



MIT AITI Entrepreneurship Class

Session 9: Making the Pitch

Logistics

- IIT-B Students: Need help getting coders
- For tomorrow's class, please have all materials printed
- Today: Pitches and Villgro (Social Enterprise)
- Tuesday: Vikram Gupta from IvyCap Ventures at 5pm
- Wednesday: 2-4 pm: Anand Daniel from Accel Partners and Taxiforsure's Founder

What is an Elevator Pitch?

- The idea is this: If you were in an elevator with a potential business investor and you had only 30 seconds to make a memorable impression, what is it that you could say to make an impact?

What is the objective of a business pitch?

You want the investor to say
“YES”

General Guidelines

- Clarity is the name of the game.
- The language you use to convey your concept should be concise.
- You want to display passion and enthusiasm.

General Guidelines

- Don't just talk about product; set up context, talk about solving a real problem
- Don't just demo features; create a story
- Don't be boring; sexy materials get noticed

Before we get to the Elevator Pitch...

- Let's go through the Dumbwaiter Pitch
- Can you describe your company in one word?
- Some Examples:
 - Google: Search vs. Connect
 - Twitter: Updates vs. Alert
 - Lego: Toy vs. Creativity
 - Coca-Cola: Happiness vs. Sugar Water vs. Obesity
- Take 5 minutes and work with your team to come with the word that defines your product.

Get to the Point

- The best business pitch gets to the heart of the matter quickly in order to keep investors from losing interest or worse yet, thinking there's no point to the presentation.
- Get to the meat of the pitch as soon as possible; if investors don't understand the idea right away, they'll think customers won't understand it either.

Steps for a Successful Pitch

- **1. Figure out what is unique about what you do**
 - The whole idea behind a great elevator pitch is to intrigue someone. It's an ice-breaker and a marketing pitch — all rolled into one.
- **2. Make it exciting**
 - Speak to who you really are and what excites you about your business. What is it about your business that really motivates you?
- **3. Keep it simple**
 - A good elevator pitch doesn't try and be all things to all people. Rather, it conveys a clear idea in a short amount of time. It might be a few sentences, but no more than a paragraph or so. Keep it under 30 seconds.
- **4. Write it down**
 - Use the guidelines above and take a stab at it. Write down your pitch, say it out loud, re-write it, and then re-write it again.
- **5. Practice, and the practice some more**
 - The first few times you try out your elevator pitch may be a bit uncomfortable, but it gets easier. After a while, it will become second nature to you, and when it does, you will be glad you practiced.

Keeping your Message Clear

- Try starting with a question or depicting a scenario
- Create a message that your audience can relate to
- Basics to Include:
 - Your business/product name and industry
 - The problem you can help solve
 - How you can do it
 - Why it is the best solution
- Keep it short—no more than a couple sentence for each part.

What to show the Investor

- **Show Them You're in Control** - Take control of situation and anticipate the important questions. Angel investors will be impressed and you will come off as more prepared and ready to handle the more in-depth follow-ups.
- **What's the Business?** - Tell them why customers are excited enough to fork over good money for your product. It's okay to admit that you're thinking through various scenarios.
- **How Will The Investment be Spent?** - Think product development not marketing/advertising
- **Inform your investors** - Angels are intensely curious and aware of the fast changing trends that are shaping new markets.
- **Don't Forget the Bid for Action** - Tell them how much money you actually want to raise and invest. There's no sense in being coy about this. That's why you're pitching to them.

What is a VC interested in?

- They are there to evaluate you more than your idea
- VCs are more interested in the quality of the team than the quality of the idea. Ideas are subject to change, but how people work and interact are pretty solid, so remember to be self-aware
- It's important to have a good demo: VCs aren't wondering whether your product can be built - they are wondering whether you can build it.

Do your Research

- It is important to do your research. You must know your product, audience, and competitors well and should be prepared to answer any questions potential investors may have.
- It's OK for it to sound a bit sales-y as long as the concept is clearly communicated.

Teamwork

- For most situations just having the CEO is fine, but showing "the depth of your bench" can be beneficial too
- If you bring the full team, make sure that you construct the entire storyline in advance so everybody knows how you plan to have the meeting flow
- Practice!

Additional Tips

- Reveal your end game → Have Audacious Goals
- Know the true size of your market
- Include why your team is the best for this opportunity
- Go-to Market Strategy
- Be honest about what stage you are at