

Foundations of Entrepreneurship

Lecture Note # 21

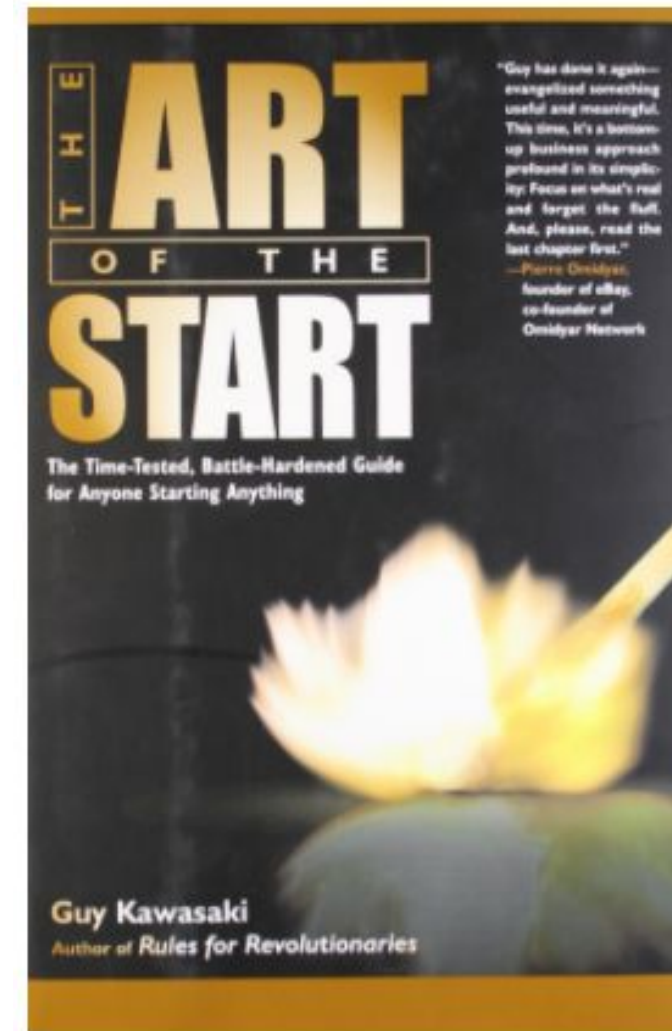
Pitching

04.03.2021

- ❑ Elevator Pitch
- ❑ Ideal size of the slide deck
- ❑ Guidance for a right pitch

The Art of the Start: The Time-Tested, Battle-Hardened Guide for Anyone Starting Anything

“It begins with a dream that just won’t quit, the once-in-a-lifetime thunderbolt of pure inspiration, the obsession, the world-beater, the killer app, the next big thing. Everyone who wants to make the world a better place becomes possessed by a grand idea.”



Elevator Pitch or speech

- Also known as an Elevator Speech or Elevator Statement
- It is a precise description of your company to convey the desired information in the least of words so that one can get a holistic view about your strengths.
- You want to convey your unique expertise and credentials quickly and effectively with people who matter but don't know you.
- It is a short well-prepared speech.

Elevator Pitch or Speech

- No longer than 60 seconds, ideally 20 to 30 seconds
- Objective is to help your audience with relevant and enough information for them to decide if your proposition is of interest to them.
- Ideally, it should convey what makes your offering unique.
- Try explaining why should one think that you will succeed?

Elevator Pitch or speech in a nutshell

- Who you are. What is your vision?
- What you do.
- Why you have a winning proposition. What is your USP.
- Deliver something for future reference.
- You may seek an appointment for further clarification.
- Practice, practice and practice.

An Example

We support the consumer durable companies to manage customer experience. Post sales by our clients, our company remains engaged with their buyers and service engineers to answer all **queries and troubleshoot** every complaint so that customers get exciting experience and the sellers get a five star rating. We charge **2% of sales value and our cost so far is about 50% of that**. We are present in parts of Mumbai serving two multinationals who have recorded **visible improvement in review and sales**. It is still a **niche market** and we would like to spread in larger geographies before competition sets in. India's consumer durable market is **\$50 billion**, thus the serviceable available market size is \$5 billion and we target to obtain **10% of this market** in the next two years giving us annual profit of \$5 million. A **million dollar** of funding should take us there. The investment can potentially return 10X in five years.

Dos and don'ts While Pitching

- Do not be verbose.
- Keep something that you can give at the end both for reference and for refreshing memory later: say a brief but catchy flyer and a visiting card. [a calendar, something to place on the table, be innovative]
- Practice and practice. Refine as much as you can based on experience.
- Do not speak too fast. Mindfully, change the pitch of your voice.
- Don't do rambling.
- Remain open to interjection by your audience at any time.

Guy Kawasaki

Guy Kawasaki is the chief evangelist of Canva, an online graphic design tool. Formerly, he was an advisor to the Motorola business unit of Google and chief evangelist of Apple.

- **The 10 – 20 – 30 rule recommended by Guy Kawasaki**

“I am evangelizing the 10/20/30 Rule of PowerPoint. It’s quite simple: a pitch should have **ten slides**, last no more than **twenty minutes**, and contain **no font smaller than thirty points**.” - Guy Kawasaki

1. Title

Company name, your name & title, address, email, and cell number

2. Problem/ Opportunity

The **pain** that you are alleviating or the **pleasure** you are providing

3. Value Proposition

What reasons the customers will find to **buy your's** than competitors

4. Underlying magic

Technology, **secret sauce**, or magic behind your product

5. Business Model

Especially the **revenue model** and how you are going to earn it.



Additional Information

- Product demo – if you are ready with it. Present it after slide No. 4
- The reward to the investors
- The desired fundraising
 - All templates, more or less, contain the same information.
 - It is not the format or the template that matters but the contents that you provide.
 - Satisfy yourself of a winning proposition. Do not settle with **ENOUGH REASONS** for winning, but have **compelling reason** for anybody to ask you to take their money.

Guy Kawasaki says

- The less text and the more diagrams, schematics, and flowcharts the better.
- If you have a prototype or demo, transition to it after slide No. 4.
- As Glen Sires of Google said “If a picture is worth 1,000 words, a prototype is worth 10,000 slides”.

Example

- AirBed&Breakfast – AirBnB – winning pitch deck

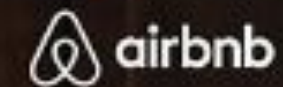
The Airbnb Pitch Deck Slide Layout

- Cover
- Problem
- Solution
- Market Validation
- Market Size
- Product
- Business Model (revenue)
- Market Adoption
- Competition <https://sidebean.com/templates/airbnb-pitch-deck>
- Competitive Advantages
- Team

The Problem

- Price is an important concern for customer booking travel online.
- Hotels leave you disconnected from the city and its culture.
- No easy way exists to book a room with a local
or become a host.

<https://slidebean.com/templates/airbnb-pitch-deck>



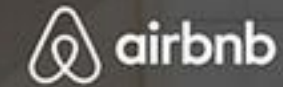
Problem

Price is an important concern for customer booking travel online.

Hotels leave you disconnected from the city and its culture.

◀ **No easy way exists** to book a room with a local or become a host. ▶

HOTEL



Solution

A web platform where users can rent out their space to host travelers to



Save Money
when traveling



Make Money
when hosting



Share Culture
local connection to the city

Market Validation

- Total users in craigslist.com at 670,000
- Temporary housing listing at Couchsurfing.com at 17,000

Market Size

- Total users in craigslist.com at 670,000
- Temporary housing listing at Couchsurfing.com at 17,000

**2+
Billion**

Trips Booked
(WorldWide)
Total Available Market

**560+
Million**

Budget&Online
Serviceable Available
Market

**84
Million**

Trips w/AirBnB
15% Obtainable
Market

Product – 4 slides

- Product showing interior of a room & a laptop
- Search by city with images from different countries
- Review listings – images of properties with map
- “Book it!” – with an image of beautiful interior of a room with the sea visible through the window.

<https://slidebean.com/templates/airbnb-pitch-deck>

Business Model

we take a 10% commission on each transaction

\$84

MILLION DOLLARS

Trips with AirBnB

15% of Available Market

\$25

AVERAGE FEE

\$80/night

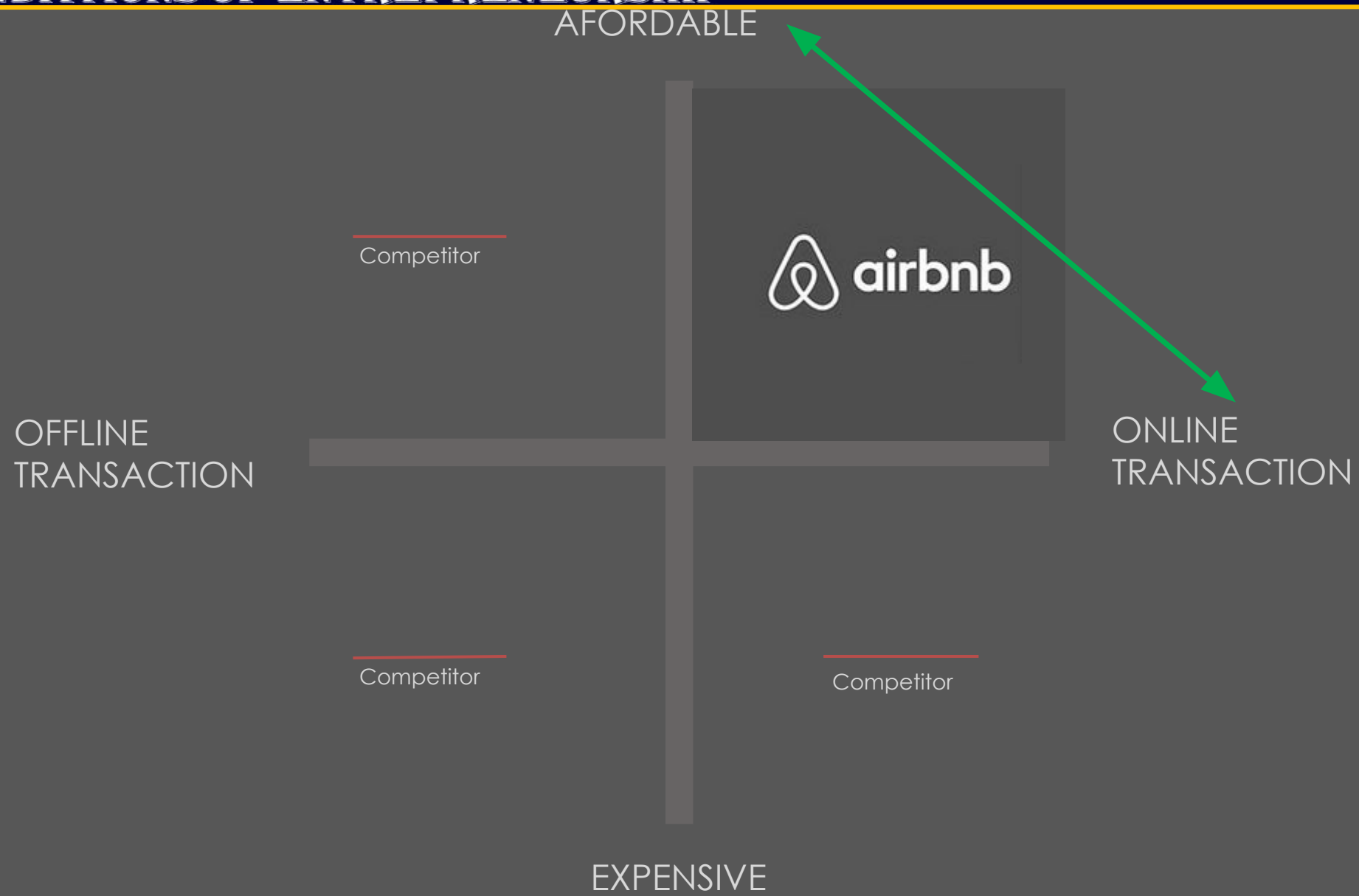
for 3 night

\$200

MILLION DOLLARS

Revenue

Projected by 2011



Competitive Advantage

First to Market

For transaction-based
Temporary housing site

Ease of Use

search by price, location &
check-in/check-out dates

Profiles

browse host profiles,
and book in 3 clicks

List Once

Hosts post one time vs.
Daily on craigslist historic

Design and Brand

Memorable name will launch at
DNC to gain share of mind

Host Incentive

they can make money
over couchsurfin.com

- **User testimonial**
 - **Press reports**

Financial

We are looking for 12 months financing to reach 80,000 transactions on AirBed&Breakfast

\$500K

Angel Round

80K guests

Trips w/AirB&B

\$2 M

Revenue

Initial investment opportunity

avg \$25 fee

over 12 months

- A good start can be a very short story explaining where you come from provided it captivate them in it.
- You may use your 20 – 60 seconds pitch as the introduction.

- You must plan, rehearse and perform in front of a live audience.

Some Dos and Don'ts

- Present yourself in good attire. We all judge a book by its cover. Dress is almost half of your presentation.
- Remain relaxed.
- Do not stick to the ground.
- Do not engage in self-praising or battering the competitors.
- Avoid the podium.
- “PowerPoint is not the message nor the messenger.” - David Fernandez. “You are the messenger, and what comes out of your mouth is the message. PowerPoint is simply there to help.”

- Words are tools for conveying ideas.
- Investors are busy.
- They want you to convey as much as possible in as less words.
- No poetic phrases
- Anybody loves to hear a good story with strong words.
- Gather all possible information about pitfalls.

- Let your movements mirror what you are saying
- Hold your gaze for a few seconds with each of your audience
- Listen as long as someone is talking. Let him/her complete.
- **Mirroring body language may create bond and comfort/likability**
- Mild smiling can make you seem approachable, pleasing, more sure of yourself.
- Fidgeting is a clear indication that you lack confidence and rather nervous. Be mindful of your facial expression and your limbs. Be aware of your actions.

Pitching

- Start with an infographics – if possible.
- Bring something tangible to show (if possible)

Story Telling

- Many potential employees will feel passionate to work with you just for the purpose your company works for. Your story may make them dedicated and give their best.
- Potential investors buy into the narrative and try to gauge your conviction in the cause and your tenacity, and seriousness.
- Customers are getting increasingly connected to your narrative. Data shows that about 70% of millennials prefer to buy brands that supports great social cause, particularly those that they care about.
- Delivering a compelling story can be more persuasive than projecting growth. Do both.

- Entrepreneurial story tells the core vision, where you come from, where you aim to be, and where you are now.
- You can take all on board for a shared vision by your narrative. You can invigorate all the stakeholders into action that will further your story.

Example: Blake Mycoskie

- Blake Mycoskie traveled the world
- He discovered children walking without footwear.
- He realized it as a devastating reality of children in a small village, and was looking for idea to help.
- He hits upon an idea and executed. His idea not only provided children around the world with much needed footwear, but stakeholders rallied around the cause, and made 'TOMS' a household name.



The Elements of a Wining Entrepreneurial Story

Richard Maxwell and Robert Dickman recommended five building blocks of a compelling story:

- 1. Hero – the agent of change** (Blake Mycoskie is the hero in his venture)
- 2. Antagonist – the force against which your story pushes**
- 3. Awareness – the moment at which a solution is discovered or the narrative reaches a turning point.**
- 4. Transformation – the moment at which you realize the results of the hero's efforts. and**
- 5. Passion – The driving force behind your entrepreneurial story**

These are your fundamental building blocks -- you don't have a

- You should remain prepared to pitch in one sentence, one minute, and ten minutes as the context demands.
- *“The success of your presentation will be judged not by the knowledge you send out but by what the listener receives.” - Lily Walters*
- *“It takes one hour of preparation for each minute of presentation time.” - Wayne Burgraff*

- It is a good idea to keep a short video pitch of about two minutes ready. Post it on a privately sharable YouTube channel.
- It would be handy in the context of a telephonic introduction.
- Your message should make a mark, something memorable and your audience should easily recount to others.

30 seconds pitch

The pain point



How compelling is the pain and are people crying for a solution?

The solution



Core functions of your product/ service. The core value proposition. The USP.

The market and the reward?



What is the total market size, how much is serviceable and how much is obtainable?

Traction And financials?



You need to convey that you are moving quite fast. Idea to first prototype to market validation and go-to-market

Two Minutes Pitch

Four points

- Unique insight – competitive advantages the aha moment.
- How you make money – business model, how you monetize.
- Team – credentials, how many engineers, MBAs, experience, how you met, accomplishment.
- How much money (\$\$\$) you ask – must do the homework. If questioned as to how do you propose to use it, must not blubber.

When to fundraise?

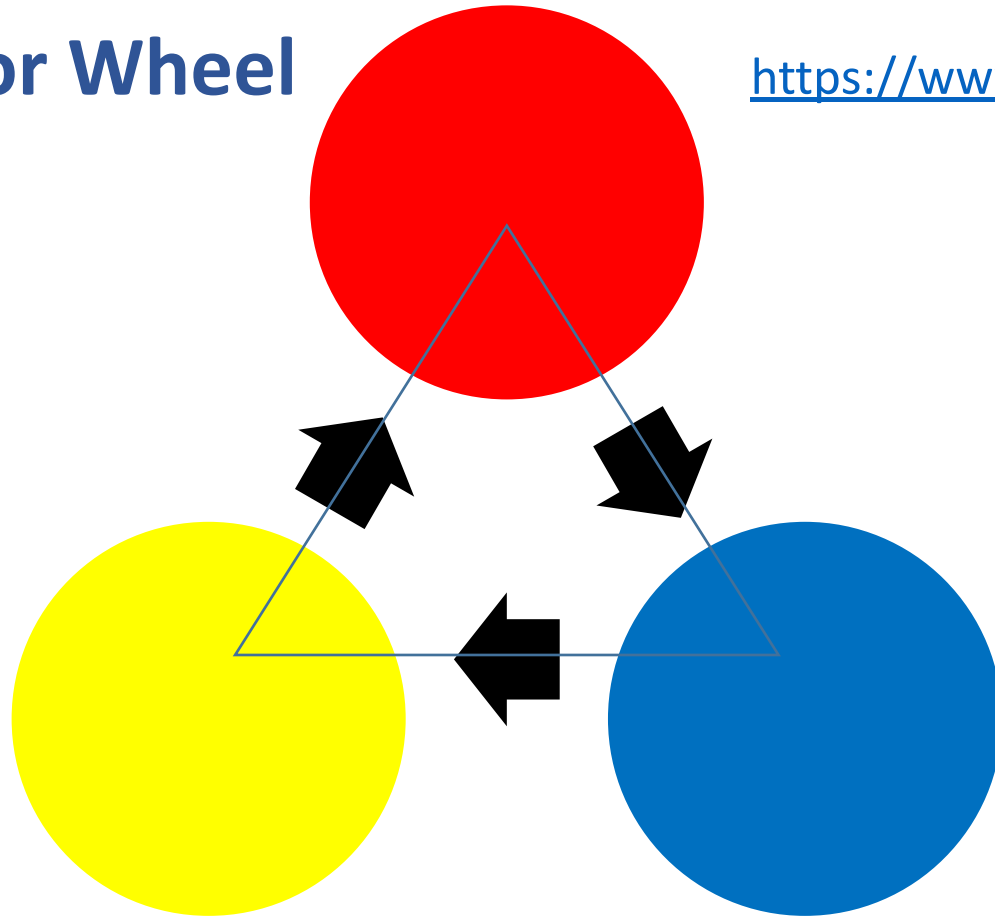
- Ideally, try gaining as much traction before asking for money. At that point investors would be asking you to take their money.
- Empirical evidence indicates that 90% of the startup can actually take their product to market with very little money.
- Ask as much money that can take you to the next milestone even if that is small.
- Do not show desperateness.

Design with colors

Colors Trigger Different Emotions

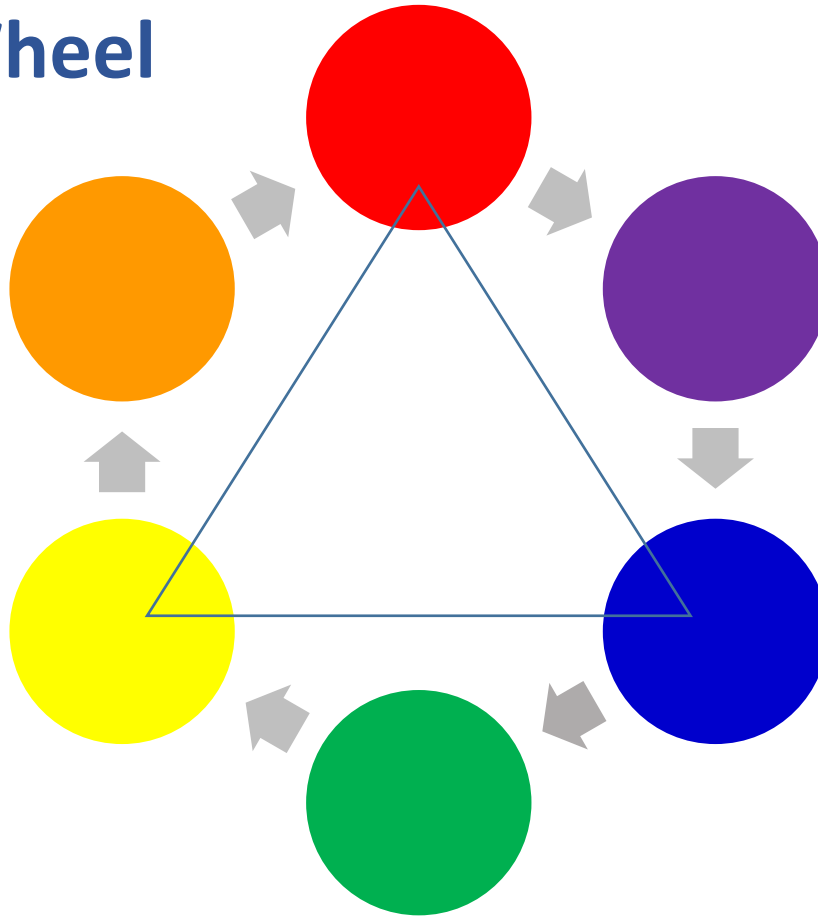
Color Wheel

https://www.youtube.com/watch?v=L1CK9bE3H_s



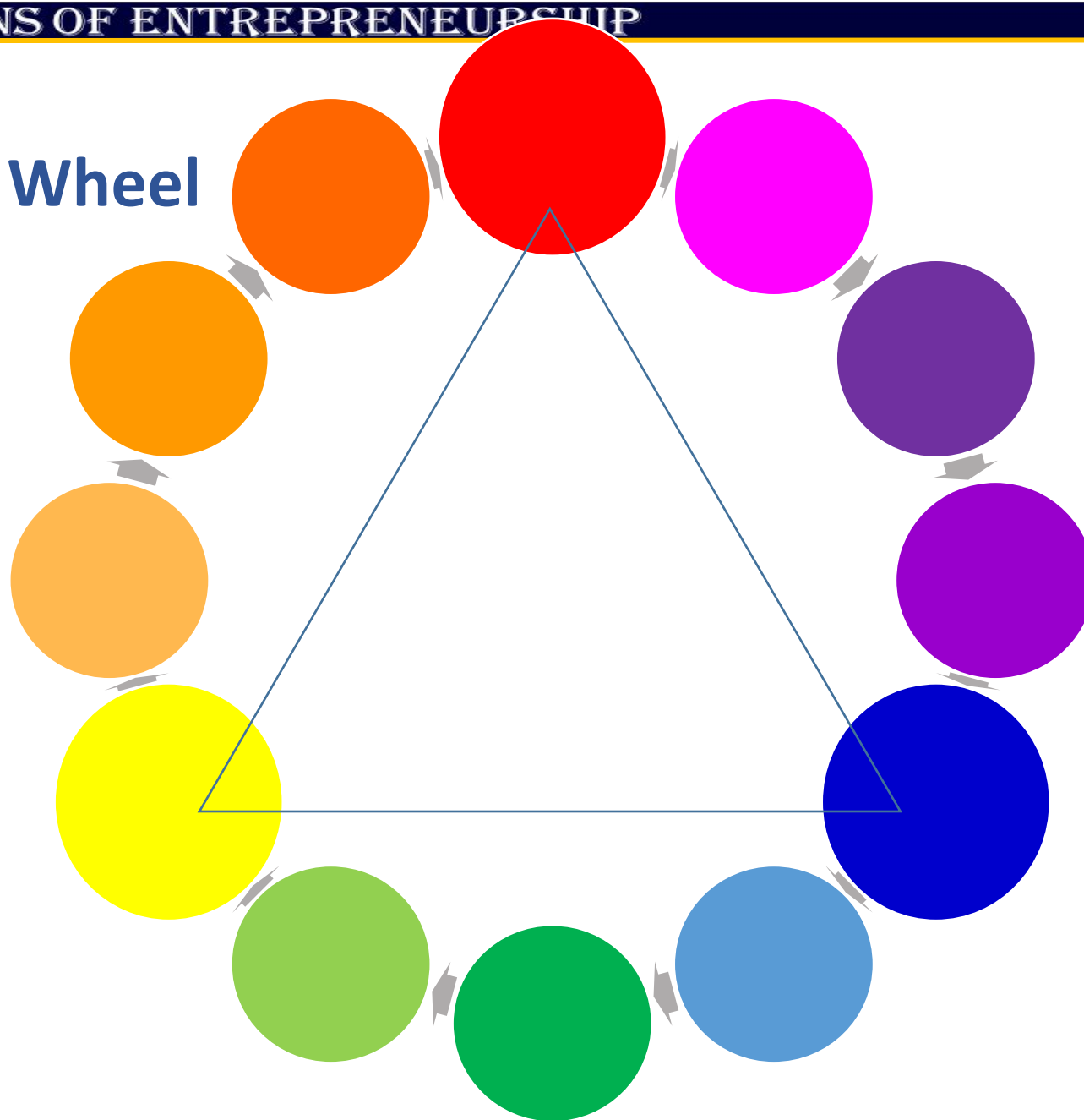
Primary
Red
Blue
Yellow

Color Wheel



Secondary
Purple
Green
Orange

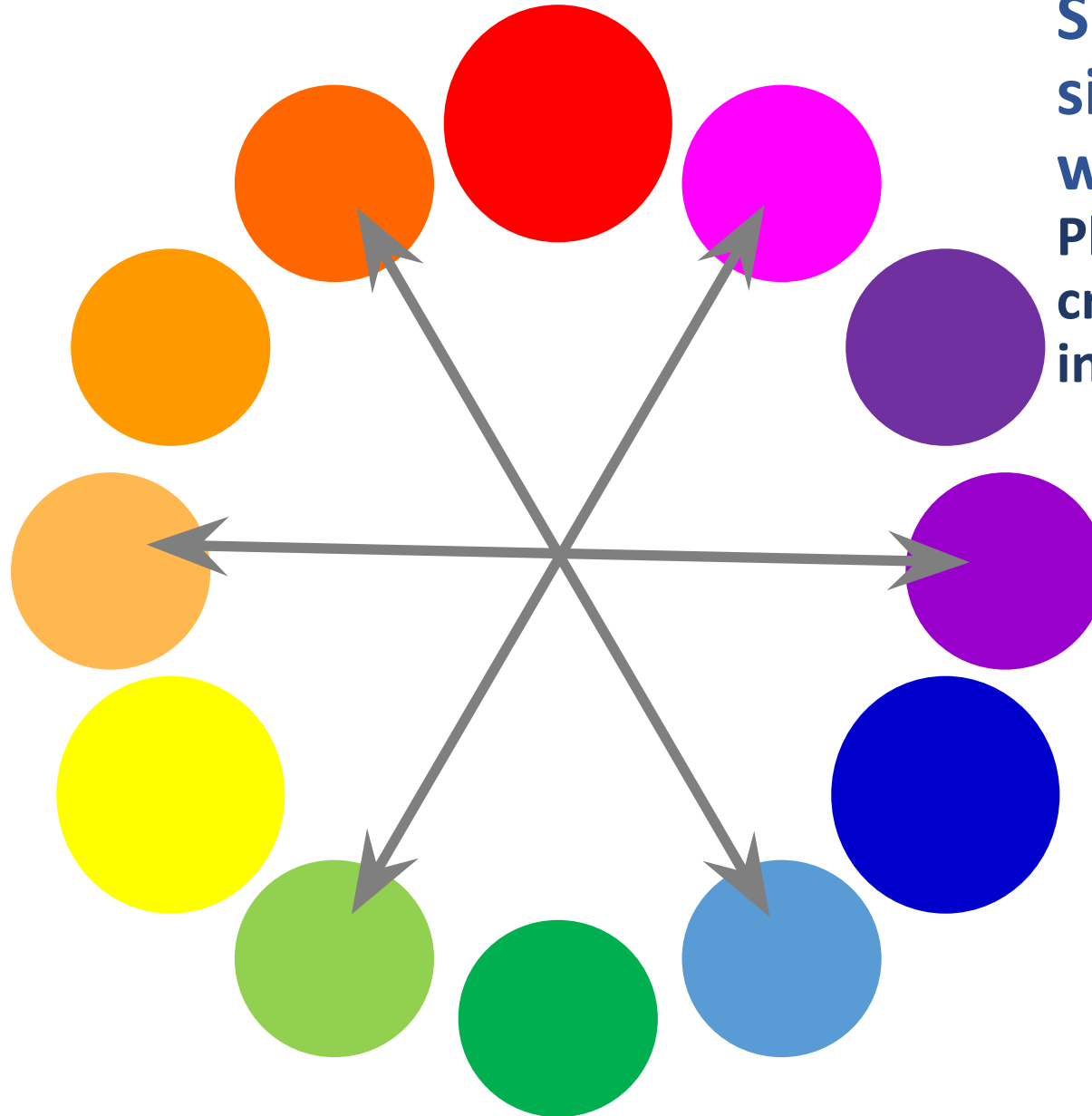
Color Wheel

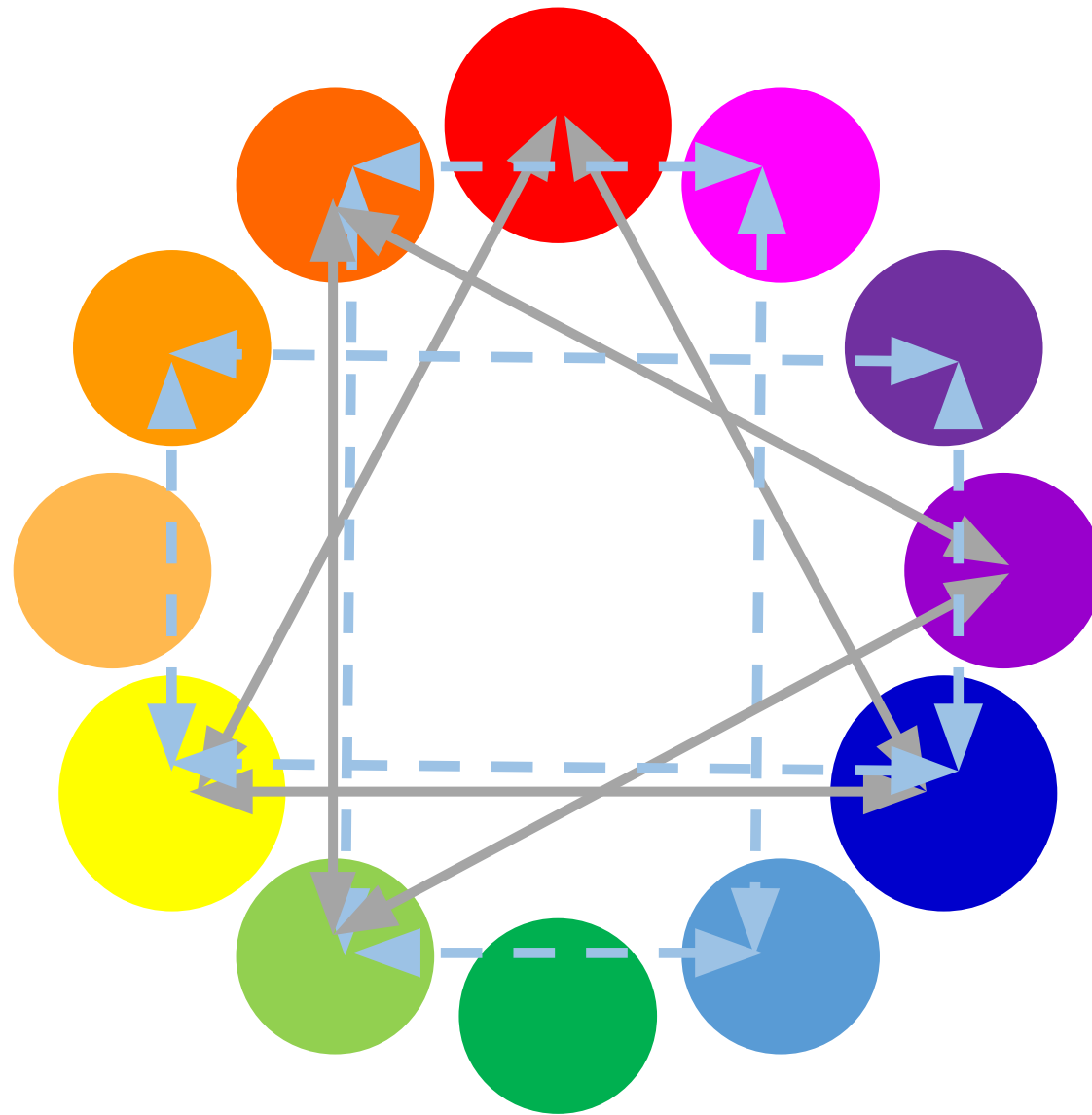


Tertiary colors

Complementary Colors or Split Complementary: Colors sitting across in the color wheel

Placing them side-by-side can create great contrast and visual interest





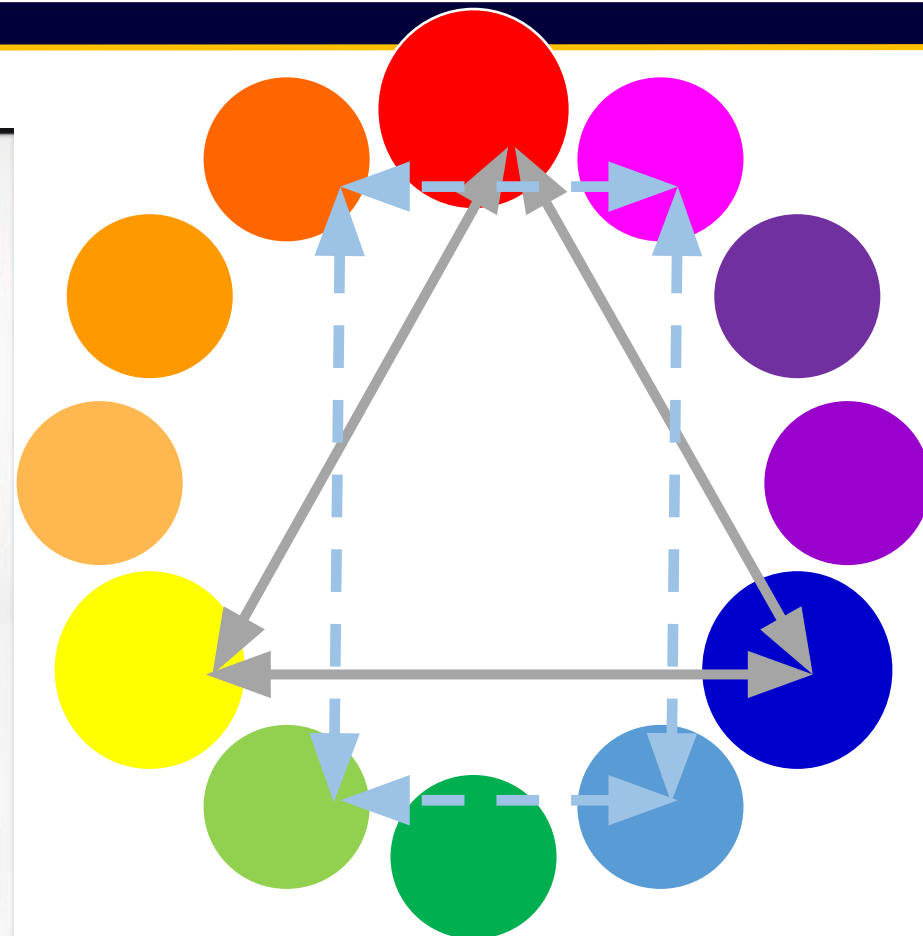
Triad & Tetradic Color Combination

Triadic scheme: is evenly spaced three colors.

Tetradic Color: four colors arranged with two sets of complementary colors



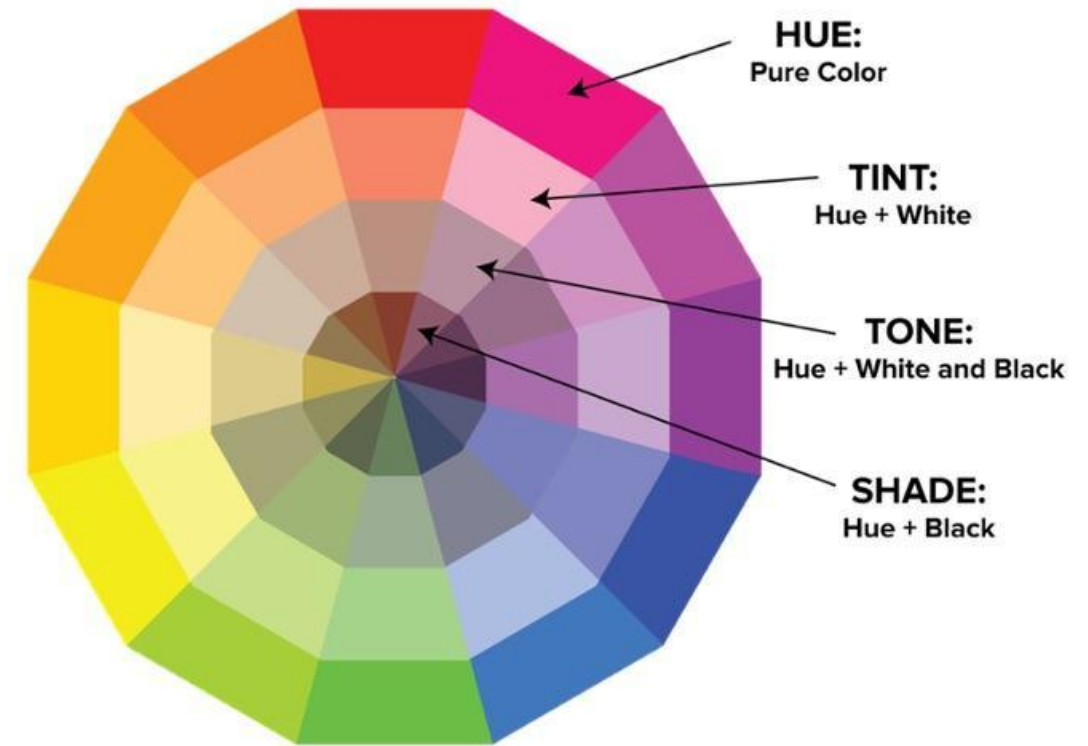
Analogous color
scheme: 2 to 4
contiguous colors



© Manoj Kumar Mondal. RMsOE

Color terminology

- Hue: Pure color (different values)
- Chroma: degree of vividness of a *color*
- Saturation: the strength or weakness of a color
- Value: how light or dark a color is
- Tone: hue + white + black
- Shade: hue + black
- Tint: hue + white



Monochrome: Different Hues



Different hues of the blue

Monochrome

Different hues of the blue



Foundations of Entrepreneurship



Design with colors

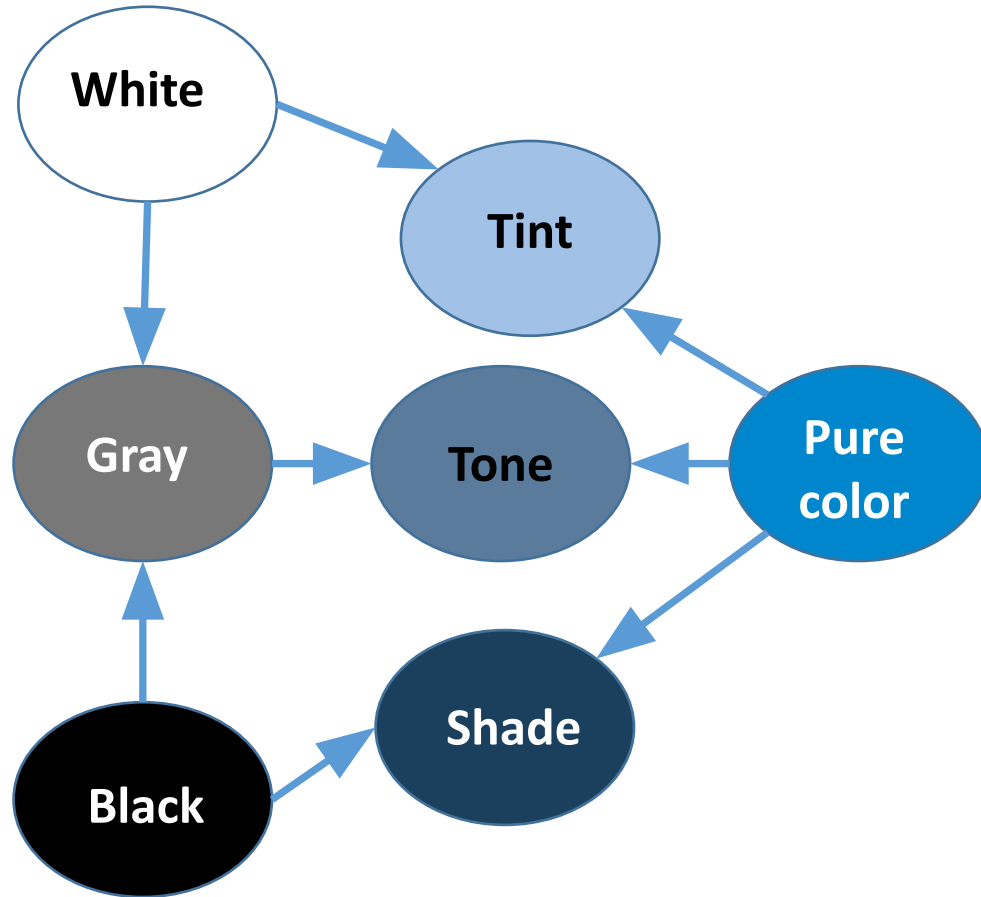


Different hues of blue



Blue is the color theme here

Painters' Color Mixing Terminology



Every Color is Associated to Some Emotion

Bright colors are for fun or modern vibes

Red

- energy, power, passion

Orange

- joy, enthusiasm, creativity

Yellow

- happiness, intellect, energy

Green

- ambition, growth, freshness, safety

Blue

- tranquillity, confidence, intelligence

Purple

- luxury, ambition, creativity

Black

- power, elegance, mystery

White

- cleanliness, purity, perfection

Develop a Visual Theme

- Use theme to create a cohesive narrative of the entire presentation

Yellow

- Cheerful or warm
- Most likely to strain eyes or cause eye fatigue
- Makes babies cry – so avoid in places where babies are expected spend time.
- The happiest color in the color spectrum also increases metabolism and gives the body a surge of energy.

Blue – the color of the sky and the sea

- Most preferred by men
- Represent calmness and serenity
- Offices largely use this color
- Water and peace are associated with this color
- Induce the minds to think creatively or think out of the box and to be productive and improve performance
- Color of corporate logos are sometimes blue in order to convey innovation-driven
- Flip side: blue suppresses appetite

Green

- Known to promote inner tranquility.
- Helps mind to trust and facilitate good health.
- Food items labeled in green evoked a sense of healthiness and usually sells more compared to those labeled in say, red.

Orange

- Lively and it excites the brain.
- Invigorates enthusiasm.
- A deeper shade is associated with warmth, and brighter shed indicates caution and one should be vigilant.

Pink

- Calmness and warming
- Signifies love, womanhood and femininity.
- Many prisons paint the walls pink to calm down some of the most aggressive prisoners. Pink color calms children down.

Purple

- The royal, wealthy and successful dress in purple. It provokes elitist thoughts.
- Lavender, the lighter purple, calms a person who is in an anxious or nervous state and helps them to relax.

Black

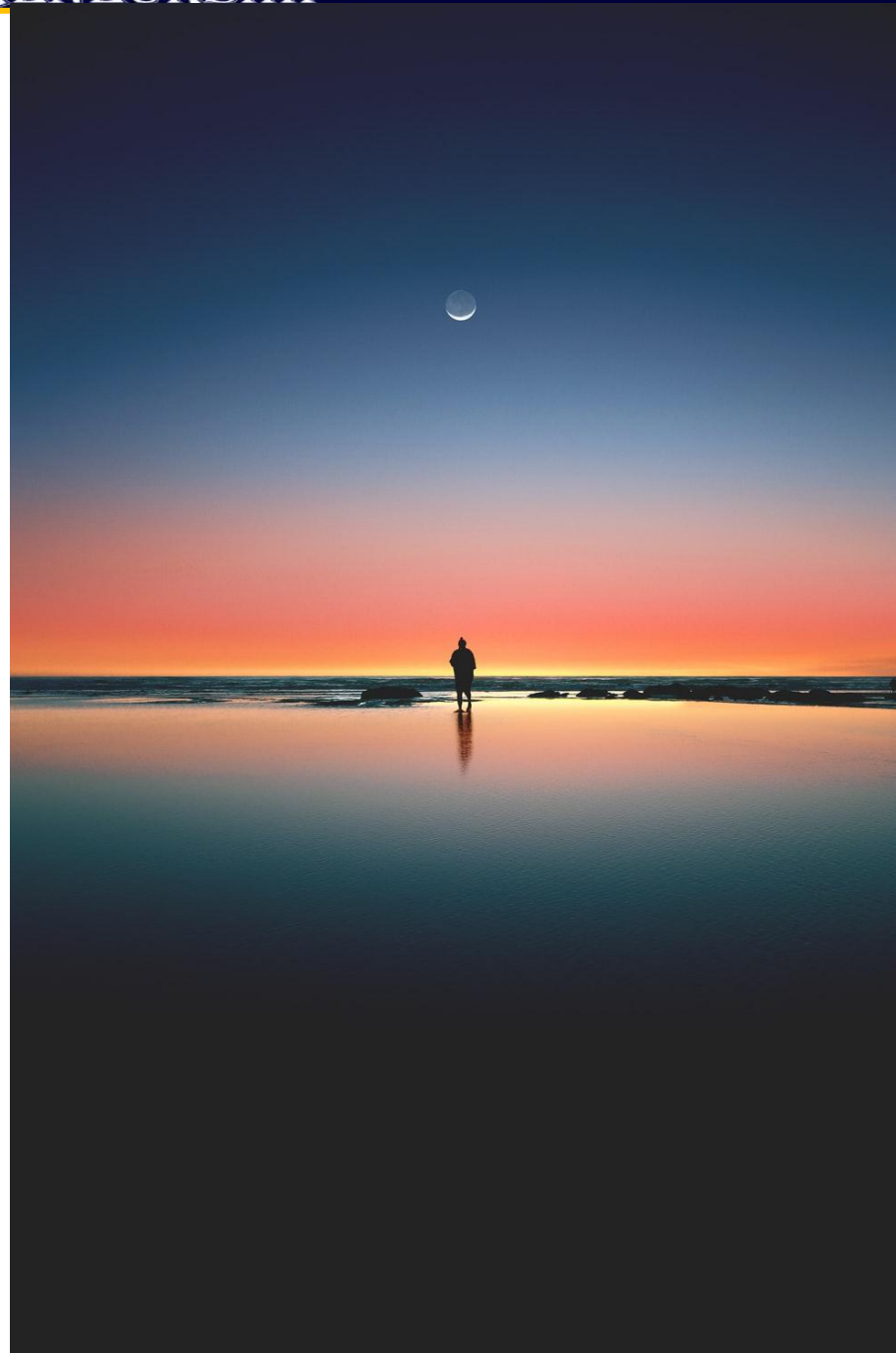
- Usually, death and mourning.
- In some contexts, represents sophistication.
- People wearing black tend to be aggressive.

White

- Purity and innocence, also emptiness.
- It reflects the full force of the spectrum into our eyes.
- White is purity and convey a sense of “touch me not”.
- Represents cleanliness, hygiene, and sterile.

60-30-10 Rule

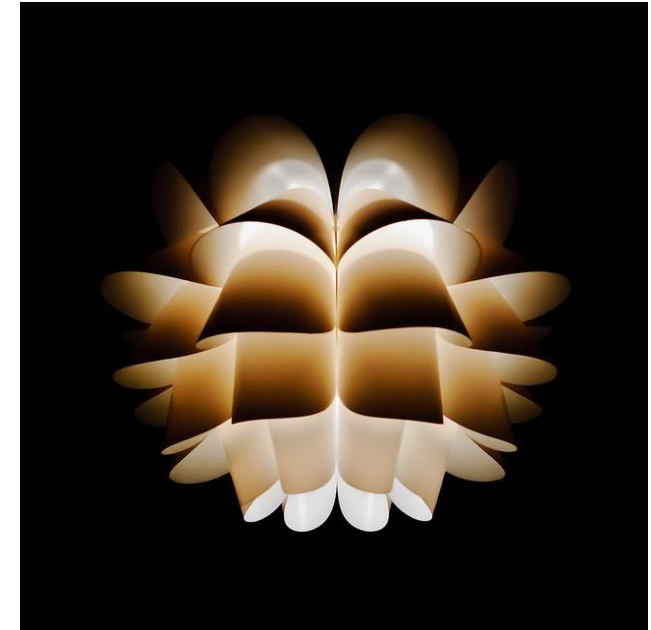
- 60% of your slide — primary color
 - 30% — secondary color
 - 10% — accent color
-
- 60% is your dominant hue, 30% is your secondary color, and 10% is for an accent color.







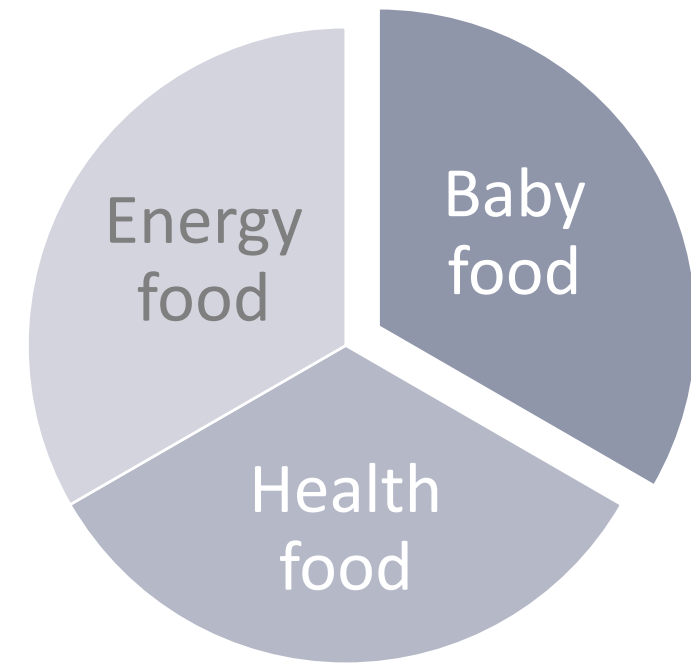
Contrast Adds a Lot of Visual Pleasure and Bring Sharper Focus



Simple is Beautiful



WINDY CITY DESIGNS

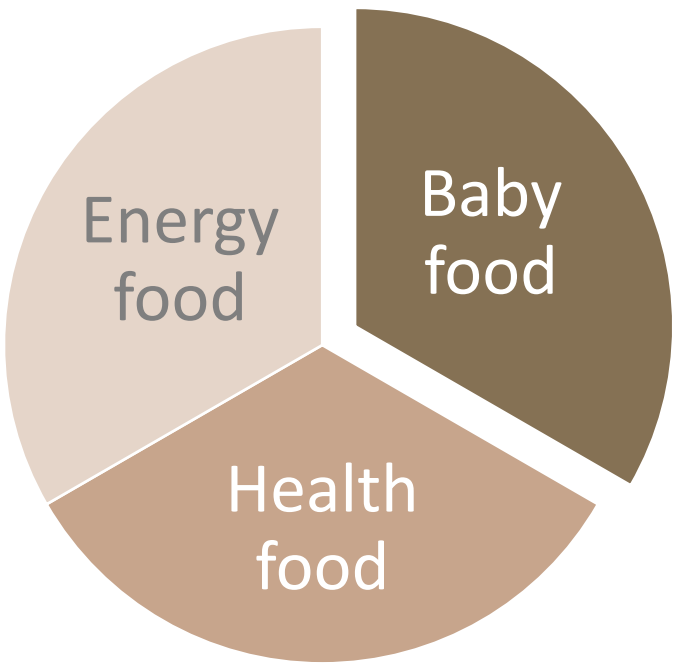


MARKET SEGMENTS

For the year 2019-20

Presented by
XYZ etc.





MARKET SEGMENTS

For the year 2019-20

Presented by
XYZ etc.



- <https://www.forbes.com/sites/robinbruce/2017/03/17/building-your-entrepreneurial-story/#1c9ce23511a9>
- <http://www.color-wheel-pro.com/color-meaning.html>
- https://www.youtube.com/watch?v=L1CK9bE3H_s

- <https://encycolorpedia.com/>
- <https://unsplash.com/s/photos/background> for images
- https://www.youtube.com/watch?time_continue=231&v=SB16xgtFmco&feature=emb_logo
- <https://slidebean.com/templates/investor-deck-template>
- <https://guykawasaki.com/the-only-10-slides-you-need-in-your-pitch/>
- <https://slidebean.com/templates/investor-deck-template>
- Various Wikipedia pages

- **Create empathy with the investors, understand their risks and aspirations.**
- **Try eliminating questionable statements.**

- <https://unsplash.com/s/photos/background> for images
- https://www.youtube.com/watch?time_continue=231&v=SB16xgtFmco&feature=emb_logo
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Thank You