



## **1 Pitch Preparation**

Read this document before you start preparing your pitch. It gives you some direction on the format and content that may be helpful and answers some questions you may have.

## **2 What is a Pitch?**

A pitch is a short presentation of an idea or company used as a first step in getting the attention of a VC, a bank, an angel investor or any other potential funding source or strategic partner. We also use pitches for Review Boards.

The ultra short version of the pitch is called the elevator pitch. You use the elevator pitch when you meet new people – in an elevator or at a network event and they ask you what you do.

### **2.1 Why Only 12 Slides**

Vcs and strategic partners are extremely busy. They have perfected the Silicon Valley pitch format over the last 10 years based on a vast amount of experience. If you cannot tell your story in a clear compelling way on 12 – 15 slides then you will not be able to tell it even if you got to use a hundred slides.

Boiling a 100-page business plan down to 12 slides is a difficult task, but it is also a very healthy exercise that forces you to focus on the important elements.

## **3 The Five Questions You Must be Prepared to Answer**

Whether you pitch to a VC for funding or to a Review Board at Innovation Center Denmark in preparation for approaching a VC you should be prepared to answer these five questions.

### **3.1 Is Your Product a Vitamin or a Painkiller?**

Vitamins are nice to have but painkillers are essential and usually addictive. You need to have unique insights into the pain:

- Who feels the pain and how does your technology provide a compelling solution?
- How big is the market and do you have what it takes to become the market leader?



- Is the pain real enough and the market large enough to justify establishing a company?
- Will customers seek you out for your solution?

### **3.2 How Well Do You Know Your User?**

Successful products are built on customer traction. The VCs and the Review Board members will drill you on this issue:

- Do you know who will use your product or service?
- How will they use it?
- When will they use it and for how long?
- What other products and services do they use?
- Describe a day in the life of your user.
- Do you know how they think?
- Is the user also the buyer?

### **3.3 Who Are Your Competitors and What Are The Alternatives**

There are always competitors and/or alternatives. However we often meet companies that claim they do not have competitors. In Silicon Valley this is interpreted as a sign that you have not done your homework well enough. So be ready to answer these questions:

- Are your competitors giants that are likely to eat you for breakfast?
- Do they want to work with you?
- Is your success based on the failure of others?
- Are your competitors start-ups like yourself? How many are there?
- What are the alternatives to your solution?

### **3.4 Do you have a CEO?**

This question is crucial if you are the founder and your company is still in the Ambition phase (Mad Scientist phase). Your skills in growing the business will be questioned and they will test you to evaluate if you can be coached with questions like:

- What is your role now?
- Who else do you need in order to make you successful?
- How do you plan to make the pie bigger and share equity
- When you get a CEO what will your role be?



### **3.5 If You Are Here to Raise Money: How Far Will This Money Take You?**

It is important that you have a realistic estimate of the money you will need and a plan for how to spend it so be prepared to answer questions like:

- Do you have a financing plan with milestones?
- How much total money do you need?
- How far will this money take you?
- Does the budget have a buffer for unforeseen costs and delays?
- What is the exit strategy?

## **4 Presentation Tips**

You only get one shot in front of the VC – so make the most out of it. Here are some basic presentation guidelines that should be followed:

- Do not read from your slides
- Have eye contact with your audience
- Track their reaction and skip subjects that they seem to know
- Stay on track – even if the Review Board or the VC try to get you off track
- Start with your elevator pitch
- When introducing the team include relevant fact only
- Limit yourself to brief and relevant market information. Show that you KNOW your market.
- Be prepared to go in-depth with the solution/technology if asked
- Stay on top of timing. Leave plenty of time for discussion.
- Stick to the 12 slides if you can. And under no circumstances more than 20!

## **5 Evaluation Criteria**

In Silicon Valley focus is on four main criteria:

- A team with exceptional people and strong expertise in the business area
- Unique business proposals based on a real need, with a differentiated value proposition and the ability to address a large market
- Innovative business models or technologies
- A well defined going to market strategy



## **6 Need to know If You are Pitching to a VC**

Unsolicited business plans or emails do not work. You need to be introduced. And you need to be introduced to the right VC firm and the right partner in the VC firm. Innovation Center Denmark can facilitate such introductions either directly to the right VC partner or through our trusted network of business associates, lawyers, banks, research and network organizations.

### **6.1 What to send?**

If you get an introduction to a VC and they ask you to send them some information this is what you send:

- Executive Summary (see template)
- Pitch presentation (see template)

Do NOT send your 100+ page business plan.

The pitch is an efficient screening mechanism and part of the first step in the process of approaching a funding resource.

### **6.2 Who Gets a Meeting?**

You will be invited to a first meeting based on four basic criteria (in order of importance):

- Who did the introduction
- The quality of your team
- Area of interest
- Investment phase

### **6.3 The First Meeting**

If you get through to the first meeting expect it to last no more than an hour. Be prepared for the VC to be more interested in your team than in the business or technology itself. Do your research so you know exactly who you are talking to. What their background is and which other companies they have in their portfolio. Be prepared to improvise and read your audience. Skip slides they seem bored with or already know. Stand up and sell your team and your business.



## 7 Next Steps

If the presentation is well received by the VC they may ask for your 100 page business plan.

If they are in doubt you may be asked to pitch to more partners or you may be send home to do some homework.

The final decision step is a detailed technical and personal due diligence process.

If your presentation is NOT well received the VC will probably tell you that he will have to think about it, or that he needs to consult with his partners. If you do not hear back after repeatedly calling you can be sure that the answer is no.