



Replication Toolkit

in support of circular fashion designers, startups and SMEs seeking to innovate and grow their business



The Fashion For Change Project Summary

The Fashion for Change project was dedicated to investigating and expanding the growth of small and medium-sized enterprises (SMEs), designers, and start-ups within the fashion industry, with the primary goal of fostering sustainability and transitioning their business models towards a circular approach.

The consortium, which comprises five partners (Civitta Eesti AS, Estonian Academy of Arts, Ecopreneur, Katalista Ventures, Singleton Group) hailing from three different countries (Estonia, Lithuania, and Belgium), was strategically designed to harness the collective expertise of seasoned professionals in sustainable fashion, business support, and innovation management within the context of a circular economy and fashion.

Co-funded by the European Commission, the project ran from 2021 to 2023, delivering the following results:

1. mapping circular fashion stakeholders and defining industry needs;
2. building an online hub for circular fashion resources and providing a circularity self-assessment tool;
3. creating a methodology for the gathering and development of circular fashion ideas and businesses;
4. running a design hackathon and growth programme for starting entrepreneurs in circular fashion;
5. providing business development and financial support for best performing applicants.

This toolkit is built on the basis of handling and assessing 170 circularity-centered business ideas, educating 35 highly promising SMEs, designers, and start-ups focused on transitioning to sustainable fashion practices by addressing various painpoints along the fashion value chain, and further supporting 25 of these teams in a dedicated Fashion for Change Growth Programme.

We hope that you will use this toolkit to further support designers, startups, SMEs and organizations within your region and to contribute to promoting sustainable entrepreneurship.

Recommendations To Guide Success

The Fashion for Change project is not only about accelerating the growth of SMEs, designers, and startups but also about sharing valuable insights and best practices. With Fashion for Change, we recognized the need for a comprehensive approach to disseminating knowledge and fostering innovation in the fashion industry.

This toolkit combines two sections with tools for:

- 1) organizations that support startups, SMEs and designers;**
- 2) circular fashion startups, SMEs and designers**

Designed for SMEs, designers, startups, as well as organizations supporting entrepreneurship in circular fashion, the toolkit offers a curated selection of relevant methods and approaches that were tested as a part of the Fashion for Change project such as:

- an Individual Development Plan for companies,
- a Circularity Self-Assessment Tool,
- a Matchmaking Manual for impact entrepreneurs,
- and methodologies applied in our Growth Programme, featuring events like Design Hackathon, Demo Day and Investment Readiness Programme.

This comprehensive resource equips organizations with tested concepts to enhance their operational strategies, placing an emphasis on **growth, circularity, and investment readiness.**

Toolkit for *organizations* that support startups, SMEs and designers

This toolkit provides a step-by-step guide for organizations aspiring to replicate the methods and tools used in the Fashion for Change project.



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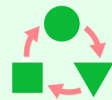
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How to organize a Designathon for *Circular Business Ideas?*



Find detailed guidelines in our blog post at www.fashionforchange.eu/design-hackathon-guidelines/

How to organize a Designathon for Circular Business Ideas?



#1 Identify circular design challenges within the industry

Defining problem statements, generating and screening ideas, contextualising the challenges, analysing industry and customer needs, and screening participants should be done prior to the event.



#3 Designathon day 1: Open the road to discovery

Inspiring keynote speeches (on emerging sustainability trends, the importance of partnerships and impact of change, etc.) guide people into the right mindset. For the first day of action, arrange workshops, regular checks and mentoring slots to push teams' progress from the getgo.



Read about the whole process and experience from our report D2.1 Methodology of the Designathon Fashion Sprint at www.fashionforchange.eu/project-results.



#2 Facilitate and encourage mingling

Team building and networking activities have an essential role in the pre-designathon phase. Channels for communication and collaboration will be set up before teams meet.



#4 Designathon day 2: Set up the stage for

This is where the final ideation and development takes place. Time to encourage the participants with practical content that will help to prepare for taking the stage and presenting the best possible pitch.



#5 Post-event recommendations

Collect participants' feedback and organisers' reflections, analyse the results, and perfect the approach.

2

10 tips on organizing a *Growth Program* for SMEs, startups and designers in circular fashion



Find the detailed Growth Programme report at <https://www.fashionforchange.eu/project-info/project-results/>

10 tips on organizing a Growth Program for SMEs, startups and designers in circular fashion



#1 Spot industry design challenges, create a support system for program participants

Before the program starts it is needed to define the problematic topic areas and to identify the best practices for overcoming the challenges the target group faces.



#3 Provide a technical support toolbox

Identify, build and share digital resources for self-learning, self-analysis and monitoring the self-progress throughout the program.



Find more information on participant's feedback on Growth Programme: <https://www.fashionforchange.eu/accelerator-flashback/>



#2 Collect structured background information on participants

Clear participant goals and business information, obtained through well-structured application forms or questionnaires weeks before the program, enhance mentor selection and tailored training programs.



#4 Provide a variety of teaching methods and viewpoints

The successful development of circular design ideas needs in-depth one-to-one mentoring on business, circularity and design development, as well as group discussions, study-visits and workshops for community building and learning from the best practices. The balance of the programme's topic areas between material expertise, policy and communication skills is relevant.

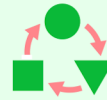


#5 Build a system of transparent evaluation criteria

The Growth Program consisted of two phases and a preliminary hackathon, therefore, evaluation criteria were needed to select three tiers during the programme. The evaluation criteria of the program were agreed upon and explained both to jury members and participants to enable juries throughout the programme to evaluate the projects equally, having comparable results about the sustainable business ideas and their innovation potential.

#7 Build a flexible program to allow maximum participation

- The program's success hinged on a balanced mix of onsite, hybrid, and online events, optimizing time and budget while minimizing international travel.
- Synchronizing activities like workshops and study visits enhanced the benefits of physical events. For instance, the Kick-off workshop coincided with the Tallinn Design Festival, maximizing exposure to related events.
- The integration of study visits into the program further enhances the experience.
- Feedback suggests that longer physical events are more beneficial, offering opportunities for visits, practical tasks, lectures, and discussion groups to maximize real-life networking benefits.



#6 Provide a clear structure for implementing the program

Offer a structured program for individual development and community building in sustainable fashion:

- The linear training process, from initial design to prototype, incorporates reflective and repeatable actions.
- The balanced program includes individual mentoring, accelerated by joint activities, with three workshops at the program's start, middle, and end.
- Workshops provide expertise, practical training, and community building, serving as milestones for reflection and progress.
- Field trips between workshops offer real-life insights

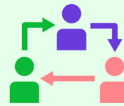
#8 Motivate the participants through positive communication

Engage experts, investors, and successful professionals to inspire and guide participants. Prioritize effective communication, informing teams early, repeatedly, and with motivation. Clarify nuances of hybrid events, occasionally requiring a personal touch.



#10 Post-event recommendations

Collecting participants' feedback and organizers' reflections involves systematically gathering input from both program participants and the organizers themselves. This feedback can encompass a range of aspects, including the effectiveness of program activities, the quality of mentorship, the clarity of communication, and the overall experience



#9 Support networking between the participants and mentors

- Clear communication is essential between mentors, mentees, and organizers.
- Teams are encouraged to initiate contact with mentors, while organizers maintain information flow through regular updates.
- Coordination within mentoring teams is crucial, with suggested joint meetings and fixed schedules for regular interactions.
- In-person connections formed during face-to-face meetups, including after-hour activities, contribute to valuable friendships, business relations, and a supportive atmosphere for learning and networking.



Find detailed report on the Fashion for Change Growth Programme at https://www.fashionforchange.eu/wp-content/uploads/2023/03/D2.2-The-Growth-Programme-Methodology_v3.pdf

3 Tools for reflection and goal-setting

Circularity Self-Assessment Tool

Is an open-source questionnaire available as a part of the Knowledge Hub of Fashion For Change project to measure the impact of a product or service in the context of sustainability and circularity.



Find Self-Assessment tool at www.fashionforchange.eu/knowledge-hub/your-impact/

Individual Development Plan

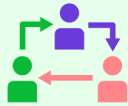
Is a document that is developed by Fashion For Change for participants of the Growth Program to articulate, analyze and reflect on long-term objectives and strategies, as well as to monitor everyday progress, problems and plans throughout the program to respond for success.



Find Individual Development Plan at www.fashionforchange.eu/wp-content/uploads/2023/12/Fashion-For-Change-Individual-Development-Plan.pdf

4

Tips and tricks for organizing a *Demo Day* for Impact Fashion Startups in Hybrid Format



Find more details in the blog post about Fashion For Change Demo Day at <https://www.fashionforchange.eu/demo-day/>

Tips & Tricks for Organizing a Demo Day for Impact Fashion Startups in a Hybrid Format



#1 Strategic Batching of Presentations

Strategically categorize pitch deck presentations into batches such as platforms, marketplaces, products, and products & materials, ensuring a well-structured and coherent presentation flow. This approach enhances audience engagement by providing a concentrated exploration of startups with similar objectives as well as it aids the jury in delivering targeted feedback.

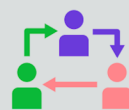
#3 Diversified Jury Structure

Create diverse jury panels for each pitching stream, including members from the project consortium, fashion and circularity experts, and external members from VC funds, successful fashion scale-ups, and sustainability fields. This diverse perspective enriches evaluations.



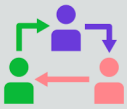
#2 Seamless On-site and Online Integration

Design the event to provide a seamless pitching experience for both on-site and online participants. Use technology to bridge the gap and ensure equal participation and engagement for all.



#4 Engage the Audience

Implement audience participation elements such as voting for the most favorite startup, ensuring both on-site and online audiences have a say in recognizing outstanding presentations.



#5 Scheduled Breaks for Networking

Incorporate breaks between pitching sessions for both jury discussions and "speed dating" opportunities, fostering immediate feedback and connections for startups. Scheduled breaks between pitches not only allow the jury to deliberate and compare notes efficiently but also create designated networking opportunities for startups.



#7 Keynote Speaker Impact

Consider inviting a keynote speaker with expertise in the fashion industry to provide valuable insights and set the tone for the event. This can add credibility and relevance to the overall experience.

#9 Post-Event Follow-up

Plan for a structured post-event follow-up, including sharing resources, contact details, and key takeaways with participants, ensuring that the connections and momentum generated during the Demo Day are sustained beyond the event.



#6 Use Evaluation Criteria

Use a comprehensive set of evaluation criteria for jury members, covering aspects like problem & solution, market fit, business model, team, and impact and circularity. Ensure that all teams, irrespective of their stream, are evaluated on the same criteria for fairness.



#8 Virtual Voting

Implement a virtual voting mechanism that enables both on-site and online audiences to cast their votes seamlessly, contributing to the overall engagement and excitement of the event.



Find more details in the blog post about Fashion For Change Demo Day at <https://www.fashionforchange.eu/demo-day/>

Tools & platforms used for the Demo Day



For Seamless On-site and Online Integration & Speed dating online

The [Zoom](#) platform was used to facilitate a smooth transition between on-site and online participation, ensuring a cohesive and inclusive experience for all attendees. Additionally, Zoom proved to be a valuable tool for creating breakout rooms during the speed dating sessions for the online audience. The chat function was also leveraged to actively engage with the online audience, enhancing interactivity throughout the event

For Engaging the Audience & Virtual Voting

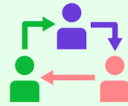
Using [Menti](#) for virtual voting streamlines the process by creating real-time polls and quizzes accessible through participants' devices. This user-friendly tool fosters engagement and offers live visualizations of results, enhancing the overall interactive experience during the event.

For Registration to the event & Post-Event Follow-up

Use [Eventbrite](#) for streamlined and efficient attendee registration. Eventbrite also facilitates post-event communication by collecting participant emails, enabling seamless follow-up emails and engagement strategies.

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Insights from the 2-month *Investment Readiness* Programme for Impact Fashion Startups



Find detailed report on the Fashion for Change
Investment Readiness Programme at
[https://www.fashionforchange.eu/project-info/project-
results/?](https://www.fashionforchange.eu/project-info/project-results/)

Insights from the 2-month Investment Readiness Programme for Impact Fashion Startups

Preparation step #1: In-depth Questionnaire for Needs Assessment

Develop a questionnaire to assess the unique needs and expectations of startups, ensuring a precise understanding that guides the program's pivot based on valuable input. Questions to be asked in the Questionnaire can be as follows:

- *What is the stage of your company?*
- *What is your experience with fundraising?*
- *Have you already attracted any external investments?*
- *What are the main milestones that you are planning to achieve in the upcoming months?*
- *What topics would you like to cover?*
- *What practical activities would you like to have?*



Preparation step #2: Strategic Onboarding Session

Kickstart the second phase with an exclusive online onboarding session for startups, providing a comprehensive overview of the upcoming program journey and creating a room for hearing their questions and feedback.

Programme creation: Tailored Curriculum for Startups with Feedback Integration:

Customize the programme for the startups by integrating feedback collected in the initial phase. Gather insights through surveys and discussions to precisely address specific needs, adjusting the curriculum accordingly. Focus on key areas such as investor meetings, business model enhancement, fundraising, and networking opportunities, creating a dynamic and responsive program structure tailored to the evolving needs of participating startups.

Programme element #1: **Knowledge Days with External Experts**

Introduce a series of bi-weekly Knowledge Days featuring external entrepreneurial experts to provide startups with insights into critical areas such as fundraising, valuation, impact investing, pitching, legal terms, and more.



Programme element #3: **Individual Chief Mentor Sessions**

Assign individual Chief Mentors to each startup to offer support in preparing for investor meetings, optimizing business plans, and fostering connections with potential partners, investors, and experts.

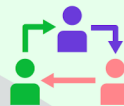
Programme element #5: **Final Event**

Conclude the program with a Final event featuring a pitch for investors on a prominent stage, providing startups with a significant platform to raise awareness, share outcomes, and showcase their innovative ideas to a diverse audience.



Programme element #2: **Bi-weekly Investor Roundtables**

Include online Investor Meetups as structured roundtable sessions with active investor participation, allowing startups to pitch to actual investors and business angels, providing a platform for practice, feedback, and introductions to potential investors.



Programme element #4: **Community Building**

Foster a sense of community among startups through chief mentoring sessions, external business mentor interactions, and joint sessions on fundraising topics. Also, create the digital group to keep the community engaged throughout the programme.

Topics & Format Suggestions for the Investment Readiness Programme



Topics covered in Knowledge Days & Final event:

Understand your fundraising need /
1:1 sessions with fundraising experts
(20min per each team + Reflection session for all)

Tips & Tricks for your fundraising journey /
Discussion with startups that fundraised
successfully
(1hour)

Effective communication with investors /
Discussion with VC fund & Q&A
(1 hour)

Negotiations with investors /
Keynote with the startup coach & Q&A
(1 hour)

Can Fashion Tech (Impact) Startup Become Your
Next Portfolio Superstar? /
Panel discussion with the experts in impact
investing and fashion
(30 min)



Find a blog post about Investment Readiness
programme reflection at
https://www.fashionforchange.eu/blogpost_invest-or-ready-programme/

Toolkit for *circular fashion startups, SMEs and designers*

Empower your circular fashion company with this Toolkit, offering proven methodologies and insights from the Fashion for Change Growth Programme



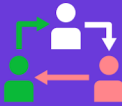
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Matchmaking manual for SMEs, designers and startups looking for transnational partners

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Guidance for Impact Fashion Startups Prepared for Fundraising

- Takeaways for better understanding your fundraising needs
- Tips on nailing the first meeting with investor
- Tips for pitching & crafting effective pitch decks
- Things to remember in negotiations process

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Fundraising Red Flags

1

Tips for startups, designers and SMEs for participating in circular *business training programs*



Join our LinkedIn group to get more advices
from the circular fashion industry players:
<https://www.linkedin.com/groups/12564677/>

Tips for startups, designers and SMEs for participating in circular business training programs



#1 Make a clear proposal for the program

Suggest a challenging yet realistic idea for investor readiness by program end. Share your challenges and goals for tailored advice and mentorship. Submit structured background info in advance for a personalized, supportive training program.



#3 Find your motivation

Get inspired by mentoring experts, investors, successful designers and colleagues in the program. Stay focused and be positive.



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#2 Be active to take the maximum benefit from the program

Embrace diverse teaching methods. Commit to active participation in joint activities for networking and learning. Prepare well for meetings, document mentor feedback, pitch frequently for varied input. Initiate communication with mentors to build lasting relationships.

2

Support toolbox for startups, SMEs, designers in circular fashion

Self-Assessment Tool

Is an open-source questionnaire available as a part of the Knowledge Hub of the Fashion For Change project to measure the impact of a product or service in the context of sustainability and circularity. It empowers users to evaluate their current practices, identify areas for improvement and set actionable goals towards a more circular and eco-friendly future. The tool covers a wide range of sustainability aspects, including supply chain management, material sourcing, manufacturing processes and end-of-life considerations.



Find Self-Assessment Tool at <https://www.fashionforchange.eu/knowledge-hub/your-impact/>



Individual Development Plan

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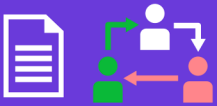
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3

Matchmaking manual for SMEs, designers and startups looking for transnational partners



Join our LinkedIn Group to find your partner:
<https://www.linkedin.com/groups/12564677/>

Matchmaking manual for SMEs, designers and startups looking for transnational partners

Knowledge Hub

Register into the Fashion for Change Knowledge hub:

- Go to <https://www.fashionforchange.eu/knowledge-hub/community/>
- Click on “Register your Own”
- Select designer, SME or Start-up as your organisation type
- Next, browse through the list of existing Community members to see if any of those organisations might be an interesting partner for you, and contact them to find out.
- Conversely, they might find you via the Community also.

Climate KIC

The EIT Climate-KIC is an EU programme active in 24 countries with 28 offices across Europe, including the major cities of Brussels, London, Paris and Berlin.

It has 450 global partners, spanning universities, businesses, cities and NGOs.

To search for potential partners, go to <https://www.climate-kic.org/partners/>

Enterprise Europe Network

The E.E.N. can assist SMEs for free with partner search in three ways, see also <https://een.ec.europa.eu/about-enterprise-europe-network/advice-support/business-partnering>:

#1 Option: Go to <https://een.ec.europa.eu/partnering-opportunities> & look for registered partners.

#2 Option: Send an email with your specific request to Ms. MGuerrero@ain.es
The E.E.N. secretariat will review and pass it on internally to experts in relevant countries. It will also create an anonymous search profile for your on the E.E.N. website.

#3 Option: Participate in one of the matching events organised by E.E.N. for fashion events, such as the FashionMatch Amsterdam. Find more events on the E.E.N. website.

AI-powered Chatbots

Make use of a natural language processing tool like ChatGPT. AI-powered chatbots allows you to have human-like conversations to answer specific questions and help you find useful resources, including potential partners, trainers, consultants and much more.

Try out ChatGPT at:
<https://chat.openai.com/>

ECESP

The European Circular Economy Stakeholder Platform is a joint initiative by the European Commission and the European Economic and Social Committee.

To search for partners:

- Go to <https://circulareconomy.europa.eu/platform/en/good-practices>
- For the lowest search field, "Sector", select "Textiles, apparel and leather" and click on "Search"
- Browse through the best practices
- You can make further selections via the other search fields.

Holland Circular Hotspot

Holland Circular Hotspot is a private-public platform in which companies, knowledge institutes and local authorities collaborate to promote and support international collaboration and knowledge exchange on Dutch circular economy.

To promote themselves on an international level, entrepreneurs can present their company profile and circular fashion products on the HCH website for free.

To search for partners, visit: <https://hollandcircularhotspot.nl/dutch-partners/> or write an email to info@hollandcircularhotspot.nl

4

Guidance for Impact Fashion Startups *Prepared for Fundraising*



Join our LinkedIn Group to find out more tips for the impact fashion tech startup:
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Guidance for Impact Fashion Startups Prepared for Fundraising:

Takeaways for better understanding your fundraising needs



#1 Craft investor-centric pitch decks

Craft pitch decks with investors in mind, emphasizing achievements, fund utilization, and a clear long-term strategy to enhance appeal.



#3 Prioritize utilization over exit plans

In early-stage pitches, prioritize conveying strategic fund utilization over extensive exit plans, showcasing a compelling roadmap for investor funds.



#2 Provide strategic fundraising insights

Answer fundamental questions in your pitch, detailing past achievements, fund usage, and long-term plans for heightened transparency and investor understanding.

4 Embrace diverse growth scenario

Shift away from the traditional emphasis solely on aggressive growth plans. Acknowledge that fundraising success can be achieved through diverse scenarios, including aggressive, less aggressive, and conservative approaches. Demonstrating adaptability and foresight in considering multiple growth trajectories strengthens your position with investors.

Guidance for Impact Fashion Startups Prepared for Fundraising:

Tips on nailing the first meeting with investor

#1 Thorough Pre-Meeting Preparation

Before engaging with an investor, conduct comprehensive research. Familiarize yourself with their portfolio, investment preferences, and any recent activities. Tailor your pitch to align with their interests and demonstrate a genuine understanding of how your venture fits into their investment strategy

#4 Take on the quest of getting the feedback you earn

Find out more about the investors you're able to meet with and if you see a match, continue talking to them online. You can follow up on the things they asked or ask for additional information about their comments. Everyone's time and attention span is limited, so make the most of all contacts.



Find more tips on pitching for investors at <https://www.fashionforchange.eu/7-pitching-tips/>



#2 Leave room for a fruitful two-way conversation

Investors usually have a lot of questions. The less you speak, the more time you have for insights. Try to be as precise and brief with your answers as possible to make the most of your conversation.

#3 Always ask straight

Golden question: straightforwardly asking if you are interested or not. Start telling the story of your startup and if you see the investor is not interested (body language, etc.), then stop.

#5 Don't forget to do a thorough follow-up

After receiving feedback, leverage additional channels like email to continue discussions. Proactively address queries, add supplementary information, and sustain engagement with potential investors



Guidance for Impact Fashion Startups Prepared for Fundraising:

Tips for pitching & crafting effective pitch decks



#1 Prioritize Conciseness in Presentations

Embrace brevity in your pitch, focusing on the most crucial aspects. Investors appreciate concise presentations that efficiently convey key information, leaving ample time for interaction and questions.



#3 Prioritize prototypes over technical details

Showcase prototype projects over intricate technical information. Investors often value tangible demonstrations of your product's viability, which can effectively convey practicality and potential impact.

#2 Highlight Uncommon Insights

Avoid spending excessive time on well-known industry problems. Instead, emphasize unique aspects that set your solution apart, sharing insights that might not be widely recognized.

#3 Select strategic metrics

Opt for factual numbers over predictions, fostering credibility and transparency even when highlighting areas that need improvement.

5 Address market dynamics & value proposition

Acknowledge increasing market competition, boldly differentiate your offering, and provide a solid justification for your valuation. Communicate how raised funds align with strategic spending and revenue models for a comprehensive view of your business potential.

Guidance for Impact Fashion Startups Prepared for Fundraising:

Things to remember in negotiations process



Negotiation not only determines the valuations of the startups but also sets the scene for how your relationship will look in the future

To avoid conflicts and build trust and long-term success, consider the following:

- Treat all investors equally and highlight transparency and honesty
- Set expectations and communication guidelines clearly, such as determining the role of the investor in the company, establishing clear reporting systems, and explaining how many fundraising rounds you're planning.
- Also, clarify how long it might take for them to see any progress in your company, when you will have the first revenue, and when you will break even.

Tips to make the negotiation a win-win situation

- Set the scene in a way that is received as a win-win situation for both parties.
- It's important to have some equity percentage yourself. If it is too low, investors might question your motivation and energy to bring this to Series C, etc.
- Understanding your startup's financials is crucial for understanding valuation. You need to know the drivers of growth, margin, revenue, users, etc.
- If you come up with as high a valuation as possible, remember that every time you have the next round, you will need to raise the bar again. It might be hard to keep up.

5

Fundraising Red Flags

- If you feel uncomfortable communicating/gut feeling or think differently with the investor, it's a no go; It will be hard to have good relationships. And then you do have a good one, it will be beneficial as the rounds go, they will know investors that might be interested in the upcoming rounds, will "open doors".
- Investors from previous rounds are not contributing to the next round. Why is it so? You have to have a good story why they are not committing, or why they are cashing out.
- Be cautious of potential red flags, such as shady money or sanctions. Also, be wary of very experienced investors or super inexperienced ones in early stages who ask for extra treatment. They might want to cover every single risk and may not fully understand the situation, even contacting you at inconvenient times.
- Double-check term sheets with a lawyer paid by you. Avoid relying solely on lawyers brought by the investor side, as they might have a bias and put one side in a more advanced position.

Recommendation: when determining the reputation and potential red flags of investors: 1) talk with other portfolio companies or ask for references; 2) trust your gut feeling.