

# Pitch Your Business Idea to Venture Capitalists.

*The following 11 slides give you a  
good idea what they're looking for.*

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## **Before you Pitch!**

- Uncover your audience's "Hot Buttons"
- Ask the question:  
**"To make our meeting today as effective as possible," -- and who wouldn't want that? --  
"what are the three most important things that you would like to learn about my company at this time?"**
- Adjust time & emphasis on sections accordingly

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## Executive Summary

- *Newco* is a *what you are* specializing in *what you do* for *specific customers*.
- Our *special sauce* gives us a *unique advantage* that will capture ??% of this \$???M market.
- We will be looking for \$??M to build an *enabling function* that will generate \$??M over the next *XX* months.
- <20% of presenters do this well

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## What's the Problem?

- Describe the problem you are looking to address in simple, clear concise terms
- Current state, seriousness of problem
- Desired future state, benefit to customer
- Scale of the initial market
- No more than 6 bullets
- Graphics better than words
- < 10% of presenters do this well

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## What's your Solution

- Describe your solution in simple, clear, concise terms.
- Key benefits, features
- Product roadmap
- No more than 6 bullets
- Graphics better than words
- > 70% of presenters do this well

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## What's the Business Model

- Explain how you are going to make money - clear, concise (*If you can't describe your business model in 20 words or less, you probably don't have a workable model*)
- What's the value to the customer? Customer Value = (Seriousness of Current State + Benefits of the Desired Future State) - Cost of the Solution
- Bottom up is better than top down
- < 10% of presenters do this well

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## What's your "Special Sauce"

- What's the proprietary, underlying "magic" that gives you a clear, defensible advantage?
- Patents on their own are rarely sufficient
- What are you going to do particularly well that it will be difficult to copy?
- Graphics better than words
- <30% of presenters do this well

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## How you are going to Market & Sell your product or Service

- Describe your Marketing & Sales strategies in simple, clear, concise terms.
- 1 or 2 marketing strategies
- Sales cycle & strategy for initial market
- No more than 6 bullets
- Graphics better than words
- < 50% of presenters do this well

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## Competition

- There is ALWAYS competition – even if it's the way it's done now.
- Provide a Competition Analysis
  - a table/chart comparing your solution to the current approach and major competitors, by key benefit
- The more realistic you are, the more believable your case
- < 30% of presenters do this well

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## Who's on the Team?

- **Management Team**
  - Why is this the Right Team?
  - relevant information only - shorter is better
  - include relevant company names & positions
  - include independent Directors, if relevant
- Identify holes that will need to be filled
- < 10% of presenters do this well

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## Financial Projections

- **P & L**

- By Quarter for first year, annually thereafter, 3 years out.

Past Year Q1 Q2 Q3 Q4 TOT 2<sup>nd</sup> Year 3<sup>rd</sup> Year

Revenue

COGS

R&D

S&M

G&A

EBIT

Cash Flow

- Bottoms up better than top down
- Assumptions more important than numbers – be prepared to explain them
- < 10% of presenters do this well

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## Status & Timeline

- Major Milestones, what's been achieved to date, Current Status, what still needs to be done & how long it's going to take.
- Include expected liquidity event.
- <30% of presenters do this well

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