The Art of the Pitch

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Personal Background

- Faculty member Univ of Calif Berkeley Haas business school
- Founder Startup-Advisor advisory to entrepreneurs
- CEO of four companies (semiconductor & software)
- Worked in engineering, research, marketing & sales
- Experience at one large multinational & 6 startups
- One IPO (Initial Public Offering)
- Four acquisitions, One merger, two “wind-down”, One “restart”
- Raised over $75M in multiple ways (VC, asset sale, debt, angel)
- Extensive experience in working with people from all cultures
- Traveled to 76 countries, lived in 3
- Brown University engineering 1981, Univ of Minnesota
- Charter member of OPEN & TiE Silicon Valley
- Advised or mentored over 1000 entrepreneurs
Learn to Pitch

• Your will be pitching your ideas throughout your life
• Pitching to donors, investors, customers ...
Most Important Aspects of Pitching

• Clarity of thought
  – If you are using too many words to express it then you are not yet clear in your own head!

• Make it relevant to the audience
Role of Venture Capitalists

• The Gardner
  – Nurture fragile companies
  – Provide guidance
  – Opens door
  – Help with recruiting
  – Aligned interests

• Profile of VC
  – Ex-CEO, investment bankers, MBAs
  – Managing partners, General partners, principals, associates
Raising Money

- One partner at a typical VC firm sees over 1000 biz plans in a typical year!

2 get funded

- Odds are tough, even after proper introductions it may take 20 to 50 presentation to get traction over ~6 months
Entrepreneur’s Funding Process

- Homework: 3-6 months
- Pitch: 2 to 4 months
- Due Diligence: 1 to 2 months
- Term Sheet: 
- Legal: Closing!

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What Do VC Look For?

• Traction
  – User, sales, promise of trials/test, conditional POs
• Market size
  – Matches their investment thesis, data
• Team quality

*Notice: your big idea is not on the list!*
Why VCs Don’t Invest

1. Do not agree with investment thesis
2. Team quality
3. Hair-on-deal
4. Market size or dynamics
5. No exit in sight
6. Fund timing
7. GP expertise
8. Fund focus
9. Who else is in the deal!
Elevator Pitch

• Positioning your company in listener’s mind
  – What compartment of their brain do you want to occupy?
Elevator Pitch

• Essence:
  – What problem do you solve
  – How are you different from others

• Example:
  – “we are like xxx but different in xxx way”

• *Make it specific & niche*
The Investor Pitch
The Art of Pitching

• Explain yourself in first minute
• Explain the relevance of what you do
• Stay at a high level
• Listen for audience reaction to what you say
Pitching

• People listen to 7% of words that you say
• They listen to 52% of your body language

- Be Excited! Be memorable
- Show passion
- Use pauses
Basics of Pitching

• First establish context then describe (Slide zero)
• Verbal should supplement what is on slides (not repeat!)
Basics of Pitching

• Tell what you do, then explain the rest
  – Compartmentalize information
• Give them just enough ... Intrigue them!
• Keep asking “so what?”
So What?

Typical pitch
• We use digital signal processing in our hearing aids

So What!
• Our products increase the clarity of sound

Make it personal
• You can hear conversations in a crowded room despite the noise
Know Before You Pitch

• Work with your “sponsor” to know
  – 3 most important things that audience would like to learn about organization
  – What hooked them to give you a chance to come pitch
  – Any special issues, landmines, questions that you should be prepared for
  – How old the oldest player be in the room
Know Your Target Organization

• Organization’s background
  – Their mission statement, who funded them, genesis

• Executives
  – Who works there, what schools, what prior work

• Current efforts
  – Their relevance to your purpose

• Brainstorm with your team to how to pitch, what to say, what connections to exploit before you show up
10/20/30 Rule

• Ten slides
• Twenty minutes
• Thirty size font

• You want to communicate “enough”, not everything!
• Purpose of the pitch to stimulate interest, not to close the deal
Organization of Pitching

• One hour meeting nets 50 minute
  – 5 minute greet, 5 minute wrap
• 30 minutes for discussion
• Leaves no more than 20 minutes for presentation
• Who speaks? Who takes notes?
10-Slide Pitch

1. The problem (the unmet need)
2. Market size (how big is this problem)
3. Our Solution
4. Business model
5. Underlying magic (our unfair advantage)
6. Our go-to-market plan (channel, price, focus)
7. Competitive landscape (how is this problem being addressed)
8. The team (why us)
9. Financials & key metrics
10. Current status & a time line
Essential Steps to Successful Startup

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Thanks for Inviting!

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