
A MATT HAYCOX SIGNATURE FRAMEWORK

THE F.U.N.D.S. FRAMEWORK™

The 5-Step System for Finding, Winning, and Deploying Capital

BY MATT HAYCOX

Over £250 million raised for his own companies, over £1 billion deployed into UK SMEs, and invested in over 100 global businesses. This is the complete fundraising playbook.

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BEFORE YOU BEGIN

HOW TO USE THIS FRAMEWORK

Raising capital is one of the most misunderstood processes in business. Most founders approach it backwards — they start by looking for investors before they've built anything worth investing in. They pitch before they have proof. They ask for money before they've earned the right to ask.

The F.U.N.D.S. Framework™ is a systematic approach to fundraising that starts with building a business worth funding, then systematically positions it to attract the right capital at the right time on the right terms.

Each letter represents a pillar that must be in place before you approach investors. Skip a pillar and your fundraiser will fail — or worse, you'll raise money on terrible terms that cost you the business.

THE GOLDEN RULE

Build a business worth funding before you start looking for funding. The best fundraisers don't chase capital — they attract it.

THE REALITY

WHY MOST FOUNDERS FAIL AT FUNDRAISING

The statistics are brutal: fewer than 2% of startups that seek venture capital actually receive it. And of those that do, many raise on terms that ultimately destroy more value than they create. The fundraising landscape is a minefield, and most founders walk through it blindfolded.

Mistake 1: They start too early.

They approach investors before they have traction, revenue, or proof of concept. Investors see thousands of pitches. Without evidence that the business works, you're just another idea in a sea of ideas.

Mistake 2: They pitch the wrong investors.

They spray and pray — sending the same deck to every investor they can find. But investors specialise. A fintech VC won't invest in a food business. A seed fund won't write a Series B cheque. Targeting the wrong investors wastes everyone's time.

Mistake 3: They don't know their numbers.

They can talk about their vision but can't answer basic financial questions. What's your burn rate? What's your CAC? What's your LTV? What's your gross margin? If you can't answer these instantly, you're not ready to raise.

Mistake 4: They give away too much.

They're so desperate for capital that they accept the first term sheet without negotiating. They give away 40% of the company in a seed round. They agree to liquidation preferences they don't understand. By the time they realise the cost, it's too late.

THE FIVE PILLARS OVERVIEW

PILLAR	LETTER	FOCUS	KEY QUESTION
1	<i>F – Foundation</i>	<i>Business fundamentals</i>	<i>Is this a business worth funding?</i>
2	<i>U – Unfair Advantage</i>	<i>Competitive moat</i>	<i>Why will this business win?</i>
3	<i>N – Numbers</i>	<i>Financial proof</i>	<i>Do the economics work?</i>
4	<i>D – Distribution</i>	<i>Go-to-market</i>	<i>Can you reach customers profitably?</i>
5	<i>S – Structure</i>	<i>Deal mechanics</i>	<i>How should the raise be structured?</i>

F — FOUNDATION

"Is this a business worth funding?"

What This Pillar Is About

Before you think about raising capital, you need to ensure your business has a solid foundation. This means a clear problem you're solving, a validated solution, evidence of demand, and a team capable of executing. Without these fundamentals, no amount of capital will save you.

The Foundation Checklist

ELE-MENT	WHAT INVESTORS LOOK FOR	HOW TO DEMONSTRATE IT
<i>Problem</i>	<i>A real, painful problem affecting a large market</i>	<i>Customer interviews, market research, personal experience</i>
<i>Solution</i>	<i>A clear, differentiated approach to solving it</i>	<i>Product demo, prototype, or service delivery evidence</i>
<i>Traction</i>	<i>Evidence that customers want this</i>	<i>Revenue, users, waitlist, letters of intent, pilot results</i>
<i>Team</i>	<i>People capable of executing the vision</i>	<i>Relevant experience, track record, complementary skills</i>
<i>Market</i>	<i>A large enough opportunity to justify investment</i>	<i>TAM/SAM/SOM analysis with credible data sources</i>

FOUNDATION CHECKLIST

- Can you describe the problem in one sentence?*
- Do you have paying customers or strong evidence of demand?*
- Does your team have relevant domain expertise?*
- Is the market large enough to support a venture-scale business?*
- Can you explain why now is the right time for this solution?*

U — UNFAIR ADVANTAGE

"Why will this business win?"

What This Pillar Is About

Every investor asks the same question: why will this business win? Not just today, but in five years when competitors have copied your features and well-funded alternatives have entered the market. Your unfair advantage is the thing that makes you defensible.

Types of Unfair Advantage

TYPE	DESCRIPTION	EXAMPLE
Network effects	Product gets better as more people use it	Marketplace platforms, social networks
Proprietary technology	IP, patents, or technical capabilities that are hard to replicate	Deep tech, biotech, AI models trained on unique data
Data advantage	Access to data that competitors can't easily obtain	Industry-specific datasets, customer behaviour data
Regulatory moat	Licences, certifications, or regulatory approvals that create barriers	Financial services, healthcare, defence
Brand and community	A loyal customer base that creates switching costs	Strong brand identity, engaged community, high NPS
Cost advantage	Structural cost advantages that allow you to undercut competitors	Vertical integration, proprietary supply chain, economies of scale

N — NUMBERS

"Do the economics work?"

What This Pillar Is About

Numbers don't lie. Investors will scrutinise your financials more than anything else in your pitch. You need to demonstrate that the business economics work — that you can acquire customers profitably, retain them, and scale the model.

The Numbers That Matter

METRIC	WHAT IT MEASURES	BENCHMARK
Monthly Recurring Revenue (MRR)	Predictable monthly income	Depends on stage — £10K+ for seed, £100K+ for Series A
Customer Acquisition Cost (CAC)	Cost to acquire one customer	Should be recoverable within 12 months
Lifetime Value (LTV)	Total revenue from one customer	LTV:CAC ratio should be 3:1 or higher
Gross Margin	Revenue minus direct costs	60%+ for software, 40%+ for services
Monthly Burn Rate	Cash spent per month	Should give 12-18 months runway post-raise
Revenue Growth Rate	Month-over-month revenue increase	15-20%+ MoM for early-stage, 10%+ for growth

D — DISTRIBUTION

"Can you reach customers profitably?"

What This Pillar Is About

The best product in the world is worthless if you can't get it in front of customers. Distribution is about demonstrating that you have a repeatable, scalable way to acquire customers at a cost that makes economic sense.

Distribution Channels

CHANNEL	BEST FOR	TYPICAL CAC	SCALABILITY
Content marketing / SEO	B2B SaaS, education, professional services	Low (£10-50)	High but slow to build
Paid advertising	Consumer products, e-commerce, apps	Medium (£20-200)	High and fast
Direct sales	Enterprise B2B, high-value services	High (£500-5,000+)	Medium — limited by team size
Partnerships / channels	Platforms, integrations, white-label	Low-medium	High once established
Referral / viral	Consumer apps, marketplaces, community	Very low	Very high if product supports it

S — STRUCTURE

"How should the raise be structured?"

What This Pillar Is About

The structure of your raise — how much you raise, at what valuation, on what terms, and from whom — will determine whether the capital accelerates your business or destroys it. Getting the structure wrong is one of the most expensive mistakes a founder can make.

Key Structural Decisions

DECISION	OPTIONS	CONSIDERATIONS
<i>How much to raise</i>	<i>6-18 months of runway</i>	<i>Raise enough to hit clear milestones, not more</i>
<i>Valuation</i>	<i>Based on stage, traction, and market</i>	<i>Higher isn't always better — it sets expectations</i>
<i>Instrument</i>	<i>Equity, convertible note, SAFE, ASA</i>	<i>Simpler is better at early stages</i>
<i>Investor type</i>	<i>Angel, VC, strategic, institutional</i>	<i>Choose investors who add value beyond capital</i>
<i>Board composition</i>	<i>Founder-controlled vs. investor-heavy</i>	<i>Maintain control as long as possible</i>

STRUCTURE CHECKLIST

- Do you know exactly how much capital you need and why?*
- Have you modelled the dilution impact of the raise?*
- Do you understand the key terms (liquidation preference, anti-dilution, drag-along)?*
- Have you identified 20+ target investors who match your stage and sector?*
- Do you have a compelling data room ready?*
- Have you practised your pitch with honest critics?*

THE COMPLETE PICTURE

THE F.U.N.D.S. METHOD IN ACTION

The F.U.N.D.S. Framework™ is designed to be worked through sequentially. Each pillar builds on the one before it. Foundation proves the business is real. Unfair Advantage proves it can win. Numbers prove the economics work. Distribution proves you can reach customers. Structure ensures you raise on the right terms.

Skip a pillar and you'll either fail to raise, or raise on terms that cost you the business. Work through all five, and you'll approach investors from a position of strength — not desperation.

REMEMBER

The best fundraisers don't chase capital. They build businesses so compelling that capital chases them.

THE MANIFESTO

THE FUNDRAISING MANIFESTO

PRINCIPLE 01

Build first, raise second. Traction is the best pitch deck.

PRINCIPLE 02

Know your numbers cold. If you can't answer financial questions instantly, you're not ready.

PRINCIPLE 03

Target the right investors. A warm introduction to the right fund beats 100 cold emails.

PRINCIPLE 04

Protect your equity. Every percentage point you give away is a percentage point you'll never get back.

PRINCIPLE 05

Terms matter more than valuation. A lower valuation with clean terms beats a high valuation with toxic clauses.

PRINCIPLE 06

Raise from a position of strength. Desperation is the most expensive currency in fundraising.

PRINCIPLE 07

Capital is fuel, not a destination. The goal is to build a great business, not to raise the most money.

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