



The Art of the Pitch

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What is the *purpose* of a startup?



One Business, Many Pitches

- **Types of Audiences**

- Investors
- Partners
- Customers
- Customer Discovery
- Potential Employees
- Service Providers / Vendors

- **Audience Customization**



Investor Pitch



Pitch Outline

- Introduction to you and the company
- Problem
- Solution
- Business Model
- Underlying Magic
- Marketing and Sales
- Competition
- Management Team
- Financial Projections and Key Metrics
- Current Update and Proposed Deal



Observations



- **What did you see?**
 - Technology – 1 slide, “Underlying Magic”
 - Team – 2 slides (20%)
 - Business – 7 slides
 - It’s about the *business*, not the product

- MBA Class Example

Problem vs. Solution

- You must be solving a problem
- The customer must *understand* that there is a problem

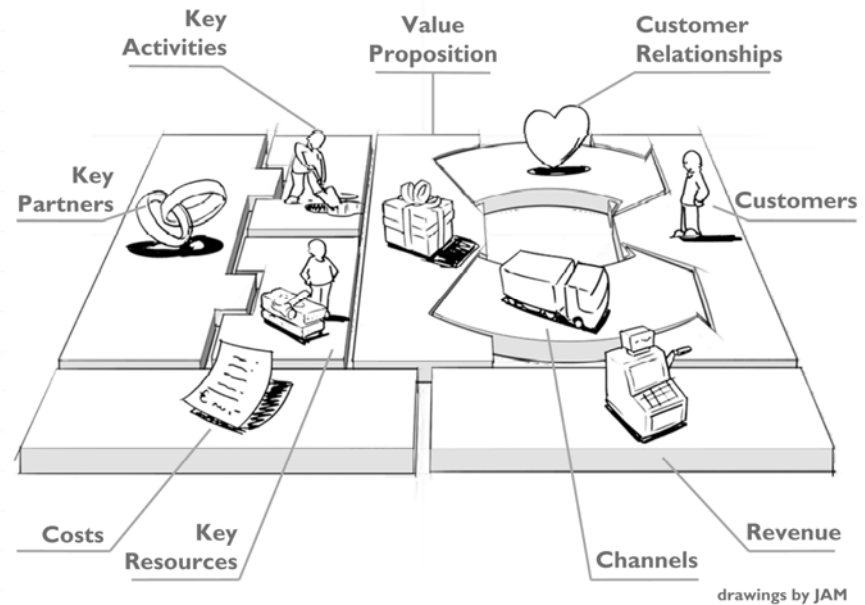
- Don't be that guy...
 - Solution in search of a problem
 - Educational Sale



Business Model

- Product vs Service
- Monetization - Revenue model
 - Product Sale, Subscription Model, Freemium

- Economically Viable
- Scalability
- Strategic Partners



Underlying Magic

- Finally, I get to talk tech?!?!?
 - No, NOT a deep dive into the technology
- What prevents someone from copying you?
 - IP – patents, trademarks, copyrights, trade secrets
- What is your **unfair advantage**?



Competition

- There is **ALWAYS** competition
- Think broadly
 - What industry are you disrupting?
 - What product will you displace?
 - Who will be hurt if you are successful?



- How to Present?
- Superiority
 - Windows XP?

Features	Fogbugz	Bugtracker.net	Jira	Bugzilla	Projistics
Customized Workflow	✗	✓	✓	✗	✓
Customizable Status	✗	✓	✓	?	✓
Custom Fields	Limited (only 2)	✓	✓	✓	✓
Rules based Notification	✗	✗	✓	?	✓
Watch Unread bugs	✓	✗	✓	?	✓
Bug Logging by Anonymous user	✓	✓	✗	?	✓
LDAP Authentication	✓	✗	✓	?	✓
Canned Reports	✓	✓	✓	✗	✓
Customizable Reports	✗	✓	✓	✓	✓
Dashboard/Gadgets	✓	✗	✓	✓	✓
Active Data Source Fields	✗	✗	✓	✓	✓
Bulk Modification	✓	✗	✓	✓	✓
Export to Excel/CSV	✗	✓	✓	✓	✓

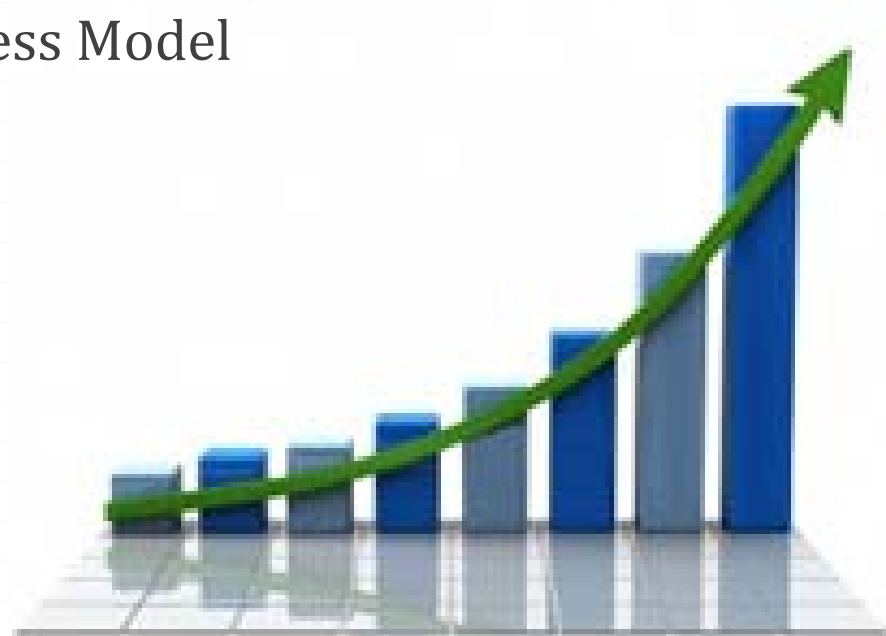
Team

- Ideal Team
 - Experienced - serial entrepreneur(s)
 - Complementary Skills
 - Deep connections in the market / industry
 - Committed
- Investors invest in Teams!



Financial Models & Projections

- Top Down vs. Bottom Up
- Business Plan reduced to numbers
 - Supported by *pro forma* financial statements
 - Consistent with the Business Model



Current Update & Deal

- **Current Update**

- Demonstrate Traction
- Customer Discovery, MVP, Sales, Milestones, Execution

- **Proposed Deal**

- Amount Being Raised
- Type of Security
- Pre-money Valuation
- Minimum Investment
- Path to complete the round



What Else?

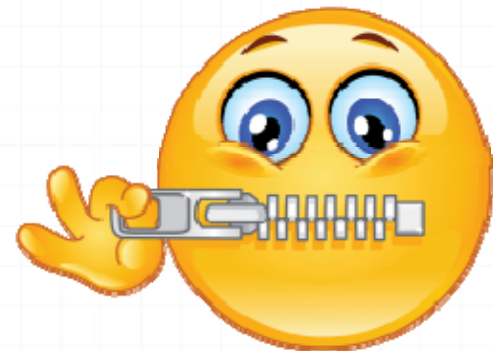


- **Financing Strategy**
 - Final Raise or First of Many
 - Current CAP table
- **Exit Slide**
 - How do investors see a return?
 - Confirm goal = Exit
 - Who would want to buy you? At what milestone?
 - Industry Standards
 - Comparable Acquisitions
- **Backup Slides**

Final Thoughts

The NDA Issue

- Most people will NOT sign an NDA
- Strategies
 - Discuss problem, pain point, current solutions
 - What are their expectations of you?
 - Disclose information commensurate with relationship stage
 - Talk without saying anything



The Inventor's Dilemma

- Entrepreneurship = seeing opportunity, filling void
- Scientific Background
 - Excellent preparation for entrepreneurship
 - ... but, your strength can be your Weakness
- Recommendations
 - Work on the business, not in the business
 - Limit your work on the product
 - BizDev Return on Investment



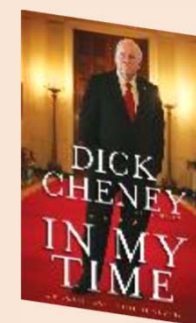
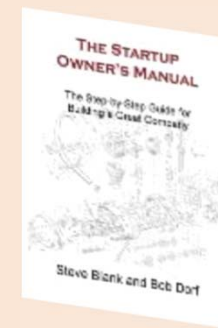
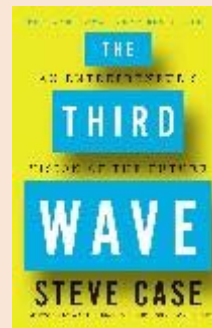
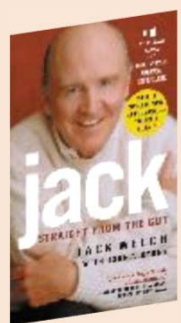
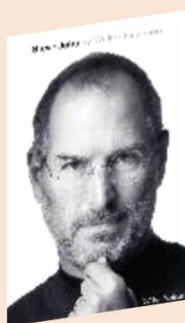
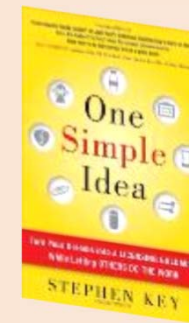
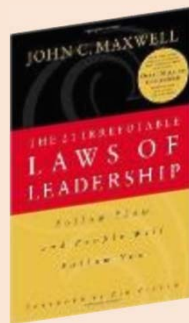
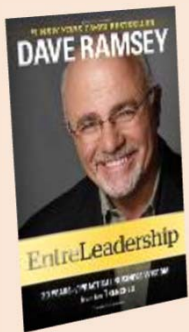
Pitch Success?

- You will NOT leave with a check!
- Goal: Get Another Meeting



PASSION

Suggested Reading



Get Involved

- Startup Breakfast
Wed, 7:30a, FirstWatch, South Broadway
- 5 Across (www.5across.org)
- SPARK
- VACE Lunch & Learn (vace.uky.edu)
- Global Entrepreneurship Week – Nov



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