

## Entrepreneurs' Equity Roadmap™ Milestone Measures

Stage	Name	Value Prop	Team	Product	Market	Rev Model / Scale	Type of Funding Closed
	<b>IDEA</b>	Founders have identified hypothesis of target customer and type of person whose problem they are solving.	<u>Founder +</u> Smart, committed w/ relevant experience and skills. At least 2 people with differentiated skills.	Ability to develop usable prototype. Freedom to operate - not blocked by other patents.	Can articulate total addressable market, percent they will capture, and initial target market.	<u>Pre-Revenue</u> Outline of revenue model. Team has identified multiple possible markets or customer segments.	
<b>1</b>	<b>Team &amp; Vision</b>	The Team has potential customers who provide evidence that solution solves key pain point - product is a painkiller, not a vitamin.	<u>Founder +</u> Team has senior members with live experience and understanding of the target customers' problems. Supplemented w/ advisors to fill gaps.	Team has a basic usable prototype that solves the problem.	Has identified how major regulatory and competitive hurdles will be overcome.	<u>Pre-Revenue</u> Team can point to pricing and business models of similar products in the industry as evidence that revenue assumptions are valid. Evidence of multiple markets with problem.	<b>Bootstrap</b> <b>Friends &amp; Family</b>  <b>Grants</b> <b>Microloans</b> <b>Pre-Seed</b>
<b>2</b>	<b>Validating the Value Proposition and Profit Model</b>  Solidifying the Value Proposition  Validating an Investible Market  Proving a Profitable Business Model	Evidence that customers will pay the target price. Confirmation through initial target customer feedback that the solution solves their problem significantly better than others in the market. Target customers love the product and want to keep using it.	<u>Founder + Advisors + 'Equity Workers'</u> Demonstrated ability to attract and manage good people. Additional skills added in critical areas. Equity in place of salaries as needed. Strong industry contacts.	<u>Working Prototype / MVP</u> Team has built a working prototype that can be sold to target market customers even if requiring non-scalable levels of support. Product roadmap developed.. Team has a clear understanding of product development costs and how to build the go-to-market product.	Evidence of a clear understanding of the value chain and relevant cost structures within their industry. Evidence, through sales, that team can capture initial target market. Evidence of \$1B+ total addressable market.	Team has financial model with cost and revenue projections that support timing and magnitude of profitability. Demonstrated strategy and ability to meet projections. Conversations with strategic partners that will accelerate scalability and growth.	          <b>Angels</b> <b>Angel Groups</b> <b>Early [Micro] VC</b>
<b>3</b>	<b>Moving Beyond Early Adopters</b>	Sales validate impact is tied to solution and marketing scales. Customers love product and are referring the product to others.	Team has clear sales / ops understanding and strategy. Team has proven sales and product development skills and management ability to support a growing team for scale.	<u>Complete Go-To-Market Target Market Product</u> Strong user experience feedback.	Sales beyond initial target customers. Supply / distribution partners see their success aligned with the company's success.	Sales begin to map to projections. Evidence of decreasing CAC with growing customer base buying at target price. Initial evidence of positive unit economics in two markets or segments.	<b>Seed Angels</b> <b>Seed Funds</b>
<b>4</b>	<b>Hitting Stride</b>  Product Market Fit  Proven Scalability	Majority of first sales in target market are inbound.	C suite as good or better than founding CEO and can stay with company through its growth and exit.	Product is built for scale and additional offerings in progress.	Sales cycles meet or exceed industry standard.	Business model validated - confirms strong unit economics. Evidence of strong unit economics across multiple markets.	<b>VCs</b>  <b>Series A</b>
<b>5</b>	<b>Scaling Up Rapid Growth</b>	Multiple renewals with low sales effort. Customers in multiple markets love the products.	Team is recognized as market leaders in the industry.	Strong customer product feedback in multiple markets or segments.	Brand established. Hard-to-beat partnerships for distribution, marketing, and growth.	Month on month revenue meets or exceeds industry standards. Growth of customer base accelerates month on month.	<b>VCs</b>  <b>Series B</b>
	<b>EXIT in Sight</b>	Global leader in stated vision. Cited as the top solution in the industry solving this problem.	Team positioned to navigate Merger, Acquisition, IPO.	Product recognized as top in the industry.	Clear line-of-sight to industry dominance.	Minimum 2x revenue growth for multiple years. Strong unit economics for multiple customer segments.	<b>Acquirers / IPO</b>
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\* Based upon Point Nine / VersionOne "Marketplace Funding in 2016"

\*\* Including some descriptions from the Village Capital Viral Pathway