

# STRATEGY

This section tests whether the founder has created a detailed sales and marketing plan that will lead to profitable user acquisition.

Score

## 1. What is your lifetime customer value?

Founder should have a strong grasp of their numbers, and the LTV should be above \$250 to justify most digital ad spend. If it's a low volume business, LTV should be above \$2,000.

## 2. What is your user acquisition cost?

Founder should know this number and be able to explain how they arrived at it. It will probably be between \$50 and \$250 depending on their industry.

## 3. How many potential customers are in your market?

Look for stats such as their total addressable market size and how many users search for their target keywords monthly. Multiply TAM by their LTV to understand their full revenue potential.

## 4. How do you reach \$100,000,000 in sales?

This is a check against the previous question. Can they realistically achieve this scale? How much will that cost? What would their market penetration be? What is their detailed plan to achieve it?

## 5. How much does your product cost?

Their pricing should be supported by founder's market research and in line with what you believe customers will actually pay. Compare their annual revenue per customer with their LTV to see if their LTV is justified.

## 6. What is your 1-year sales plan?

Many founders are good at high-level thinking but haven't taken the time to develop a concise sales plan. Check to see if they have developed a thoughtful strategy and have specific 1-year KPI goals.

## 7. What team have you put in place for sales and marketing?

Test the founder's leadership mindset and whether they have put an experienced team in place.

## 8. Define your ideal customer.

See if the founder has created an Ideal Customer Profile, and verify that he or she can explain the demographics of their target customer. In short, they shouldn't try to be everything to everyone in their marketing.

## 9. Explain your sales funnel step-by-step.

Go through their user acquisition process. Is it an inbound or outbound strategy? Start with their ads and wherever customers will find them, to their landing pages, email campaigns, and points of conversion.

## 10. How will you establish trust with new leads?

It typically takes between 7 and 18 contact points before a lead is ready to make a purchase. What is their understanding of this concept and how will they quickly establish trust with potential buyers?

# EMOTION

This section tests whether the founder has the emotional intelligence and self-confidence to attract customers and close sales.

Score

## 1. What's your elevator pitch to customers?

See if the founder makes a strong pitch for his or her product. Would you buy it if you were a potential customer?

## 2. Why do you love your product?

Look for any nervousness or resistance to this question, which may indicate they don't believe in their product. Additionally, if the founder is a perfectionist, they may subconsciously believe that customers won't want their product unless it's perfect.

## 3. If a qualified customer says no, what do you do?

Test to see if they give up too quickly when rejected, or if they gently maintain relationships.

## 4. Why are you better than your competitors?

Many founders look at larger, established competitors who have more features and feel unworthy. Is the founder able to convey a strong value proposition anyway?

## 5. Do you meditate or practice visualization?

Founders who practice meditation and visualization are more likely to succeed in sales.

## 6. What 'emotional need' does your product solve for customers?

Many technical founders try to sell on logic, whereas buyers often purchase on deeper emotions. Why does their product help the customer transform into the person they want to become?

## 7. Pretend I'm a customer. Why do I need your product?

We are testing between two different styles. Do they try to convince people to buy (push) or do they attract customers (pull)? In your own conversations with the founder, are they trying to convince you or attracting you to invest?

## 8. What is your greater purpose with your work?

Understand if the founder has a long-term vision for how he or she wants to make a difference in the world, or they are just in it for the money.

## 9. Who are your advisers on sales and marketing strategy?

Unless the founder has a background in sales and marketing, it is likely they need insight from people with experience.

## 10. If pre-revenue, how will you obtain sales within 3 to 6 months?

See if the founder is a perfectionist who will keep finding an excuse not to launch. Have they simplified their product so they can get to market quickly?

# MANAGEMENT

The section tests whether the founder has the management abilities needed to grow their marketing and sales.

Score

## 1. What are the top 3 KPIs you track?

Founders should know their key performance metrics by heart. Ask them what actual numbers they expect to achieve to verify they have spent time on strategic planning.

## 2. What software do you use to track KPIs and conversions?

See if they have put systems in place and are actively monitoring KPIs. Top operators will have created a dashboard and be tracking KPIs daily.

## 3. What systems will you use to automate your user acquisition?

See if they are going beyond “hustling” to put a repeatable strategy in place to consistently attract new customers. If the company is using manual methods, are the tasks being delegated to a team?

## 4. What parts of your sales conversion will need a human touch?

See what parts of their business will require relationships with customers and how the founder will scale this part of their business.

## 5. What team management software do you use?

Learn what importance the founder places on team management software and how they use it in their leadership style. This question weeds out poor operators and gives insight on the founder’s operational competency.

## 6. What are some of the marketing tasks you’re currently delegating?

Ask about the background of team members to understand if their team currently has the right marketing expertise to succeed.

## 7. How do you decide what tasks to delegate?

Understand whether the founder has sufficient delegation skills or if they’re trying to do everything themselves. When they delegate, do they “delegate up” (i.e. hire subject matter experts with experience)?

## 8. Who are your next 3 sales and marketing hires?

Find out if the founder has a hiring plan in place and will be “delegating up”. Vague answers such a “CMO” should be probed further. How does each hire have a direct tie to revenue?

## 9. What will your sales and marketing team look like 1 year from now?

Ask what their team will be able to achieve and how much that will cost. Will the team be sufficient to generate sales, and will those sales outweigh the cost of the sales and marketing team itself?

## 10. What is your marketing budget?

Many founders invest too much of their capital in product development and leave insufficient cash for sales and marketing. See if the company has carved out a sufficient marketing budget to achieve their stated goals.