How to sell anything in one minute. Elevator pitch. (Winning investor’s attention)
千里之行，始于足下

A journey of a thousand miles begins with a single step.

#CHINESE SAYINGS
Pitch

The pitch deck (also known as a slide deck or pitch slide deck) is the first communication tool to help you raise money with a potential investor. The content of the pitch deck, along with your presentation, can help the investor to determine whether to continue evaluating your business opportunity.
Has this really any importance?
Well, according to GEM (Global Entrepreneurship Monitor), there are about **100 MILLION STARTUPS LAUNCHED EVERY YEAR**

That’s about **3 STARTUPS EVERY SECOND**
VENTURE INVESTING TIMING PERSPECTIVE

CONTINUOUS
- DEAL FLOW ORIGINATION
- SCREENING

MONTHS (+/- 3 a 6)
- DUE DILIGENCE
- INVESTMENT AGREEMENT

YEARS (+/- 10)
- POST-INVESTMENT MONITORING SUPPORT
- EXIT

PREPARATION
- «Window shopping»

INVESTMENT
- «Shopping»

FOLLOW-UP
- «Working»

«FUN»

«RISK»
VENTURE CAPITAL (AND ANGEL INVESTING) DEAL FLOW

Selecting the best 0.5%
Our investment process

~1,000
new investment proposals per year

~300
investment proposals further explored

5-10
due diligence

Sources for deal flow
Investor conferences, Advisory firms, Other Venture Capital firms, Academic Technology Transfer Offices, Websites

Further exploration consists of
Literature research, Call/meeting with management, Non-conf. discussion with divisional R&D

Due diligence activities
- Scientific/IP/financial diligence, Site visit, Internal/external KOL consults, Potential syndicate discussions

Portfolio company
- We actively manages investment: board seat/C-roles, Ongoing non-conf discussions with divisional R&D/BD

DISCOVERING TOMORROW’S GREATEST IDEAS
Emerging Biotech Webinar | 10.10.2017
LISTEN TO ME!
YOUR AUDIENCE AND ...
WEAPONS OF MASS DISTRACTION
BOTTOM LINE:

Attention is scarce

Competition is high
MAKE SURE YOU DON’T MISS YOUR OPPORTUNITY!
Pitching when and how?
TWITTER PITCH

ELEVATOR PITCH

INVESTOR PITCH

COMPETITION PITCH
| TWITTER PITCH | WHAT: this summarizes your whole idea in **one punchy sentence**. | WHEN: you meet someone at an event, and they have never heard of your company. It *doesn’t bore to death the listener* with useless information. |
| ELEVATOR PITCH | WHAT: pitch should last as long as an elevator ride, that is between 15 seconds and 2 minutes. On most occasion shouldn’t be longer than **30 seconds**. | WHEN: this could **follow** your “Twitter Pitch” or can be used when you know that the listener is open for pitches. |
| COMPETITION PITCH | WHAT: The pitch needs to be structured with a presentation deck; it is crucial to replace words with images. **3-5 minutes** | WHEN: startup competitions. Founders have limited time to explain what their startup does and its traction. Audience is often skeptical and distracted. |
| INVESTOR PITCH | WHAT: a short (no longer than 10-15 slides) but well detailed presentation pitch deck. 15-20 minutes + Q&A (total 45-60 min.) | WHEN: investor meeting (business angel, angel investor club, venture accelerator, VC fund, ..) |

Source: https://mystartupland.com/types-of-startup-pitch/
ATTENTION TIME IS THE NAME OF THE GAME

- TWITTER PITCH: 3 sec.
- ELEVATOR PITCH: 30 sec.
- COMPETITION PITCH: 180 sec.
- INVESTOR PITCH: 900 sec.

1 sec. x 1
3 sec. x 10
5 sec. x 60
90 sec. x 300
Pitching what?
By failing to prepare you are preparing to fail

Benjamin Franklin
I. STRUCTURE
II. CONTENT
III. COMMUNICATION (DESIGN & DELIVERY)

(EXCELLENT)
1+2+3 = (SUCCESSFUL) PITCH
## Pitch Structure

<table>
<thead>
<tr>
<th>Title</th>
<th>Elevator Pitch</th>
<th>Company Purpose</th>
<th>Elevator Pitch</th>
<th>Vision / Elevator Pitch</th>
<th>Name &amp; Mission</th>
</tr>
</thead>
<tbody>
<tr>
<td>Problem</td>
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<td>Problem</td>
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<tr>
<td>Solution</td>
<td>Solution</td>
<td>Solution</td>
<td>Solution</td>
<td>Market Opportunity</td>
<td>Problem</td>
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<tr>
<td>Business Model</td>
<td>Market Size</td>
<td>Business Model</td>
<td>Product</td>
<td>Product</td>
<td>Product</td>
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<tr>
<td>Underlying Magic</td>
<td>Competition</td>
<td>Competition</td>
<td>Competition</td>
<td>Revenue Model</td>
<td>Revenue Model</td>
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<tr>
<td>Marketing &amp; Sales</td>
<td>Proprietary tech</td>
<td>Marketing</td>
<td>Team</td>
<td>Marketing &amp; Growth Strategy</td>
<td>Team</td>
</tr>
<tr>
<td>Competition</td>
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<td>Team</td>
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<tr>
<td>Projections</td>
<td>Moneys / Milestones</td>
<td>Team</td>
<td>Team</td>
<td>Team</td>
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</tbody>
</table>

**SOURCE:** https://mauriziolacava.com/lean-presentation-design-blog/presentations-resources/the-ultimate-guide-to-creating-a-brilliant-startup-pitch-presentation/
How to Present to Investors

AAREF HILALY

SOURCE: https://www.sequoiacap.com/article/how-to-present-to-investors/
# PITCH STRUCTURE

**SECTIONS** *SEQUENCE* *SIZE* (N° SLIDES /SECTION)

<table>
<thead>
<tr>
<th></th>
<th>1. ELEVATOR PITCH</th>
<th>2. PROBLEM</th>
<th>3. SOLUTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>4. MARKET SIZE</td>
<td>5. BUSINESS MODEL</td>
<td>6. TRACTION</td>
<td></td>
</tr>
<tr>
<td>7. COMPETITION</td>
<td>8. GO TO MARKET</td>
<td>9. TEAM</td>
<td></td>
</tr>
<tr>
<td>10. FINANCIALS</td>
<td>11. FUNDING REQUEST</td>
<td>12. ROAD MAP</td>
<td></td>
</tr>
<tr>
<td>13. CONTACT</td>
<td></td>
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</tbody>
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REFERENCE: [https://articles.bplans.com/what-to-include-in-your-pitch-deck/](https://articles.bplans.com/what-to-include-in-your-pitch-deck/)
PROBLEM (OR PAIN)

Be very clear about the problem you are solving.

For **consumer** concepts, talk about user needs;

for **enterprise** ideas, show a detailed understanding of your customer’s pain.

If you cannot convince an investor there’s something broke, they will not be interested in a solution.
SOLUTION

Describe how customers use your product and how it addresses the problems that you outlined on the “PROBLEM” slide.

It’s not possible every time (e.g. for infrastructure software), but whenever you can, a demo is worth a thousand words.

Failing that, screenshots and the workflow to bring the solution alive.
TRACTION

If you already have **sales or early adopters** using your product, talk about that here. Investors want to see that you have proven some aspect of your business model as that reduces risk, **so any proof you have that validates that your solution works to solve the problem** you have identified is extremely powerful.

You can also use this slide to talk about your **milestones**. What major goals have you achieved so far and what are the major next steps you plan on taking? A product or company roadmap that outlines key milestones is helpful here.
TEAM

Founders’ backgrounds, highlighting any special talents or experiences that make them **well-suited to building the business**.

Even if you don’t have a complete team yet, identify the key positions that you still need to fill and why those positions are critical to company growth.
FINANCIALS

Keep it simple and just show on a timeline how you would spend the money (e.g., headcount) to achieve specific milestones (e.g., launching the service).
Enter in the mind of the investor
Dreams and nightmares

Nightmares, or bad dreams, are a type of dream that causes you to feel anxiety, fear or terror. ... Both nightmares and dreams occur during the REM (rapid eye movement) cycle of sleep. People spend about 2 hours dreaming every night. Nightmares usually occur in the latter part of the REM cycle.
INVESTED: $11.8 M
RETURN: $4.8 B
MULTIPLIER: 407 X

VC: CHASING THE EXTRAORDINARY
VC Fund Return Rank

Multiple of Money

Best

Worst

THE BEST
Scarce but spectacular

THE REST
Ample but mediocre

(Barely return capital)

(Lose capital)
zeitgeist

The defining spirit or mood of a particular period of history as shown by the ideas and beliefs of the time, from the German words Zeit, meaning "time," and Geist, meaning "spirit" or "ghost"
“The future is not what it's used to be.”
“Postmodernity means the exhilarating freedom to pursue anything, yet mind-boggling uncertainty as to what is worth pursuing and in the name of what one should pursue it.”

Zygmunt Bauman (1925-2017)
In the world of business, a trend is a pattern of gradual change in a process, output, or condition. It is an average or general tendency.
A (STRONG) TREND
beliefs

Assumptions and convictions that are held to be true, by an individual or a group, regarding concepts, events, people, and things.
“Compared with the *Industrial Revolution*, we estimate that this CHANGE is happening TEN TIMES FASTER and at 300 TIMES THE SCALE, *or roughly 3.000 TIMES THE IMPACT*”.

‘Technology—from the printing press to the steam engine and the Internet—has always been a great force in overturning the status quo. The difference today is the sheer ubiquity of the technology in our lives and the speed of the change.’

Source: [McKinsey](https://www.mckinsey.com)
The act of turning new and imaginative ideas into reality

Turning a new concept into commercial success of widespread use
Low risk, many competitors

Customer experience, cost savings

High risk, defensive strategy

High risk, high reward

Incremental versus Disruptive Innovations

Create new market

Radical technology change

Manage existing market

Minimal technology change
What is desirable by users?

What is possible with technology?

What is viable in the market?

«If the time is right and it is feasible everything else is fixable with money»

VC Investor
“Disruptive innovations **ARE NOT** breakthrough innovations or “ambitious upstarts” that dramatically alter how business is done **BUT, RATHER,** consist of **products and services that are simple, accessible, and affordable.** These products and services often appear modest at their outset but over time have the potential to transform an industry.”

Clayton M. Christensen

Source: https://sloanreview.mit.edu/article/an-interview-with-clayton-m-christensen/
Robert Merton talked about the idea of “OBLITERATION BY INCORPORATION,” where a concept becomes so popularized that its origins are forgotten. I fear that has happened to the core idea of the theory of disruption, which is important to understand because it is a tool that people can use to predict behavior.

That’s its value — not just to predict what your competitor will do but also to predict what your own company might do. It can help you avoid choosing the wrong strategy.”

Clayton M. Christensen

Source: https://sloanreview.mit.edu/article/an-interview-with-clayton-m-christensen/
secrets

A secret is merely an omission i.e. you don't tell someone something you know, something you feel someone ought not to know.

The effect of keeping that secret from someone might or might not have consequences.

& lies

A false statement made with deliberate intent to deceive; an intentional untruth; a falsehood.
“The myth is that venture capitalists invest in good people and good ideas. The reality is that they invest in good industries.”

“Regardless of the talent or charisma of individual entrepreneurs, they rarely receive backing from a VC if their businesses are in low-growth market segments.”

“Picking the wrong industry or betting on a technology risk in an unproven market segment is something VCs avoid.”

“By investing in areas with high growth rates, VCs primarily consign their risks to the ability of the company’s management to execute.”
“Investments in high-growth segments are likely to have exit opportunities because investment bankers are continually looking for new high-growth issues to bring to market.”

“As long as venture capitalists are able to exit the company and industry before it tops out, they can reap extraordinary returns at relatively low risk.”
Thank you for your kind attention

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