BREAKTHROUGH VENTURES

Intro to Creating a Compelling Pitch

Tell a compelling venture story

- My Perspective
- The Goal of a Pitch Deck
- Necessary Venture Components
- Keys to Telling a Compelling Story

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My perspective leverages experiences across the venture and entrepreneurship ecosystem

Over the past 30 years:

Cornell University

MITSloan MANAGEMENT

Bainbridge

Booz | Allen | Hamilton

- Investment Banker
- Strategic Management Consultant
- Serial Entrepreneur
- Professor, Lecturer, EIR
- Fund Manager
- Venture investor

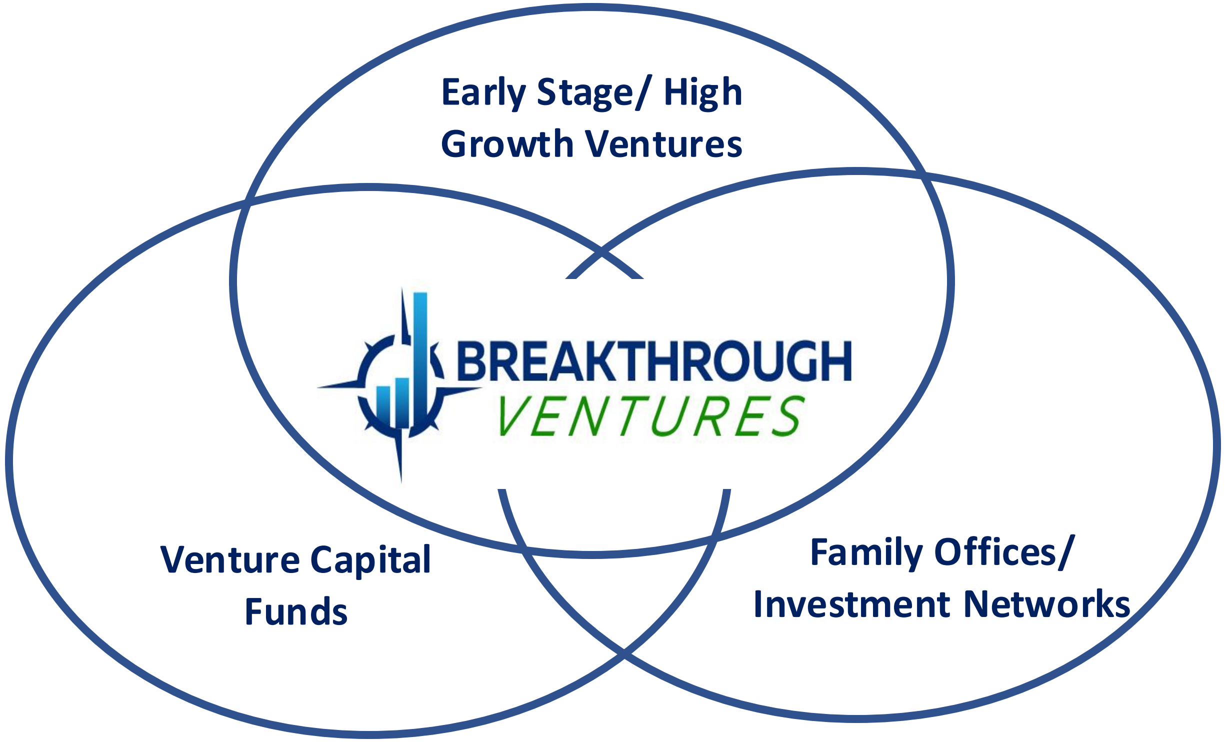
Cornell University

San Diego State University

University of San Diego

Venture Partners UNIVERSITY OF COLORADO BOULDER

Today, Breakthrough Ventures:



The goal of a pitch deck is to compel an investor to learn more about the venture

Every venture should have an updated pitch deck at the ready

An effective pitch simply demonstrates:

- ✓ Clear, large, and growing opportunity
- ✓ Obvious match to the investors “sweet spot”
- ✓ Tops down story that never dips below“10,000 feet”

Most often, an investor is coming from a place of “no”

An investor gives only 90 seconds of attention to a pitch presentation

The goal of that time is to earn more time of attention

- Connect with audience right off the bat
- Articulate venture's value proposition
- Be an active listener and observer while presenting
- **DO NOT overshoot the goal of "buying" more time and building interest**

You must be so smart about your venture story that you can say it simply

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A successful pitch tells a compelling story to a potential investor

- **Context**
  - Market **Opportunity**
  - Market Place Pain
  - This Venture's Solution
- **Market Value**
  - Market Positioning
  - Venture's Sustainable Competitive Advantage
  - Go-To-Market Strategy
  - Team
- **Opportunity**
  - Revenue Potential
  - Money Invested in the Space/Acquisitions (FOMO)
  - Investment **Opportunity**

A venture's story should begin and end with an **opportunity**

The rest of the components need to be in an order that best tells the venture's story

This is a living, continuously evolving document!

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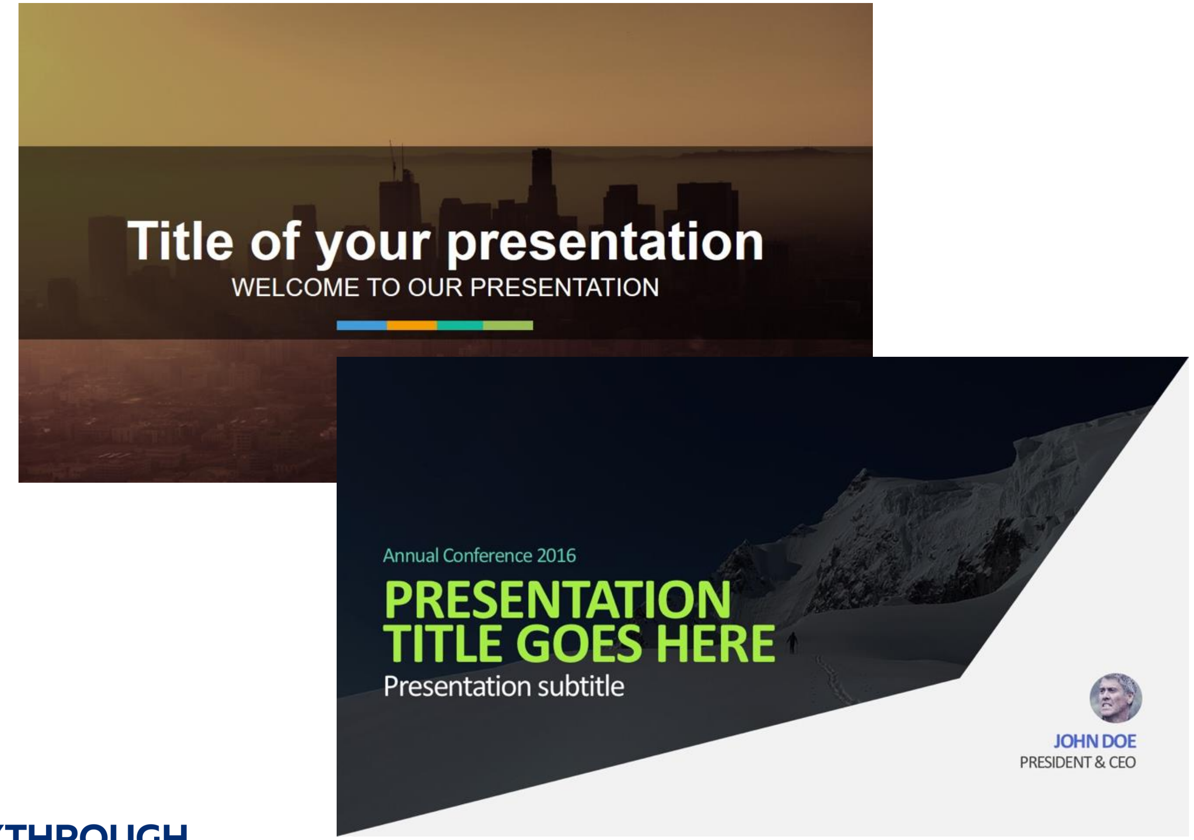
Make sure your presentation resonates
While ensuring no confidential information is disclosed

- Put a STATEMENT in the header of every slide and not just a subject
  - ➢ The statement should make 1 key point – e.g. *The Widget market is $3B and expected to be $30B by 2026*
  - ➢ DO **NOT** USE A NOUN FOR YOUR HEADER: e.g. *Market Opportunity* – This doesn't say anything and is too innocuous and will be quickly forgotten
  - ➢ The content of the slide should ONLY support the point being made in the header
- Have a consistent and simple look to the presentation – **DO NOT OVERPRODUCE**!
- Use the Venture name as often as possible – **DO NOT USE PRONOUNS**!
- Ensure the audience "gets it" before moving on
- Always answer questions when asked, do not tell someone to "hang on" or wait until you get to that slide

There is opportunity to earn interest in the title slide

Highlight the context and value of the venture without using presentation time

- Clearly display venture name and logo
- Have a phrase that succinctly summarizes your opportunity/**<u>value proposition</u>**
  - Clearly state value of product
  - Clearly state who benefits from value
  - Use key "buzz" words, e.g. AI, Cloud-based, SaaS Platform etc.
- Include name of contact and emails
- Include presentation date



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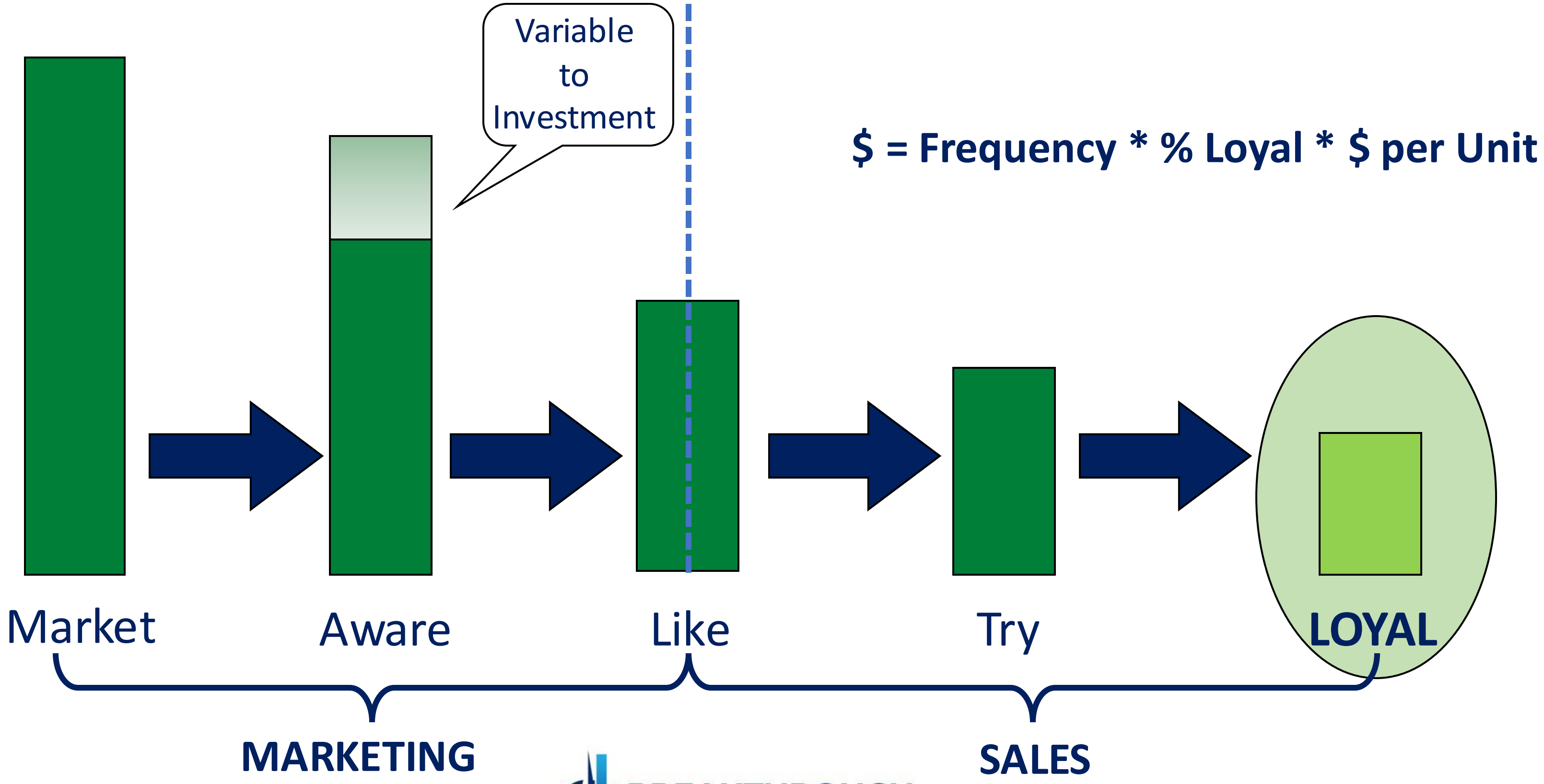
Demonstrate the potential market traction of your venture

Make the calculus easy for the investor to estimate. Ensure <u>you</u> fill in the variables!



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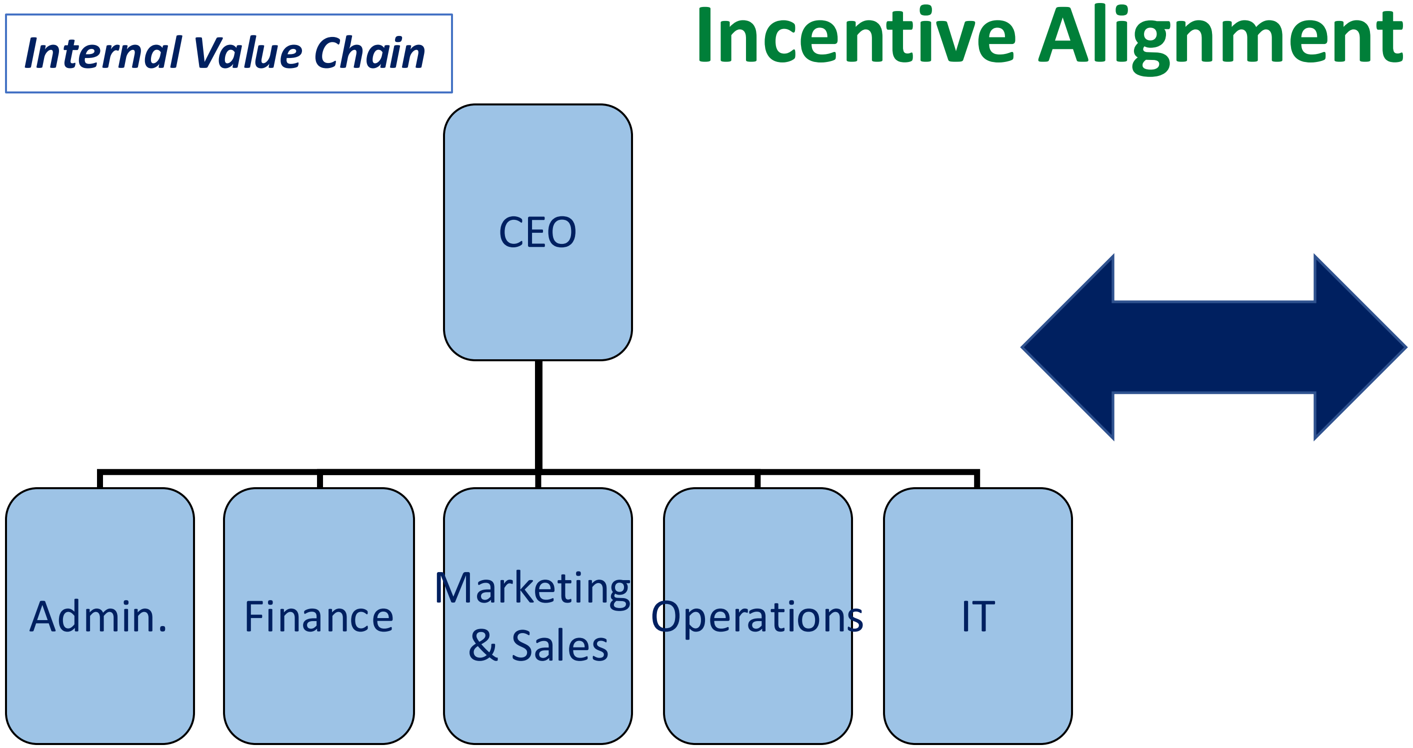
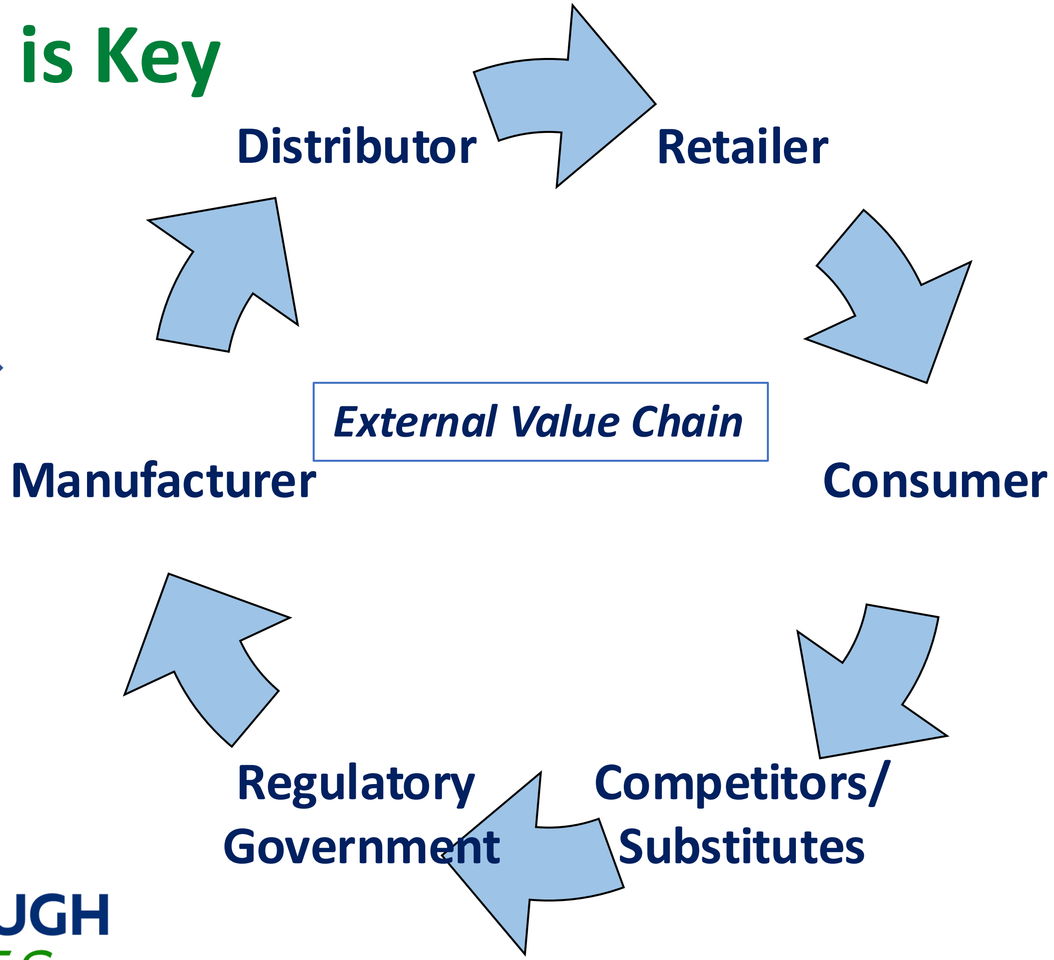
Define your value chain VERY well, and know how the influence and money flows

Incentive Alignment is Key





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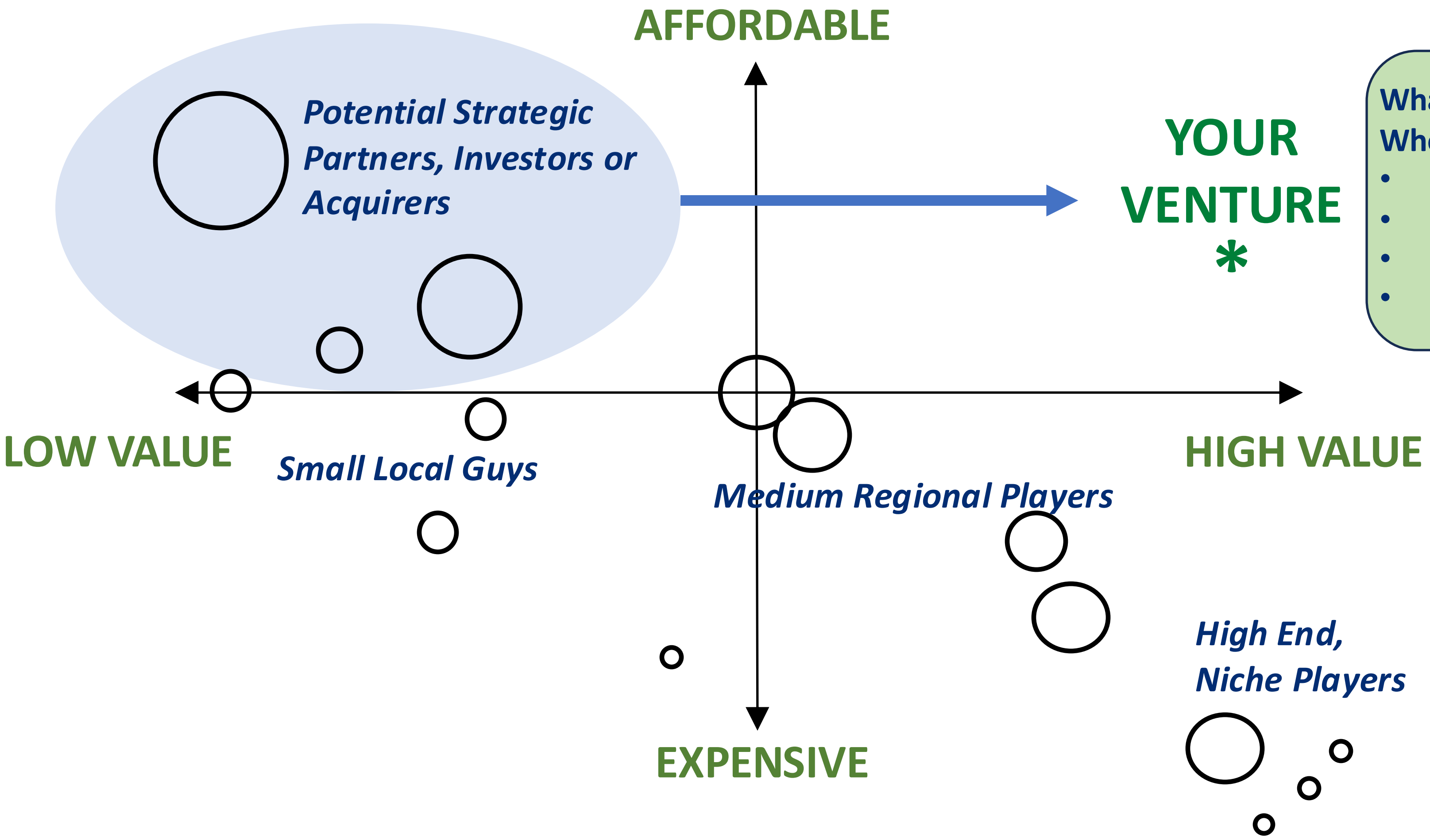
Map the ecosystem to demonstrate your position in the market



What are the barriers to entry?
Who values venture's key assets?:

- Patents
- Exclusivity
- Renewable Contracts
- High Switching Costs

Be prepared for potential Q&A, and let the investor drive questions

- Anticipate questions that are likely going to be asked and have back up slides that go into depth about:
  - ➢ Value chain/Your venture's ecosystem
  - ➢ Competitive environment & venture sustainable advantages
  - ➢ Market traction & sales pipeline
  - ➢ Operations/Scalability
  - ➢ Technology – how it works, where it Is in the development cycle, and protections and patents

- **Answer the question that was asked** – *repeat the gist of the question or ask for clarification*
- Give concise answers
- Be comfortable saying "I don't know"…when you aren't sure of an answer…NEVER guess or give an answer you are unsure of…an investor wants to know you are reliable…and know that you will find the answers that are necessary

A full pitch should be easily presented in 10 minutes

You still ONLY have 90 seconds to compel someone to give you additional attention

- Connect with audience right off the bat
- Tell your story – *do not read your slides!*
- Allocate your time properly
- Be an **active listener and observer**

Present an opportunity that an investor is compelled to participate…DO NOT MAKE AN "ASK"

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General dos and don’ts for presenting

Dos

- + Have a **simple** story
- + **Engage** the listener by connecting and resonating with the audience
- + Reiterate the core customer’s needs and how the venture addresses the need
- + Dress well
- + **Connect with your audience** right off the bat!
- + **Listen** to and address questions that are asked…don’t be afraid to say ‘I don’t know’
- + Speak confidently and articulately
- + Be a THINKER…not a ‘cut and paster’

Don’ts

- Be overly verbose
- Include unnecessary or irrelevant information
- Use **unnecessary technological jargon**
- Talk about something that you are unsure of or don’t know
- Go off on tangents or into details that aren’t immediately germane to discussion
- **Make the presentation hard to see** or understand
- Give precision on your numbers when you are forecasting and have no accuracy – e.g. revenues will be $475,263 in 2028, should be Rev approx. $500 K
- Say your **estimates are “conservative”**
- Have change in your pockets or “clicky pens”
- Read from cards…present!

Best presentations are ones that easily lay out an obvious & compelling opportunity

Be well prepared before you speak

- **Ditch the script!** Don’t memorize notes or read from something the audience has in front of them or has already viewed (most folks generally know how to read)
- Converse in the ‘language’ of your audience…use verbiage they are comfortable with
- Avoid the use of pronouns…don’t say “we” or “they.” **Take the opportunity to say the name of the company or product**
- Know your data well…and stand by it, don’t apologize for it
- Take away all impediments that may separate you from your audience (when in person), e.g. DO NOT USE note cards or stand behind a podium, etc.

Speak very clearly and succinctly…eradicate the “um”, “like,” “you know”

Find your own style of communication to optimally tell the story of the venture opportunity

Candidly Evaluate Your Strengths and Weaknesses

- ✓ Consistently refine and build upon your strengths
- ✓ Accept and compensate appropriately for your weaknesses…don't hide them or defend them…don't make excuses for them!
- ✓ Don't drown in your weaknesses, apologize for them, or let them paralyze you…**find strength in overcoming them**

Remember that you are presenting an opportunity

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