

Pitch Ready vs. Investor Ready



**Angel
Investment**
Network

Summary by



InhouseVentures

Overview

In today's highly competitive startup landscape, understanding the difference between being pitch ready and investor ready is crucial for any founder looking to secure capital. Brian Cooke from Brisbane Angels and Cooke Capital shares invaluable insights for entrepreneurs aiming to not just capture the attention of investors, but to engage them effectively by focusing on building a sustainable business. This session delves into what it truly takes to be prepared for investment, highlighting the essential shift from showcasing a product to presenting a viable business model that promises growth and returns.

20-Point Summary:

- Investor Readiness vs. Pitch Readiness: Founders often confuse being ready to pitch with being ready for investment. The focus should be on presenting a sustainable business, not just a product.
- Understanding the Difference: Investors are typically not the end-users of the product, so the pitch should emphasize business viability over product features.
- Core Pitch Elements: The pitch should convey how the startup will build a sustainable business and plan for potential returns to investors.
- The Importance of Questions: Founders should prepare to answer critical questions that investors are likely to ask during a pitch.
- Assessing the Problem: Startups need to validate the existence and significance of the problem they are solving with market research and user feedback.
- Market Size and Willingness to Pay: It is crucial to demonstrate that a substantial market exists and that customers are willing to pay to solve the problem.
- Unique Solutions: Founders must clearly articulate what sets their solution apart from existing ones, focusing on competitive advantages.
- Traction and Momentum: Demonstrating early traction through beta users or proof of concept can be more indicative of potential success than current revenue.
- Current Status and Future Plans: Clearly state the startup's current phase and detailed plans for use of investor funds to achieve specific milestones.
- Risk and Expertise: Discuss potential risks and the team's expertise to mitigate these risks and drive the project forward.
- Financial Prudence: Founders should seek the right amount of capital that aligns with their actual needs to avoid unnecessary dilution of equity.

- Valuation Justification: Startups need to provide a reasonable valuation that aligns with market conditions and investor expectations.
- Investor Feedback and Iteration: Founders should be open to feedback and willing to revise their proposals or business models based on investor insights.
- Investor-Founder Fit: Ensure that the interests and expectations of both founders and potential investors align.
- Market Trends and Investor Sentiment: Founders should be aware of current market trends and investor sentiment to better position their pitch.
- Relevance of the Pitch Content: Limit the focus on the product itself; investors are more interested in the business model and market potential.
- Clarity and Conciseness: The pitch should be clear and concise, avoiding unnecessary jargon and focusing on key points investors care about.
- Follow-Up and Persistence: Founders should maintain relationships with investors, even if the initial pitch does not result in funding.
- Utilizing Resources: Leverage platforms like Crunchbase for research on market trends and competitor valuations.
- Continual Improvement: Always be prepared to refine the pitch based on feedback and new learnings from the market and investor interactions.