

# 14 Steps To A Successful Investor Pitch

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George Buzzy is a seasoned entrepreneur-in-residence and investor, and so he's had experience working with startups as they prepare a pitch for investors—and, on the other side, watching them actually go through the presentation process. Based on the things he's seen, Buzzy devised an organized, 14-step outline to help entrepreneurs frame and organize their investor pitch. In his own words, here it is.



## **1. Share who you are and what you do.**

This isn't a detailed description of the product or the company; it's more like a quick elevator pitch and an introduction. You need to frame the discussion and introduce what you're going to talk about.

## **2. Lay out the problem you're solving.**

You've identified a significant pinpoint problem or market need. Describe what that is and, most importantly, demonstrate how you know it exists. You need to support your premise about this unsolved pain and your information can't be anecdotal. Show that you've put in the work talking to customers and doing research.

## **3. Explain how you solve that pain.**

This is when you get into your solution, your better mousetrap. How do you solve this pain point better than everybody else? This is where it is helpful to have a minute-and-a-half video explaining your technology, with either screen shots or automation. There should be some discussion about barrier to entry, patents or IP. Sometimes you can get a patent on certain things; sometimes you can't. But essentially, what is the barrier to entry. How do you stop other people from copying your great idea?

#### **4. Touch on how other people solve the problem**

Often your biggest competitor is doing nothing; the customer is just going to do what they've always done. Lay out the competitive landscape and how you plan to get people to stop doing what they're doing today, and start doing something new, which is buy your product.

#### **5. Define the market.**

What is the total market? What is the total addressable market? How do you know that? Again, you need to provide evidence verifying the market exists, including discussions with various prospects, surveys, and other independent data.

#### **6. Give your plans to attack that market.**

This is blocking and tackling. You might say, "Here is my total addressable market. I'm going to start with these 50 prospects and I'll call on ten a month. It's a six-month sales cycle, so I'm going to shoot to close three a month starting six months from now." Whatever your assumptions are, give a very detailed meat-and-potatoes plan for attacking the market—whether that's through direct sales, channel partners, a combination of both methods or others.

#### **7. Share your pricing plan.**

You've got this pain, you've got this market—but just how much you think people are willing to pay for your solution? Be sure to let potential investors know if there is a return on investment story that adds to the value of your product. For example, if I'm a potential customer and I pay you fifty thousand dollars, am I going to save five hundred thousand dollars in the first year?

#### **8. Provide a five-year forecast.**

If you're educating would-be investors on your solution, market, go-to market strategy, pricing, and assumptions on what you're going to close on and when, then they will be more inclined to buy into your five-year forecast because you've shared the assumptions that you put into it. When you put up your forecast, it should reflect what you've been talking about for the last ten minutes.

#### **9. Delineate what you need to break even.**

What's the total amount of money you need before you're self-sustaining? Is it a million? Five million? Investors want to know when you will be able to start running the company on your own profit.

#### **10. Personalize you pitch (and get specific).**

Let's say you are pitching to the Innovation Fund. They're looking for a very specific project; you're asking them for \$25,000. If they give you \$25,000; what specifically are you going to do with it to measurably accelerate your company's growth? They want to see three or four milestones, three or four deliverables that add up to \$25,000. If you're asking people for money, you should have a specific plan for that use of money.

#### **11. Highlight the management team.**

People want to see that you've surrounded yourself with bright people that fill your needs. If you're an engineer, investors will appreciate knowing that you're affiliated with an industry expert, a real good sales person and maybe a patent attorney. Whatever the specifics, be sure you have a well-rounded management team around you and you're getting good counsel. Entrepreneurs need to show they understand their strengths and your weaknesses.

## **12. Articulate the exit strategy.**

Investors need to know where the money can be made. Will your company go public or be acquired? An example of an exit strategy could be that you'll grow the company for four or five years until you're a good candidate for acquisition. If that's the scenario, you need to let the potential investor know that "These are three or four companies that my company would be a perfect fit for and five years from now you would be irresistible for them to buy." Then share examples of transactions that these possible acquirers have been involved in and around the state over the last few years.

## **13. Express additional potential.**

Communicate the message that you'll keep your eye on the ball and focus like a laser on the business plan that you've just shared. But, let investors know that as you become successful, there are other interesting things you think you can do with your platform that aren't in the numbers you've shared and that could actually be a lot bigger than what you've been detailing. It whets people's appetite and gets them thinking, "Wow, there could be a lot here."

## **14. Thank your audience.**

You've been talking for 20 minutes and they may be listening to other pitches that same day. Show your appreciation for their time and reiterate your highlights: "If there's three things I want you to remember from my presentation, it's these three things."



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