



# PART 1 - Raising Funds as a Startup in Nigeria - How to get Investment Ready

In this two part series, we shall be talking about:

1. How to get investment ready?
2. Where to get investment for your startup?

Startup companies in Nigeria require funds to operate. From paying salaries, to renting an office space, the operational costs for startups are almost unlimited. Nigerian startups are always desirous of raising funds to better scale their business idea. In this article, we will explain how to get investment ready as a startup in Nigeria.

Before getting investment ready, it is important to know the diverse types of funding round.

### **Types of funding round:**

1. *Angel:* An angel round is typically a small funding round designed to get a new company off the ground. Investors in an angel round include individual angel investors, angel investor groups, friends, and family. These investors would typically invest for equity in the startup and would generally expect a return on their investment.

2. *Pre-Seed*: A Pre-Seed round is a pre-institutional seed round that either has no institutional investors or raises a very low amount, often below \$150k.
3. *Seed*: Seed rounds are among the first rounds of funding a company will receive, generally while the company is young and working to gain traction. Round sizes range between \$10k–\$2M, though larger seed rounds have become more common in recent years. A seed round typically comes after an angel round (if applicable) and before a company's Series A round.
4. *Series A and Series B*: While Series A rounds are usually for earlier stage companies, Series B rounds are for companies that have developed some track record. These rounds raise approximately between \$1M–\$30M. Investors for these rounds are looking for companies with great ideas as well as a strong strategy for turning that idea into a lucrative business. In Series B rounds, the ability to expand market reach is key.
5. *Series C rounds and onwards*: These rounds are for later stage and more established companies. These rounds are usually \$10M+ and are often much larger. Companies in this round are usually looking for additional funding to develop new products, expand into new markets or acquire other companies.

To become investment ready, you should ensure that:

1. Your business is registered;
2. You and your business are tax compliant;
3. You have a Pitch Deck/Business Plan - A pitch deck is concise and usually not more than 12/13 slides. A business plan is usually more detailed;
4. You have an executive summary - Your executive summary should be one or two pages (one is better) and should include the vision, product, team (location, contact info), traction, market size, and minimum financials (revenue, if any, and fundraising prior and current); and
5. You know how to pitch your idea in a simple and concise manner.
6. Find a [lawyer](#) - It's important that you have a lawyer who will ensure that your startup is investment ready.