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18 Clear Signs It's Time To Raise Capital For Your Startup

By Expert Panel®, Forbes Councils Member.
for Forbes Business Council, COUNCIL POST | Membership (fee-based)

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Growing a successful business is all about knowing which signs indicate the need for change. If your startup is amassing a loyal customer base, seeing consistent revenue growth and struggling to keep up with growing demand for your products and services, it may be time to start considering whether more capital is needed to take the business to the next level.

Below, 18 Forbes Business Council members share additional signals that a startup is ready to raise capital. Read on to learn more about why leaders should carefully consider these signs before acting.

1. Presence Of A Market, An MVP And Paying Customers

As CEO of a tech startup incubator, I regularly hear from founders that they're ready to raise capital. I often advise them that it's too soon. Before a tech startup seeks funding, it needs to complete customer discovery, ensure product-market fit, develop a minimum viable product and attract a few paying customers to show investors that there is market demand. - Karen Cashion, Tech Alpharetta

2. Consistent Customer Attraction And Retention

As someone with experience on both the technical and business sides of health tech, I've learned that true fundraising readiness comes when customers stay and pay, not when you just have a product. High retention and recurring revenue signal that a real problem is being solved. Fundraising should accelerate proven value, not untested models. - Fiona Bao, GENPULSE / Lushair

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3. Customer Validation

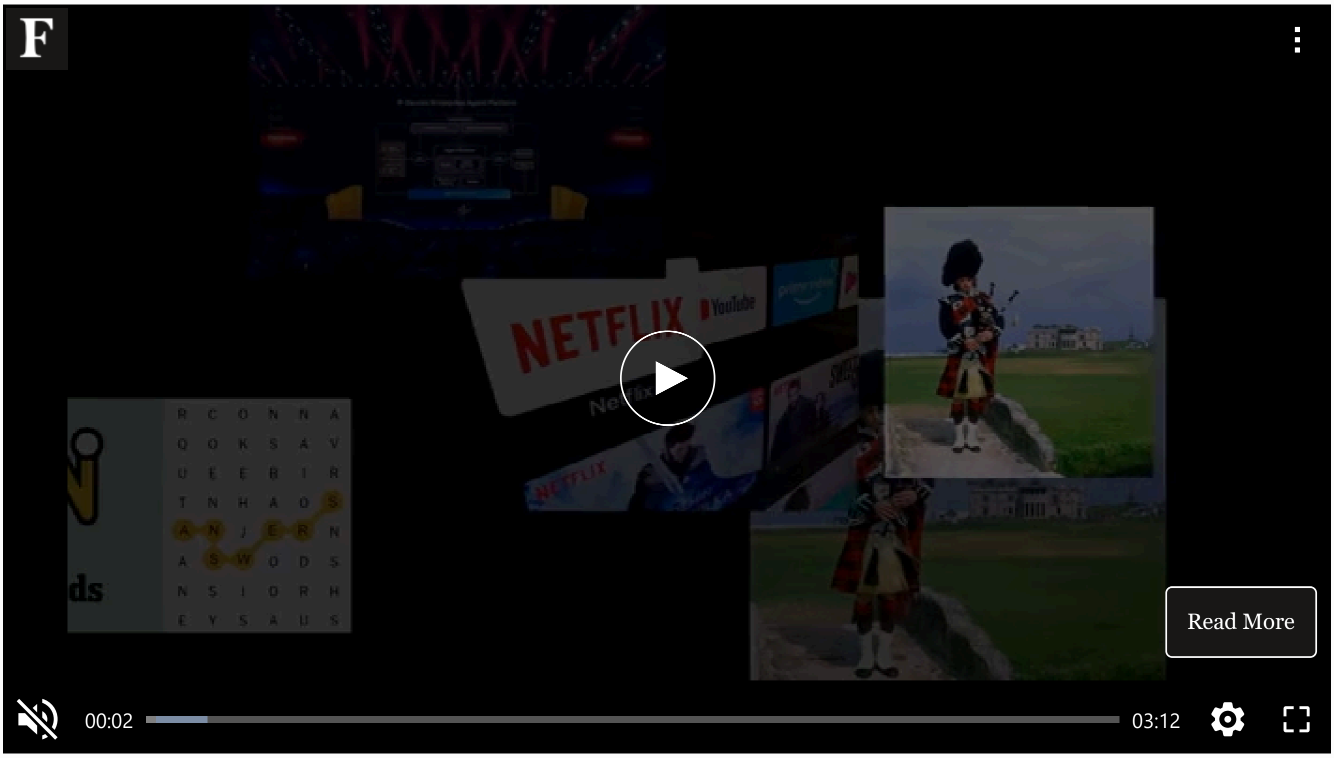
A startup is ready to raise when customers—not just investors—validate it with real money. Revenue or strong paid pilots show that the product solves a real problem, not just a theoretical one. Leaders should look at this first because raising capital without proof of demand usually means you're scaling hype rather than a business. - Volodymyr Silchenko, Stealth AI Defense Tech Startup (OMNIA AI)

4. Reaching The Viability Stage

A clear signal is when the business enters the viability stage. This means the business is generating consistent revenue, and in some industries, profit. It's also when there's a clear plan to deploy capital in a way that drives significant growth. Raising money won't fix core issues and can magnify them if the foundation isn't strong. - Adam Shaw, VTS Global

5. Proving The Core Hypothesis

The clearest signal a startup is ready to raise capital is when it has proven its core hypotheses around desirability, feasibility and viability. This shows customers want the product, it can be executed effectively and the financial model works. For leaders, validating these pillars first ensures they build on evidence, minimize risks and set the stage for rapid, scalable growth. - Rodrigo Azambuja, Beliv, U.S.



6. Development Of A Clear Operating Cash Budget

Given the wide spectrum of startup types, objectives and goals, the one clear way I determine a startup's "readiness" for capital raising is if the company has a clear operating cash budget that is tracked and reviewed regularly on a weekly basis. If that is in place, looking for outside capital is appropriate since they will be asking for capital to do something with, and tracking it is critical. - Matthew Mathison, MBL Partners

7. Revenue Growth

A startup is ready to raise capital when it shows consistent month-over-month revenue growth. This signals market traction, a scalable model and effective use of funds. Leaders must consider this first, as raising capital too early risks dilution and pressure without proven momentum. Steady growth builds credibility with investors. - Aaron Dhaliwal, avua

8. Consistently Surpassing Daily Revenue Goals

For most companies, excluding R&D-intensive sectors like biotech, the sign to begin fundraising comes when they can consistently generate daily revenue for over six months, even if the amount is small. This indicates that the business can cover minimum monthly cash flow needs. Once a stable trend of securing working capital is established, the company can then use raised funds effectively at the right time. - Karita Takahisa, UNIFY PLATFORM AG

9. Organic User Growth Outperforms Marketing Spend

Sustainable organic user growth consistently outpacing marketing spend proves a startup is fund-ready. This metric matters most because it validates product-market fit and unit economics before scaling, preventing capital dependency cycles. Leaders who prioritize this avoid trapping their company in expensive hype-fueled growth that craters when ad budgets dry up. - Dmitrii Khasanov, Arrow Stars

10. Rapid Customer Growth

The clearest signal for me is when customers keep coming back without you pushing them. That is when you know the product is living in their world, not just in your pitch deck. Raising money before that is gambling, but raising money after that is multiplying something that is already real. - Sahil Gandhi, Blushush

11. Demand Outpaces Current Resources Or Capabilities

Startups should raise capital when demand begins outpacing current resources and capabilities. Look for a predictable stream of sales opportunities that are based on a repeatable process. Seek prospects who are communicating a uniform understanding of the company's value proposition. Put a system in place to communicate that value proposition across multiple channels where prospects frequent. This is a strong roadmap to deliver value. - Chris Chambers, MBA, Chambers Capital Ventures, Inc.

12. Proven, Repeatable Revenue

If sales only happen when the founder hustles, you're not ready. Capital should fuel growth, not patch instability. When you can show that your model generates positive cash flow without you in every deal—and you've got the data to back it—you're raising to scale, not to survive. Investors fund systems, not scrambles. Achieving stability first makes every dollar more powerful. - Aleesha Webb, Pioneer Bank

13. Forecasts Demand More Investments

The time to raise money is before the startup needs it, as those funds help pay for the resources needed to serve customers. Otherwise, you have a major distraction that can negatively impact customers, investors and workers. The signal is when projected demand requires more capital for operations or to maintain a competitive advantage. That's why forecasting is critical to the growth of a startup. - Jerry Cahn, Age Brilliantly

14. Customers Become Brand Evangelists

It's time when customers become your organic brand evangelists. Once you see a consistent stream of unsolicited positive reviews, testimonials and social media buzz, your narrative is proven. A leader must prioritize this because it shows investors you've built more than a product—you've built a resilient reputation with a compelling story that has the power to attract and grow on its own. - Victoria Marshall, Erase.com

15. Inability To Pursue New Opportunities

A clear signal a startup is ready to raise capital is when it's turning away opportunities. This is often not because of a lack of demand but more so because the company lacks the resources to deliver. That's the right kind of pressure. Raising at that point isn't about survival but about scaling what already works. I've learned the hard way that raising capital too early funds guessing. Raising it at the right time fuels momentum. - Romain Pison, NoviCarbon

16. An Open-Space Market Opportunity

Everyone says "wait for demand," but I've learned that many startups are ready to raise capital when they see an open-space opportunity no one else is solving. Raise capital before the herd catches on. Use that opportunity to create demand, set the standard and capitalize on being first (and best). That's how leaders turn timing into an advantage. - Lindsay O'Neill, Wellness Eternal

17. Full Understanding Of Your Goals

A clear signal a startup is ready to raise is when it understands why it needs funding, who it wants it from and how that fits its current stage. It is not just about having sales or early traction. Pre-revenue startups raise capital all the time. Without a strategy, a story and investor alignment, even great ideas can stall. Misaligned money can sometimes slow you down more than no money at all. - Daniela Schardinger, ELAFY Consulting LLC

18. Profitability Can Be Achieved Without Funding

When a startup can grow profitably without funding, that's the clearest signal it's ready to raise capital. If you don't need the money, you can raise from a position of strength. As someone who bootstrapped all the way to acquisition, I believe proving your model first gives you real leverage—and discipline. - Lior Pozin, AutoDS

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Setting the Stage for AI: Outcome-Driven Managed Services in Life Sciences

Deloitte.

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for Deloitte, BRANDVOICE | Paid Program

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Summary

Life sciences organizations should modernize managed services now, focusing on operational readiness, outcome-based models, and defect elimination, rather than waiting for full AI readiness. This proactive approach builds a stable, governed

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Artificial intelligence is redefining the future of managed services across life sciences. Organizations recognize its potential to improve resilience, efficiency, and insight across increasingly complex application landscapes. However, many are still navigating regulatory constraints, data readiness, and operating model limitations that make immediate, large-scale AI adoption impractical.

Organizations should not delay progress while waiting for "full AI readiness." Instead, they should take deliberate steps to modernize managed services now—steps that deliver measurable performance improvement today while creating the conditions for AI to scale effectively tomorrow.

Start with operational readiness, not AI pilots

AI delivers value only when it is deployed on a stable, well-governed operational foundation. For life sciences organizations, this foundation must account for regulated environments, data sensitivity, and strict auditability requirements.

Organizations that are uncertain about AI adoption should first:

- Align the managed services operating model to support outcome ownership rather than task execution.

- Embed security, compliance, and risk controls directly into service design, rather than treating them as downstream approvals.
- Establish an IT service management approach that prioritizes stability, prevention, and learning over activity volume.
- Ensure that operational and business data is accurate, governed, and accessible.

Talent and culture are equally critical. AI-enabled application management services require new ways of working—greater process ownership, deeper collaboration between business and IT, and a shift from manual execution to intelligent orchestration. Organizations should plan explicitly for these changes rather than assuming technology alone will drive adoption.

A core enabler is a structured, AI-interpretable knowledge base. This should capture application behaviors, known issues, resolution paths, and system dependencies across the service landscape. Without this foundation, AI will amplify inconsistency rather than improve performance.

Shift intent from incident resolution to defect elimination

In many managed services environments, performance is still measured by incident volume and speed of resolution. These metrics, often reinforced through contractual structures, unintentionally reward activity rather than improvement.

Organizations should reset this model. The objective of managed services should be to prevent incidents—not to process them more efficiently.

This requires a disciplined approach to proactive problem management. Recurring incidents should trigger root-cause analysis and engineering remediation, not repeated ticket resolution. For example, when recurring service disruptions are driven by poor data quality or fragile integrations, the priority should be to fix those defects at the source. Over time, this approach reduces operational noise, improves service stability, and lowers cost.

Data quality and integration discipline are particularly critical in life sciences. Addressing validation gaps, standardization issues, and integration failures can significantly reduce incident volumes and downstream disruption. Organizations should ensure incentives exist—both internally and with service providers—to invest in these improvements.

Redefine success in application management services

Organizations do not need to wait for AI adoption to modernize how they define success in AMS. They should act now to move from reactive, service level agreement-driven delivery models to outcome-oriented managed services.

Leading organizations are:

- Shifting KPIs from narrow operational metrics to outcomes such as service reliability, user experience, incident prevention, and business impact.

- Distinguishing isolated user issues from systemic defects and ensuring recurring defects trigger permanent fixes.
- Rebalancing teams to combine deep business process ownership with focused engineering capability.
- Moving from reactive operations toward predictive and preventative service models.

In regulated environments, these changes must be implemented with strong governance. AI-enabled and automated operations must enhance auditability, traceability, and control—not compromise them. Human oversight, validation rigor, and compliance discipline remain essential.

As a result, organizations should work with managed service providers that bring both advanced automation and AI capabilities and deep life sciences sector experience.

Build momentum now—enable AI at scale later

When inefficiencies are removed and incentives are aligned with outcomes, technology becomes a force multiplier. Proactive problem management, automation, and operating model redesign can deliver immediate value while simplifying the environment AI will eventually operate within.

For organizations that are uncertain about AI readiness, the path forward is clear:

- Improve managed services performance today through better intent, governance, and measurement.
- Reduce complexity and operational noise.
- Establish outcome-based KPIs that make value visible and measurable.
- Create a stable foundation for scalable AI adoption.

AI will play a defining role in next-generation managed services. And in life sciences, value is realized fastest when organizations first modernize how services are designed, measured, and operated. Those that act now will be best positioned to scale AI with confidence and control.

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