

EFFECTIVE INVESTOR PITCH

By: Abhijeet Kumar
ah! Ventures
abhijeet@ahventures.in

WHO IS ABHIJEET KUMAR?

- Graduate IIT Mumbai
- Analyst with Deloitte for 1.5 years
- Co-founder, Pronto Infotech (A technology company with 50 odd employees and offices in Mumbai & Delhi) *
- Founder, ah! Ventures (An angel investment consortium having ~400 investors which invests in startups looking to raise up-to INR 3-4 CR) **

* implies my first job which earns my bread-n-butter and where I slog really hard

** implies my second job which is cheese on top and where i don't slog at all

and the funny part is that I am here because of my second job

WHAT TO INCLUDE IN A PITCH?

Elevator Pitch

The PROBLEM

The SOLUTION (with its USP)

Team (with its expertise)

Market Size

Business Model

WHAT TO INCLUDE IN A PITCH?

Advantages

Competition

Marketing Plan (with future strategy)

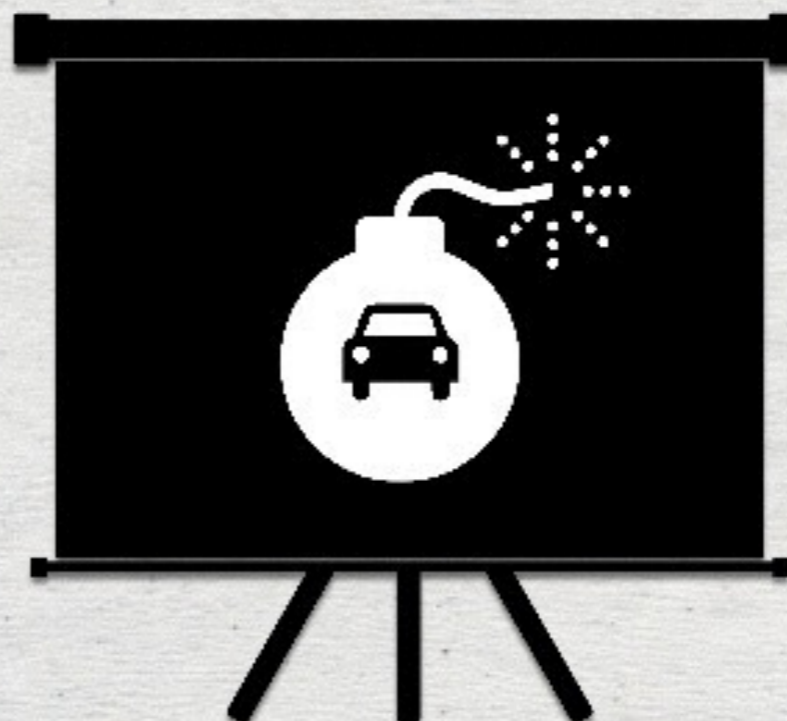
Financial Projection

Investment Raised (with investor profile)

Money (with soft commitment if any)

TEASER SLIDE

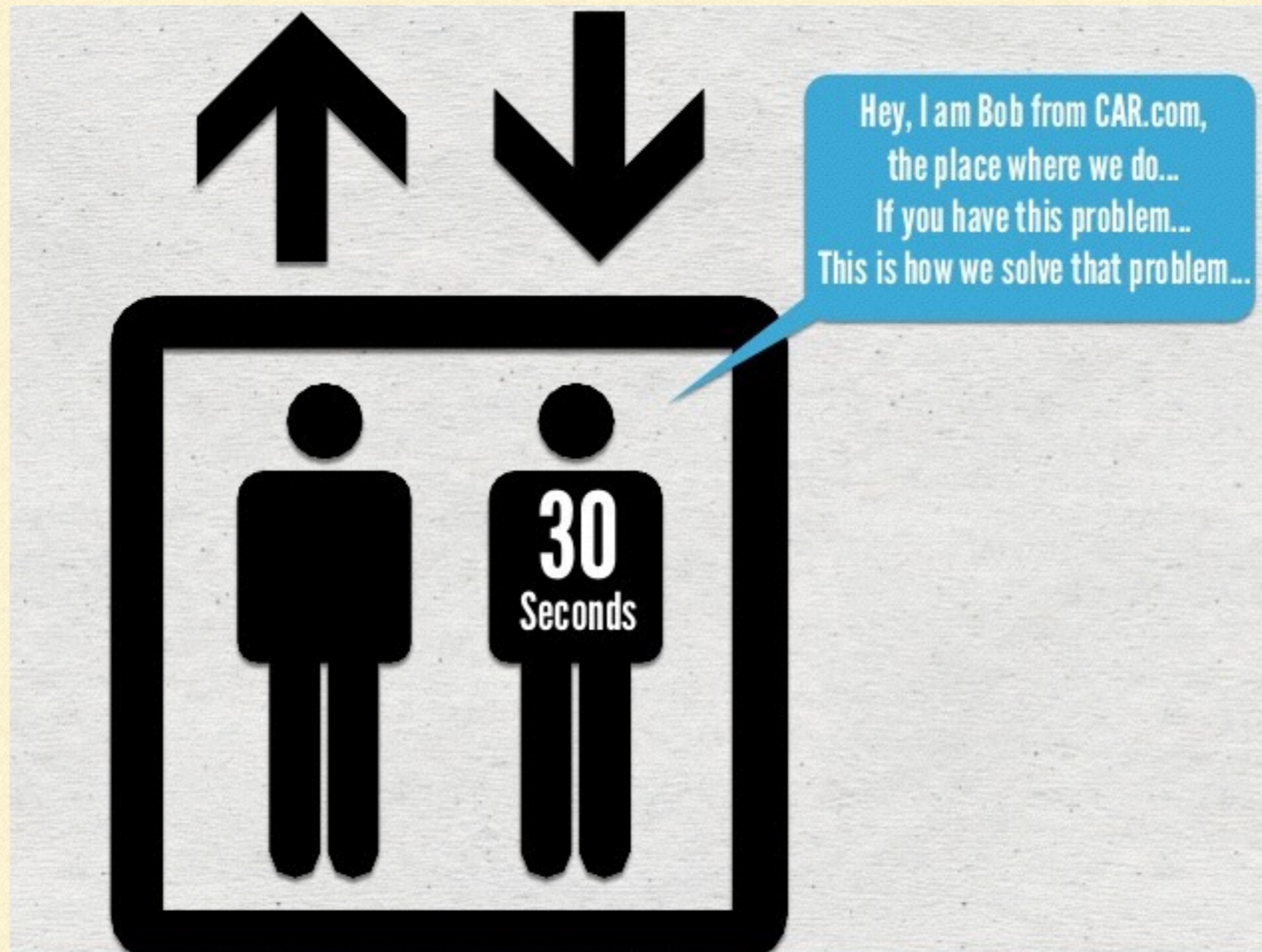
Make the **TEASER SLIDE**
MEMORABLE!



TEASER SLIDE



ELEVATOR PITCH



ELEVATOR PITCH

You have 30 seconds so...

Keep it short and effective

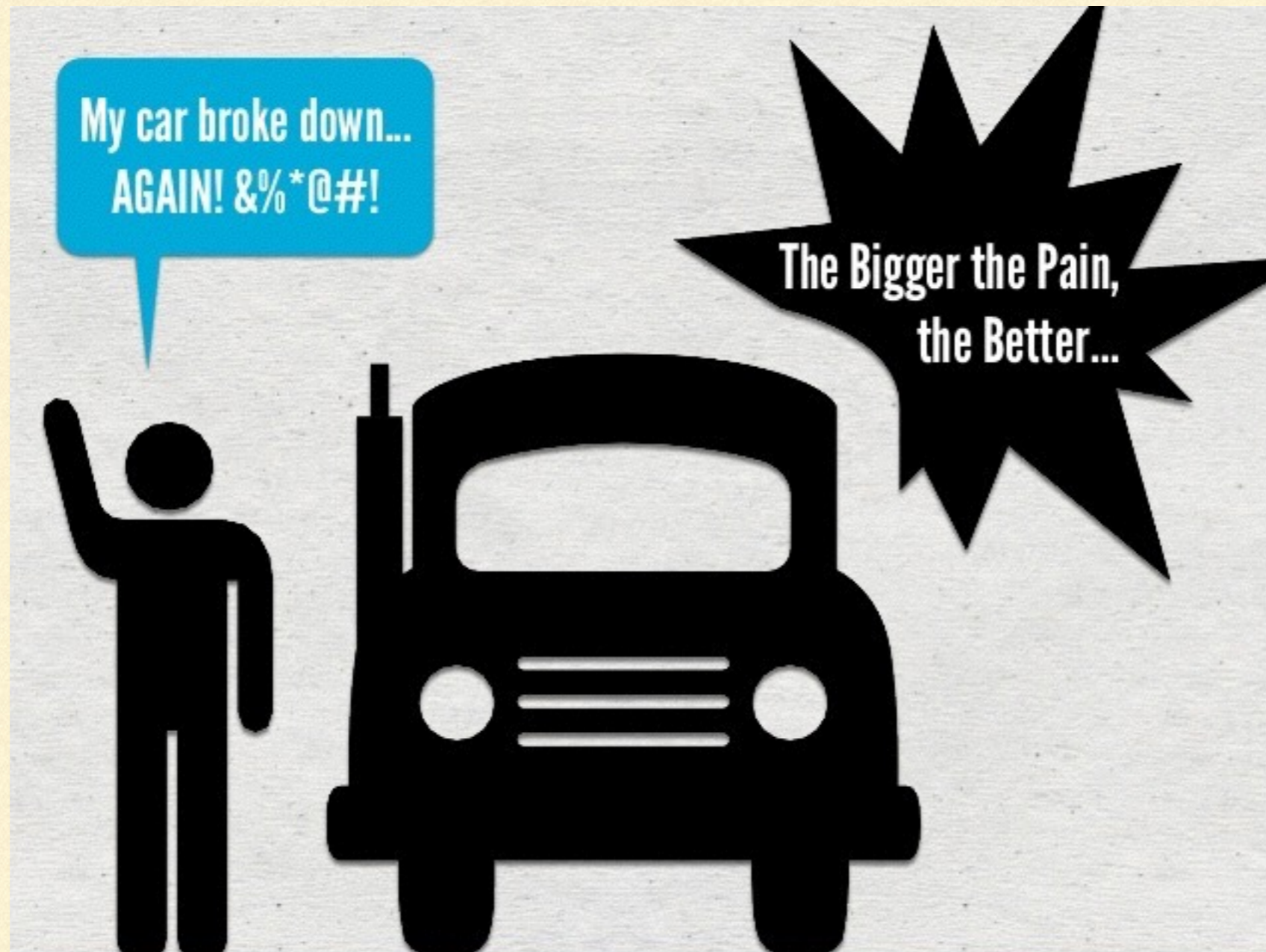
Create a brief one liner that describes your business

Include USP of your business

Define core problem

Explain solution which you are providing

THE PROBLEM



THE PROBLEM

Clearly show the pain of the problem

Convey the strong desire that it is being unfilled

The bigger the Pain the better it is

Don't just say it but show it

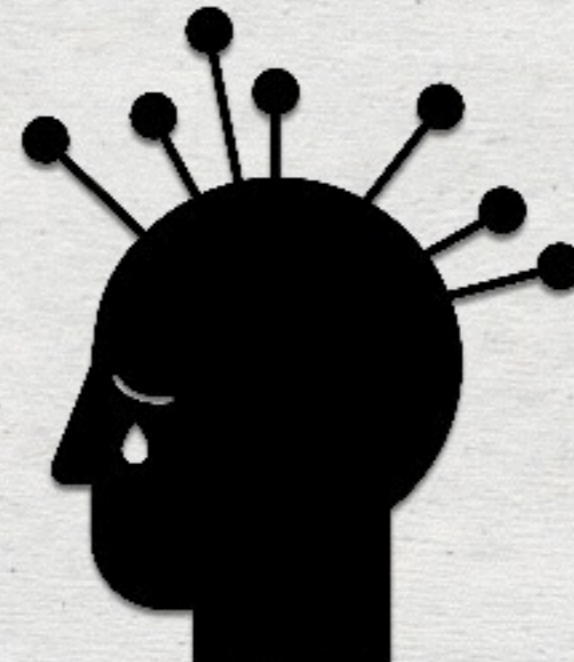
Solve your client's 1st problem not their 4th or 10th problem

Define what keeps your clients up at night or really bothers them

THE PROBLEM

REMEMBER!

The problem **ALWAYS** comes
BEFORE the solution!



THE SOLUTION

How do you solve the problem?



Describe how your solution makes your customers
happy and does it **better or different** than anyone else!

THE SOLUTION

Explain your product/service

Tell a story: Future client or example of current client

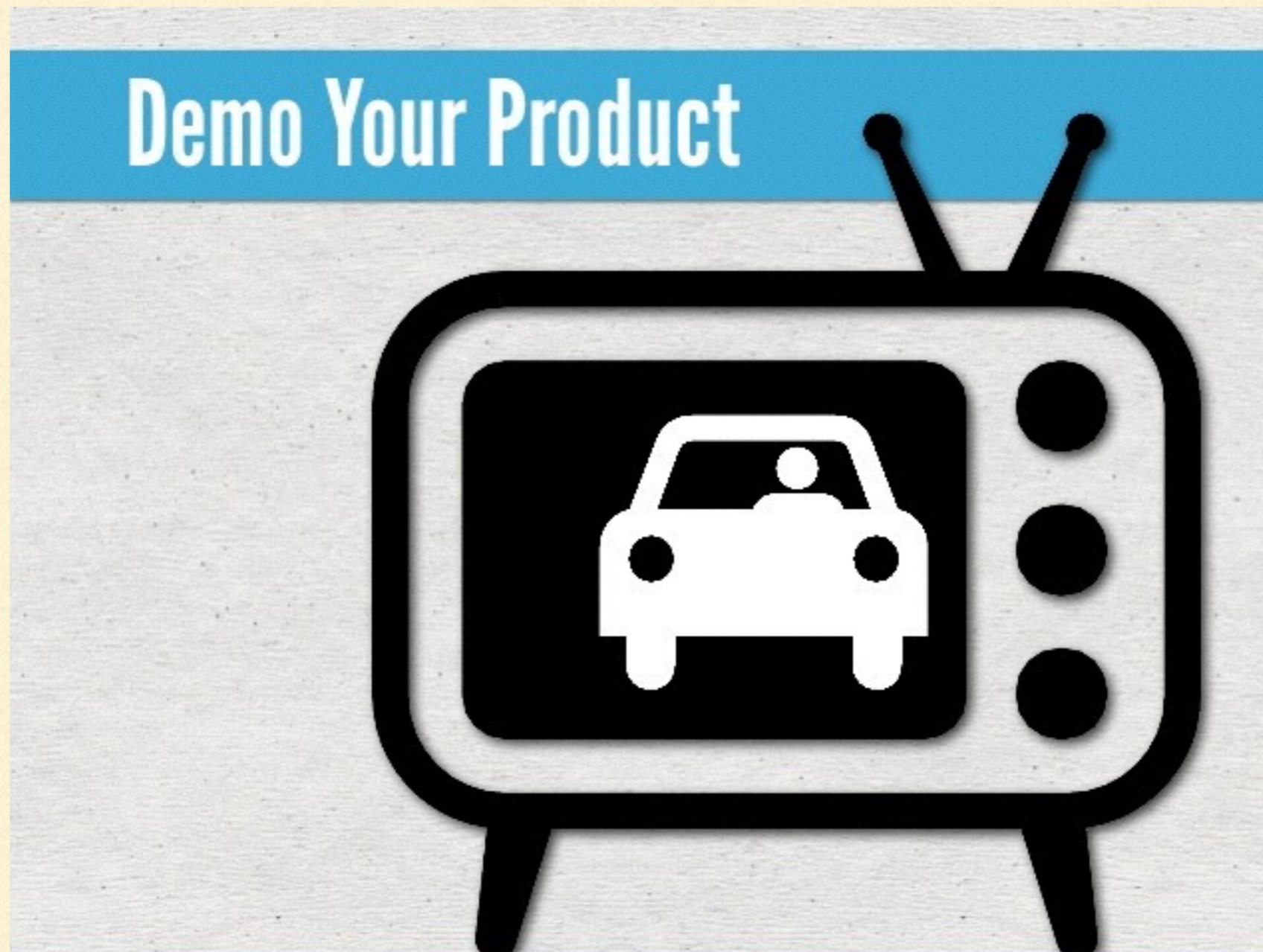
Show core value propositions

Does your solution gets your client's sleep back?

Your solution should have YES as an answer for above question

Demo your product (if possible)

THE SOLUTION



TEAM

Who is on your team?



GEEKS

with deep tech
experience



ENTREPRENEURS

who have sold
companies



SALES

who bring in
customer \$\$\$

TEAM

Explain what type of people do you have in your core team

Include relevant experiences

Highlight successes (exits) of entrepreneurs in your team

Mention failures also (Good war stories do help)

Include education

Keep all the details as pointers

MARKET SIZE



MARKET SIZE

Bigger is always better for market size

Explain market growth

Define total addressable target market

Define target client and its key characteristics

Explain client's current needs

Describe any important market evolutions and its inflection point

BUSINESS MODEL

How will you make money?



DEALERS



ONLINE



AFFILIATES

Describe 1-3 Revenue Sources!

BUSINESS MODEL

Explain your revenue model

Describe 1-3 revenue sources

Include examples using basic math

Show recurring revenue frequency and volume

Explain expected average revenue per user (ARPU)

Mention life time value of a customer

ADVANTAGES

What advantages do you have?



PATENTS



EXPERIENCE



MARKET LEAD

ADVANTAGES

Make investors think that We are awesome

We are the first movers and are growing fast

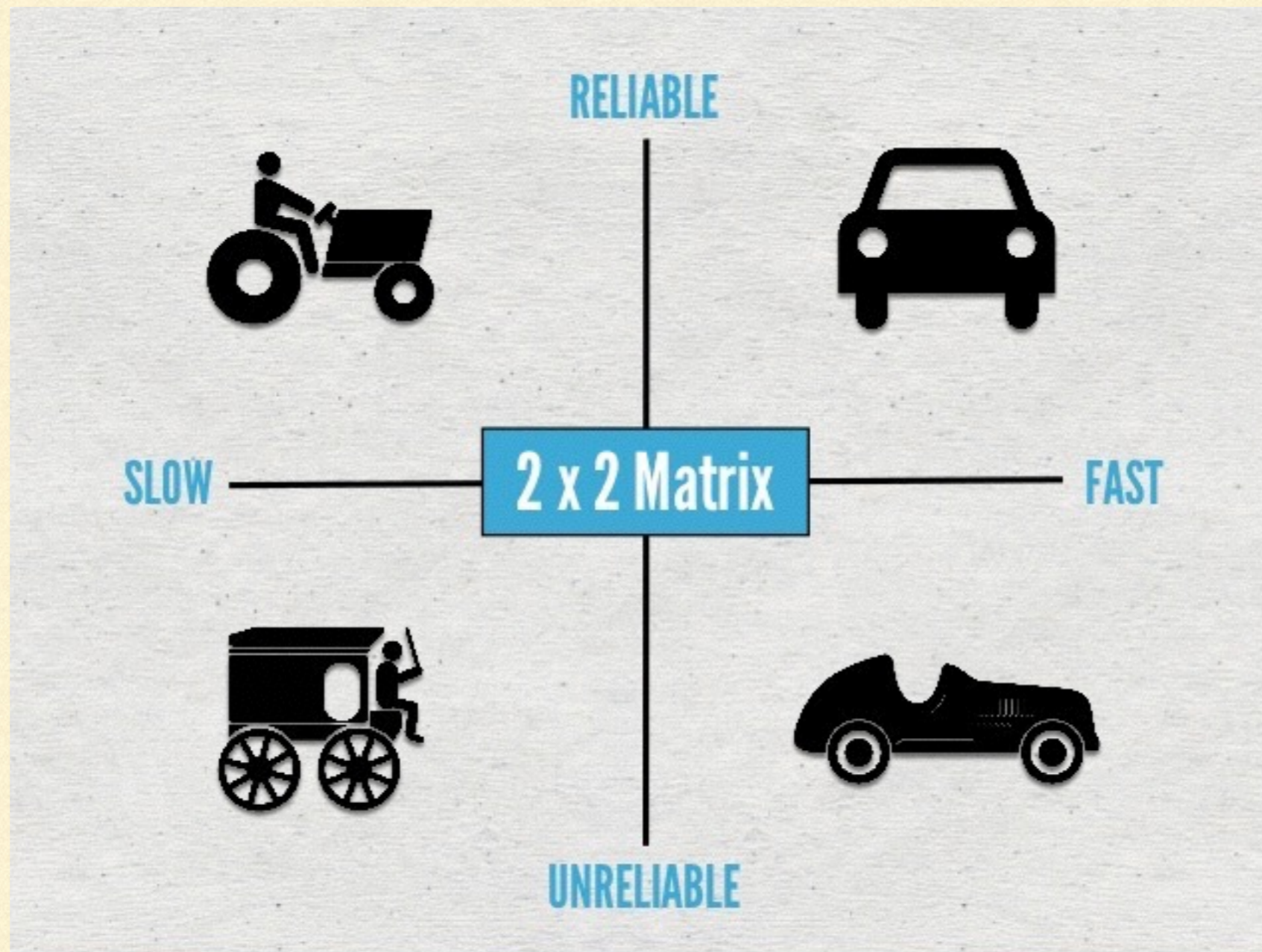
We have a heavily experienced team and we are performing amazing

We have product patents which makes us exclusive

List down barriers to entry for new players

In short prove that you are way ahead than others

COMPETITION



COMPETITION

Show how you fit into the market landscape

List down direct and indirect competitors

Show why will customers switch to you vs. the incumbent

Show them you are changing customer behaviour

Include landscape and feature list comparisons

Pitch why you are 10X better, not just 3X better

COMPETITION

Show you are
BETTER
or at least
DIFFERENT!



MARKETING PLAN

How do you get customers?



EMAIL



TV



SOCIAL MEDIA

What's your channels? Focus on volume, cost and conversion!

MARKETING PLAN

Define channels of reaching/marketing to customers

Mention strategy of converting, acquiring and closing clients

List down key expenses

Work out the time/effort needed to generate revenue

Mention unique strategic relationships and partnerships

Explain your potential for leverage or scalability to grow fast economically

MARKETING PLAN

Define sales cycle timeline to get a client

Mention average cost to acquire a customer

Work out cost to maintain a customer

Define cost of building recurring sales

Calculate current monthly burn rate

Calculate monthly burn rate after investment

FINANCIAL ACHIEVEMENTS

What have you achieved so far?



REVENUE &
PROFITS?



CUSTOMERS



TESTIMONIALS
ROCK!

FINANCIAL PROJECTION

Include 1-2 years of historical data if you are an early-mid stage company

Include 3-5 years of future projections

Show yearly client growth rate

Show free to active revenue generating customers conversion rate

Mention customer penetration; has to be sane

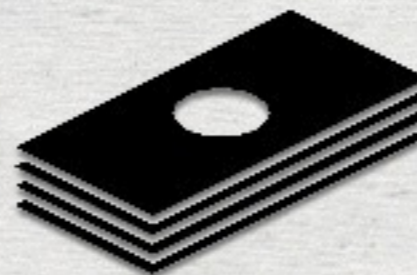
Include high level gross/net revenue, expenses, EBITA and EBITA margin

MONEY

What do you need?



How much are
you raising?



How much have
you raised?



How will you spend
the money?

THE ASK - MONEY

Define size of capital raise

Explain investment terms

Mention pre-money valuation expectation/range and valuation cap

Mention discount into next round, dividends and interest rate

Mention liquidation preferences

Include investment commitment of current investors if any

INVESTMENT RAISED

Mention money put in by founders

Mention details of investment raised

Include investor profile(s), the bigger the better

Mention valuation and key terms of prior investment rounds

Include key terms of previous investments

Include details of debt raised in past if any

USE OF INVESTMENT

Include name, amount and % of capital raised for all headers

Include money required for sales & marketing

Include money needed to hire key employees

Include founders salaries but don't be greedy :)

Include cost of developing further technology

Define money for achieving milestones, breakeven and 3x revenue growth

IN SHORT

Keep it clean

Keep it simple and clear enough to explain itself

Don't only tell, but show it

Use super simple images

Concisely summarise main points at regular intervals

Keep it short and concise

BEFORE THE PITCH

Get introduced to an angel or VC

Review portfolio companies of angels/VCs before meeting

Review investment criteria of angels/VCs before meeting

Review investor background before meeting

Practice, Practice and Practice

Keep your attire casual and arrive early

BEFORE THE PITCH

Ask for investor's introduction and
background

These people love talking about themselves
anyways!!!

SOME TIPS

Introduce yourself and your company nicely

Grab emotional attention of audience within first 1st minute

Tell a story and make it an exciting upward journey

Reference things people know and understand

Don't make people think or question you

Show real strong emotional validators to prove your point

SOME TIPS

Define the right opportunity

Define A Big Market + Big Problem + The Right Solution

Explain that you have the right team

Make audience laugh once or twice if you can

Only one person presents, the person who can sell

Keep it simple and connect with your audience

SOME TIPS

Be 10X better at one thing vs doing 10X more things

Being 2-3X isn't good enough

Focus on your customer's 1st problem, not 10th

Prepare yourself for your rejection, ask why and learn

There are many great ideas, but few can execute them

Know your biggest competition

SOME TIPS

Companies with great ideas but more traction are your competitors

There are no right no of slides but only critical points

Time is your biggest money so build cheap and quick

Money is spent quickly so be wise after raising it

Best opportunity is a big growing market with a big problem and a simple solution

You don't know, the market does so keep asking

GOAL OF THE PITCH

GOAL OF PITCH =
GET THE NEXT MEETING

THANKS

QUESTIONS??
