

# Best Practices for Venture Capital Fundraising: Learn How Early-stage VCs Think

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# Intro to Canaan

**\$800M**

Fund XII

**34**

Years

## EARLY-STAGE FOCUS

Seed & Early

Mid & Late

**80%**

**20%**

## MULTI-SECTOR APPROACH

Tech

Healthcare

**60-70%**

**30-40%**

# What Is Venture Capital?

From Wikipedia

**Venture capital** is a type of private equity capital.

Typically it is provided by outside investors to new businesses that promise to grow fast. Venture capital investments are usually high risk, but offer the potential for above-average returns.

Private

VS

Public

Equity

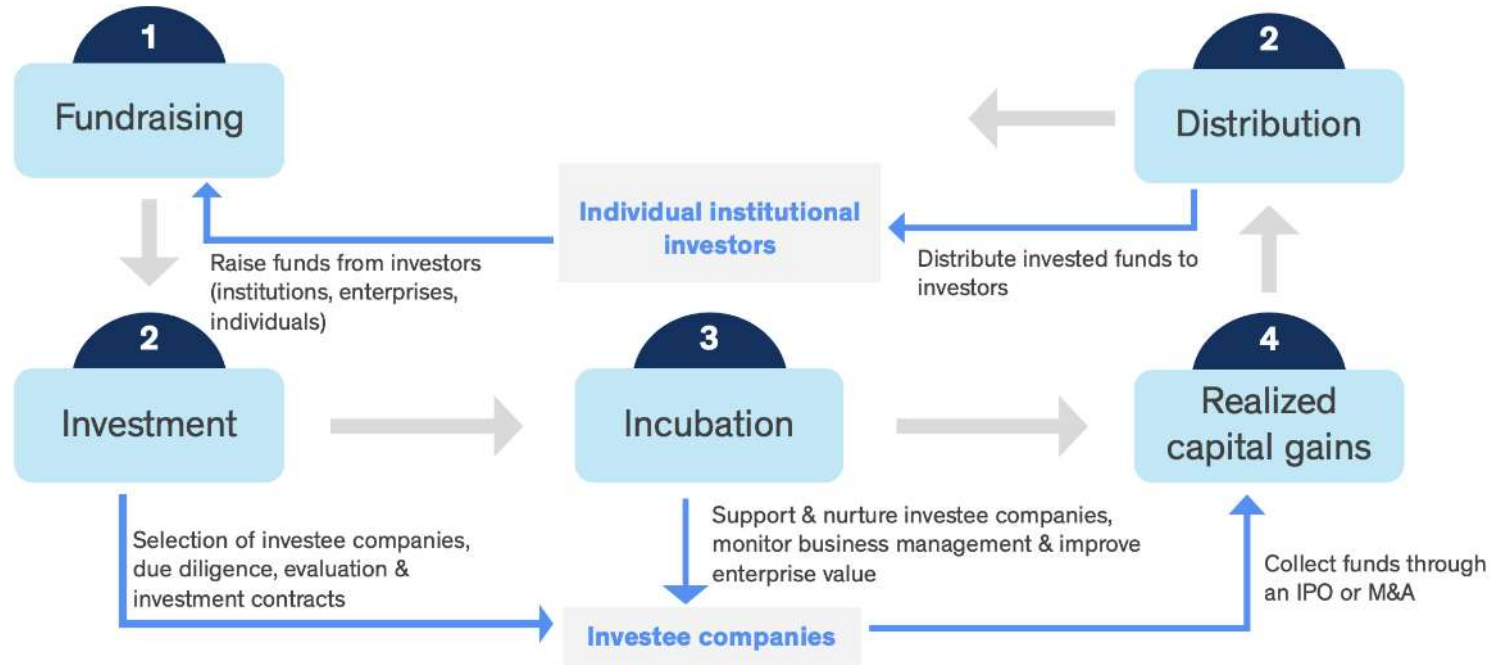
VS

Debt

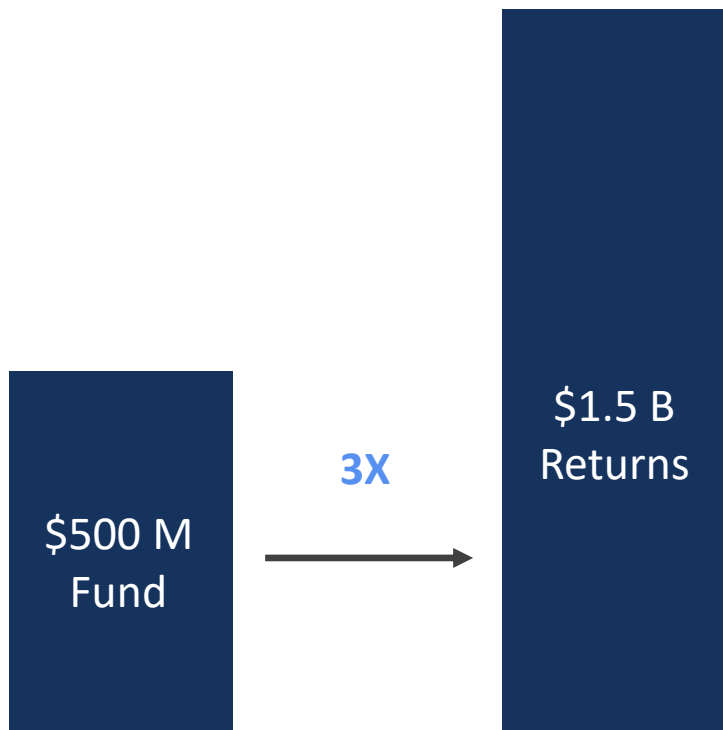
VS

Grants

# The Venture Capital Model



# Fund Returns, Different Models



How do you generate \$1.5B from \$500M invested:

- If you invested in 25 companies at \$20M each you would need to return \$60M from each company
- Alternatively, you could invest \$10M in 50 new companies and would need each to return \$30M

# What Are The Typical Criteria For Evaluating Investments?

# Due Diligence Criteria for Healthcare VC

**Science &  
Technology**



**Intellectual  
Property**



**Team**



**Preclinical**



**CMC**



# Due Diligence Criteria Continued

**Regulatory  
Path**



**Clinical  
Development**



**Market  
Size**



**Unmet  
Need**



**Standard  
of Care**



**Competition**



**Commercial  
Strategy**





# Thank You