THE HONEST FOUNDER

My Secret Fundraising Hacks

To get funded by top VCs.

By Xaver Lehmann

A STEP-BY-STEP GUIDE
All the fundraising secrets you'll wish you knew soooner.

The Author.

Over the past decade, I've built two AI startups.

The first, e-bot7, scaled to 130 employees across five European offices and was acquired by LivePerson Inc. (NASDAQ) for $60M. It was an incredible ride but also the one that led to my first burnout.

After taking time to recover, I jumped into my next venture: Vidlab7, an AI avatar company backed by EQT Ventures. It grew fast, but by the end of 2024, I had to step away again. This time, to protect my health.

I spent four months in South Africa, working on social projects, helping local families, and rediscovering what really matters.

That's where The Honest Founder was born.

A desire to help ambitious people build the life they always wanted without losing themselves in the process (I learned that the hard way).

Add me on my channels for exclusive content and updates:
- Linkedin
- Website
- Substack Newsletter (One actionable article every Tuesday on startups, mindset and growth)

Enjoy the framework!

Xaver Lehmann

Fundraising hacks to get you funded faster.

In both my B2B startups, raising capital was both the most important and the most challenging part.

In my first startup, we went through four, almost five, investment rounds.

We raised **$10 million** in total for e-bot7:

- Convertible note in 2016: $100k
- Pre-Seed in 2017: $700k
- Seed in 2018: $2.4 million
- Series A in 2019: $6.5 million

We were about to close a Series B in 2021 of around $25m, before selling the business for $60m to a strategic buyer.

Within four weeks of founding my second company, Vidlab7, we had managed to raise almost half of the total funding invested for e-bot7. The round was led by one of the most renowned VC firms: EQT Ventures.

In nearly every round, except the last, I spoke to at least 60–70 investors and made plenty of mistakes along the way.

Looking back, so much of the pain and setbacks could have been avoided... *if I had simply known what not to do.*

1. How our first investment round almost killed the company.

First of all, I want to share a little story from my old days at e-bot7:

It was 2017, and we had never fundraised before.

The only investment we had received up to that point came from the accelerator Wayra $100,000 of which only 50% was actual cash. The rest was tied up in services like office space and advisors.

In truth, we had no idea how to raise money.

The first thing we did was simple: **figure out how much we actually needed.**

I opened a basic Excel sheet and started calculating. We needed to hire three developers on top of our CTO. At the time, both of us were still living with our parents, so covering basic living expenses was also a priority. We estimated roughly $50,000 per person, enough to rent our own apartment and have a little runway. The money had to last 12 to 18 months. We knew from other founders how time-consuming and painful the fundraising process could be.

So we planned accordingly.

Next, we built a basic pitch deck.

We had no clue what we were doing, so we Googled:

"What slides does a pitch deck need?"

The usual slides came up: *Problem, Solution, Market, Business Model, Competition, Team, Ask.*

We drafted something quickly and iterated until it felt halfway decent. We started reaching out to investors we had met at events. Some founder friends gave us warm introductions. The first calls actually felt promising: I shared our vision, explained the product, and they seemed genuinely excited. But after we hung up... **silence**.

Days passed.
Weeks passed.
Nothing.

No replies. No feedback. Just... ghosting.

It was a punch in the gut. A sign that something wasn't working. So we went back to the drawing board. Asked other people for feedback on our deck. Rehearsed the pitch with founders who had been through it, made improvements and kept going. We reached out to new investors.

The conversations shifted slightly, **but the outcomes didn't.**

At least this time we got actual rejections:

> *"The market is too crowded."*
> *"We're seeing too many chatbot startups."*
> *"How will you compete with Microsoft or IBM?"*

They had a point.

We weren't the first in the market. Far from it.

By the time we started fundraising, *chatbot startups were everywhere*. Investors had seen pitch after pitch. Some smiled politely. Others didn't bother to hide their scepticism. When we said we were raising $700,000, a few actually laughed, some quietly, some not.

There were mornings I didn't even want to open my inbox.

By then, we had racked up more than 40 or 50 rejections. I couldn't help but ask myself...*Am I just wasting my time?*

Every conversation felt identical.

Same questions.
Same doubts.
Same endings.

It was like living Groundhog Day. Stuck in a loop I couldn't break.

It was time we changed direction.

Instead of chasing VCs, we turned to **angel investors**.

We applied to angel networks. Many had websites showing investor faces, but all the names and contact details were hidden behind a paywall. *So we got creative.*

We used Google reverse image search to identify the people behind the photos, then connected with them on LinkedIn. It worked, and we saved thousands in membership fees.

We also started pitching at events and startup competitions. Slowly, it started working.

We got in front of more investors.

Some only wanted to write €10K checks. Some wasted our time completely.

But a few actually **committed**.

Then, out of nowhere, we got a call from Main Incubator, the corporate VC arm of one of the biggest banks in Germany, called Commerzbank.

One of their analysts had seen us at a pitch event and wanted to meet.

On paper, they were a perfect fit. They invested in early-stage startups and looked for innovation they could bring into the bank, similar to how Wayra had introduced us to O2 Germany as a customer.

After a few calls and a board meeting in front of Commerzbank executives, they committed: **$300,000**.

Finally, we had a serious lead investor on board.

And we knew this could change everything.

With that validation in hand, we went back to the investors we had previously spoken to and told them:

> *"The round is nearly full."*

Truth was we still had $400,000 left to raise.

But FOMO did the heavy lifting.

Suddenly, the former CEOs of Microsoft Germany and Cisco Germany wanted in.
We were beyond excited.

For us, it was a turning point.

Their involvement gave us instant credibility, and the rest followed.

Other investors didn't ask many questions. They simply followed their lead.
We negotiated the term sheet with Main Incubator, worked through the shareholder agreement and started preparing for the notary signing.

The whole fundraising process had already taken over six months, but we didn't care; the round was finally coming together.

Then, the day before signing, *the unthinkable happened*.

The Microsoft and Cisco **investors pulled out.**

No explanation. Just:

"We're out."

Our hearts sank.

Those two names had brought legitimacy to the round. We feared others might back out too, thinking something must be wrong.

So we made a move.

We called each investor personally and said:

"Those two stepped out, but everyone else is still in.
You're still in, too, right?"

Surprisingly, everyone stayed.

One investor even increased their commitment to cover the gap.

Two weeks later, we signed the deal.

We were emotionally drained.
Mentally exhausted.
But we didn't care.

We finally had the money.
And we felt like we'd earned every cent of it.

2. Avoid these 7 Fundraising Mistakes

As you can see from my personal story, **fundraising is never a straight line.**

A lot can happen along the way.

- Investors say no.
- Warm intros go cold.
- And sometimes, even after months of pitching, you're back at square one.

But that's the reality behind every successful raise.

It's not about avoiding setbacks; it's about staying steady when they happen.

Because every *"no"* sharpens your story.

Every rejection brings you closer to the right fit.

...Still, many of those painful lessons can be avoided.

If you understand how the process really works and what not to do, you can save months of frustration and dramatically improve your odds.

That's exactly what I'll teach you next.

#1 Not looking for the right funds suitable for your company stage.

Every VC operates within the limits of their fund size.

If you're raising a $500k pre-seed round and you pitch to a VC managing a $500m fund, the odds of success are close to zero. It's not that they dislike your idea, it's that your round size is completely misaligned with their model.

Here's why:

- A typical VC fund invests in 20–30 startups per fund cycle.
- Around 20–30% of the fund is reserved for follow-on investments in their
- existing portfolio.
- That leaves 70–80% of the capital for new deals.
- For a $500m fund, that translates into $10–20m checks for growth-stage
- startups.

So if you're raising $500k, talking to these large funds is only useful for practice or feedback not for serious fundraising. If you want to actually close your round, you need to target investors whose check size and fund size align with your stage.

#2 Vision is not big enough.

Back in the day, investors often told me:

"Your vision isn't big enough."

I never really understood what they meant.

Here's the reality:

A VC fund invests in around 20-30 startups. Based on the data, only 5–10% become true "fund returners."

The rest? They either go bankrupt or exit for much less than what the fund needs to make money.

For a fund to keep its investors happy, it needs to at least 2–3x the capital raised. That's only possible if some of their startups become massive outliers: billion-dollar companies.

That's why VCs keep pushing founders on vision. If you're not building with unicorn potential, the math simply doesn't work for them.

#3 Not creating enough deal momentum.

VCs work like everyone else. They're triggered by **FOMO**.

If they sense your startup has been raising for months, they assume something's wrong and are far less likely to invest.

The companies that get funded are the ones that create momentum:

- Multiple interested investors at once.
- Fast-moving conversations.
- Sometimes even a term sheet on the table (real or "soft").

It's the same psychology as selling a product: urgency, scarcity, momentum. Without it, fundraising drags on. With it, rounds close fast.

#4 Not knowing your numbers.

Nothing kills investor confidence faster than a founder stumbling over basic metrics.

If an investor asks:

- *“What were your revenues last year?”*
- *“What’s your MoM growth rate?”*
- *“What’s your CAC or LTV?”*

You should be able to answer instantly, without looking it up.

Why? Because numbers are more than just data. They show:

- How deeply you understand your own business.
- Whether you’re tracking the right metrics.
- If you have the discipline to run a company that investors can trust.

Founders who know their numbers inside out show **confidence**. Founders who don’t look underprepared and often don’t get a second meeting.

#5 Your story is not compelling enough.

Investors don’t just invest in your company. **They invest in you and your narrative.**

If your story is unclear, inconsistent, or simply doesn’t make sense, fundraising becomes an uphill battle.

You need to be crystal clear on your why:

- *Why are you building this startup?*
- *Why this market?*
- *Why this product and why in this way, not another?*

Know your story like your life depends on it. Because in fundraising, it kind of does.

Investors buy into stories first, numbers second. If they can’t repeat your narrative in a single sentence to their partners, you’ve already lost.

#6 Choosing the wrong type of investor.

Closing a round feels like a victory, but the real question is: did you choose the right partners?

Fundraising is like a prenup for a marriage. You're entering a long-term relationship, so alignment matters more than anything.

Before you sign, ask yourself:

- Does this investor share my vision for where I want to go?
- Would I actually enjoy grabbing a beer with them?
- Do I find them genuinely interesting and supportive?

Then go deeper. Talk to other founders they've backed. Learn how they behave when things get tough, not just when things go well.

The wrong investor can slow you down or even destroy your startup faster than you think.

The right one becomes a true partner on the journey.

#7 Valuation is not the most important clause to negotiate.

Many founders fixate on valuation, believing it determines their ownership stake. But in reality, other terms often matter far more.

<u>Consider:</u>

- Liquidation preferences – a "1x participating" clause can turn a seemingly high valuation into a terrible deal.
- Board control – giving investors a majority can cost you decision-making power on key company moves.
- Dilution – overly aggressive terms, especially in a down round, can erode your future ownership and influence.

3. My Secret Fundraising Hacks

Besides avoiding mistakes, there are several hacks you can do to make your Fundraising round smoother and more successful.

#1 Use Crunchbase for finding the right investors.

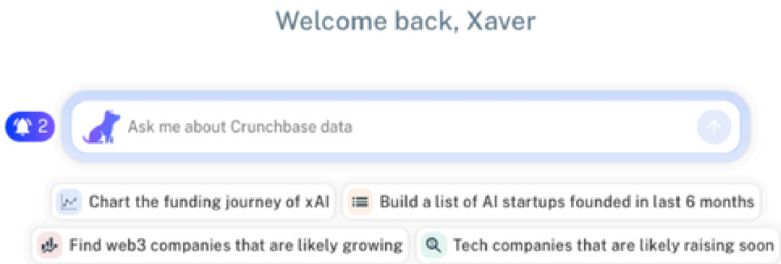
In my view, it’s one of the best tools out there for finding relevant funds and investors for your startup.

You can simply type in prompts like:

“Which funds were the most active in Europe in the last 12 months?”

And it instantly gives you a downloadable list of investors.

In my Fundraising Course, I even share 110 EU + 128 US investors (with emails) that you can target directly (see more later).



#2 Choose the right tool stack.

One thing I’ve learned is that fundraising is not just about the pitch. It’s about having the right systems, tools, and processes in place. It will save you weeks of chaos, keep you organised, and help you close rounds faster and with more confidence.

a. **Investor Outreach**: Mixmax / Docsend → email tracking (opens, clicks) for investor outreach.
b. **Finding Investors:** Crunchbase, AngelList, Signal
c. **CRM:** Notion, affinity
d. **Pitch deck:** Canva, PowerPoint

You can find the full tool stack list in my course (see instructions at the end).

#3 Check out this huge database for creating the best pitch deck.

Creating a compelling pitch deck is one of the most important parts of the fundraising process.

It's your first impression and often your only chance to grab an investor's attention.

If your deck doesn't resonate within the first 60 seconds, you're out.

Investors receive hundreds of decks every month. Most get a quick glance before being closed forever.

Your goal is simple: **make them want to know more.**

And here's the good news: *you don't have to reinvent the wheel.*

There are databases with pitch decks from some of the most successful startups in the world: Airbnb, Uber, Coinbase, and many others.

Check it out here.

#4 Target Tier 3-4 funds first.

One of the most important parts of fundraising is **finding the right investor** for your company's stage, industry, and focus. *T*he goal isn't just to raise money, it's to find a partner who **understands your vision and can add real value beyond capital.**

That said, when you're just starting out, it often makes sense to begin with **Tier 3 or Tier 4** funds (smaller or less strategic investors).

Why?

Because early conversations help you pressure-test your narrative, pitch deck, and metrics without burning your top-tier contacts too early.

You'll get valuable feedback, learn which parts of your story resonate (and which don't), and refine your materials before pitching the Tier 1 and Tier 2 investors that really matter.

Think of it as your fundraising rehearsal phase by the time you're in front of your dream investors, *your story will be sharper, your confidence higher, and your odds much better.*

#5 Get my Fundraising course and 1:1 Coaching.

Most founders **waste 6–12 months** trying to raise money.

- They spend months fundraising **without any success.**
- They get **ignored or rejected** all the time by investors.
- They **rewrite** their deck 50 times and still don't raise.
- They **burn** through runway... and often still fail.

My Fundraising course gives you the exact playbook I used to raise **$40M+** from top-tier VCs like EQT and helped other founders raise **$100m+** without burning out.

What took me 10 years (and millions in mistakes) you'll get in a few hours.

What will you get?

7 Modules, 3h+ of video material, 55+ Slides and Bonus Material. Everything you need to successfully fundraise:

The Fundamentals

- What materials you actually need
- Which investors to target: angels, VCs, family offices, and more
- How long a fundraising process really takes
- How much to raise at each stage (pre-seed, seed, Series A, Series B)

Building & Managing Your Pipeline

- Step-by-step system to build a qualified list of 50–150 investors
- My CRM framework for tracking intros and creating momentum
- Warm introductions vs. cold outreach (with exact scripts that got me meetings)

Pitch Deck Mastery

- The 10–15 slides every deck needs. Nothing more, nothing less
- What investors actually look at (and what they ignore)
- Real-world mistakes that kill decks
- Benchmark stats: how long investors spend on slides, what they re-read, and why

Negotiation & Term Sheets

- The 5 clauses that really matter (and the ones you can give away)
- Liquidation preferences, dilution, founder vesting explained
- How to create urgency, FOMO, and competitive pressure without bluffing

After the Raise

- How to write investor updates that activate your investors (not just inform)
- Why fundraising never really ends and how to always be ready for the next round

Founder Mindset

- How to convince investors with vision + traction + story
- Building resilience when you hear 100 “no’s” before one “yes”
- Long-term energy management: how to stay sharp during the fundraising marathon

My own Fundraising Journey

- How I raised capital and what it took
- All my rounds summarized and insights into each round

Bonus Materials (usually worth €500)

- **Cap Table Template** → keep ownership and dilution clear
- **Investor Outreach Templates** → copy-paste scripts for cold + warm intros
- **Pitch Deck Template (Creandum format)** → the exact structure top VCs expect
- **Investor Update Template** → build trust and momentum
- **Financial Plan Template** → model runway and scenarios like a pro
- **Investor Long List** → 110 EU + 128 US investors (with emails)
- **List of 1000+ Angels,** including where they invest and their LinkedIn
- **30 Legendary Pitch Decks** → learn directly from the best
- **My Fundraising Tool Stack** → All my tools I used

This course is worth **€800+** if I priced it like a private workshop.

<u>Check it out here</u> - and make your Fundraising process 10x faster and 10x more successful.

Whenever you're ready to take your business to the next level, there are 3 more ways I can help you:

What I offer:

- **The Honest Founder Newsletter.** A community of 30,000+ founders, CEOs, and operators. Through raw, powerful, and unfiltered weekly stories, I share how I built a $60M business - so you can do it too. Subscribe here.

- **Private 1:1 Coaching.** For founders and CEOs, whether you're feeling stuck, want to raise capital, or need clarity on your next move. Check it out here if you need help.

- **Promote your brand to 30,000 highly engaged Founders.** Would you like to promote your brand in front of 30,000+ founders and CEOs? Let's talk. Sponsor a future issue here.

- **Digital Products**. You can check out all my products here. I have created frameworks like the SOE framework, with which I found all my startup ideas and with which you can find the next billion-dollar opportunity too or my Thought Leadership Framework to build trust, authority, and revenue in 2025.

- And more **free** resources are available on my **Website** and **LinkedIn.**

Thank you for your time and attention. I hope this has given you some useful hacks to help you along your fundraising journey.

I'm looking forward to staying in touch and hopefully continuing the conversation soon.

All the best,

Xaver Lehmann
The Honest Founder

Want more insights like these?

All my frameworks and courses.

CHECK OUT WEBSITE