

Transcription

Investor Pitch

What is a pitch



Our pitch in all these rounds of funding were the same. Our vision was the same, the vision statement has never changed of what Shopclues is doing. You know how – what life cycle of the organization that we are in, the kind of money we are trying to raise obviously changes. But you know who we are, what we stand for has never changed. We don't change our pitch because somebody would like this or that. That is unfair. It's unfair to ourselves, it's unfair to people who want to believe in the story.

We want believers to be part of the journey. And it is almost stupid to think or foolish to think that everybody will buy your pitch. What happens you know is as we start raising money and people start believing the story, there's a momentum that is built. And you get a certain amount of street credibility. As the organization has some history, what you say is possible, what you do you'll – what you say you will do, all these are now measurable and I think that helps and so yes, our funding rounds were never easy, I don't believe they are going to be easier in the future too, but we will continue to make the same pitches because that's what we believe in.



It is always very interesting to hear entrepreneurs give their pitch. I was recently reading somewhere that in the first half of 2015 itself Indian Entrepreneurs raised 3.5 billion dollars in funding and I always wondered how these people give a pitch that attracts investors. It is going to be critical for us to understand what are the various dos and don'ts in terms of getting ahead and giving the perfect pitch and let's hear from Prayank Swaroop of Accel Partners talk about the right pitch.



Pitching could be a single venture capitalist or it could be the entire partnership of a venture capital firm. What you are essentially telling to the firm or to the venture investor is essentially convincing him that your idea is a great idea and he should invest his money. Now, a typical form of a pitch is you representing to the investor using a PowerPoint or using some other form of presentation, it could be even on a drawing board and just telling them about your idea, walking them through the whole thing. It could last from five minutes you are going up and down an elevator or it could go all the way to two hours where they are going into more details discussions about each and every aspect of the business. So this is the first time an investor gets to hear about your idea and this is where he starts making mental note of what he can do essentially.

How to pitch



Now when you are in front of the investor, there are three things which you should keep in mind while pitching. First is why you are doing it, second one has you done enough research and homework and third you have to keep it crisp. Now let's go deeper into each of these. When you talk into an investor as to why you are doing your ideas, you have to explain a couple of things. One, it could be this is a big market size, so you explain the market, you explain to the investor hey this is a market, it's a profitable market to be in. Two, there should be some sort of motivation, it could be an interesting problem to solve or it could even be let's say a personal paid fund which you are trying to solve and those are good elements to cover when you are saying why you want to do this idea.



I remember using the initial players like 99acres or magic bricks. I would go on to those platforms and I would find a 3BKH in Bandra west for 15 thousand rupees rent and when I would call the broker. He would tell me, Advitiya this house you know has just gone today but why don't you come over to Bandra and I will show you more properties like that and naïve that I was I would go to Bandra and the kind of pathetic properties that he showed me never made me feel like living in Bandra again, right.



So, although eventually after 40 to 45 days we did find a house that we could stay at but the only thing that kept on coming back to us again and again and again was that this problem has existed for a very long time now, right. Back then I was thinking very small – I remembered a senior of mine who I went to visit who also said that it took him 45 to 50 days to find a house and we realized that they face this problem, we face this problem and if nothing is done about it even our juniors at college would face this problem, right. And I feel searching for a place to stay is a problem that every single one of us is going to face at some point of time in our life, right.

So, that is where we felt that maybe we could use our passion for building technological products maybe we could go ahead and build a product that would solve the problem of real-estate and that would unlock a 180-billion-dollar potential of real-estate. Real-estate is a 180-billion-dollar industry and we really saw that we could add a lot of value through our technological innovation & go ahead and capture the great opportunity that this industry had. So, I think that is the reason we started the company and it's been a great three years since then.



That's a great idea - turning your personal pain points to a business idea because then you have the exact information on what is the problem out there in the market and what solution can work and fit for customers. Let's hear Prayank talk about other aspects of a perfect pitch



Second one is typically you go after, you have to convince the investor that you are very thorough. You convince the investor you are very thorough in your idea, you have done a lot of research, you have figured out all the competitors, you have figured out the business model, you have spent ample time talking to customers, talking to suppliers, figuring out the value chain, figuring out how and why there is value in this problem to be solved. So there has to be a lot of research which goes into it and you should be more knowledgeable than the investors. And mind you it's not easy because investors typically would have heard 10 other such startups in the same areas so they would know a lot. So you need to come up on top, you need to come up and present them a different angle on the whole problem for them to understand and believe that you are the person who knows about this problem.



Third, finally is keep it crisp. Most investors are extremely busy. They get a lot of mails, lot of business plans, they will be having a lot of pitching sessions on a daily basis. So what ends up happening is for them if they don't find the idea interesting enough in the first few minutes, say five minutes or even one or two slides of your deck, they will lose interest and then the whole meeting goes down from there and it is very difficult for them then to come back and understand or engage with you in your presentation. So what you should focus on is try to have engaging discussion, don't just discuss what is there on the slide and have this is the research, this is what I have done, why this is important, why this is interesting, make it interesting for them as well. So that but keep it crisp, keep it short.

Summary – Investor Pitch



So this session was all about understanding pitching and the key aspects go into making the perfect pitch, you need to understand the market potential for your business and also communicate and your personal motivation in the start-up, because remember the investors are not only judging your idea but also you as a person. We saw the pitch needs to be clean and crisp, summarising what the key differentiators are for your start-up compared to other competitors. It was great seeing you for this session and I look forward to seeing you again soon.

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