

Pitch Monster

How to Prepare for Pitching Investors (Venture Capital & Angel)

A Few Thoughts, Pre-Pitch...

*Where possible, research the investor or firm you are meeting with. Tailor the presentation to their affinities. Why might there be good synergies? What past investments have they made that complement your work? Do they blog? Are there specific things they are looking for in potential investments or entrepreneurs? Call someone at one of his or her portfolio companies (it will trickle back to them and make you look good).

*Let the CEO lead all talks but have someone highly technical there for reinforcements and specific tech-y questions.

*If at all possible, wait until you have a demonstrable product (i.e. a working alpha) before starting the pitch process. Many VC's now will just want a team background and to then see the product. They may not even ask for the deck.

*Make sure you pack any projector converters you will need. Ask an assistant ahead of time to confirm whether you will have wireless access, only if you need it.

*[Four Steps](#) to a Great Pitch:

1. Tell them what you are going to tell them: Show them where you are going to take them, on the title slide.
2. Tell them how you are going to tell them: Have an agenda slide and stick to it.
3. Tell them: make sure the body of your presentation always reinforces your opening point.
4. Tell them what you told them: wrap up, recap and go for the close

*Obvious, but make sure you can justify/defend your underlying assumptions in the financials.

*Need an example of how to create financial projections? [Guy Kawasaki links to an excellent example](#). You can even download the template!

Guy Kawasaki 10-20-30 Presentation Rule



*Guy Kawasaki on the [10-20-30 Rule](#)

Possible Format for Power Point (Using [Key Note](#) may be better):

1. **Cover Slide:** Logo, name of presenter, date. Spice it up with a quote from a well-known authority justifying the need for someone like you, or you specifically
2. **Intro Slide:** List key team members. Have you raised some money already? Verbally describe the story of how you all came to be; the company story. Prove you come from the community you aim to serve. Two attributes most VCs look for in a founding team - deep tech skills and capable sales skills, so stress these.
3. **DEMO:** Show the investor something visual (prototype/wireframes) so they can see what the hell it is your working on
4. **What Do You Want?** Amount Seeking, etc. Be realistic and know EXACTLY what you are going to do with the funds once they hit the bank account
5. **Team:** Give each team member a slide with small picture. Skip these slides during the pitch if it seems like overkill
6. **Problem/Opportunity:** What problem are you solving? Why is it important? A personal anecdote is always good. How big is the market opportunity you are pursuing and how fast is it growing? Do you have a credible claim on being one of the top two or three players in the market?
7. What is the Revenue Model? How do you make money? What is your revenue model? What is required to become profitable?
8. **Solution:** How does your product or service fix the issue(s) from above?
9. **Technology:**
10. **Marketing:**
11. **Sales:**
12. **Competition:**
13. **Milestones:**
14. **Contact Page:**

After you have your PowerPoint, draft up a one-page executive summary. This is all you will need. Check out [Venture Hacks](#) for Advice on what to send to an investor. Don't bother asking them to [sign an NDA](#). You also may want to create a [high concept pitch](#).

To Help Drive Content & Refine the Message

What [Union Square Ventures](#) looks for:

1. A technology enabled service business
2. [Potential to change the structure of markets](#)
3. [Information technology leverage](#)
4. [Data asset \(Defensibility\)](#)– At Union Square Ventures, we look for companies that have a data asset. We think that the most valuable data assets are created when users interact with services on the web.
5. [A Strong Management Team](#)

What Union Square [DOES NOT invest in](#)

What [Charles River Ventures](#) Looks for:

1. *The team, its authenticity and empathy for the user experience.* Do the founders speak the language of their customers? Do they empathize with their customers' pain? Do they feel passion for their users?
2. *Unfair advantage.* This is the elusive secret sauce that sets you apart from all of your competition. What about your business and your approach can't be done by anybody else? Unfair advantage can manifest itself as proprietary and differentiated technology, a superior business model, an incredible team iterating on past success solving similar customer pain, or a network of relationships that drives down customer acquisition costs.
3. *Attractive market.* Let's imagine that I'm the most cynical financier possible and the one and only thing that matters to me is delivering economic returns to my investors. I'd be looking for businesses that served the entire world population and whose customers were completely price insensitive.

What [First Round Capital](#) Looks For

Be prepared for questions. Review Guy Kawasaki's, [9 Questions to Ask a Startup](#):

1. How many outstanding shares of stock are there?
 2. What is the monthly burn rate?
 3. How much cash is in the bank?
 4. When will the company achieve positive cash flow?
 5. When will the product ship?
 6. May I talk to any of the outside investors on the board of directors?
 7. May I talk to several beta sites?
 8. How much of a "liquidation preference" do the investors have before common shareholders get anything?
 9. Are there any intellectual property issues or lawsuits pending?
- If you are a non-technical founder be prepared for a lot of questions.
 - The fact that you have an MBA is meaningless.
 - Remember – If asked about your 'exit strategy' it's sort of a trick question. You want to build a huge sustainable business, not flip to Google.
 - Distribution channels matter. A marketing strategy is not "going viral" or anything dealing with the "blogosphere." Know what metrics you'll rely on.

Some Questions You Could Ask a VC. Remember, it's a two-way interview:

- How many companies have you started?
- What percent of your investments do you kill or let wither?
- What's the most helpful thing you've been able to do as a board member?
- Have you made any investments you consider stupid? What did you learn from them?
- What's your favorite book?
- What other VC's do you admire?
- If you want (and can't get it yourself) ask for the name of a C-level executive at a current portfolio company and talk to them about their experience with that firm or partner

Marc Andreessen on [the Only Thing That Matters](#)

Ask yourself before you leave: ["Have I specifically asked for what I want?"](#)

Follow-up. Don't be shy. These guys get hundreds of emails a day, so the fact that they don't get back to you immediately might mean you're out of luck, but more likely, it means they are just uber busy.

****Thanks for reading! I am working on [a more comprehensive guide](#) to Venture Capital Resources on The Web. Hound me (sam.huleatt@yahoo.com) and I will eventually get it done.*