Anatomy of a Startup Pitch

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Introduction
HKC serves as a hub at the University of Texas for all things associated with Entrepreneurship in order to provide greater awareness through education and engagement.

We help empower and enable the next generation of entrepreneurs at UT by providing access to the broad range of critical resources needed to be successful!!!
Let’s Talk about You! Why are you here?

- “I am an entrepreneur! It’s just who I am and what I do!!!”
- “I think I have a great idea, but...”
- “I want to be an entrepreneur…Maybe not now but perhaps later”
You can have brilliant ideas, but if you can't get them across, your ideas won't get you anywhere. — Lee Iacocca
Essential Elements of Startup Pitch

- Numbers (Customers & Revenue)
- Story/Elevator Ride (30 sec quick pitch)
- Size Matters (Market)
- The Money Shot (Demo)
- The Team

Essential Elements of Startup Pitch
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1. The Story
2. The Script
3. The Deck
4. The Delivery
What the Startup Pitch is Not

- Presentation for you to read from
- It is not your business and everything detail about it
- Financial Spreadsheet of your business
Things that will kill a startup pitch!

- “We have no competition!”
- “No one can copy us”
- Unclear and Unfocused
- Lack of Passion
- Unrealistic Financials
- Lack of confidence
- Lack of Team or Team chemistry!

Don’t Be a Turn Off!
KEEP IT SIMPLE!!!

AIRBNB early pitch deck-

500 Startups Pitch Deck Templates:
http://slidebean.com/pitch-deck-template/
Outline of a Great Startup Pitch

1. Company Purpose (The Elevator Ride)
2. Problem
3. Solution
4. Demo (if applicable)
5. Market Size
6. Business Model
7. Differentiation (Unfair Advantage)
8. Competition
9. Go-To-Market Strategy
10. Team
11. Traction and Milestones
12. Contact

The Anatomy of the Pitch
• Investor vs. General Audience

• Various Timed Versions
  • 30 seconds -1 minute (Quick Greeting/Intro)
  • 2-3 minutes (Intro/Quick Pitch at event. Mentor meetup)
  • 5-6 minutes (Pitch to general audience at event/Demo Day, Mentor meetup, angel investor groups/meetings, VC’s, potential clients/partners).
  • 10+ minutes (Angel Investors, VC’s and potential clients/partners)

PRACTICE! PRACTICE! PRACTICE! PRACTICE!
The Elevator Ride

- **Short, Simple and Memorable**: The How, What and Why?

- **Key Words and Phrases**: This is a one liner that explains where you are heading. A mission statement can reflect short-term goals or long-term aspirations, but they should all share four key elements:

- **No expert jargon**: Who are you? What you do? Where you want to go?

  “*We are on a mission to make your working life simpler, more pleasant, and more productive.*

  “*Slack brings together all of your team’s communications in one place, is instantly searchable, and is available wherever you go.*”
The Elevator Ride

- **Uber**: transportation as reliable as running water, everywhere for everyone
- **AirBnB**: belong anywhere
- **Pinterest**: help people discover things they love and inspire them to go do those things in real life
- **WeWork**: to create a world where people work to make a life, not just a living
- **Square**: making commerce easy
Pitch the Problem

- **What is the problem:** Make it obvious and widespread!!

- **Who has the problem:** Companies, consumers, etc.

- **30 Seconds:** Clear, concise and understood (KISS)

- **Be Focused!!!**
Solution- Product or Service

- **Tie it Back to the Problem**: How do things look when you solve with your product or service!!
- Be clear and concise
- Solution needs to be Scalable
- How it works? (Demo or Screen Shots)
Market

- **Top Down:** provided by a third party
- **Bottom Up:** Calculation of Users*Usage= Revenue
- What is the Total Market Size?
- What is your Target Addressable Market?
How are you going to make money:
- Pipeline of Customers
  - Beta Customers
  - Letters of Intent
  - Confirmed Meetings
- Sales Channel
- Sales Team
- Strategy

Describe 1-3 Top Sources for Revenue Streams

Common Revenue Models
- Direct- eCommerce, digital and subscription
- Indirect- Advertising, Lead Gen and Affiliate

Simple Models Usually Win
Your “Unfair Advantage”

- **How do you clearly differentiate from others?**
  - The How,
  - The What
  - The Why?

- **Are You Building a Unique Solution?**
  - Distribution Channel
  - Partnerships
  - Intellectual Property

- **First to Market?**
Competition

- List as many key competitors, then show how you are:
  - Better
  - Faster
  - Less expensive
  - Different

- Execution is key!!!

- Critical to understand the market and competition
  - Do your homework!!!
Go-To-Market Strategy

- **Client Acquisition:**
  - Drive Volume and Scale
  - Cost
  - Conversion
Milestones/Timeline

- **What have you done to date**
- **What’s Coming Next !!!**
- **Make It Easy To Understand**
  - Where you’ve been and where you are going
- **High Inflection Points**

Where You Have Been, Where You Are Going
Team

- Most critical aspect of the startup!
- Who are they?
- What are their valuable skills, accomplishments or connections?
- What skills are needed?
The Ask

- How much do you need?
- How will you spend it?
- How long will it last?
- What will you accomplish?
Q&A

- We’re not done yet!!!
Other Food for Thought

- Don’t just start with building slides. Instead, master this question: what is most interesting about your business? (Seriously, do you know what it is?)

- Traction, Team, Tech, Vision – in general, most startups will fall into one of these categories. If you have (impressive) traction, you have a Traction Story. If you have a great team with a previous exit or serious domain chops, you have a Team Story.

- Stop selling the product. Sell the opportunity. Sales pitches aren’t investor pitches. With investors, it’s simple. Increase greed; reduce risk.

- Don’t. Be. Boring. When dealing with a skeptical crowd, bring up something interesting as soon as possible. The most memorable pitches surprise, challenge, delight, educate, and inspire.

- Less is more. Good elevator, good pitch. Let the short pitch (i.e. 60-90 seconds) constrain you in the best way. In an investor meeting, let your answers be brief. If you are dominating an investor meeting, you are doing it wrong.

- Cut out detail & marketing speak. 90% of pitches we hear for the first time have way too much detail about the product and product features (looking at you, technical companies.)
More Food for Thought

- **Tell a story, and master transitions.** Stories and case studies allow you to make points and brag (humbly). You can always tell a great pitch by the strength of the transitions – how the founder weaves each section of their pitch together in a cohesive flow and story.

- **Nail Differentiation**, especially if you are in a crowded space. (Hint: you should be able to do this in 1-2 sentences.) Don’t waste time explaining what everyone already knows, especially the problem. The more niche, international, or underground your problem/market, the more time you should spend educating.

- **Focus on what you have learned.** What are your key learnings? They also want to know they are investing in a team who can fail, learn, iterate, and move quickly.

- **Bottom up, not top town** market story, as Guy Kawasaki has often talked about. Narrow TAM, and be specific. Big #s on a slide make “BS” sensors go off.

- **Don’t forget delivery.** Don’t memorize it word for word. BREATHE. Beautiful, simple slides might distract an audience a little bit, but you are the star.

- **Your pitch is not your business.** Get in your best mental position; work out any insecurities. Come to terms with the imperfection of your company.
Key Take Away Today:

- There is an art to effectively communicating an idea.
- It’s not enough to just be passionate about an idea, but it’s essential!
- KISS - Keep It Simple
- It’s not about the slides in your pitch, it’s about you and how you convey your story.
- Practice, Practice, Practice!!!
- Be Confident!
  - Authenticity + Knowledge + Practice!!!

Let’s Go!!!
What starts here changes the world!

Setup up Appointment for EIR Office Hours,
https://herbkellehercentereirofficehours.acuitiescheduling.com/schedule.php

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