



MVC

Minimum Viable Category

Defining a new or redefining an existing category



IPR

Initial Product Release

First publicly developed product iteration



MVP

Minimum Viable Product

Product has achieved minimal customer validation metrics



MVR

Minimum Viable Repeatability

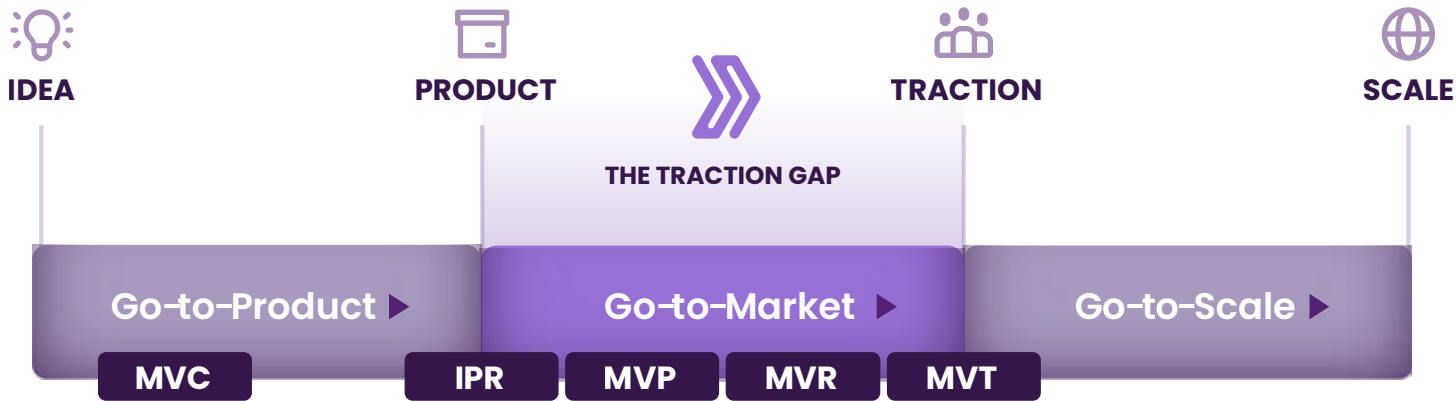
Solution-grade product, business model & repeatable sales/marketing



MVT

Minimum Viable Traction

MVR + multiple quarters of growth



STARTUP CAPITAL NEEDS (FOR EACH VALUE INFLECTION POINT)

	IDEATION	MVC	IPR	MVP	MVR	MVT
CAPITAL \$ RAISED	\$100K-\$2M	\$100K-\$2M	\$100K-\$2M	\$500K-\$2M	\$5M-\$15M	\$15M-\$30M
PRE-MONEY VALUATION	\$2M	\$2M	\$2M	\$6M-\$8M	\$10M-\$12M	\$20M-\$30M
VALUATION STEPUP FROM IDEATION	N/A	N/A	N/A	3x	5x-6x	10x-15x
DILUTION FROM PRIOR ROUND	16%	16%	16%	26%	22%	21%

Source: Traction Gap Partners, 2024 industry reports including PitchBook, Crunchbase, and CB Insights.

METRICS & RATIOS (FOR EACH VALUE INFLECTION POINT)

	IDEATION	MVC	IPR	MVP	MVR	MVT
REVENUE (ARR)	\$0	\$0	\$0	\$0	\$2M	\$6M
MAX MONTHLY NET CASH BURN	\$100K	\$100K	\$100K	\$250K	\$500K	\$750K
% R&D SPEND	80%	80%	80%	80%	70%	50%
% SALES & MARKETING SPEND	0%	0%	0%	0%	10%	35%
% SALES/ MARKETING SPLIT	0%	0%	0%	0%	70/30%	70/30%
% G&A SPEND	20%	20%	20%	20%	20%	15%
CAC RATIO (MEDIAN)	0	0	0	0	2	1.2
% GROSS MARGIN (LICENSE)	0%	0%	0%	0%	78%	78%
% CHURN RATE (MEDIAN)	0%	0%	0%	0%	10%	10%
HEADCOUNT	4-6	4-6	4-6	10-12	15-25	35-50