



# *PITCHING TO INVESTORS OR PARTNERS*

## *PITCH THEN PLAN*

*Arthur A. Boni, Ph. D.*  
*John R. Thorne Distinguished Career Professor of Entrepreneurship*  
*Tepper School of Business*  
*Carnegie Mellon University*

## QUOTE

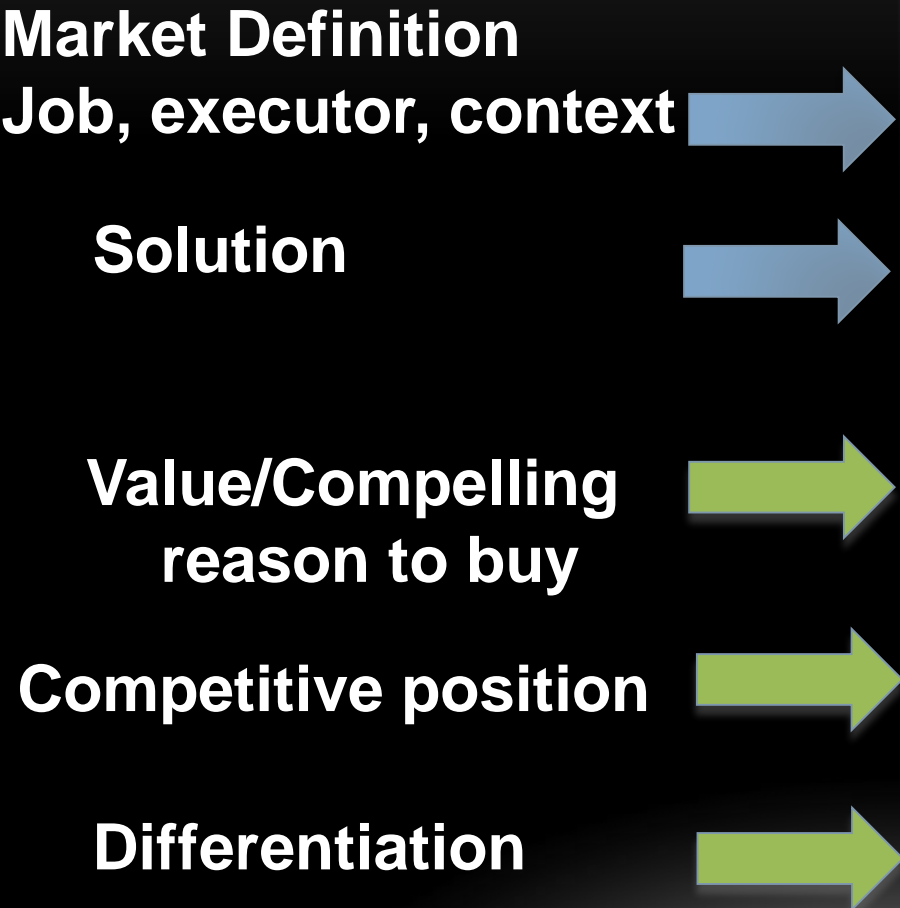
- “You never get a second chance to make a first impression”
- Regis McKenna
  - Famous for marketing and promoting tech (Apple, Intel) and biotech (Genentech) in Silicon Valley

# START WITH THE ELEVATOR PITCH

- Get attention in first “10 seconds” – highlight what you do and why it’s important
- In the next “minute”, give a top level summary:
  - The **opportunity** – it’s big and unsolved
  - Your **solution** - its **uniqueness** and your **competitive advantage**
  - Who is the **customer** and why do they care – what **value** do you create?
  - How you are going to make **money**?
  - Why this **team/company**, and Why now?

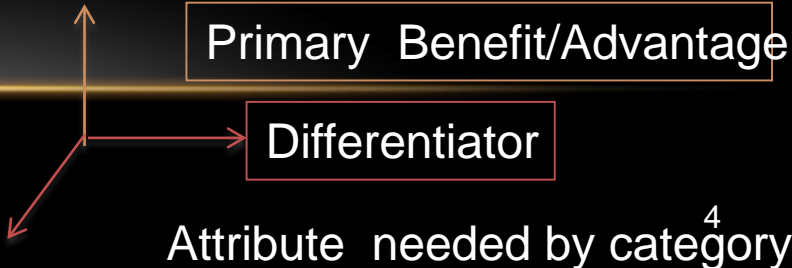
# POSITIONING STATEMENT

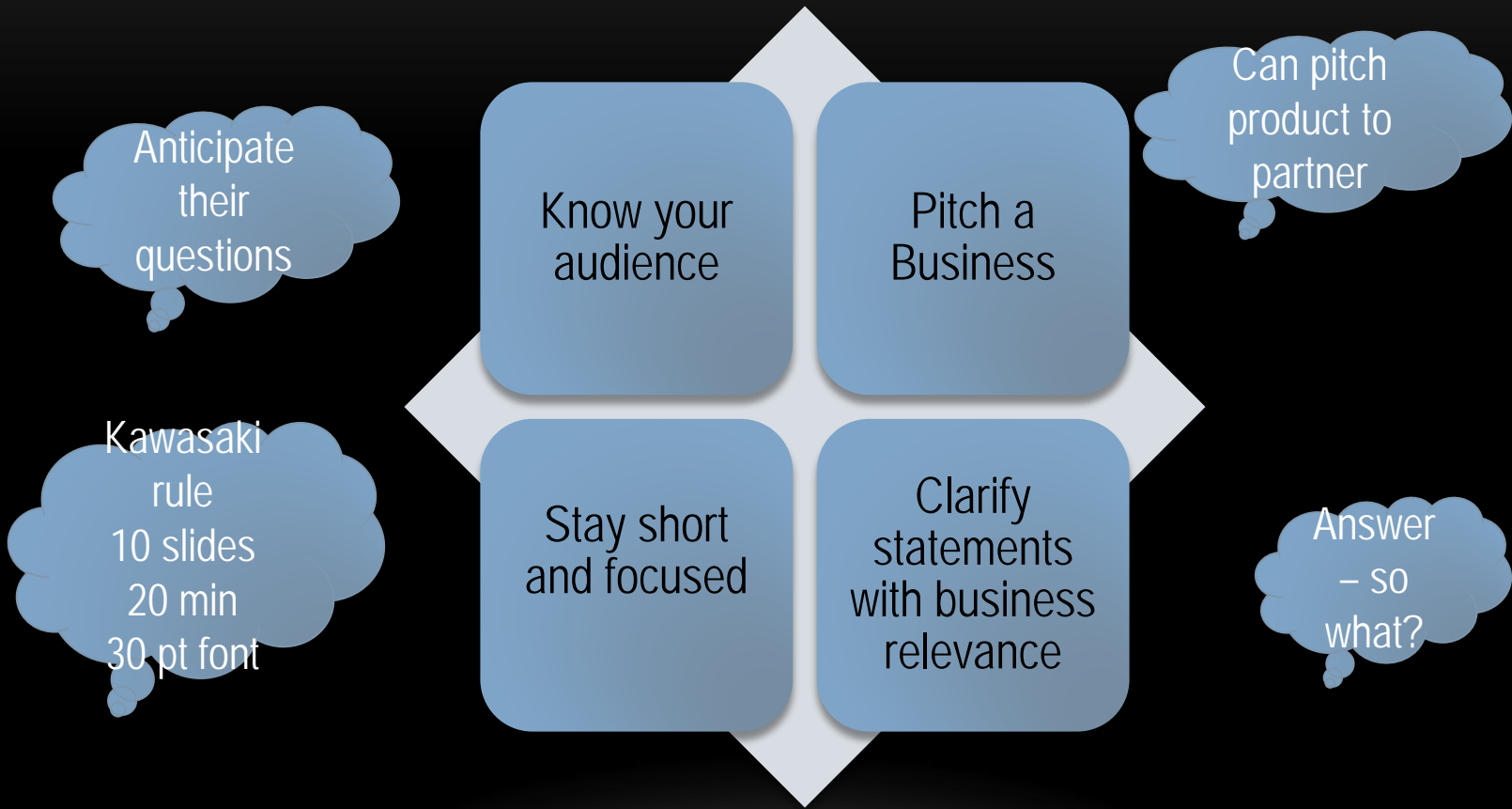
© 2017, Arthur A. Boni, Ph. D.



- *For (target customer)*
- *Who (statement of need or opportunity)*
- *The (product name) is a (product category)*

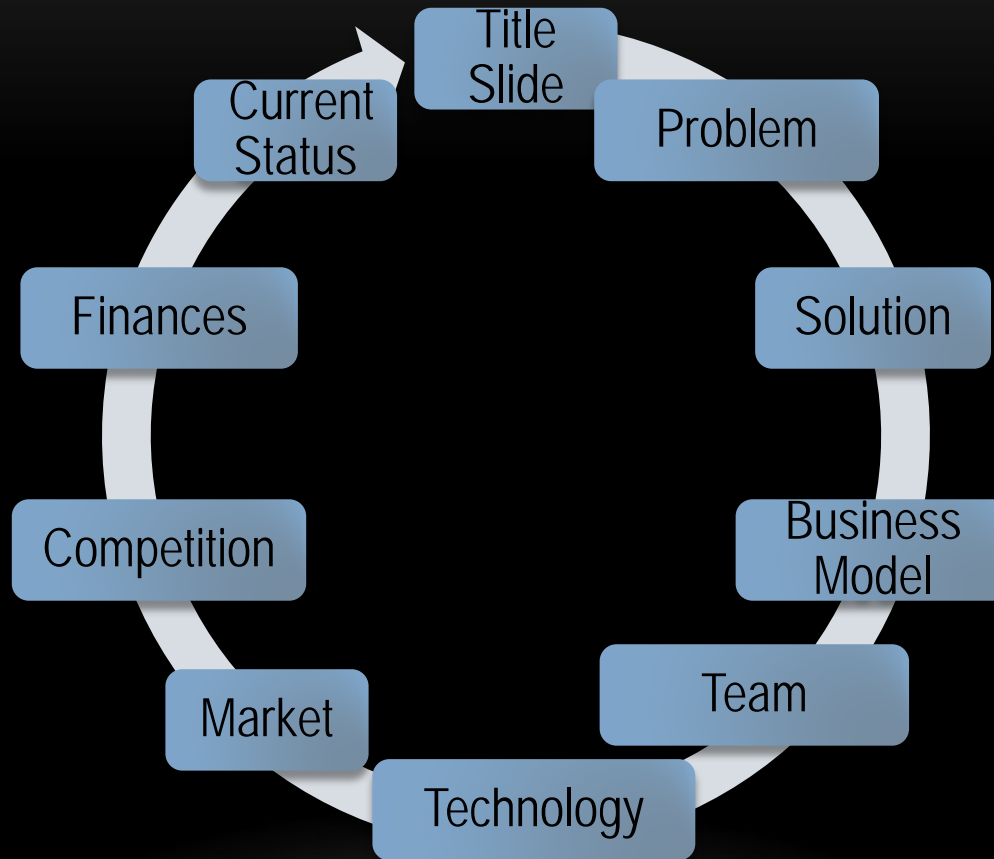
- *That (statement of key benefit – compelling reason to buy)*
- *Unlike (state our primary competitive advantage)*
- *Our product (statement of primary differentiation)*





## Anatomy of a Pitch

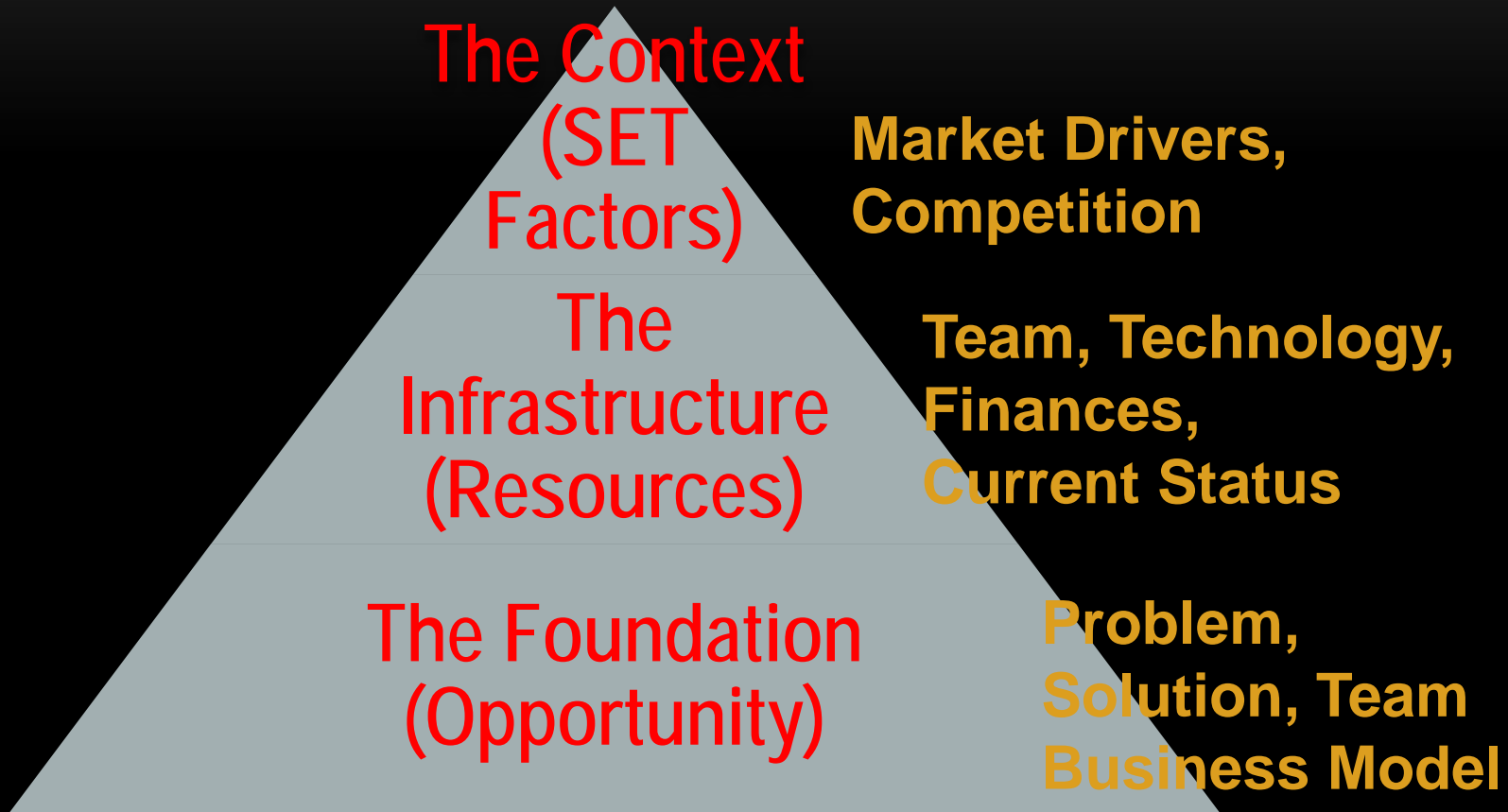
# *10, 20 30 rule of Guy Kawasaki*



## *The Ten Necessary Topics*

# *PITCH THEN PLAN*

- Work up your Pitch
  - Then rework it with practice to multiple audiences
  - Then write your executive summary
  - Then write your business plan
- Plans don't sell opportunities, people do (via a Pitch)
  - But plans show that you understand how your business works



## ***Building Blocks for a Winning Business***



# *TITLE*

- Organization name, address, title, contact information
- Give your elevator pitch – get their attention
  - Use persona to highlight the need
  - State your current funding/need (follow on or not) and what you will accomplish with this tranche
  - Strength of the team

## *Problem – Clear and Compelling*

- What **market need** is addressed - customer “pain” you are taking away?
  - How it is addressed today
  - What gaps exist
  - Identify the customers with this need
- The problem is **big, growing, real and not being well served**

# SOLUTION

- Explain your product/service offering
  - How does it work?
  - **Evidence** that it does work (outcomes)
- Discuss the **uniqueness** and the **value** being created (be specific)
  - “3 to 10x” value or “3 to 10x” lower price”
- What is the long-term opportunity?
  - *(partner, what are the synergies?)*

# BUSINESS MODEL

- Who are your **customers**? How many?
  - Unique Value proposition
- How do you provide the **channels** to customers? Partner? (how does it work?)
- Organizational design
  - Where do you sit in the value chain?
- How do you make **money** (revenue model and margins)?

# TECHNOLOGY

- Explain the **secret sauce or underlying magic** – in simple terms
  - Partners want deeper dive than VCs in pitch
  - Due Diligence will include technology/IP
- Why is it **unique, differentiable, and sustainable?**
  - How is it protected?
  - Current status of IP
- Current status of the technology development and **demo results**

# MARKETING AND SALES

- **Market:** size, growth
  - Patient profile, incidence, treatment methods
- What are your market **segments**?
  - Market entry target segment and why
  - What are your market share goals?
  - What will drive adoption? Barriers?
- **How do you acquire your customers**, convince them to buy, and retain them?
  - How much does it cost? How long?
  - For biotech, what are the Reimbursement & Regulatory issues

# COMPETITION

- Overview competitive landscape – current players, potential new entrants with competing technologies, alternatives.
  - How to **position** vs. competition?
  - Note **barriers to entry**
  - How will the competition respond to your entry and growth?

# *MANAGEMENT TEAM*

- List your team, their relevant experience and expertise
  - board
  - advisors
  - current investors if any
- Recognize the gaps in your team and talk about how they will be filled.



# *FINANCIAL PROJECTIONS*

- Pro Forma Projections to demonstrate how the business works and sensitivities
  - P&L (revenues, costs, margins)
  - Cash Flow (burn rate, breakeven, profit)
- In Backup
  - Balance Sheet
    - Dollars, key metrics (customers, products sold, \$ of revenue for key cost elements)
    - Bottoms up forecasts !
    - Key assumptions, e. g. sales cycles, seasonality, etc.

# *CURRENT STATUS*

- Key milestones met to date
- Future tasks and milestones – development, IP, clinical, team, etc.)
- Financing needed and uses
  - Highlight value creation and risk reduction
- (Exit strategy) → how do they get their money back, when and anticipated IRR?

## *NEXT STEPS*

- End with a set of next steps
  - Site visit/demo
  - List of references for due diligence
  - MOU/Term Sheet

# REFERENCES

- Guy Kawasaki, The Art of the Start 2.0. Penguin Group LLC (2015)
- A. Boni, "The Pitch to Investors and Partners", J. Commercial Biotechnology, Vol. 18, No. 2 (2012)