

# 25 Things Investors Say When Rejecting Your Startup

by Brian Witlin, CEO and Founder of ShopWell

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After speaking with a number of fellow “hustlers” (fellow fundraising CEOs), I was able to amass an awesome list of classic messages people have received from investors after initial contact or initial pitch. As the title implies, below are 25 ways people get rejected from investors.

Maybe I am a bit weird, but I tend to find rejection as a fuel to my fire. When I was in college, I got the Chicago Crain’s Magazine list of top 300 companies to work for. I hacked the list and mail-merged “personalized” letters and applied to over 290 internships. I received more than 250 rejection letters but got 3 offers. I plastered the rejection letters over my door and highlighted the part where they told me why I was not a fit. My favorite letter was from McDonald’s (corporate). It had a watermark of Ronald McDonald and friends. So now I can say that I was rejected from McDonald’s. Ha!

In grad school, I kept my two rejection letters from Stanford pinned above my desk (I got in on my third try). I found it both funny and motivating.

After going through two successful venture fund raises for **ShopWell**, I found it fun to create this top 25 list of rejection messages from investors that I, and others in my network, have received. I hope you enjoy as much as I do.

## General Lack of Interest or Uncertainty

- No response
- We don’t see this as a fit at this time (the classic non-answer)
- I was regrettably unable to get it over the finish line with my partners.
- We are hesitant to invest as the lead, but keep us informed if you get a lead term sheet.
- I’m unsure on this one. Let me set you up with one of our associates who has more expertise in this area.

## Bandwidth

- I am currently overwhelmed at the moment, and can’t spend the time pursuing this any further.

## Competitive

- We see this being competitive to one of our portfolio companies.
- We have concerns that there are not strong competitive barriers to prevent others from doing what you are doing.

## Market Thesis

- We want to see how [insert portfolio company] plays out before we invest again in this space.
- This space is too fragmented at this point for us to see a clear cut winner.
- We don't currently have a thesis on this space yet, and therefore are going to need to pass.

## Firm Fit

- We tend to invest locally, and you are located too far away.
- You are slightly too early for our firm and we can't see around the curve yet.
- You are slightly too late for our firm at this time as we invest earlier stage.
- We would invest if you had a local lead investor.
- We don't have more room in the current fund to invest.

## Product Market Fit

- I just don't see people doing [insert primary action of your app] as a mainstream activity.
- We would be more interested if you included [insert random feature/technology] in your product.

## Distribution and Market Traction

- We don't see a clear path to cost effective user acquisition for your company.
- We would like to see more months of [insert metric] before we feel comfortable moving forward.

## Monetization

- We are unsure of your business model and will need to see more proof points before we feel comfortable.
- Your market isn't big enough.

## Team

- We will feel more comfortable if you have added a/team of [insert hire(s)] to your team. There is too much team risk in this competitive environment.

## Company Structure

- We don't like the cap structure of the company.

## Other

- I left the firm and therefore cannot make investments on behalf of [insert firm] anymore but you should check out my new venture! It is so cool.



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