



Addressing the Investor's Concerns

English for Startup Incubator
cakap.com



Learning Objectives

After this lesson, students will be able to:

- identify information from the texts given correctly;
- recognize useful expressions commonly used in the context of dealing with investor's concerns correctly;
- practice pronouncing words related to addressing the investor's concerns with the correct pronunciation;
- practice creating conversation related to addressing the investor's concerns with the appropriate expressions and grammar rule; and
- review on the use of present progressive by doing the exercise correctly.

Warm Up

What comes to your mind upon hearing the word 'investor's concerns'?
Write them down below.



- market share
- ...
- ...
- ...
- ...
- ...
- ...

Reading

Read and summarize the following text.

Then, highlight the unfamiliar words and discuss their meaning with the other participants.

Investors are an invaluable resource for entrepreneurs. They provide essential financial support for entrepreneurs' projects. However, convincing them to come on board with an endeavor can be a considerable challenge. Anytime you try to convince them of a business idea, you will face questions and concerns. It could be a pitch for a startup, or it could just be an idea for a new project at your workplace. Addressing their concerns requires a few skills. You will need to be able to show how your idea is unique. If what you are pitching is the same idea as everyone else, why would anyone support it? In addition to your unique idea, you need to explain why you are backable. Be sure to give them good reasons to answer their questions about why they should support you, not just your idea. Think of ideas that you have had that you might pitch to others. They might be business ideas, or they might be project ideas in your current company. For each of them, write down why the idea is unique. Then, explain your qualities to ensure the investors that you are backable.



Vocabulary Focus

Pre-Listening activity.

Match the words on the left to their definitions.

- | | |
|--------------------------------|---|
| 1. ACH payment | a. competitor |
| 2. All in on something | b. a lot of money |
| 3. Backable | c. to be totally committed to something |
| 4. End to end solution | d. to meet 100% of demand in a market |
| 5. Good money | e. to establish a position or foundation |
| 6. Intellectual property | f. how much of a market a company controls |
| 7. Market share | g. a solution that includes all steps in a process |
| 8. Market potential | h. the transfer of money from one bank to another instantly |
| 9. Patent | i. worthy of being supported |
| 10. Player | j. the possible size of a market or possible number of customers |
| 11. Real-time gross settlement | k. to predict future amounts based on amounts you already know |
| 12. To extrapolate | l. things made by the human mind that are owned by a person or company |
| 13. To saturate | m. a way of moving money between accounts at different banks electronically |
| 14. To secure a foothold | n. a legal document giving an inventor the right to make or sell their invention |
| 15. Valuation | o. the process of deciding how much something is worth, or the final value decided on from this process |

Answer Key

Pre-Listening activity.

Check your answers below.

- | | | |
|--------------------------------|---|---|
| 1. ACH payment | → | m. a way of moving money between accounts at different banks electronically |
| 2. All in on something | → | c. to be totally committed to something |
| 3. Backable | → | i. worthy of being supported |
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| 6. Intellectual property | → | l. things made by the human mind that are owned by a person or company |
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Listening



Click the icon to play and listen to a dialog between Quinn and a prospective investor, Mason.
While listening to the dialog, complete the sentences.

1. According to the conversation, what makes Quin sure that other bigger companies such as PayPal will not be able to outcompete Mola?
2. What shows that Quinn is fully committed to the company?
3. What exactly does Quinn plan to do with the investor's money?
4. Why does Quinn believe he is backable on a personal level?
5. If you were Mason, what would you do after the conversation and why?

Answer Key

Click the icon to replay and relisten to the dialog to check your answers.

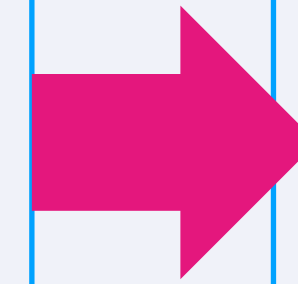


1. The reasons are that the bigger companies don't have the IP or the patent behind the technology and Quinn's company is the only player with an end to end solution.
2. The fact that Quinn left the previous company where he made a good money and worked with good coworkers shows his commitment to his new business.
3. He plans to hit the West Coast, saturate California and secure a foothold for a nationwide launch.
4. He is sure that he is a good leader. He knows how to put together a good team, how to identify bright people, how to motivate them and inspire them, and how to give them the support and resources to fulfill their potential
5. Opinionated answers.

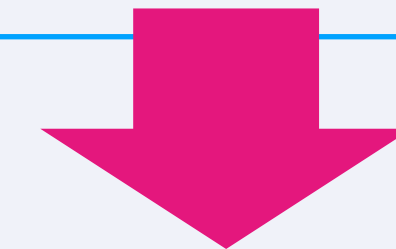
Useful Expressions

Study the description below to learn how to address the investor's concerns when you're making a pitch.

When the investor concerns that a larger company will ruin your plans that makes the investor decide to stop supporting your business,



Be confident and give strong supportive reasons by explaining and emphasizing the uniqueness of your business.



- They don't have the IP or the patent behind this, but we own it.
- We're the only player with an end to end solution.
- There is nobody else offering this service anywhere.
- We have the sole rights to all this content.



Useful Expressions

Study the description below to learn how to address the investor's concerns when you're making a pitch.

When the investor asks about your commitment and how sure you are about the business,

Be confident and demonstrate that you're fully committed to your own idea.



- Yes, I'm very sure about that. Otherwise, I wouldn't have given up my previous company – where I was making good money with great people.
- I've got a million dollars of my own money and three years of my time in this.

Useful Expressions

Study the description below to learn how to address the investor's concerns when you're making a pitch.

When the investor asks about the valuation or how much you say your company is worth,

Justify your valuation and explain how you arrived at your valuation -could be based on past sales and growth, market share, comparisons with other companies, or survey.

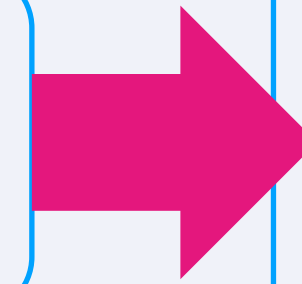


- Our valuation is based on an extremely conservative prediction of market share extrapolated from the past year of growth.
- This valuation is based on the past three years of sales.
- We'll be a \$10 million company with just half the market share we're predicting.
- Our valuation is comparable to other companies at this stage of growth.

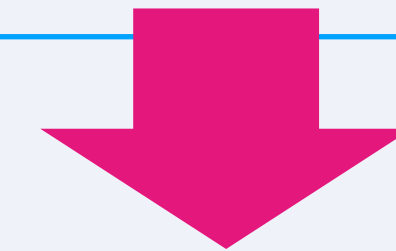
Useful Expressions

Study the description below to learn how to address the investor's concerns when you're making a pitch.

When the investor asks how you and your business will capture the market share,



Explain your business plan and what you'll do with the money by mentioning how the money will help you achieve your growth targets.

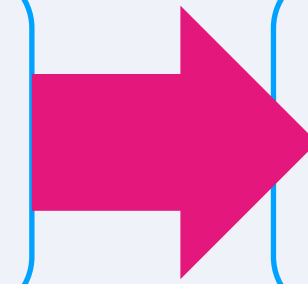


- We're going to hit the West Coast, saturate California and secure a foothold for a nationwide launch. To do that, we need to build out our team and invest in infrastructure.
- With your investment, we'll be able to triple our production capacity.

Useful Expressions

Study the description below to learn how to address the investor's concerns when you're making a pitch.

When the investor wants to be sure that you are backable,



Tell them about **your leadership** and how great your organization is to be supported.



- Well, on the personal front, I'd say it's about leadership. I know how to put together a good team, how to identify bright people, how to motivate them and inspire them, and how to give them the support and resources to fulfill their potential. On the corporate front, we're a learning organization. We've got great support and mentorship, we're focused but adaptable, and we know how to manage money.

Useful Expressions - Exercise

Match the concerns on the left with the appropriate answers on the right.

All right, now don't you think a big company could outcompete you on this?

Still, you're in for a tough battle making this successful.

Alright, but I'm still not so sure that it's worth 50 million as you say it is.

So you have some growth. That's impressive. But why do you need our money?

Okay, that sounds good. But if you want my money, tell me what convinces me that you're backable.

Yes, and I'm prepared to do anything to make this work. I'm not going to rest until this is in every country in Asia.

We need the investment to increase production so we can meet demand that keeps rising.

Well, we're actually the only company with the technology to do this.

Well, I'm backable because I'm a proven business leader. I know how to grow a company.

Well, that valuation is based on our past three years of growth.



Answer Key

Check your answers below.

All right, now don't you think a big company could outcompete you on this?

Well, we're actually the only company with the technology to do this.

Still, you're in for a tough battle making this successful.

Yes, and I'm prepared to do anything to make this work. I'm not going to rest until this is in every country in Asia.

Alright, but I'm still not so sure that it's worth 50 million as you say it is.

Well, that valuation is based on our past three years of growth.

So you have some growth. That's impressive. But why do you need our money?

We need the investment to increase production so we can meet demand that keeps rising.

Okay, that sounds good. But if you want my money, tell me what convinces me that you're backable.

Well, I'm backable because I'm a proven business leader. I know how to grow a company.



Grammar Focus – Present Progressive

Study the description below to learn how to describe something on progress and arranged future actions using present progressive.

Carla **is currently preparing** a presentation for the pitch.

be* + -ing form

I **am meeting** Misses Walker **at 5 pm**.

“be” form:

- She, He, It >>> is
- I >>> am
- You, They, We >>> are

Other example:

- There **is** nobody else **offering** this service anywhere **at the moment**.
- Mister John is on sick leave, that's why I **am attending** this meeting on his behalf.

Grammar Exercise

Change the verbs in the brackets into present progressive correctly.

1. At this time our market share (become) _____ bigger and bigger.
2. At present, the consumers' perspective about online shopping (change) _____.
3. We (prepare) _____ a nationwide launch at the moment.
4. We (try) _____ to get the new market potential right now.
5. At this very moment many employees (think) _____ about improving their skills.
6. The market share (currently, grow) _____.
7. We (currently, set up) _____ new application.
8. We (plan) _____ to open a new office and build a bigger team.
9. The market (gradually, rise) _____ right now.
10. The demand (rapidly, increase) _____ right now.



Answer Key

Check your answers below.

1. At this time our market share **is becoming** bigger and bigger.
2. At present, the consumers' perspective about online shopping **is changing**.
3. We **are preparing** a nationwide launch at the moment.
4. We **are trying** to get the new market potential right now.
5. At this very moment many employees **are thinking** about improving their skills.
6. The market share **is currently growing**.
7. We **are currently setting up** a new application.
8. We **are planning** to open a new office and build a bigger team.
9. The market **is gradually rising** right now.
10. The demand **is rapidly increasing** right now.



Speaking Exercise

Read the clue and draft a conversation.



Clue

Work with a friend and play a role as an investor and a businessman. Imagine you are trying to convince a potential investor of your business idea. Start by explaining why your idea is unique. Then explain why you are backable. Switch roles and let your partner try after you finish.

Pronunciation Drill

Listen to your teacher pronouncing the words below and repeat accordingly.

- Adaptable /ə'dæp.tə.bəl/
- Backable /'bæk.ə.bəl/
- Capture /'kæp.tʃə/
- Commitment /kə'mɪt.mənt/
- Growth /ɡroʊθ/
- Leadership /'liː.də.ʃɪp/
- Market share /'mɑːr.kɪt ʃer/
- Patent /'pæt.ənt/
- Secure /sə'kjʊr/
- Valuation /ˌvæl.ju'eɪ.ʃən/



Learning Reflection

Think of today's lesson and answer the questions.

- What did we learn today? what topic is it?
- Which part that you liked? Why?
- Which part that was challenging for you?
- Tell us the new vocabularies you learned today.
- Which tenses/ grammatical function did we cover today? Tell us an example using that grammar function.
- What do you think we're going to learn in the next meeting?



References

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Thank you.



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