GUIDE TO INVESTOR PITCH

LIKE BUILDING A BUSINESS, FUNDRAISING IS A JOURNEY.



>> General Format

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- Elevator Pitch
- 2. Team
- 3. The Problem
- 4. Your Solution
- 5. Market size
- 6. Competition

- 7. Business Model
- 8. Marketing & Sales
- Proprietary Solution/ Tech
- 10. Money/ Milestones



>> ESSENTIAL ELEMENTS



Elevator Pitch (30-second quick pitch)

Your team (Superheroes and Rockstars)

Market (Size Matters)

Customers and Revenue (Nice Numbers)

The Demo (The Money Shot)

- · This format is for an in person presentation to a small group
- The order followed by these slides is logical. Your presentation should have a similar structure.
- Use graphics whenever appropriate use them to explain concepts quickly.
 (A picture is worth 1000 words)
- Do not have too many slides. Ideally fifteen is the max.
 The presentation should take approximately 20 min.
- Format it well. Make it look beautiful and weed out all spelling & grammar mistakes.
- Practice alone, practice in front of friends, Practice more.

>> 1. Elevator Pitch



- ✓ Short, simple, memorable "What, How, Why"
- √3 key words or phrases

 We solve (this problem) by providing (advantage), to help (target customer) accomplish (target customer's goal).
- ✓No expert jargon keep it simple Remember you are trying to get the audience excited about what you are doing.

>> Elevator Pitch Notes



- Find an interesting way to describe the most important points about your company to get them excited for the rest of the presentation.
 - Strong management team.
 - Patents and unique technology or model.
 - Attractiveness of the venture for investment.
 - Market trends, market growth rates.
 - Size of the target market.
- Current status:
 - Stage of the venture.
 - Any big clients or piloting partners?
 Testimonials?
- ➤ Keep it short, 2-3 sentences. Just enough to create context for the rest of the deck.

Tips:

The most important slide.

- · Do not clutter slide.
- Have the compelling story to share in addition to the slide contents

>> 2. Team



People that get Investor's excited

- ✓ Entrepreneurs who have built and sold companies
- √ Geeks/scientists with deep technical experience.
- √Sales/ marketing who bring in Customer \$

>> Team Notes

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- The key management personnel and their backgrounds. Present short biographies (3 bullets each) that are accomplishment, experience and passion focused
- The Board of Directors and/or Board of Advisors, and their backgrounds
- The major investors that will be adding value going forward
- The professional advisors the company has retained: law firm, accounting firm, consultants, etc

Example



Part of successful company Built cool thing Went to impressive school

- This is often the first page a prospective investor will turn to after the executive summary as execution depends on the quality of the team
- If you don't have the team filled out, indicate who you will hire in the next 30-90 days and how you will get them; articulate the required skill set
- Focus on filling out a strong board of advisors they can be invaluable in giving advice and can mitigate investor worries as the team is being built.
- If there are employees that you don't want investors to meet early on, don't list them here; do not list people who will join pending funding
- Advisors and board members provide an outside perspective that is critical to challenging your thinking on strategy and tactics

>> 3. The Problem

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- √ What is the problem?
 (Make it obvious)
- √ Who has it?
- How much does it hurt? Addressing the problem is a top priority!



>> 4. Your Solution



- Describe why your solution (product/services):
 - ✓ Makes your customers happy
 - ✓ Does it better or different than anyone else (good place for a customer case study)
- Show example of Product and offer Live Demo after the presentation

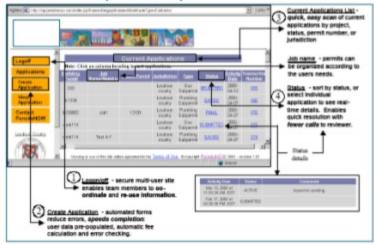


>> Solution Note

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- The major components and capabilities of the product or service
- ➤ How the technology is different from and similar to existing technology?
 - · Could it become "the standard",
 - are you cultivating partners who can drive it to becoming the standard?
- Are partners required in order to deliver the product or service?
 - If so, who are the key partner candidates and
 - what is the status of the partnering process?

Product Description Example



- Keep it at an investor or senior operating executive
 level This is the time for big picture differentiation
- A graphic of how the product or service works, especially if it is complex or is complementary to other products/services in the marketplace can be very helpful
- · Focus on sustainable differentiation

>> 5. Total Addressable Market



- ✓ Bigger is better. (Bottom-up is Better)
- ✓ Bottom-up approach= calculate users/usage/revenue \$
 - Average transaction amount = \$X
 - Y customers in your target market
 - Average customer buys Z times /year
 - \$X *Y*Z annually = total addressable market size (\$ billions!)
- √Top-down approach = someone else reported it
 - Forester, Gartner, etc. footnote sources of data
- √ Market growing @ %/year
 - Market drivers that show how market will grow and change

>> TAM Notes

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- Market Size in dollar amounts
- Market Growth how fast has the market grown and projected to grow for next 4-5 years
- Market Drivers that show how market will grow and change
- Market Segments addressed near term/long term

Example



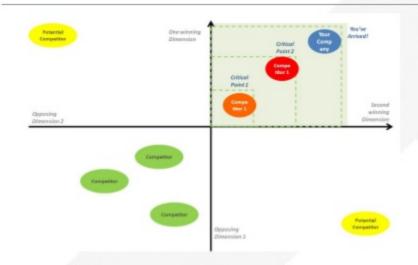
>> 6. Competition



- √Why you are better or different
- √ List all competitors
- √Show how you are better or different from each (if not what is your niche to win?)
 - The major competitors in the different market segments.
 - The major competitive groupings that define the competitive dynamic in the market (e.g. serving large vs. small enterprise; application vs. tool; direct vs. indirect, etc)
 - How large/established are the main competitors?
 - The primary strategy/orientation of each established player and of the new players entering the market
 - > The alternatives and substitute products and services available to customers
 - How do you win against competitors both in terms of classes of competitors and perceived direct competitors that can take money out of your pocket?

>> Competition Notes





	Our Product	Competitor A	Competitor B	Competitor C
Capability 1	****	**	**	*
Capability 2	****	***	****	***
Capability 3	****	***	*	**
Capability 4	****	***	***	**

- Using a 2x2 show the two variable that your customers use to make a decision to purchase
- Be fact-based investors will have their own sources of competitive knowledge
- Place the competitors on a matrix with key competitive differentiators defining the two axes. Then provide a detailed description and comparison of the competitors on a second page
- There is always a competitor don't say there isn't – but break the types of competitors into groups that you can position against and determine how you can win against each group
- Use whatever graphic shows your company in the best light.
- · Be prepared to discuss how you win

>> 7. Business Model



- √ How do you make money?
 - Describe top 1-3 sources of revenue (prioritize by size or potential)
- √ Common revenue models:
 - Direct (product sales, licensing, subscription, ecommerce)
 - Indirect (affiliate, distribution, advertising, transaction fees)
- √ Life Sciences Companies:
 - Please describe business development strategies (funded through FDA approval, licenses to pharma partners, etc.)

>> Business Model Notes

Core Capabilities

Development &

· Art & Graphic

design

Design

Hardware

Assembly &

Customization

Game



Operations Framework

Partner Network

 Relationships with other design studios to sub-contract development work

Supplier

- Plastic Former
- Computer Parts Supplier
- Assembler

Products/Services

Product

- Children's game kiosk with touch screen coloring books that animate once complete.
- Also a variety of games for 2 8 year-olds.

Service

 Game and interactive media application design and development

Maintenance Service

 Game updates on a 6 month rotation.

Customer Framework

Sales Channel

- Contracted
 Sales personnel
- Direct Sales
- Web Sales

Distribution Channels

 Assembler will build to order and ship upon completion

Targeted Customers

- Children's Hospitals
- Retailers with play areas

Tips:

- Show where you fit in the market value chain
- Describe all partnerships and relationships
- · Show how you'll make money.

Costs

- Kiosk forms
- · Computer Parts
- Kiosk Assembly

Financial

Revenues

- Individual kiosk sales
- Subscription for maintenance service
- Development Projects by proposal

>> 8. Marketing & Sales Plan

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- √ How do you get customers, and distribution?
- ✓ Lots of channels & decisions: show the primary and secondary
- √This is a good place to show business development milestones and metrics.
 - (Cost of Acquisition, Annual Contract Value, Churn, Conversion Rates, etc.)
- √ Life Sciences companies:
 - Please describe business development and go-to-market strategies.

Example





Go to Market Notes



Marketing Overall Marketing Strategy - how the company plans to launch the product or service into the market

- Customer research and purchasing patterns
- The positioning of the company/product/service and key market messages
- Marketing medium(s) the company use to promote the product or service and acquire customers
- > The spending level for promotion and customer acquisition

Sales and Distribution Overall Sales and Distribution Strategy – How the company plans to acquire customers

- The direct sales strategy
- The company's partnership/indirect strategy
- The pricing/revenue model for the products and services including the compensation for distribution partners

Tips:

- · If you have customer traction flaunt it, but don't exaggerate!
- · You may want to use your sales process chart to show what customers are in each stage.

Example

Current Customers, Partners, Discussions

Customers		Pipeline	Partners	
DLincoln France Grape ZURICH	** HBOSpic	MetLife Royal Landon	EDS.	
RATHBONES	Legish Carend	ScotthAufe ScotthAufe CabinetOffice C Canada Life'	Deloitte.	
		State tunes tunes terrated		

- Sales cycles seem to be 4 to 6 on average; deal size is \$50k-S250k
- · Training channel partners this quarter; 1-2 active sales cycles next
- · Pipeline filled up through inside sales cold-calling and email response





- ✓ The main elements of the product/solution/ service that represent the company's proprietary information/technology
- ✓ How is the company protecting this information/ technology?
- ✓ Who else has or might have legal rights in the technology?

- · This is your "Secret Sauce" Opportunity
- · Again, keep it at an investor or senior operating executive level Enough to excite their interest, but not bore them.
- Be prepared to discuss patent ownership if it comes up
- · Investor's really like unfair advantages big market lead experienced team superior technology (patents)

>> 10. Money and Milestones



- 1. Traction Revenue to date (12-24 months)
- 2. How much money?
 - √What will you do with the capital?
 - New hires (build product)
 - Ops & infrastructure (scale up)
 - Mktg & sales (Get customers)
 - √ Milestones you will achieve
- 3. Projections (3-5 years)
 - ✓ Revenue growth

Tips:

- Projected financial results (yearly) for the next 3-5 years (always income statement, sometimes cash flow & balance sheet) OR have it all available in back-up slides for Q&A
- Document Revenue & cost assumptions that drive financial projections (units sold, headcount by function, development cost, etc) as addendum
- You must create, maintain, and update a working, operations-focused financial model before and during the funding process

Note:

 Please be ready to answer questions regarding valuation and potential/committed investors to date (if applicable and able)