PITCH PREP

WORKBOOK

**Build a pitch and prepare to answer questions from investors, customers, and supporters.**

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# WHAT IS AN INVESTABLE BUSINESS?

An investable business is one that can make money and make a significant financial return for investors in the future. As one entrepreneur and investor puts it:

*“Your business model happens in the future. It's always happening in the future. Even when it's working, it's pretty much happening in the future. It's a model - what you expect to happen because you think A leads to B. And for startups looking for early-stage funding, it's really a mirage in the future, because part of* ***the model had better be****,* ***"We shove $X thousand/million of your dollars in this input in our business model, and $10X thousand/million come shooting out the other side."*** *You're referring to money that you only have in the future. It's not a right-now phenomenon.”*

[*Dave Kochbeck*](https://www.quora.com/profile/Dave-Kochbeck)*, Former head of technology, Friendster and CTO of others.* [*Feb 27, 2012*](about:blank)[*https://www.linkedin.com/in/kochbeck/*](https://www.linkedin.com/in/kochbeck/)

# HOW DO YOU PROVE THAT YOU’RE INVESTABLE?

As a founder of a new venture, you need to communicate with others and get them to either buy or invest in your product. If you can communicate, then you have an opportunity to grow. If you don’t communicate well, then your idea, product, or service will stagnate.

To prove that you’re investable, **start with a pitch**.

# START WITH AN ELEVATOR PITCH

An elevator pitch is a succinct and persuasive way to communicate your ideas without getting into detail. The goal is to get investors, customers, or other supporters to provide an overview – not bombard them with information.

In the following exercise, you will start by writing a pitch that describes your product or service for your ***customer***. Next, you will make some edits to improve your pitch.

# EXAMPLE ELEVATOR PITCH

1. **I’m a** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_***dentist*\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.**

[What is the occupation or hobby that led you to your idea?].

1. **When I was \_\_\_\_\_\_\_*filling a 3 year old’s 6th cavity in one month* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_,**

[What is the specific activity that led to your product?]

1. **I noted that *\_\_\_\_\_\_some kids’ teeth are just prone to tooth decay****\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*

[What problem did you observe?]

1. **Given that numerous other \_\_\_\_\_\_*parents*\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.**

[Who is your target customer?]

**struggle to find \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*a toothpaste and toothbrush*\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.**

[What type of product are you selling?]

**that \_\_\_*provides extra protection against tooth decay*\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_,**

[What problem does your product solve?]

1. **I thought that I could help.**



1. **That is why** [I/we] **launched** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_***XtraDent for Kids***\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

[What is your product’s name?]

1. \_\_\_\_\_***XtraDent for Kids\_***\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_is a \_\_\_***special toothbrush and toothpaste\_***\_\_\_\_\_\_\_.

[Restate product name] [Describe it to someone unfamiliar with your product.]

to help ***\_parents***\_ \_***prevent the expense and health issues associated with cavities\_***.

[Who will pay you money?] [What is the problem you solve?]



**made** [Pick one: with/from/by/] \_\_\_\_\_\_\_\_\_\_***using the kids’ biometric data\_***\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

[What makes the product special?]

1. **The product *\_\_\_\_\_\_\_\_targets the bacteria and acid in each kid’s mouth*** *\_\_\_\_\_\_\_\_\_\_\_\_\_by*

(Use an action verb and phrase to describe what you do)

***using a specialized formula of toothpaste and toothbrush made just for them***\_\_\_\_\_\_\_\_\_.

[What does the product do?]

1. **Unlike other** , ***\_\_\_\_\_\_\_\_\_\_\_\_\_traditional tooth cleaning systems, \_\_\_\_\_\_\_\_\_\_***our product

[What type of products are you competing with?]

is better than competitors because ***\_\_\_it prevents cavities 300% more often***\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

[What is a reason your product is better]

1. **Also,** our product is better than the competition because:

\_\_\_\_\_\_\_\_\_\_\_\_\_***9 out of 10 dentists use it in their dental offices*\_**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

[What is another reason that your product is better?].

1. **In short, this product is an investment in** ***\_\_\_\_\_\_\_your kids’ dental health \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_***.

[yourself/your body/lifestyle/family/friends…],

**and can help you** \_**\_\_\_\_\_\_\_\_\_*save money\_on dental bills*\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.**

[Describe the impact of the product: Does it help you look younger? De-stress? Make clothes last longer]

**for just** ***\_\_\_\_\_\_\_\_\_\_$100.00\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*** per \_\_\_\_\_***year for each kid\_\_\_\_\_\_\_\_\_\_\_*.**  [price] [unit of quantity and/or time]

**For** ***\_\_\_\_\_\_\_\_\_$50.00\_\_\_\_\_\_\_\_\_\_\_\_\_***more, we also offer ***a second year of our tooth system\_\_\_\_\_***.

[additional price] [bundles/complementary products]

1. **To get yours today**, ***\_\_\_\_\_\_\_\_\_\_\_\_\_\_Visit XtraDent.com your local CVS\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_***.

[How do they sign up? What do they need to do?]

# DRAFT AN ELEVATOR PITCH - #1

Please fill in the blanks on this worksheet. Use simple descriptions and short phrases. Remember, you are trying to explain your idea to someone unfamiliar with it or your industry.

1. **I’m a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.**

[What is the occupation or hobby that led you to your idea?].

1. **When I was \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_,**

[What is the specific activity that led to your product/service?]

1. **I noted that \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.**  [What problem did you observe?]
2. **Given that numerous other \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.**

[Who is your target client?]

**struggle to find \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

[What type of product/service are you providing?]

**that \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_,**

[What problem does your product/service solve?]

1. **I thought that I could help.**
2. **That is why** [I/we] **launched** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

[What is your product’s or service’s name?]

1. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_is a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

[Restate product/service name] [Describe it to someone unfamiliar with your product.]

to help ***\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_***.

[Who will is the client?] [What is the problem you solve?]

**made** [Pick one: with/from/by/] \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

[What makes the product/service special?]

1. **The product** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_by

(Use an action verb and phrase to describe what you do)

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

[What does the product do?]

1. **Unlike other** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, our product.

[What type of products are you competing with?]

is better than competitors because \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

[What is a reason your product is better]

1. **Also,** our product is better than the competition because: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

[What is another reason that your product is better?].

1. **In short, this product is an investment in** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

[yourself/your body/lifestyle/family/friends…]

**and can help you** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

[Describe the impact of the product: Does it help you look younger? De-stress? Make clothes last longer]

**for just** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ per \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.  
 [price] [unit]

**For** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_more, we also offer \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

[additional price] [bundles/complementary products]

1. **To get yours today**, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

[How do they sign up? What do they need to do?]

# WHAT DOES A GOOD PITCH DO?

**A good pitch helps you get investment because it:**

1. Establishes credibility.
2. Describes a problem that people will **pay** you to solve.
3. Describes your solution in a way that your audience can understand it.
4. Details how your product is different than other products or services.
5. Communicates how you plan to make money.
6. Communicates how much money you *could* make.
7. Tells people how they can engage with you.
8. Shows that you have done the work.

# FIX YOUR ELEVATOR PITCH WITH THESE TIPS

Many who try this exercise will have difficulty at first. Here are some useful tips to improve your pitch.

### Keep the pitch as simple as possible.

If you drafted the first version of your pitch and ran out of room, you’re not alone. Many who do this exercise will list every benefit and feature of their product or service. This is just a draft, and you may be able to use this description for written materials like a website, but listing features is the wrong approach for a pitch that you will have to say aloud.

In other words, ***don’t show up and throw up.*** You have to make choices about what to include and exclude.

Consider the following questions as you write your next draft:

* How would you explain your product or service to someone who does not work in your industry?
* How would you explain your product or service to a 5-year-old?
* Are there any parts of my pitch that are redundant? Can I remove them?
* Are there any extra words that I can remove?
  + Are there any words ending in “–ly” that don’t help? For example, *really, actually, probably, likely*, *generally*, obviously, etc. (Some words like *quickly, simply, only* add substance, and shouldn’t be removed.)
  + Also, are there any combination of words that can be reduced to one word? For example, one word that is used often is “*very*.” Instead of using *“very unique”* you can use *“unique.”*

### Remove industry terms of art.

Terms of art are made up of specialized vocabulary. Even though experts will understand them, many others won’t. Someone working in logistics may use the term ***LTL*** every day, but the average person doesn’t because the term “less than truckload” appears only in a very specific context - a context that most people will never find themselves in. The same goes for ***myocardial infarction***. This term essentially means “heart attack,” but you won’t hear people other than physicians (and cardiologists, specifically) use the term.[[1]](#footnote-0)

In the elevator pitch example on page 6 in paragraph 7, the term ***“biometric data”*** may be too specialized. To figure out whether this term should be changed, you should talk to others to see whether they understand the term.

### Remove jargon and boring corporate speak.

Jargon is a conversational phrase that is over-used, generic, and ambiguous.[[2]](#footnote-1) In a pitch, jargon creates more questions. For example, if you say “*our company will* ***reach out*** *to our clients,****”*** then you may be asked to clarify. Will you make calls? Will you send email? How will you reach out, exactly? What will you actually do?

The word, “***facilitate”*** also leads to the same problems. Instead of saying “we facilitate connections through our social network for dog owners,” say “we connect dog owners on our social network.” Don’t say, “we facilitate the completion of business plans through our online web service to make it easy for them.” Instead, say something like, “our streamlined, online planner *guides users* through each part of a business plan, and *provides tips* to make it easy for them along the way.

The word “***leverage***” is also a dirty word. It is overly used in pitches and usually followed by an even more boring phrase, ***“best practices.”*** Instead of saying that *“our product* ***leverages best practices*** *from our industry,”* say something like “After 20 years of working in the energy finance industry, we’ve learned what works and doesn’t. One thing that has a strong history of working is…” By removing the corporate-speak, you’ll connect with your audience, and use the opportunity to demonstrate your extensive experience.

Jargon includes using any of the following dirty words: reach out, touch base, re-invent the wheel, shift a paradigm, raise the bar, promote out-of-the-box thinking, put skin in the game, open the kimono, drill down, take a deep dive, hammer it out, throw them under the bus, count your chickens before they hatch, push the envelope, circle back, keep them in the loop, go back to the drawing board, let the cat out of the bag, get more bandwidth, boil the ocean, play hardball, promote synergy, go after the low-hanging fruit, take it to the next level, run it up the flagpole, address the elephant in the room, hit the nail on the head, or facilitate a win-win situation. You may have something that is the best thing since sliced bread. But if you use jargon, you’re not leveraging best practices.

### Talk about benefits, not just features.

**Customers want to know – immediately – that the product that you sell applies to their lives**. If it doesn’t apply or they can’t figure it out, they will move on. Investors or funding agencies work the same way. They want to be able to read or listen to a summary and know what you’re working on. Otherwise, they’ll move on to the other 200 funding opportunities that they see each year.

In an elevator pitch, your goal is to communicate the benefit you provide to your customer – not list every feature. Benefits give customers a reason to buy because they explain how your product or service improves their lives. Features are facts about products or services. They add credibility and substance to your sales pitch.

|  |  |  |
| --- | --- | --- |
| ***Features vs. Benefits*** | | |
|  | **Features** | **Benefits** |
|  | A feature is a **factual statement** about the product or service being promoted. | A benefit answers the question **"What's in it for me?"** meaning the feature provides the customer with something of value to them, and tells them how they can improve their lives. |
|  | This bike has 24 gears, disc brakes, and saddle seating, and a saddle style seat. [[3]](#footnote-2) | The bike has 24 gears, so you don’t have to worry about struggling uphill – you can use the lowest gear.  These disc brakes won’t slip when they get muddy.  The saddle is comfy, so you won’t get a sore butt after cycling 20 or 30 miles. |
|  | This computer has a solid state drive, otherwise known as an SSD, and a low power sleep mode. | This computer’s solid state drive and sleep mode allows it to turn on almost instantly – so you’re not left waiting to use it. |
|  | This oven has a quick pre-heat function. | This oven has a quick pre-heat function that allows you to spend 25% less time cooking on a daily basis, meaning that you have more time to do what you love. |

#### Exercise: So What?

To translate features into benefits, answer the question: “So What?”

* Our doors have strong hinges. *So what?* They won’t bend when the door is slammed shut a thousand times.
* We monitor your servers. *So what?* Your servers won’t go down, so you and your staff can continue working.
* I write high-converting web copy. *So what?*You can convert more web visitors into leads and business.

### Continue to Improve

#### Ask others to review and provide feedback.

Have outside people review your elevator pitch. If they can’t understand it, then you need to re-draft your elevator pitch.

#### Interview customers about their pain points.

You can only sell if you know what your audience wishes, desires, and secretly dreams of. To improve your pitch, please do customer discovery. **Customer discovery** is the name for a process that forces you to actually talk to customers about their pain points before you build your product or service. Though it can be painful and time consuming, it is much less painful and time consuming than launching and investing in a product that no one wants.[[4]](#footnote-3)

While interviewing customers, ask questions to assess their pain points. For example, for a software project that will be used I in a business I would ask:

* What jobs or tasks do you do on a regular basis?
* How much time does it take?
* How much money does it take?
* How frequently do you do that task?
* What does your process look like?
* What’s the most painful part of the process?

In 15 minutes, you will get more information than you ever would from a survey or market research because people are much more candid.

For more information, please visit Steve Blank’s website. Steve is the originator of the Lean Startup and Customer Discovery Methodology.

* <https://steveblank.com/2014/06/28/customer-discovery-the-search-for-productmarket-fit-2-minutes-to-see-why/>;
* <https://steveblank.com/2010/08/26/the-non-dummies-guide-to-customer-discovery/>

# DRAFT AN ELEVATOR PITCH - #2

Please fill in the blanks on this worksheet. Use simple descriptions and short phrases. Remember, you are trying to explain your idea to someone unfamiliar with it or your industry.

**I’m a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.**

[What is the occupation or hobby that led you to your idea?].

**When I was \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_,**

[What is the specific activity that led to your product?]

**I noted that \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.**  [What problem did you observe?]

**Given that numerous other \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.**

[Who is your target customer?]

**struggle to find \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

[What type of product are you selling?]

**that \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_,**

[What problem does your product solve?]

**I thought that I could help.**

**That is why** [I/we] **launched** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

[What is your product’s name?]

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_is a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

[Restate product name] [Describe it to someone unfamiliar with your product.]

to help ***\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_***.

[Who will pay you money?] [What is the problem you solve?]

**made** [Pick one: with/from/by/] \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

[What makes the product special?]

**The product** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_by

(Use an action verb and phrase to describe what you do)

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

[What does the product do?]

**Unlike other** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, our product.

[What type of products are you competing with?]

is better than competitors because \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

[What is a reason your product is better]

**Also,** our product is better than the competition because: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

[What is another reason that your product is better?].

**In short, this product is an investment in** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

[yourself/your body/lifestyle/family/friends…]

**and can help you** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

[Describe the impact of the product: Does it help you look younger? De-stress? Make clothes last longer]

**for just** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ per \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.  
 [price] [unit]

**For** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_more, we also offer \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

[additional price] [bundles/complementary products]

**To get yours today**, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

[How do they sign up? What do they need to do?]

# DRAFT A ONE SENTENCE PITCH FOR CUSTOMERS

My company, [name of company] is developing [a defined offering] to help [a defined audience] [solve a problem] with [secret sauce].[[5]](#footnote-4)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_is a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

[Restate product name] [Defined Offering]

to help ***\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_***\_***.

[Defined Audience: Who will pay you money?] [What is the problem you solve?]

**made** [Pick one: with/from/by/] \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ ***\_***\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

[Secret Sauce: What makes the product special?]

## Definitions

The **defined offering** needs to be short, simple and capable of being understood by everyone, like "a website", "a mobile application", "hardware" or "desktop software."

The **defined audience** is the initial group of people that you will market your offering to. In the case of consumer applications, it is usually a demographic, such as "women age 25 to 35 years old." In the case of business applications, it is usually a job function at a type of corporation, such as "system administrators at medium sized technology businesses."

Now that you have an offering helping an audience, you need to solve a problem. The **problem** needs to be something that everyone understands, such as "reduce the time collecting bill payments" or "engage in an immersive entertainment experience."

The final component, the **secret sauce**, adds your unique approach to solving the problem and demonstrates a mastery of the market. Some examples are "by sending automated email alerts based on analysis of highest response times" or "with virtual worlds constructed in reaction to the movements of the players."

# DRAFT A ONE SENTENCE PITCH FOR INVESTORS

**My company helps** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**like**  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ **[make more money or save**

**money] by** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

# CREATE A HERO PITCH

Create your website’s hero image and brand wrapped into one.



**Can you capture what you do in less than 9 words?**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**More tips on creating a hero image and pitch:**

<https://www.canva.com/learn/hero-images/>

<https://creativemarket.com/blog/6-typography-secrets-that-will-make-your-hero-images-explosive>

<https://www.mightycitizen.com/insights/articles/how-to-write-a-perfect-website-hero-message-and-how-not-to>

<https://www.wordstream.com/blog/ws/2016/06/07/hero-images-guide>

<https://www.mightycitizen.com/insights/articles/how-to-write-a-perfect-website-hero-message-and-how-not-to>

# REVIEW FUNDING TYPES AND SOURCES

Before drafting a longe pitch, you should review different funding sources and their requirements.

Please review the following presentations to get an overview.

[Startup and Business Funding Overview](http://osucolab.org/wp-content/uploads/2018/10/Learn-Where-to-Get-Funding.pdf)

[Nonprofit Funding Overview](http://osucolab.org/wp-content/uploads/2018/10/Learn-Where-to-Get-Funding-For-Nonprofits.pdf)

# DRAFT AN EXTENDED PITCH

## What does a pitch include?

10+ slides. Usually 14 to 16 + appendix. [[6]](#footnote-5)

1. **Problem Statement**
2. **Solution**
3. **Demo** with screenshots, live demos, process maps, or videos. Photos are most common.
4. **Market Size**
5. **Traction with metrics or a customer showcase** (testimonials/logos), etc.
6. **Competition** with a median of 8 competitors.
7. **Go to Market Strategy (or Adoption):** Sales channels + pricing at a minimum
8. **Growth projections** over 36 months
9. Revenue + # of customers + headcount, or
10. income statement
11. Being cash flow positive:
12. Assumptions
13. **Team**
14. **An ask** with a dollar figure, an absolute target, or a range.
15. **An Appendix**

[**Click here to learn what the best pitches have in common.**](https://medium.com/@matthewrubright/inside-investor-expectations-a-pitch-deck-study-85e47608a816)

# WHAT DOES A GOOD PITCH LOOK LIKE?

[**From CBInsights – Billion Dollar Startup Pitch Decks:**](https://www.cbinsights.com/research/billion-dollar-startup-pitch-decks/?utm_source=facebook&utm_medium=social&utm_campaign=cbi-auto&fbclid=IwAR3M2SFmeXSPwl5bwhkruV4TJMNqujEMU84TkBaGD0y3DxajTXhPbYxhkQs)

* [Airbnb](https://www.cbinsights.com/research/billion-dollar-startup-pitch-decks/?utm_source=facebook&utm_medium=social&utm_campaign=cbi-auto&fbclid=IwAR3M2SFmeXSPwl5bwhkruV4TJMNqujEMU84TkBaGD0y3DxajTXhPbYxhkQs#air)
* [Appnexus](https://www.cbinsights.com/research/billion-dollar-startup-pitch-decks/?utm_source=facebook&utm_medium=social&utm_campaign=cbi-auto&fbclid=IwAR3M2SFmeXSPwl5bwhkruV4TJMNqujEMU84TkBaGD0y3DxajTXhPbYxhkQs#app)
* [Buzzfeed](https://www.cbinsights.com/research/billion-dollar-startup-pitch-decks/?utm_source=facebook&utm_medium=social&utm_campaign=cbi-auto&fbclid=IwAR3M2SFmeXSPwl5bwhkruV4TJMNqujEMU84TkBaGD0y3DxajTXhPbYxhkQs#buzz)
* [Coinbase](https://www.cbinsights.com/research/billion-dollar-startup-pitch-decks/?utm_source=facebook&utm_medium=social&utm_campaign=cbi-auto&fbclid=IwAR3M2SFmeXSPwl5bwhkruV4TJMNqujEMU84TkBaGD0y3DxajTXhPbYxhkQs#coinbase)
* [Dropbox](https://www.cbinsights.com/research/billion-dollar-startup-pitch-decks/?utm_source=facebook&utm_medium=social&utm_campaign=cbi-auto&fbclid=IwAR3M2SFmeXSPwl5bwhkruV4TJMNqujEMU84TkBaGD0y3DxajTXhPbYxhkQs#drop)
* [Intercom](https://www.cbinsights.com/research/billion-dollar-startup-pitch-decks/?utm_source=facebook&utm_medium=social&utm_campaign=cbi-auto&fbclid=IwAR3M2SFmeXSPwl5bwhkruV4TJMNqujEMU84TkBaGD0y3DxajTXhPbYxhkQs#inter)
* [LinkedIn](https://www.cbinsights.com/research/billion-dollar-startup-pitch-decks/?utm_source=facebook&utm_medium=social&utm_campaign=cbi-auto&fbclid=IwAR3M2SFmeXSPwl5bwhkruV4TJMNqujEMU84TkBaGD0y3DxajTXhPbYxhkQs#link)
* [Magic Leap](https://www.cbinsights.com/research/billion-dollar-startup-pitch-decks/?utm_source=facebook&utm_medium=social&utm_campaign=cbi-auto&fbclid=IwAR3M2SFmeXSPwl5bwhkruV4TJMNqujEMU84TkBaGD0y3DxajTXhPbYxhkQs#magic)
* [MySQL](https://www.cbinsights.com/research/billion-dollar-startup-pitch-decks/?utm_source=facebook&utm_medium=social&utm_campaign=cbi-auto&fbclid=IwAR3M2SFmeXSPwl5bwhkruV4TJMNqujEMU84TkBaGD0y3DxajTXhPbYxhkQs#sql)
* [Nutanix](https://www.cbinsights.com/research/billion-dollar-startup-pitch-decks/?utm_source=facebook&utm_medium=social&utm_campaign=cbi-auto&fbclid=IwAR3M2SFmeXSPwl5bwhkruV4TJMNqujEMU84TkBaGD0y3DxajTXhPbYxhkQs#nut)
* [Oscar](https://www.cbinsights.com/research/billion-dollar-startup-pitch-decks/?utm_source=facebook&utm_medium=social&utm_campaign=cbi-auto&fbclid=IwAR3M2SFmeXSPwl5bwhkruV4TJMNqujEMU84TkBaGD0y3DxajTXhPbYxhkQs#oscar)
* [Uber](https://www.cbinsights.com/research/billion-dollar-startup-pitch-decks/?utm_source=facebook&utm_medium=social&utm_campaign=cbi-auto&fbclid=IwAR3M2SFmeXSPwl5bwhkruV4TJMNqujEMU84TkBaGD0y3DxajTXhPbYxhkQs#uber)
* [WeWork](https://www.cbinsights.com/research/billion-dollar-startup-pitch-decks/?utm_source=facebook&utm_medium=social&utm_campaign=cbi-auto&fbclid=IwAR3M2SFmeXSPwl5bwhkruV4TJMNqujEMU84TkBaGD0y3DxajTXhPbYxhkQs#ww)
* [Yammer](https://www.cbinsights.com/research/billion-dollar-startup-pitch-decks/?utm_source=facebook&utm_medium=social&utm_campaign=cbi-auto&fbclid=IwAR3M2SFmeXSPwl5bwhkruV4TJMNqujEMU84TkBaGD0y3DxajTXhPbYxhkQs#yam)
* [YouTube](https://www.cbinsights.com/research/billion-dollar-startup-pitch-decks/?utm_source=facebook&utm_medium=social&utm_campaign=cbi-auto&fbclid=IwAR3M2SFmeXSPwl5bwhkruV4TJMNqujEMU84TkBaGD0y3DxajTXhPbYxhkQs#you)

[**Additional Pitch Decks may be found here at this link.**](https://airtable.com/universe/expHzpGe2PKOJcsJ6/startup-pitch-decks?explore=true)

## 

## What does a bad pitch look like?

[**Read the funniest article ever about bad pitch decks.**](https://about.crunchbase.com/blog/fix-your-shitty-pitch/)

[**Review these Red Flags from Martin Zwilling.**](https://www.inc.com/martin-zwilling/13-red-flags-that-will-get-your-pitch-rejected-every-time.html)

# GET STARTED WITH OUR PITCH TEMPLATE

[Get the Pitch Template here.](https://drive.google.com/open?id=1kFHSZT04JPmoEHjXJQkOHgz01qotRS1Q) Make a copy of it on Google Drive or download it, and get to work! Once you are finished, you can download a [nicer graphical template online or just use Canva](https://www.canva.com/templates/presentations/pitch-deck/).

# PREPARE FOR INVESTOR QUESTIONS

## What is the difference between good answers and ugly answers?

|  |  |  |
| --- | --- | --- |
| Good Answers | Okay Answers | Ugly Answers |
|  |  |  |
| Data from customers and market research | Market statistics or research;  Educated guesses with a qualification that they are guesses. | Made up information;  Imprecise information;  Inaccurate information;  Inconsistent information;  Mere hypothesis |
|  |  |  |
| Understand the audience and use language to address that audience | Rely on jargon and don’t tailor anything toward the audience | Don’t understand the language |
|  |  |  |
| Show that you are considerate of feedback from multiple sources, including your customer, the investor, and other research | Show that you have done some research | Show that you are not open to different opinions and that you are un-coachable |
|  |  |  |
|  |  |  |
| Answer the question being asked  (Yes, we plan to…) | Answer the question you want to answer  (Yes, that’s a possibility for the following reasons…) | Answer the question like a politician would  (We’re open to anything and haven’t ruled anything out.) |

## WHAT IS A GOOD FORMULA FOR ANSWERING QUESTIONS?

|  |  |
| --- | --- |
| **Strategy 1 – Past, Present, Future** | **Strategy 2 – Answer, Transition, Message[[7]](#footnote-6)** |
| Start with a definitive statement (Yes, No)  Past – Say what you know based on data.  Present – Say what you’re doing with that data  Future – Say what you plan to do in the future.  Bonus: Say that you’re open to feedback or say what the impact of your plan. | Start with a definitive statement (Yes,  Answer – Yes or No + Provide Specifics  Transition – We’ve seen [some result]  Message – And this [proves/shows] [some result] |
| Example: Is your technology scalable?  Yes, we have over 50,000 clients, and we’ve seen the way that they are using our product.  We noticed that we could process 10,000 clients at the same time without any slowdown or additional labor.  To prepare for working with new corporate clients, we will take a few precautions, such as setting up backup locations across the county.  Of course, we’re open to feedback because we want to make sure that we can take on these 100,000 clients in the next 6 months. | Example: Is your technology scalable?  Yes, we have over 50,000 clients, and we’re ready for more.  We’ve seen 10,000 clients ordering and using the product at the same time without an issue, slowdown, or impact to operations.  And this proves that we are ready to launch on several corporate accounts that are in the work, and bring our product to over 100,000 new clients. |

# SAMPLE QUESTIONS FROM INVESTORS

**Investors will ask questions to determine your credibility, financial viability, and coachability.**

|  |  |  |
| --- | --- | --- |
| Revenue Generation and Business Model | | |
| Sample Questions: |  | **How will you make money?** |
|  |  | **What is your business model?** |
|  |  |  |
| Hint: |  | Example: “we will offer our product on a monthly membership basis at $30 per month. In our customer interviews, we found that this price point and pricing structure worked well for customers because \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. Given this model and price, we believe that we can sell to the over [#] [businesses/consumers] in our industry. “ |
|  |  |  |

|  |  |  |
| --- | --- | --- |
| Size of Business Opportunity | | |
| Sample Questions: |  | How big is this opportunity? |
|  |  | How much money will you make? |
|  |  | What’s your total market size? (What is the actual addressable market?) |
|  |  | How did you arrive at the sales of your industry and its growth rate? |
|  |  | What percentage of the market do you plan to get over what period of time? |
|  |  | Why does your company have high growth potential? |
|  |  | Why is your company scalable? |
| Hint: |  | Investors want to know how much money you’ll make. This number has to be big because they expect to make several times the amount that they put in. At the same time, they want to know that your forecasts are rooted in reality. |
|  |  |  |
| Competition | | |
| Sample Questions: |  | Who is your competition? (and why are you better?) |
|  |  |  |
| Hint: |  | One reason that entrepreneurs fail on this question is that they are dismissive of other companies, and say things like “they aren’t really in the same business as us” or “their design is no good.” The worst of all startup sins is when an entrepreneur says “we don’t have any competition.” The usual response from an investor is “if you have no competition, then you have no market.”  Don’t be dismissive. If a company is doing something similar in a different industry, for a different audience, or even trying to solve the same problem, you should at acknowledge their existence.  Another reason that entrepreneurs fail on this question is that they don’t take the opportunity to talk about their competitive advantage. They merely list who the competitors are, and fail to address what makes their company better. |
|  |  |  |

|  |  |  |
| --- | --- | --- |
| Competitive Advantage / Moat | | |
| Sample Questions: |  | What is your competitive advantage? |
|  |  | I’ve seen startup X who is doing the exact same thing as you are doing. Why are you better? |
|  |  | What is your big idea? |
|  |  | What are the barriers to entry? |
|  |  | What is unique here? |
|  |  | What advantages does your competition have over you? |
|  |  | Compared to your competition, how do you compete with respect to price, features, and performance? |
|  |  | I recently saw an article / heard about [some anecdote that is tangentially related to your product]. How will that impact your business? |
|  |  |  |
| Hint: |  | There are several approaches to this question.  **FIRST TO MARKET – *“****We are the first company to bring forward a solution utilizing [insert new technology or approach].”*  This answer is **not acceptable** because history shows that *first mover advantage* isn’t much of an advantage at all.[[8]](#footnote-7) The phrase was coined in the 1980s, and even the Harvard business professors who coined the phrase backed off their claims.[[9]](#footnote-8) If you use this approach, you should expect the investor to bring up multiple examples of companies that were first to market that failed (Friendster and Myspace existed before Facebook. Goto.com, Alta-Vista, and Yahoo existed before Google, etc.).  **SUPERIOR BRANDING – Pulitzer Pies, Drinkcubator.com,**  **OUR TEAM** – *“Our team has worked in this industry for 20+ years and comes from Amazon, Google, and Boeing.”*  This is an **acceptable, but weak answer**. If all you have is that you're hungrier than the other guy, and you think you're smarter than the other guy, your competitive position is what's called an execution play - that you're going to out-maneuver the other people in the market.[[10]](#footnote-9)  **REGULATION MONOPOLY** - *“The regulation in our industry is extensive, and we’ve managed to find ways to help our customers while other players can’t seem to even get moving.”*  This may be an **acceptable approach**. The theory is that if you are able to receive government approval, then your customers will have limited options, and many of your competitors will be locked-out of the market. The truth is that government approval may not be needed at all, and you could find yourself playing by rules while another company skirts them altogether. For example, Uber, AirBnb, and eBay, found loopholes in the regulatory system that allowed them to revolutionize transportation, hotel stays, and auctions – each industry being heavily regulated.  **INTELLECTUAL MONOPOLY** - *“We’ve secured a large portion of patents and intellectual property in this area that other industry players can’t compete with.”*  This may be an **acceptable approach**, but a patent, copyright, trademark, or trade secret is only worth how much you are willing to spend to defend it in court. Can you afford to defend it? Would your investors want you to spend money to defend it? If the answers to these questions are “no,” then your intellectual property does not have much value.  **PAYING CUSTOMERS** – *“After only 2 months of operation, we have 20 paying customers. Many of these customers had used competitor XYZ’s product, and have said we are better because \_\_\_\_\_\_\_\_\_\_\_.”*  **MARQUEE CUSTOMER** - *I have major-brand-name A and major-brand-name B as customers. In fact, I was the keynote at A's national sales conference last year. I totally brought down the house."*  This answer is **strong** as long as you have a major customer. It establishes credibility, showcases product-market fit, and shows that you are generating revenue. It doesn’t answer the question, “why do you think you have a competitive advantage.” Instead, it *shows* investors that a big brand name thinks that you do. |
|  |  |  |
| Customer Target |  |  |
| Sample Questions: |  | Who are your users? (people who use your product who may or may not pay you money) |
|  |  | Who are your customers? (people who pay you money) |
|  |  | How do you know that folks in this industry need what you’re selling? |
|  |  | Who are the most desperate customers that will use your product? |
|  |  | Who is screaming for your product? |
|  |  | Who will go out of business or lose their job without you? |
|  |  | Which customers will you go after first? |
|  |  |  |
|  |  |  |

|  |  |  |
| --- | --- | --- |
| Traction | | |
| Sample Questions: |  | What is your go-to-market strategy? |
|  |  | What early traction has the company gotten? (sales, traffic to the company’s website, app downloads, sales, etc., as relevant). |
|  |  | How will you get users? (people who use your product who may or may not pay you money) |
|  |  | How will you get customers? (people who pay you money) |
|  |  | What do your customers need and how do you know for sure? |
|  |  | How will you find and get paying customers? |
|  |  | Are your customers willing to pay? How do you know? |
|  |  | What have you learnt about customer demand for your product or service? |
|  |  | Do you have paying customers? (How many?) |
|  |  | Who is actually paying you money for this? |
|  |  | Who is your biggest customer? |
|  |  | Can you tell me a story about a customer using your product? |
|  |  | What has been the principal reasons for the early traction? |
|  |  | How can I connect with 5 customers who have used your product or service? |
|  |  | How can your early traction be accelerated? |
| Hint: |  | As you see above, the questions can be different depending on whether you have beta testers, users, or paying customers. They key is to address the question based on real data and your company’s maturity level. That is, if you have customers, say so. If you have a big name customer, say so. If you only have beta users, say so.  In other words, don’t oversell or lie. It is likely that you will be asked a follow up question and you will be exposed. For example, if you say you have paying customers, you may be asked “how many” or to connect an investor with a few of these customers. |
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| Product/Market Fit | | |
| Sample Questions: |  | Do you think you have product-market fit? |
|  |  | How do you know that folks in this industry need what you’re selling? |
|  |  | How frequently do your customer have this problem? How big of a problem is it really?  (<https://www.youtube.com/watch?v=C27RVio2rOs> 11:00 Min – 14:00 Min |
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| Evaluation and Milestones | | |
| Sample Questions: |  | What are your metrics? |
|  |  | What are your key performance metrics? |
|  |  | How do you evaluate success? What does success look like? |
|  |  | How are you tracking metrics |
|  |  | What is your Customer Acquisition Cost (CAC)? |
|  |  | What is the lifetime value of a customer (LTV)? |
|  |  | What are the key metrics that the management team focuses on? |
|  |  | What is your attrition or churn rate? |
|  |  | What are you major product milestones? |
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| Hint: |  | Use MixPanel, Events based metrics panel, or a Spreadsheet to track |
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| Funding to Date | | |
| Sample Questions: |  | How have you funded your company? |
|  |  | How much debt do you have? |
|  |  | How much equity and debt has the company raised; what is the capitalization structure? |
|  |  | “What are your valuation expectations?” |
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| Funding Going Forward | | |
| Sample Questions: |  | How much money are you raising? |
|  |  | How much money on what valuation? |
|  |  | How do you know how much money you need and could you scale your business with less? |
|  |  | What are the company’s three-year projections? |
|  |  | What are the key assumptions underlying your projections? |
|  |  | What future equity or debt financing will be necessary? |
|  |  | How much of a stock option pool is being set aside for employees? |
|  |  | When will the company get to profitability? |
|  |  | How much burn will occur until the company gets to profitability? |
|  |  | What are your unit economics? |
|  |  | What are the factors that limit faster growth? |
|  |  | What are the key budget figures? |
|  |  |  |
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| Usage of Funding | | |
| Sample Questions: |  | How will you use the funding? |
|  |  | How do you know how much money you need and could you scale your business with less? |
|  |  |  |
| Hint: |  | **Investors will ask about how much money you are looking for and what you would use it for?**  How much and what would you use it for?  New features?  Team?  Marketing/Sales?  “Where do you see this company going in 5+ years?”  What will your market look like in five years as a result of using your product or service?  What are the two or three key features you plan to add?  How can the early traction be accelerated?  How do you plan to scale the team in the next 12 months?  How fast can you grow your business? Can you scale up volume without proportional scaling up headcount? |
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| Origin of Knowledge and Credibility | | |
| Sample Questions: |  | How did you come up with this idea? |
|  |  | Why did you get into this business? |
|  |  | What sources did you use for your research? |
|  |  | What networks do you have access to? |
|  |  | How do you track trends in your market? |
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| Coachability | | |
| Sample Questions: |  | Do you want an advisor or money?  How much and what kind of guidance do you expect from your investors? |
|  |  | What if three or five years down the road we think you’re not the right person to continue running this company—how will you address that? |
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| Team | | |
| Sample Questions: |  | What makes your team uniquely suited for this business? |
|  |  | Why is the team uniquely capable to execute the business plan? |
|  |  | What do you bring to the table? |
|  |  | What is your background? |
|  |  | How do you make your living now? |
|  |  | How many employees do you have? |
|  |  | What skill sets is your team currently missing? How do you plan to fill these? |
|  |  | Who are the founders and key team members? |
|  |  | What relevant domain experience does the team have? |
|  |  | What key additions to the team are needed in the short term? |
|  |  | What if three to five years down the road we think you are not the right person to continue running this company—how will you address that? |
|  |  | Have you ever been fired from a job? Tell us about it. |
|  |  | What motivates the founders? |
|  |  | How are the founders showing their commitment to this business? |
|  |  | How much of your own money is in your product? |
|  |  | How much of the founders’ money is invested in this product? |
| Hint: |  |  |

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| Wildcard | | |
| Sample Questions: |  | Who believes in you and how can I get in touch with them? |
|  |  | What entrepreneurs do you admire and why? |
|  |  | What mistakes have you made thus far in this business and what have you learned? |
|  |  | What’s your long-term vision ? |
|  |  | What is the social impact? |
|  |  |  |
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| Product | | |
| Sample Questions: |  | How much does it cost to make? |
|  |  | What are your margins? |
|  |  | Where will you manufacture? |
|  |  | How will you distribute? |
|  |  | How do you sell? |
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| Traction | | |
| Sample Questions: |  | Marketing |
|  |  | Why did you pick that product name?  Why this industry? |
|  |  | Advertising |
|  |  | How are you going to get the word out?  How do you plan on advertising your product? |
|  |  | Sales |
|  |  | How are you going to close sales? Who will do it?  Why do users care about your product or service? |
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| Intellectual Property | | |
| Sample Questions: |  | What is your IP position? |
|  |  | What’s proprietary? What key intellectual property does the company have (patents, patents pending, copyrights, trade secrets, trademarks, domain names)? |
|  |  | What are you going to do to defend that? |
|  |  | What comfort do you have that the company’s intellectual property does not violate the rights of a third party? |
|  |  | How was the company’s intellectual property developed? |
|  |  | Would any prior employers of a team member have a potential claim to the company’s intellectual property? |
|  |  | How quickly or easily can another team copy your product or service? |
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| Barriers to Entry | | |
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| Sample Questions: |  | What happens if [the biggest company in the world] gets into this business? |
|  |  | Explain your short-term, medium-term and long-term differentiators. |
|  |  | What are the barriers to entry? |
|  |  |  |
| Hint: |  | For the highlighted question, the best answer is to say that “The reason that they get into this business is because it is a billion dollar business. We know that we can beat them because [insert competitive advantage here] |
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| Now | | |
| Sample Questions: |  | Why launch this now? |
|  |  | Why didn’t someone do this in the past? |
|  |  | I thought your market was tanking. Isn’t that the case? |
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| Obstacles and Weaknesses | | |
| Sample Questions: |  | Biggest obstacles to getting to market. |
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| Hint: |  | Think of your biggest weaknesses for the following.  Raising money for your product  Building your product - How will you actually make this real?  Selling your product  Distributing your product  Competition -  Why haven’t they done this?  Why are they better than you  How can they be better than you?  Liability  How will you protect your company from being sued?  RISKS  What is your business most sensitive to?  What do you see are the principal risks to the business?  What legal risks do you have?  Do you have any regulatory risks?  Are there any product liability risks? |
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| Take Money | | |
| Sample Questions: |  | How? Are you looking at a equity (like a SAFE agreement) or convertible note debt? |
|  |  | Is your round open? |
|  |  | How much is being raised in this round? |
|  |  | What is the company’s desired pre-money valuation? (and/or post money valuation?) |
|  |  | Will existing investors participate in the round? |
|  |  | How much is being raised in this round? |
|  |  | What is the planned use of proceeds from this round? |
|  |  | What milestones will the financing get you to? |
|  |  | What are your valuation expectations? |
|  |  | Could you grow faster with more money? |
|  |  |  |
| Hint: |  | Will you take money? How?  Also, you need to learn the LANGUAGE OF FUNDRAISING.  “Venture Deals: How to be smarter than your lawyer and venture capitalist” by Brad Feld is a good read for this.  Also, the blog, [www.startuplawyer.com](http://www.startuplawyer.com) is good for this. |
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| Fundraise Process and Urgency | | |
| Sample Questions: |  | Where are you in your fundraising process? |
|  |  | Who else have you shown this to? |
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| Hint: |  | The investor is asking, how fast do I need to move here as an investor? How much heat is there around this deal? Is this a ‘shopped’ deal? |
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| Investment Pain | | |
| Sample Questions: |  | What does your cap table look like? How many people? |
|  |  | Have you taken money from others? Who? |
|  |  | Who else is on your board? |
|  |  | Would you be willing to give up a board seat? |
|  |  | What is the likely exit? (Ex: Merger or Acquisition, IPO, other)? |
|  |  | When do you see the exit happening? |
|  |  | Who will be the likely acquirers? |
|  |  |  |
| Hint: |  | Make it easy for the investor to see that you’re coachable and that it will BE EASY TO GIVE YOU MONEY. |
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Additional Articles:

<https://bothsidesofthetable.com/i-know-everybody-told-you-to-send-your-fund-raising-decks-as-a-link-d5b4409886af>

<https://medium.com/@IrishAngels/a-primer-on-angel-investment-portfolio-theory-by-irishangels-1f3088ff1dd8>

Evaluation Criteria:

<https://medium.com/@maveron/evaluating-consumer-brands-pt-1-fddeae59b1a2>

Notes:

<https://medium.com/swlh/how-much-information-should-you-include-in-a-pitch-deck-you-email-944c387c19e3>

<https://amp-theatlantic-com.cdn.ampproject.org/c/s/amp.theatlantic.com/amp/article/610183/>

**load your video pitch to a**[www.wistia.com](http://www.wistia.com/) **analytics video player to see scrubbing video hot spots for attention span / intent on key parts of your pitch. You can also track IPs and forwards to see where you pitch is being shared.**

1. <https://www.redlinels.com/specialized-vocabulary/>. [↑](#footnote-ref-0)
2. <https://www.forbes.com/sites/groupthink/2012/01/26/the-most-annoying-pretentious-and-useless-business-jargon/#34c049bc2eea>

   <https://en.wikipedia.org/wiki/Corporate_jargon> [↑](#footnote-ref-1)
3. <https://www.enchantingmarketing.com/features-and-benefits/> [↑](#footnote-ref-2)
4. <https://steveblank.com/2014/06/28/customer-discovery-the-search-for-productmarket-fit-2-minutes-to-see-why/>; <https://steveblank.com/2010/08/26/the-non-dummies-guide-to-customer-discovery/>

   [↑](#footnote-ref-3)
5. <https://techcrunch.com/2012/04/24/one-sentence-pitch-winners/>

   <https://fi.co/madlibs>

   <https://vimeo.com/16447520>

   <https://techcrunch.com/2012/04/24/one-sentence-pitch-winners/>

   <https://www.dkparker.com/mad-libs-for-startups-pitch/> [↑](#footnote-ref-4)
6. <https://medium.com/@matthewrubright/inside-investor-expectations-a-pitch-deck-study-85e47608a816> [↑](#footnote-ref-5)
7. <https://startupyard.com/interviewing-with-an-accelerator-a-few-dos-and-donts/> [↑](#footnote-ref-6)
8. <https://hbr.org/2005/04/the-half-truth-of-first-mover-advantage>; [↑](#footnote-ref-7)
9. <https://www.businessinsider.com/steve-blank-first-mover-advantage-overrated-2010-10> [↑](#footnote-ref-8)
10. https://www.quora.com/What-is-a-good-way-to-answer-when-an-investor-pitch-judge-says-Have-you-seen-startup-x-They-are-doing-exactly-the-same-thing-as-you-However-you-have-not-heard-of-startup-x [↑](#footnote-ref-9)