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FREE WORKBOOK

FOUNDER DECISION SHEET

The Founder Decision Sheet: Raise or Bootstrap? (from Lost and Founder)

Rand Fishkin's hard lessons from Moz, turned into 10 raise-or-bootstrap questions with a score key, the warning signs, a dilution example with real maths, a 4-week audience-first plan and a 1-page worksheet.

09	35	2026-11
SECTIONS	IDEAS, TOOLS & TEMPLATES	LAST CHECKED



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Tested, not guessed.

INSIDE THIS WORKBOOK

Ten honest questions that tell you if venture money fits your company or if you should bootstrap. Plus a 4-week plan to grow an audience first and a one-page sheet to write your own rules.

> **WHO IT'S FOR**
>
> Founders deciding whether to raise money, and anyone who feels their company is running them instead of the other way round.

01 **If you only have 15 minutes**

02 **10 questions: raise venture money or bootstrap?**
Fishkin's point in Lost and Founder: venture money is built for a few huge wins, not for most good businesses...

03 **Score key: what your answers mean**

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Two problems Fishkin describes from his time at Moz, in our words, not his. Check if either one is already...

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Fishkin built Moz's early growth on a blog and a community before the product was big. This plan helps you...

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Fill this in once, then read it every time someone offers money, a big hire or a fast-growth plan.

08 **Common mistakes founders make with this decision**

09 **Copy-paste prompt: pressure-test your answer**

HOW TO USE IT

1. Short on time? Do the 15-minute quick-start first.
2. Answer the 10 questions yes or no, then read your result in the score table. Be honest, nobody else sees this.
3. Check the warning signs, run the 4-week audience plan, then fill in the one-page worksheet and keep it where you see it.

01

If you only have 15 minutes

1 **Minutes 0–5: answer the 10 questions**

Yes or no only. Don't think for more than 30 seconds on each. Your first answer is usually your real one.

2 **Minutes 5–8: read your result**

Count your yes answers on questions 1–7 and read the score table below. It tells you whether venture money even fits what you want.

3 **Minutes 8–12: fill lines 1, 2 and 10 of the worksheet**

Why you started, what a win looks like in 5 years, and your warning line. Those three lines settle most money decisions.

4 **Minutes 12–15: start week 1 of the audience plan**

Write down 3 places your buyers already read or talk. That's your first step to growth that doesn't need investors.

02

10 questions: raise venture money or bootstrap?

Fishkin's point in Lost and Founder: venture money is built for a few huge wins, not for most good businesses. Mostly 'yes' answers point to venture money. Mostly 'no' points to bootstrapping.

☐ **Can this company realistically become worth hundreds of millions of dollars or more?**

VCs need a few giant outcomes to make their fund work. A nice profitable company is not what they are paying for.

☐ **Do I want to grow as fast as possible, even if it means losing money for years?**

Raising money usually means agreeing to chase growth first and profit later.

- [ ] **Am I fine with investors having a say in big decisions?**
  Investors get board seats or voting rights. You will not decide everything alone anymore.

- [ ] **Am I ready to sell the company or take it public one day?**
  Investors get their money back when the company is sold or goes public. Running it for 30 years is not their plan.

- [ ] **Does my product need a lot of money before it can earn anything?**
  Some products (hardware, deep tech) cannot start small. Many software and service businesses can.

- [ ] **Would a competitor with funding crush me in the next 12 months if I don't raise?**
  Speed matters in some markets. In many it doesn't, and slow and profitable wins.

- [ ] **Am I okay owning a smaller share of my company?**
  Every round sells part of the company. Write down what share you would still own after two rounds.

- [ ] **Would I be happy if the company stayed small and profitable forever?**
  If yes, venture money may push you toward a goal you never wanted.

- [ ] **Do I enjoy hiring and managing a growing team, or do I enjoy building the product and the audience?**
  Fast growth turns founders into managers. Fishkin writes that this was the part he was worse at.

- [ ] **Can I get my first customers without paid ads or a big team?**
  If you can grow with content, community or word of mouth, you may not need outside money at all.

03

Score key: what your answers mean

Your answers	What it points to	Do this next
Yes to 6–7 of questions 1–7, and no to 8	Venture money may fit	Read Y Combinator's seed fundraising guide. Talk to 3 founders who raised and 1 who regrets it.
Yes to 3–5 of questions 1–7	Mixed. You don't need to decide yet	Bootstrap to first revenue. Raise later only if a clear, costly growth step appears.
Yes to 0–2 of questions 1–7, or yes to 8	Bootstrap	Run the 4-week audience plan. Keep costs low and aim for profit first.

Your answers	What it points to	Do this next
Yes to 10 (customers without ads or a team)	Audience-first growth is open to you	This is Fishkin's main point. Build the audience before you consider money.
No to 9 (you don't enjoy managing)	Fast growth may put you in the wrong job	Plan who runs the team if you grow. Fishkin says this was his own hard lesson.

04

The warning signs the book describes

Two problems Fishkin describes from his time at Moz, in our words, not his. Check if either one is already showing up for you.

- [ ] **Warning sign 1: pressure to grow fast after taking VC money**

  Fishkin describes how venture money comes with an expectation of very fast growth, and how that pressure shaped big decisions at Moz. Your version: you are saying yes to projects only because they might make the growth chart look better.

- [ ] **Warning sign 2: your role no longer fits what you are good at**

  Fishkin writes that he was better at building an audience and a community than at managing people as CEO. He stepped down as CEO in 2014. Your version: your calendar is full of management work you dread, and the work you are great at gets no time.

- [ ] **Check: do you feel a big gap between how the company looks from outside and how it feels inside?**

  A theme across the book is that the startup story told in public is often not the real one. Write down the real one for yourself.

05

Worked example: how much of your company you keep (illustrative)

Dilution in two rounds, with the maths

Start: you own 100%.

Seed round: investors buy 20% of the company.
You keep 100% x 0.80 = 80%.

Series A: investors buy another 20%.
You keep 80% x 0.80 = 64%.

Add a 10% option pool for hiring, taken from everyone:
You keep 64% x 0.90 = 57.6%.

With a co-founder splitting 50/50 from the start, your share is about 28.8%.

Fill in yours:
Start share: ____%
Round 1 sold: ____% → I keep ____ x (1 - ____) = ____%
Round 2 sold: ____% → I keep ____ x (1 - ____) = ____%
Option pool: ____% → I keep ____ x (1 - ____) = ____%

> The 20% and 10% numbers are illustrative, not a benchmark. Real terms vary by round, market and investor, so use the numbers in your actual term sheet.

06

4-week audience-first growth plan

Fishkin built Moz's early growth on a blog and a community before the product was big. This plan helps you build attention first, so you need less money to get customers.

1 **Week 1: find where your buyers already hang out**

List 10 places your buyers read, watch or talk: subreddits, newsletters, podcasts, YouTube channels, Slack or Discord groups, forums. Next to each, write the 3 questions they keep asking. These questions are your content plan.

2 **Week 2: publish one genuinely useful piece**

Pick the most asked question and answer it better than anyone: a detailed post, a video or a free template. Show real steps, not opinions. Share it in 2 to 3 of the places from week 1, only where the rules allow it.

3 **Week 3: start a way to reach people again**

Add an email signup to the piece. Offer one small thing for free (a checklist or template). Reply to every comment and question. Write down the words people use. They tell you what to make next.

4 **Week 4: repeat and measure**

Publish 2 more pieces on the next most asked questions. Count three numbers: email signups, replies or comments, and people who asked about your product. Keep what got replies, drop what got silence.

07

1-page worksheet: my company, my rules

Fill this in once, then read it every time someone offers money, a big hire or a fast-growth plan.

My company, my rules

My company: _____

1. Why I started it (one sentence): _____
2. What a 'win' looks like in 5 years (revenue, team size, how I spend my days): _____
3. Money: I will [raise / bootstrap / decide later] because _____
4. The share of the company I want to keep, at minimum: ___%
5. The work I am best at and will protect time for: _____
6. The work I will hand off or hire for: _____
7. Growth: I am fine growing ___% per year if it stays profitable.
8. Things I will not do for growth (e.g. hire faster than I can manage, run tricks on customers): _____
9. How I will treat customers and staff, even when it costs money: _____
10. My warning line: if _____ happens, I stop and rethink.

Signed: _____ Date: _____ Review again on: _____

> Show it to a co-founder or a friend who will tell you when you break your own rules.

08

Common mistakes founders make with this decision

- ☐ **Raising because it feels like proof the idea is good**
  Money from investors is a deal with terms, not a grade. Customers paying you is the proof.
- ☐ **Never writing down what a 'win' looks like**
  Without line 2 of the worksheet, investors' goals quietly become your goals.
- ☐ **Only counting the money, not the share you sell**
  Do the dilution maths above before any meeting, not after the term sheet arrives.
- ☐ **Spending on ads before anyone knows you**
  Fishkin's point: an audience that already trusts you is a moat ads can't buy. Build it first.
- ☐ **Copying a famous founder's path**
  Their market, timing and goals are not yours. Answer the 10 questions for your own company.
- ☐ **Deciding once and never checking again**
  Put a review date on the worksheet. Your answers can change after first revenue.

09

Copy-paste prompt: pressure-test your answer

Ask an AI to argue against you

I run [business], which sells [product] to [customer]. Revenue now: [amount or 'none yet']. I am leaning toward [raising venture money / bootstrapping] because [reason]. My 5-year win is: [line 2 of my worksheet].

Argue the opposite side as strongly and honestly as you can. Then list the 5 facts I should find out before I decide, and how to find each one. Don't invent numbers about my market; tell me where to look them up.

> You want the strongest case against your choice. If it doesn't change your mind, your choice is probably solid.

Sources

Every claim in this Workbook traces back to one of these. Checked 2026-11.

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