

What makes a pre-seed startup investible— a data-driven view



W3S group

Southwark, London Mar 24, 2025 ([Issuewire.com](https://www.issuewire.com)) - The [W3S Group](#) comprises a global team of experienced entrepreneurs, technologists, designers, marketers, coders, and developers. We're all crypto-native professionals bringing strategic and regulatory insights, deep technological expertise, and operational capabilities, mixed with forward-thinking capital to support organisations and startups leveraging Web3 innovation.

Having spent the last few years as an exited founder turned investor and advisor, I have learned how the other side of the table views startups and the importance of having a good team around you.

The first thing I learned is that no small investor or multi-family office wants to go first; as my grandfather, an ex-Royal Navy Policeman, used to say, when entering a bar to break up a fight, you want to be the second man through the door.

I always think of this every time I see a new project: who's the lead investor, do they have a good due diligence team, and how much skin do they have in the game?

Like my grandfather, the first copper needs to be willing to take a punch or two; the second gets the fun of the fight but not the black eye! The same applies to investing. If you know the lead has a good track record, you'll likely do well if you can tag along for the ride.

As I sifted through the one hundred and seventy-eight projects that I have worked with over the last three years via either Outlier Ventures or the [W3S Group](#), I noticed patterns appearing in success and

failure; this led me to develop a founders chart that isn't designed to make builders quit but to align their expectations and likely outcomes with my market experience.

I spent days pouring over the data to create six unique “buckets”; I then spent a further week workshopping these “buckets” to ensure that I had captured the essence of success and failure for a pre-seed startup in the United Kingdom and came to the conclusion that these six “buckets” were;

- Previous Exit.
- Commercial Founder.
- Relevant PHD.
- Patent/Regulatory protected IP/licence.
- Solid revenue stream, increasing Mom.
- Exponential user growth.

These six buckets are the key to successful fundraising, and looking through the data, only one project in one hundred and seventy-eight achieved funding with none of these “buckets” filled. I placed this project as an outlier, and further investigation led to another link, the oldest of them all: nepotism.

Without stating the bleeding obvious, if you have all six “buckets” filled, namely, you had a successful exit from a previous startup, relevant commercial experience at a well-known company, a PhD in the exact field of your new startup, and you're revenue-producing with a growing monthly userbase, you're highly likely to get funding.

The second group that achieved funding in more than fifty percent of cases were those with at least three of those six “buckets” filled. They also needed a good financial model, a solid advisory team, media training, and several demo day practice sessions, but they made it. It was hard work, but there was enough good that someone would take the risk.

They usually lacked the previous exit but had a PhD and five years or more of relevant commercial experience with a known company. Sadly, the funding rate decreased with age, and founders over fifty were less successful at raising funds. With all other factors being equal, ageism appears to be a concern and something the industry should review.

Revenue and user growth were also key decision drivers; in some cases (c.25%), these two “buckets” can close funding on their own.

Still, the numbers have to be impressive, and they are typically double those of companies with proven founders and protected IP.

Sadly, this brings me to the one in one hundred and seventy-eight: those who do not yet have revenue or a growing user base, those that superstar founders don't run. It may seem harsh, but perhaps it's time to make your project a weekend passion project and return to the world of employment or interim contracting. Based on my findings, your chances are so slim I would find another way to pay your bills, finance a car, and go on holiday; this is likely to be a long “self-funded” journey with a 0.56% chance of success.

What do you think? How many of my six buckets did you fill if you raised successfully? Again, if you have a world-changing idea, contact us today via the [W3S Group](#) website.

High chance of funding		With a good track, pitch and some validation, you have a greater than 50% chance of getting funding.		Less than 20% of getting funding.		Time up and apply for a loan.	
Have you had a successful raise as a founder for more than 12 years?	Yes	Have you had a successful raise as a founder for more than 12 years?	Yes	Have you had a successful raise as a founder for more than 12 years?	No	Have you had a successful raise as a founder for more than 12 years?	No
Do you have technical founder team with 10+ years experience?	Yes	Do you have technical founder team with 10+ years experience?	Yes	Do you have technical founder team with 10+ years experience?	No	Do you have technical founder team with 10+ years experience?	No
Do you have a successful track record in your industry?	Yes	Do you have a successful track record in your industry?	Yes	Do you have a successful track record in your industry?	No	Do you have a successful track record in your industry?	No
Do you have a successful track record in your industry?	Yes	Do you have a successful track record in your industry?	Yes	Do you have a successful track record in your industry?	No	Do you have a successful track record in your industry?	No

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