Pitching to Funders and Investors

March 18, 2015
Lex McCusker, Director, GW BPC

- Former Dean of School of Technology Management at Stevens Institute of Technology in Hoboken, NJ
- 23 Years at AT&T & Bell Labs in Software Development, Professional Services and Tech Licensing
- Mentor, Advisor, Angel Investor

lexmccusker@gwu.edu
973.896.5754
Anyone Can Make a Great Pitch.

- Connect
  - Be authentic; be yourself. Let the real you come through.
  - Show affection for your venture.
  - Like your audience, and they will like you.
- Practice, Practice, Practice (at least 10 times).

One of Many Methods; Just a Model
Tailored to the GW Business Plan Competition
Suitable for General or Social Entrepreneurship
Recommend Other Approaches

Pitching to Funders and Investors
March 18, 2015
Pitching to Funders and Investors

Agenda

• Executive Summary
• Preparation – Know Your Audience
• What Are The Judges Judging?
• The Narrative Arc
• One Good Pitch Deck
• The Art of the Q&A
• Other Approaches
• The Audience Choice Award
• General Advice for Presentations
Pitching to Funders and Investors

Executive Summary

- **Start Fast**
  - Get Them Oriented
  - Connect (emotionally) in the first 30 seconds
- **Get Them Hooked**
  - Get them up the hill
- **Keep Them Hooked**
  - Keep them from coming down the hill
- **Summarize and Close**

The Narrative Arc
Pitching to Funders and Investors

Agenda

• Executive Summary
• Preparation – Know Your Audience
• What Are The Judges Judging?
• The Narrative Arc
• One Good Pitch Deck
• The Art of the Q&A
• Other Approaches
• The Audience Choice Award
• General Advice for Presentations
Investors and Funders are:
• Risk Takers and Risk Mitigators
• Always on the lookout for the next big thing
  • They want to find it.
  • They hope you’re about to bring it to them.
• They see hundreds of pitches that claim to be but are not the next big thing.
• When they think they might have found it, they flip
  • They get hyper-critical
  • They look for all the thinks that can go wrong.
• You have to feed them what they eat.
## Preparation: Know Your Audience (II)

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dana Barsky</td>
<td>Private Investor</td>
<td>Golden Seeds</td>
</tr>
<tr>
<td>Mary Galeti</td>
<td>Principal</td>
<td>Shiplake Partners</td>
</tr>
<tr>
<td>Dan Gordon</td>
<td>Technology Partner</td>
<td>Valhalla Partners</td>
</tr>
<tr>
<td>Darius Graham</td>
<td>Director, Social Innovation Lab</td>
<td>Johns Hopkins University</td>
</tr>
<tr>
<td>Roger Krakoff</td>
<td>Founder and Managing Partner</td>
<td>Cloud Capital Partners</td>
</tr>
<tr>
<td>Elizabeth Pagé</td>
<td>CEO</td>
<td>Cloud Coaching Institute</td>
</tr>
<tr>
<td>Michael Quinn</td>
<td>Partner</td>
<td>Q Advisors</td>
</tr>
<tr>
<td>Brian Radecki</td>
<td>CFO</td>
<td>CoStar Group</td>
</tr>
<tr>
<td>Annette Scott</td>
<td>First Lady</td>
<td>State of Florida</td>
</tr>
<tr>
<td>Peter Weissman</td>
<td>Partner</td>
<td>Blank Rome</td>
</tr>
<tr>
<td>Andy Zacharias</td>
<td>Principal</td>
<td>Luther King Capital Management</td>
</tr>
</tbody>
</table>
Know the Criteria

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Weight (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Need and Market Opportunity</td>
<td>15%</td>
</tr>
<tr>
<td>Value Proposition / Distinctive Competence</td>
<td>15%</td>
</tr>
<tr>
<td>Management Capability</td>
<td>15%</td>
</tr>
<tr>
<td>Financial Understanding</td>
<td>15%</td>
</tr>
<tr>
<td>Investment/Impact Potential</td>
<td>15%</td>
</tr>
<tr>
<td>Clarity of Presentation</td>
<td>10%</td>
</tr>
<tr>
<td>Enthusiasm &amp; Persuasiveness</td>
<td>10%</td>
</tr>
<tr>
<td>Quality of Presentation Materials</td>
<td>5%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Weight (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Need and Opportunity</td>
<td>15%</td>
</tr>
<tr>
<td>Value Proposition for Social Impact</td>
<td>15%</td>
</tr>
<tr>
<td>Management Capability</td>
<td>15%</td>
</tr>
<tr>
<td>Financial Understanding</td>
<td>15%</td>
</tr>
<tr>
<td>Investment/Impact Potential</td>
<td>15%</td>
</tr>
<tr>
<td>Clarity of Presentation</td>
<td>10%</td>
</tr>
<tr>
<td>Enthusiasm &amp; Persuasiveness</td>
<td>10%</td>
</tr>
<tr>
<td>Quality of Presentation Materials</td>
<td>5%</td>
</tr>
</tbody>
</table>

http://bizplan.gwu.edu/round-3-final-final-presentation
Pitching to Funders and Investors

Agenda

- Executive Summary
- Preparation – Know Your Audience
- What Are The Judges Judging?
- The Narrative Arc
- One Good Pitch Deck
- The Art of the Q&A
- Other Approaches
- The Audience Choice Award
- General Advice for Presentations
What are the Judges Judging?

Your Venture?

Your Plan?
What are the Judges Judging?

- Integrity
- Passion
- Experience, Accomplishment, Building an Organization
- Knowledge, Education
- Skills (Possessed or Acquired)
- Leadership
- Commitment
- Vision
- Realism
- Coachable (Willing to Listen)
Pitching to Funders and Investors

Agenda

• Executive Summary
• Preparation – Know Your Audience
• What Are The Judges Judging?
• The Narrative Arc
• One Good Pitch Deck
• The Art of the Q&A
• Other Approaches
• The Audience Choice Award
• General Advice for Presentations
The Narrative Arc: 
A Drama in Five Acts

- **Act I:** There is a big, important problem out there.
  - We understand the problem and the people who have it.
  - We know how these people are dealing with the problem.
  - We can quantify the size of the problem.

- **Act II:** We have a solution.
  - We have a product and a startup to deliver it.
  - We understand our value versus the competition.

- **Act III:** We are the ones who can do this.
  - The Team

- **Act IV:** We have a plan.
  - Go to Market
  - Operations
  - We can make money.
  - We can grow.

- **Act V:** Here is what we need from you.
Moving Them Up and Down The Hill

**Things That Help Them Up the Hill**
- Logical Progression
- Things They Can Relate To
- Validators (independent, outside)
- Believable Upside

**Things That Take Them Down the Hill**
- Saying Things They Know are Untrue
- Mushy Language
- Things They Don’t Understand
- Inconsistencies
- Errors, Typos, Sloppy Mistakes

David S. Rose.  https://www.youtube.com/watch?v=MaiZEn2rOXM
Pitching to Funders and Investors

Agenda

• Executive Summary
• Preparation – Know Your Audience
• What Are The Judges Judging?
• The Narrative Arc
• One Good Pitch Deck
• The Art of the Q&A
• Other Approaches
• The Audience Choice Award
• General Advice for Presentations
One Good Pitch Deck (I)

<table>
<thead>
<tr>
<th>Slide</th>
<th>Thematic Arc</th>
<th>Time</th>
<th>Title of Slide</th>
<th>Sample Key Messages</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td></td>
<td>0:00</td>
<td></td>
<td>Logo, Team, Product, Tagline</td>
</tr>
<tr>
<td>1</td>
<td>Framing</td>
<td>0:30</td>
<td>Introduction</td>
<td>50-word Pitch, Status, Team, Ask</td>
</tr>
<tr>
<td>2</td>
<td>The Need</td>
<td>1:00</td>
<td>Problem We Are Addressing</td>
<td>Major trends; the need. Appeal to head and heart.</td>
</tr>
<tr>
<td>3</td>
<td>The Opportunity</td>
<td>0:30</td>
<td>Current Solutions are Poor</td>
<td>Current solutions; the pain</td>
</tr>
<tr>
<td>4</td>
<td></td>
<td>0:30</td>
<td>Product / Service Features</td>
<td>Features and benefits; limited discussion of technology.</td>
</tr>
<tr>
<td>5</td>
<td></td>
<td>0:30</td>
<td>Here’s How It Works</td>
<td>Screen shots. Flow charts. Video? Canned demo.</td>
</tr>
<tr>
<td>6</td>
<td>Our Solution</td>
<td>1:00</td>
<td>Buyer Ecosystem</td>
<td>We understand this industry.</td>
</tr>
<tr>
<td>7</td>
<td></td>
<td>1:00</td>
<td>Here’s What We Did</td>
<td>Many interviews to verify business model. Quantify.</td>
</tr>
<tr>
<td>8</td>
<td></td>
<td>1:00</td>
<td>Our Value Proposition is Compelling</td>
<td>Value propositions for each key customer segment. Show that you understand value.</td>
</tr>
<tr>
<td>9</td>
<td>The Market is Big</td>
<td>0:30</td>
<td>The Addressable Market is Large</td>
<td>TAM, SAM, TM.</td>
</tr>
<tr>
<td>Slide</td>
<td>Thematic Arc</td>
<td>Time</td>
<td>Title of Slide</td>
<td>Sample Key Messages</td>
</tr>
<tr>
<td>-------</td>
<td>-----------------------</td>
<td>------</td>
<td>---------------------------------------------</td>
<td>-------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>10</td>
<td>We Can Win</td>
<td>1:00</td>
<td>We Have Strong Barriers to Entry</td>
<td>IP, trade secrets, special relationships.</td>
</tr>
<tr>
<td>11</td>
<td></td>
<td>1:00</td>
<td>Competitive Landscape: We are Different; We are Better</td>
<td>Who else is out there? How we are different. How we are better. Our Competitive Advantage.</td>
</tr>
<tr>
<td>12</td>
<td></td>
<td>0:30</td>
<td>Go To Market Plan</td>
<td>Start with web sales. Add direct sales.</td>
</tr>
<tr>
<td>13</td>
<td>We Can Make $$</td>
<td>1:00</td>
<td>Financial Plan</td>
<td>Cash Positive in 2 Years; Exceed Benchmark Gross Margin; $50M in revenue in 5 years. Exceed Benchmark Return on Sales.</td>
</tr>
<tr>
<td>14</td>
<td>We Can Implement</td>
<td>0:30</td>
<td>Team</td>
<td>Strong in Market, Industry, Relevant Technologies. Committed to the Venture.</td>
</tr>
<tr>
<td>15</td>
<td></td>
<td>0:30</td>
<td>Why Us, Why Now</td>
<td>We have the talent, passion, technology and resources.</td>
</tr>
<tr>
<td>16</td>
<td></td>
<td>0:30</td>
<td>The Ask</td>
<td>Use of Funds. First Place Prize.</td>
</tr>
<tr>
<td>17</td>
<td>Summary</td>
<td>0:30</td>
<td>Summary</td>
<td>Problem, Solution, Competition, Financial Highlights and Team.</td>
</tr>
<tr>
<td>18</td>
<td></td>
<td>0:30</td>
<td>Questions?</td>
<td>End of Prepared Remarks</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>12:00</strong></td>
<td></td>
</tr>
</tbody>
</table>
Pitching to Funders and Investors

Agenda

• Executive Summary
• Preparation – Know Your Audience
• What Are The Judges Judging?
• The Narrative Arc
• One Good Pitch Deck
• The Art of the Q&A
• Other Approaches
• The Audience Choice Award
• General Advice for Presentations
The Art of the Q&A

- You cannot convey all the good information you have in 12 minutes.
- Q&A gives you a chance to supply additional information and
- It’s guided by your target audience!
- The first key skill is listening
  - Be sure you “get” the question before answering
  - “Active Listening”
Three Kinds of Questions

1. I Didn’t Get It: “I still don’t understand ……”
   - You can recover
   - Take ample time to re-explain

2. I’m Smarter Than You: “Are you familiar with XYZ.com?”
   - Use this as a chance to demonstrate your depth of understanding.

3. Implementation Details: “Tell me how you plan to capture the international market.”
   - Field these crisply and concisely.
How to Get the Most Out of Q&A

• Come forward (physically) as a team
• Take time to “get” the question.
• Be polite and respectful.
• Give crisp concise answers
• Short Answers ➔ More Questions ➔ More Answers ➔ More Gaps Filled In.
• NEVER be defensive.
• Tip: Try to predict 10 questions that you might get and have prepared answers ready.

Q&A is often what decides the winners!
Pitching to Funders and Investors

Agenda

• Executive Summary
• Preparation – Know Your Audience
• What Are The Judges Judging?
• The Narrative Arc
• One Good Pitch Deck
• The Art of the Q&A
• Other Approaches
• The Audience Choice Award
• General Advice for Presentations
Other Approaches (I)

Lilo Siderman.
Founder and CEO, Gypsywing Media
https://www.youtube.com/watch?v=S3n5YRZD4Cw

*Creating the Perfect Pitch Deck*

- 28–pt. font; 3-4 bullets per slide
- Know your audience
- Don’t focus on your “Solution Slide.”
Other Approaches (II)

Lilo Siderman. Her 9-slide deck:

• 30-second Elevator Pitch
• The Problem
• The Solution
• The Addressable Market
• Revenue Model and Financials
• The Team
• The Competition and Your Competitive Advantage
• Development Plan
• Contact Information
Other Approaches (III)

Guy Kawasaki, Canva, Haas School of Business, UC Berkeley

Guy Kawasaki 10 20 30 Rule

https://www.youtube.com/watch?v=-M13SObffog

• Use only 10 slides
• Take no more than 20 minutes
• Use no font smaller than 30-pt; less text
Guy Kawasaki’s 10-slide deck:

- Title
- The Problem
- The Solution
- Business Model
- Underlying Magic
- Marketing and Sales
- Competition
- Team
- Projections
- Status and Timeline
Other Approaches (V)

David S. Rose.
Founder and CEO, Gust, Rose Tech Ventures
https://www.youtube.com/watch?v=MaiZEn2rOXM

On Pitching To VCs

- VCs are most interested in YOU, Your Integrity and Passion and that you are Coachable
- Build a great connection with the audience
- Use sparse slides
Other Approaches (VI)

David S. Rose. His 13-slide deck:

- Logo
- Business Overview
- Team
- Market
- Product
- Business Model
- Strategic Relationships

- Competition
- Barriers to Entry
- Financial Overview
- Use of Funds
- Capital and Valuation (The Ask)
- Conclusion
Pitching to Funders and Investors

Agenda

- Executive Summary
- Preparation – Know Your Audience
- What Are The Judges Judging?
- The Narrative Arc
- One Good Pitch Deck
- The Art of the Q&A
- Other Approaches
- The Audience Choice Award
- General Advice for Presentations
The Audience Choice Award: Pitching to a General Audience

- Getting them Up the Hill is Much More Important
  - Audience is younger, less skeptical, more accepting
- Form and entertainment matter much more
- Visuals matter much more
  - Fewer words, more images
- You must connect with more than just 12 judges
- You must be memorable
- Time is really short
  - Rehearse, Rehearse with a watch
The Audience Choice Award: Sparse Slides

- Good – Short Bullet Points
- Better – Just the Headline
- Best – Only Images

David S. Rose. https://www.youtube.com/watch?v=MaiZEn2rOXM
Pitching to Funders and Investors

Agenda

• Executive Summary
• Preparation – Know Your Audience
• What Are The Judges Judging?
• The Narrative Arc
• One Good Pitch Deck
• The Art of the Q&A
• Other Approaches
• The Audience Choice Award
• General Advice for Presentations
General Advice for Presentations

AGENDA

• Fear of Presenting
• The Purpose of Your Presentation
• Some Meta Issues
• Elements of Your Presentation
  • Content, Verbal, Voice, Visuals, Actions, Time Management
• Dealing with Stress and Anxiety

Lynda Maddox, Developing a Compelling Oral Presentation for your Startup Pitch. https://www.youtube.com/watch?v=A5UEV456rLE
Fear of Presenting
The Purpose of Your Presentation

• To Inform, Educate
• To Persuade
• To Entertain
• To Inspire
• To Cause to Take Action
Some Meta Issues

- Connect
  - Eye Contact (Minimum of 3 seconds)
- Be Authentic
  - Let the Real You Come Through
- Show Enthusiasm
  - Calibrate Your Internal Monitor
- Work Hard on Your Pitch
  - > 50% of your remaining BPC Effort
- Rehearse, Rehearse, Rehearse
  - Use your Cognitive Ability to Optimize your Performance, Not to Retrieve your Presentation
Elements of Your Presentation (I)

Content
- The Narrative Arc
- A Handout?
- Samples?
- Demo?

Verbal
- "I didn't have time to write a short letter, so I wrote a long one instead."
- Eliminate mushy language.

Voice
- Varied. Rise and Fall. Pause. Use Silence.
Elements of Your Presentation (II): **Visuals**

- Use Images
  - Faster information transfer (60,000X); Saves precious time
- Video?
- Consistent Format Across Slides
  - Common Look and Feel; Branding
- Readable Consistent Font (at least 24 pt...)
- Spell Check and Proofread
- Sharp Contrast
- Slide Mechanics
  - Use Remote Control
  - Do Not Look at Screen (Presenter Mode; Podium?)
  - Do Not Read (Notes?)
Elements of Your Presentation (III): **Actions**

**Dress the Part:**
Who do you want them to see when they see YOU?
Elements of Your Presentation (III): Actions (continued)

• Team Presenting
  • Practice as a Team
  • Practice Transitions
  • Introduce All Team Members
  • When not presenting, show interest and support (nodding, affirming, interjecting).
  • If someone falters, step in to help.
• Avoid: Nervous Movements, Pointing, Formidable Postures
• Shake Hands
Elements of Your Presentation (IV)

Time Management

• Figure Out Your Lap Times
• Think Through “Plan B”
Dealing with Stress and Anxiety

- It’s OK to be a Little Nervous
- You’re the Expert in Your Venture
- Pause, Look Around
- Breathe
- Locate Friendly Faces
- Drink Water
- The Audience and the Judges are Rooting for your Success.

Lynda Maddox, Developing a Compelling Oral Presentation for your Startup Pitch
https://www.youtube.com/watch?v=A5UEV456rLE
Questions?