Demo Day Pitching, Part 1: Common Problems

5-7 minutes

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Last week, I went to a pitch feedback session where I met with about 15 companies that are presenting at upcoming demo days. I usually listen to demo day pitches from the investing angle ("Is this company a good fit for my fund?") rather than the feedback angle ("How could this pitch be better?"), so this was a great opportunity to think about how these pitches can be more compelling.

After listening to over a dozen presentations, I noticed that the same issues kept coming up. This post will cover some of the most common problems in demo day pitches. Next week, I'm going to post a recipe for a great pitch.

What problem are you solving?

Mistake: The presenter doesn't explain why his product is needed.

Example: "Hi, I'm Joe. Scheduling is broken, and I'm here to tell you how to fix it with ScheduleBuddy. ScheduleBuddy makes it super simple to schedule events with your friends. We have a strong team with decades of experience.."

What does it mean that scheduling is broken? Is the problem with event creation? Sharing events with others? Finding a time that works for everyone? Having something that syncs well between all of your devices? If your audience doesn't understand what problem you are solving then they won't care about the quality of your solution. Spell the problem out clearly and succinctly. For instance, "have you ever tried to schedule a meeting with four or five other people? It sucks. Dozens of emails get sent around with proposals, counterproposals, and apologies. You spend more time on scheduling the meeting than on the meeting itself. ScheduleBuddy makes scheduling a breeze…"

Who is your main customer?

Mistake: The presenter doesn't explain who is her product's customer.

Example: "We've created the ultimate app for tracking doctor visits. Patients have better access to doctors' notes and doctors have an easy way to see a patients' medical histories. We have a strong team with decades of experience.."

Who are you selling this to? Is this something you sell to patients? To doctors? To hospitals, who then force doctors to ask their patients to install it? All of those are very different businesses and will interest different groups of investors. Make sure your audience knows who your customer will be. For example, "we make money by charging hospitals, who are willing to pay because our app improves patient happiness by 23% and doctor efficiency by 8%."

TMI (Too much information)

Mistake: The presenter spends too much time on low-level details.

Example: "Our first cofounder, Amy, graduated from Caltech in 2002. After that, she worked at Foo Systems, where she did W, X, and Y. Actually, she also did Z. After Foo, she took a few months off, then worked at YouPipe on the video uploader team. Amy left YouPipe because she got tired of product management and wanted to move into operations, and now she is our COO. Bob, the second of our five cofounders, graduated from Yale in 2004…"

Presenters often treat a demo day pitch like a more traditional one-on-one pitch, but that's a mistake. A demo day pitch is typically 3-5 minutes, which is not enough time to dive into many low-level details.

Your sole goal should be to pique each investor's interest so that they meet you at the end of demo day and schedule a one-on-one meeting to discuss your company in depth. For example, you might say, "Our five founders come from schools like Caltech and Harvard and companies like Foo Systems and Google. Our team consists of 3 engineers, one designer, and one PM, and two of us have started and sold companies in the past."

NEI (Not enough information)

Mistake: The presenter doesn't provide enough useful information.

Example: "We already have pilot customers and are adding additional users every month."

This example doesn't sound so bad on the surface, until you consider that the presenter could've said, "We already have 43 pilot customers who are each paying us an average of $450/month. Our customer base has been growing by 40% every month for the last 4 months."

While you don't want to provide too much information, omitting material facts is equally bad. For instance, while you shouldn't rattle off five facts about each of your cofounders, it's definitely worth mentioning if some of them worked at Facebook, or built startups that were acquired for $100m, or placed highly in international programming competitions.

Don't Ramble

Mistake: The presenter rambles and sounds unpolished.

Example: "Scheduling is broken. I mean, think about the last time you created a calendar invite and tried to share it with your best friend. Umm.. you know, like if you have Google Calendar and they use something else. Maybe iCal. So, like, you send this invite, and your friend can't, you know, view it. I hate it when that happens. It, uh, really sucks."

If a startup is truly amazing, then rambling won't matter. When the person rambling about scheduling is Jack Dorsey, or their scheduling app generated $250k in revenue last month, investors will line up to invest. For everyone else, not having a polished pitch is a bad signal. At best, your message gets diluted; at worst, investors will assume that your presentation skills are a reflection of your CEO skills. Create a tight, polished script for your pitch, then practice it until you can deliver it in your sleep.

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