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# Choose and be chosen

## Product-market Fit



My Brain is an Open Source  – Daily Entrepreneur series





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Raising funds for an ideation stage startup can be challenging, as investors may have difficulty determining if there is a product-market fit.

However, by educating investors on how the founders align with the product and market, the likelihood of securing funding may increase.

Following are few important points to cover the product-market fit either in pitch deck or during the discussion.







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# 1. Explain Market and industry

- » Provide evidence of market size and customer needs validation
- » Provide data or research to support your claims about the target market and its needs
- » Discuss unique characteristics of your target market how it aligns with product
- » Explain reasoning that this is a problem worth solving for this market
- » Describe market segmentation and targeted segment







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## 2. Customer Feedback

- » Demonstrate customer engagement and feedback gathering methods
- » Share number of customers spoken to and overall feedback received
- » Provide examples of feedback that influenced product development
- » Explain plans for using feedback to improve product and increase success potential
- » Provide the percentage of early adopters willing to pay for the product.







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## 3. Traction

- » Explain the indicators of product resonating with the target market
- » Share early revenue or adoption metrics
- » Describe success metrics and plans for using such data to improve
- » Outline strategy for converting early adopters into paying customers
- » Compare product's user retention and engagement against competitors.







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## 4. Market Size

- » Define the size of the addressable market
- » Estimate the number of potential customers in the market
- » Provide projection of revenue potential
- » Outline strategy for capturing market share
- » Share the market's growth rate and how it aligns with company's growth goals.







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## 5. Team

- » Provide background and experience of the team
- » Show alignment of team skills and experience with product and market
- » Provide examples of team's ability to pivot and adapt to market changes
- » Describe how the team plans to handle startup uncertainty and stress
- » Discuss company culture and alignment with company goals.







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## 6. Competition

- » Identify main competitors in the market and explain how your product stands out
- » Outline strategy for capturing market share in a crowded market
- » Explain plan for competing on price, features, or distribution
- » Describe defense strategy against potential new competitors
- » Explain how the product will be protected from replication or imitation







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