

Hovhannes Yeritsyan Co-Founder at Nation in Action Hovhannes@nationinaction.com

PITCHES

An introduction captures an investor's attention, but a great pitch gets a meeting. The major components of the elevator pitch are:



Subject: Introducing Ning to Blue Shirt Capital

Hi [Middleman],

Thanks for offering to introduce us to Blue Shirt Capital. I've attached a short presentation about our company, Ning.

Briefly, Ning lets you create your own social network for anything. For free. In 2 minutes. It's as easy as starting a blog. Try it at: http://ning.com

We built Ning to unlock the great ideas from people all over the world who want to use this amazing medium in their lives.

We have over 115,000 user-created networks, and our page views are growing 10% per week. We previously raised \$44M from Legg Mason and others, including myself

Before Ning, I started Netscape (acquired by AOL for \$4.2B) and Opsware (acquired by HP for \$1.6B).

Blue Shirt's investments in companies like Extensive Enterprises tell me that they could be a great partner for Ning. We're starting meetings with investors next week, and I would love to show Blue Shirt what we're building at Ning. Best,

- Subject: Introducing Ning to Blue Shirt Capital [A useful subject line!]
- Thanks for offering to introduce us to Blue Shirt Capital.
 [Reiterating the social proof of the introducer.] I've attached a short presentation about our company, Ning. [I attached a deck.]

- Briefly, Ning lets you create your own social network for anything. For free. In 2 minutes. [What's the high concept pitch? What does the product help the customer do? Who is the customer?] It's as easy as starting a blog. [What's the metaphor?] Try it at: http://ning.com [Link to the product, screencast, or screenshots.]
- We built Ning to unlock the great ideas from people all over the world who want to use this amazing medium in their lives.
 [What's the big problem or opportunity?]

- We have over 115,000 user-created networks, and our page views are growing 10% per week. [Traction.] We previously raised \$44M from Legg Mason and others, including myself.
 [More traction and social proof.]
- Before Ning, I started Netscape (acquired by AOL for \$4.2B) and Opsware (acquired by HP for \$1.6B). [Team's past successes.]

 Blue Shirt's investments in companies like Extensive Enterprises tell me that they could be a great partner for Ning. [Why are you interested in this investor?] We're starting meetings with investors next week, and I would love to show Blue Shirt what we're building at Ning. [Call to action and subtle scarcity.]

Best,

DECKS

An introduction and elevator pitch are critical to getting a meeting. Also consider providing a "ten-slide" deck that tells a compelling story about your team, product, traction, and plans.

Cover

Include your logo, tagline, and complete contact information.



Summary

Summarize the key, compelling facts of the company. Make sure you cover all the topics that are in your elevator pitch – in fact, just steal the content from the elevator pitch.

Team

Highlight the past accomplishments of the team. If your team has been successful before, investors may believe it can be successful again. Include directors or advisors who bring something special to the company. Don't include positions you intend to fill – save that for the milestones slide. Put yourself last: it seems humble and lets you tell a story about how your career has led to the discovery of the...

Problem

Describe the customer, market, and problem you address, without getting into your product. Emphasize the pain level and the inability of competitors to satisfy the need.

Solution

Introduce your product and its benefits and describe how it addresses the problem you just described. Include a demo such as a screencast, a link to working software, or pictures. God help you if you have nothing to show.

Technology

Describe the technology behind your solution. Focus on how the technology enables the differentiated aspects of your solution. If appropriate, mention patent status.

Marketing

Who are the customers? How big is the market? You summarized this in your Problem slide and this is your opportunity to elaborate. How are you going to acquire customers? What customers have you already acquired?

Sales

Sales. What's your business model? If you have sales, discuss the sales you've made and your pipeline. What are the microeconomics and macroeconomics that turn your business into a \$X million revenue business? Emphasize the microeconomics (each user is worth \$1/year because...) instead of the macroeconomics (if we can get 1% of a \$10B market...).

Competition

Describe why customers use your product instead of the competition's. Describe any competitive advantages that remain after the competition decides to copy you exactly. Never deny that you have competitors – it's okay to compete. Against anyone.

Milestones

Describe your current status and prospective milestones for the next 1-3 quarters for your product, team, marketing, and sales. Use a table with the quarters on the xaxis and the functions on the y-axis. Also include quarterly and cumulative gross burn (your expenses, assuming zero revenue) for the next 1-3 quarters. Don't build a detailed financial model if you don't have past earnings, a significant financial history, or insight into the issue. What hypotheses did you test in the last round of financing and what were the results? What hypotheses will you test with this round?

IMPACT

Tell us which SDG Goals do you meet and how.



Conclusion

This slide can be inspirational, a larger vision of what the company could accomplish if these current plans are realized, or a rehash of the Summary slide.

Financing

Dates, amounts, and sources of money raised. How much money are you raising in this round? Restate the hypotheses that you will test in this round.

This sequence of slides tells a story

We have a mission and a team that is taking us there. Why? We discovered this large problem and solved it with a product that has this amazing technology inside. We're going to market and sell it to these customers, with these advantages over our competitors. In particular, we're working towards these milestones over the next few quarters. In conclusion, this financing is a great investment opportunity.

This is a good sequence for a written deck. But don't take this sequence too literally when you're presenting.



You should almost always do a demo at the start of a presentation, right after you introduce yourself – even if you think the audience has already seen the demo. You can tell the audience about the rest of your team later.



Then, sequence the slides to tell a good story. Some people like to put the team slide after the technology slide. There's room to move content between the problem, marketing, and sales slides. Just make sure you cover each of the topics in the template.

Format your deck

- Keep the slides simple, visual, and minimal. Use 30 point or larger font. The slides will look great when you present.
- Put talking points, reasoning, and prose in the notes that accompany each slide. Don't try to cram cogent arguments into bullet points on the slides.
- maximum 4 images per slide
- maximum 5 bullet points with each bullet point consisting of not more than 5 words
- use high contrast font with background color

Evaluation Criteria

Product/Market (Weight: 15%)	Guide: How well the product responds to user needs (solves customer problems)? Are there unique attributes to the product/service which provide market differentiation? How big is the size and scope (scalability) of the target market?
Business model and scalability (Weight: 15%)	Guide: How realistic (reasonable) is the business (revenue) model? How relevant is that to the Product?
Competitive advantages (Weight: 10%)	Guide: How strong and factually based are competitive advantages of the company?
Team (Weight: 15%)	Guide: How relevant and strong are the education and expertise of key team members? Do they have entrepreneurial experience?
Innovativeness of the technology (Weight: 15%)	Guide: How innovative and unique is the Idea? How disruptive is the technology?
Impact (Weight: 30%)	Guide: How impactful is the solution, how well does it solve the existing challenge in Agriculture

Further reading

- <u>https://venturehacks.com/why-pitches-fail</u>
- <u>https://techcrunch.com/2008/09/01/how-to-demo-your-startup-part-two/</u>

Thank you

