

“Why” and “so what”

...and what that means for pitching...

Do you already like me?

Because that's what it's all about!

You do not pitch...

... an idea

... an awesome team

... an outstanding product...

You pitch...

... a SOLUTION for your CUSTOMER

... a CHANCE for potential INVESTORS

... but ...

First of all:

You are talking to human beings...

- Be interesting
- Connect to people
 - GET THEM TO LIKE YOU!!!

You need to have a clear script for your pitch

Connect with the audience

Make your pitch a conversation

Be outstanding and grab their attention

Check resonance

And end with a clear invitation / call to action

What do you want from them...

...and why should they care???

Let's talk about content:

Perfect Pitch: 10 – 12 slides

1.

Written:

Logo – Name – Title

Spoken:

short Introduction – no personal history

Set a hook!! Story – Analogy – Metaphore – Example

2.

Business overview:

What business are you?

What problem do you solve?

Why does this problem exist?

What advantages do you have?

Why should anyone care?

3.

Team:

Written:

Picture + Role of the whole team

Spoken:

Who – besides you – believes in this team?

4.

Market Opportunity:

How big is the problem?

Can you quantify it?

Who are the users? Did you talk to them?

Bottom up! NEVER top down

5.

Product / Service:

Name of the product

Show us something! – Screen captures, photos

Demo – **NO LIVE DEMO** – recorded version / embedded video

NO SOUND – talk to the crowd while watching

6.

Business model:

How will you make money?

Go-to-market strategy?

How will you reach your target customers?

What traction do you have right now?

Investors like simple business models!

7.

Strategic relationships:

ONE!!! Important Relationship

- Partner
- Customer

8.

Competition:

YES – there is always competition.

If not – there is no market.

Focus on yourself!

YES – I know the others very well, but my advantages are: ...

9.

Barriers to entry:

What keeps others out of my space?

IP? Patents? NO!!!!

Are you able to enforce it? NO!!!!

MAXIMUM: a lead of 9-12 months over the others – keep it up!

Scale faster than anyone else in a large and attractive market!

“That’s why we need sophisticated investors like you... who know how to play the game...”

10.

Financial overview:

Investments to date – only “cash” counts

Simple top-line projection: 3-5 years

Break-even and Profitability

11.

Use of proceeds:

What is it, what you are planning?

Show enthusiasm!

Make your potential investors share
your passion for your business!!!

12.

Capital Request:

Written:

Clear number!!! Be realistic!!!

Spoken:

Close your pitch with a call to action! What do you want from the audience???

Exchange business cards, meet for lunch or talk in details: INVEST IN ME!!!

That's all!

- No.
- *Of course* it is not.

Market first!

- Who is the target?
 - Did you talk to them???
- What is their problem?
 - Is this a big/relevant problem for the whole market???
- What are they doing so far to get along with this?
 - Are you really the only one to offer a solution???
- Is the Market big enough to be interesting?

- No simple mathematics!

Outcome: A large number of people have a problem that you can solve better than anyone else!

Validate your Market!

- Is there anybody out there who wants to buy your stuff?
 - *Ideal Customer – their problem – your solution*
- How did you validate it?
- Talk to your customer! Get at least 20-50 opinions
- Establish a user-group: 5-10 potential users who are enthusiastic enough to help you!
- Make them Beta-Testers, give them free products
- How will your target customer expect to find and buy your product? Understand the market mechanism to address your clients!

See the world through your customers' eyes!!!

Conclusions on the market:

- Conclusion 1: Is there a market at all?
 - Is there a sufficient number of people on the planet that have the problem that you solve?
 - Will they pay for a solution?
- Conclusion 2: User group!
 - Your target customer must participate in the development process to guarantee that the product is ready to be sold
 - The more effort now – the less surprises later
- Conclusion 3: Path to market
 - You need to reach your customers in a way that is acceptable to them

No Excuses!

- “I know it works!” – NO YOU DON’T – until you asked your customers!
- “I’m not sure if they give me the right answers.” – THEN YOU HAVE THE WRONG QUESTIONS – or you are not willing to accept that they think differently.
- “I have no time to do all that” – THEN YOU WILL NEVER HAVE AN ATTRACTIVE PRODUCT.
- If you fail to get your first market, you will never have the chance to address all the others!

Product – NOT TECHNOLOGY!!!

- Please accept the fact, that no investor is interested in technology!
 - They want to invest in a business model!
- What does your product bring about?
- How does it solve the customer's problem?
- Why is it better than the competitive products?

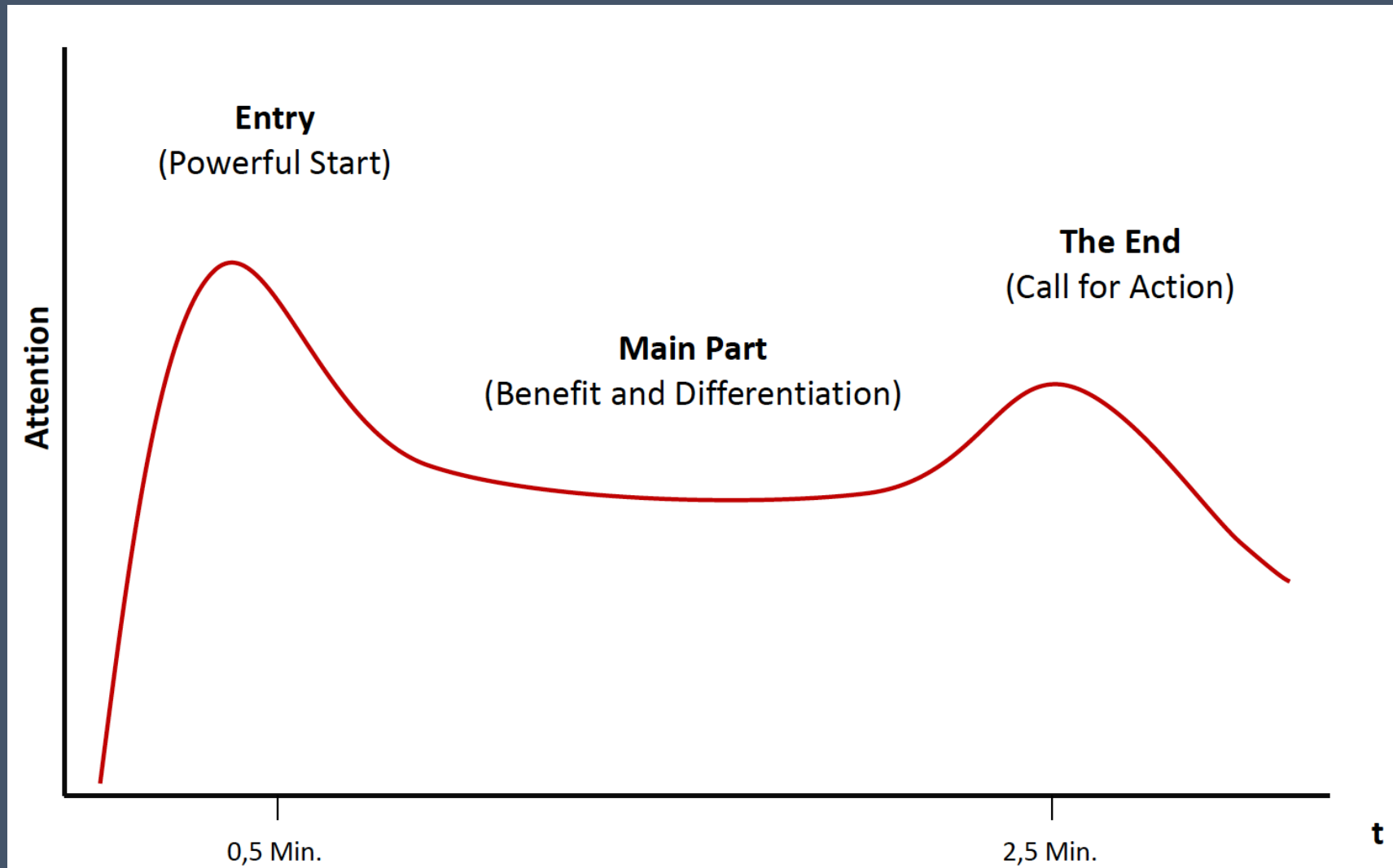
- How to win in the market?

- Best Case: Show a minimum viable

valuable

validating product

Fever chart of your pitch



Fever chart of your pitch

- Entry:
 - Be outstanding – grab the attention – connect to your audience
- Main Part:
 - Take your audience with you with facts about your business that are easy to understand
- The end:
 - Ask, what you want from the audience
 - Show your passion and let your enthusiasm for the topic come across! Best reaction: “Tell me more...”

Funding the right way

“This challenge with entrepreneurs is they are like teenager at the mall – whatever you’ve got, you’ll find ways to spend it – and it’s often in ways that can be too costly down the line...”

Starting point again: the market!

- Validate you market: What are the needs of the customers?
- Find funding for 18 months with the story you found on the market

- But then: reach all the goals in 12 months!
- Cyclically check the market to make sure nothing has changed out there or to make the adjustments

Funding a start-up is runway management

- Establish your goals
 - To find out how much is enough money to reach them
- Emergency money!
 - Things happen and Murphy's law is everywhere
- Be as lean as possible!

Funding after funding: When to do the next step

- Define the landmark that is story enough for the next investor
- Accurate planning of your spending
- Continuously cross-checking of your operational progress compared to milestones and your spending

Expectations of an investor

- Be ingrained in your market
- Talking to customers daily to understand their pain and what they want
 - Things move very fast!
- But: What is the worth of an Investor for you? What can the investor do for you?
- Money?
- Industry expertise?
- Guidance?
- Business relationships?

The Position of an Investor

- Why you?
- Why this?
- Why now?
- And: So what?
- *Make your Idea and business meaningful and attractive to your listeners!*
- *“I thought this through, what that means to you”*

Life with an investor

- With an investor in your company:

YOU WORK FOR SOMEONE ELSE!

- If you want to keep control – don't take outside money!
- Don't look for a bigger slice – make a bigger pie!
- Your Investor is not your friend! You are a means to an end!
 - Make money together
 - Be successful together
 - Or: YOU will be pushed out of the way!

Advisors: Secret ingredient for your success?

Yes – but with the right advisors!

- An experienced, proven leader in the space you plan to disrupt
- Institutional Investors with high-value advisors bring value-add money... But first of all for them!
- Find your own, independent advisors, mentors, sparring partners
 - What are the weakest points in your company?
- *Do not wait for them to swoop in and offer pearls of wisdom – proactively plan time with them!*
- *Do you already have your sparring partner for all financial aspects? 😊*

To sum up:

- You have to know what is necessary for success
- Take enough money to succeed and always be aware of your financial runway
- Carefully select your advisors – for the crucial topics of your business

... and don't forget the financial part! 😊



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