when you hit a real milestone.

7 Know the legal guardrails, and get qualified help

In the U.S., selling shares, SAFEs or convertible notes is a securities offering. It must either be registered or fit an exemption, and most private raises rely on an exemption. Some exemptions limit how you can publicly promote the offering, a practice the SEC calls general solicitation.

- **Be careful with public promotion.** Posting a public call for investors, advertising a round, or pitching to an open audience can raise general solicitation questions. Whether and how it applies depends on the exemption you use.
- **Relationships matter.** Under some rules, contacting people you already have a substantive relationship with is treated differently than broadcasting to strangers. Specific

events, such as qualifying demo days, have their own rules.

- **Check before you post or pitch publicly.** A short conversation with a securities attorney first costs far less than fixing a problem later.

Read the SEC's plain-language guides on raising capital from investors and on general solicitation.

WHO TO CALL: a startup or securities attorney for your raise and documents; an accountant for your books and cap table; experienced founders and mentors for a reality check on your plan. Rules differ by state and country.

8 Choose carefully: do your own diligence on investors

Investors will look hard at you. You can, and should, look hard at them. They may be your partners for years. Check these before you accept money, and see CRV's guide to investor due diligence and J.P. Morgan's guide to choosing an angel.

☐	Check
☐	**Relevant experience.** Have they backed companies like yours, and do they understand your market?
☐	**Reputation and track record.** What do founders in their portfolio say? Ask for names, and also talk to founders they did not follow on with.
☐	**References from tough times.** How did they behave when a company struggled, missed a plan or needed more time?
☐	**The "would you take their money again?" test.** Ask past founders directly.
☐	**Behavior on the board.** If they get a board seat or special rights, how do they use them?
☐	**Who actually shows up.** If the investor is a firm or group, which person will you work with?
☐	**Decision process and authority.** Who decides, how long does it usually take, and can the person you are meeting commit?
☐	**Conflicts and information.** Do they invest in competitors, and how do they handle confidential information?
☐	**Capacity to support you later.** Do they plan to invest again, and are they actively investing now?
☐	**Expected involvement.** How often do they expect updates, and what help can they really offer?

A good investor will welcome these questions. Be wary of one who doesn't.

9 Your next steps

1. **Decide.** Confirm that equity fits your business and what you want the money to do.
2. **Close your gaps.** Work through the readiness checklist and note what is missing.
3. **Build your list.** Filter for fit, then set up a pipeline tracker.
4. **Get your advisors.** Talk to a startup or securities attorney before you start outreach.

5. **Start conversations.** Begin with a few investors, learn from what you hear, and widen from there.
6. **Use your local network.** Local programs, mentors and founder peers can help you practice your pitch and find the right doors.
7. **Keep learning.** Use the links under Go deeper to read more.

+ Go deeper

Topic	Resource
Raising capital legally	SEC: Capital-Raising Pathways
Public pitching rules	SEC: General Solicitation
Types of early-stage investors	SEC: Early-Stage Investors
Building an investor pipeline	Techstars: Build Your Investor Pipeline
Choosing an angel	J.P. Morgan: What to Look for in an Angel Investor
Investor due diligence	CRV: How to Run Due Diligence on VCs
Standard SAFE documents	Y Combinator: SAFE Documents

Links are provided for information only. Their inclusion is not an endorsement.

This guide is general information only. It is not legal, tax or investment advice. Talk to a qualified attorney or advisor about your situation.

ABOUT THE ANGEL CAPITAL ASSOCIATION

The Angel Capital Association is the professional association of angel groups and angel investors in North America. ACA supports angels and groups through education, market data and connections, and works with the people who bring investors and founders together. ACA is not a source of capital and does not review business plans.