

# Investor Pitch

## Guidelines For Your Investor Presentation



THE **W**ERK

in collaboration with

 **SMT**  
**School of Management  
and Technology**

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**This is about what you can do before  
getting roasted by potential investors.**

CHARLES DARWIN



# Structure & Principles

- Team
- Customer and Problem
- Market Opportunity
- Solution
- Competitive Positioning
- Business Model
- Summary Financial Projections
- Go-To-Market Strategy
- Funding Request, Major Milestones, Start-up Costs
- Exit Strategy

»The Investor buys the jockey, not the horse!«

## Who are you?

- Background & Experience
- Motivations
- If applicable: special qualifications needed to meet certain regulations (market entry barriers)
- You don't need a slide if the team is present!



## Who is your customer?

- Target group(s)
- Customer's problem
- Why is it a relevant problem?
- Customer's pain point(s)
- Customer's gain
- Cost's – how important is the problem?  
Don't underestimate the emotional aspects!

- Market size
  - TAM – total addressable market  
This target customer group!  
This problem!
- Market trend(s)
- Relevant market characteristics
- Growth market?
  - Does the market already exist?
  - Is it a niche to be blown-up?
  - Is it a completely new market?



- The solution for your target customer's problem.  
(Jump into your customer's shoes)
- How does your solution translate into a product / service.  
(what is the whole product)
- Your MVBP – minimum viable **business** product
- The »secret sauce« at the core (if there is any...)



# Competitive Positioning



- Your competitors and you – compare:
  - The products / services
  - In terms of price and performance
  - In terms of emotional and
  - Social positioning
- Other relevant aspects, e.g. market access, funding

***In the eyes of the customer!***



## How we will generate value?

- Nature and structure of revenue streams:  
e.g. Product sales, Subscription models, Licensing, Services...
- R&D
- Production
- Marketing (Customer relations)
- Sales
  - Gross margin
  - Operating margin
  - Profit

# Financial Projections (summary)



- P&L – next five\* years (quite high level)
- Key revenue drivers
- Key cost drivers
- The nucleus of your metrics!



- Beachhead and adjacent markets
- Key channel partners
- Marketing, promotion, and branding factors that power sales
- How we reduce sales cycles...
- Agreements w/ partners



**This is what we need from you!**  
**This is our way and purpose.**

- Funding request
- Major milestones (sales, op profits)
- Costs related to milestones

## How will your investor make money???

- Period: 5-7 years
- Post-money valuation (current round)
- (Anti-) Dilution



**At the end of the day you need  
four compelling stories!**



- The story of the customer: He represents a very attractive market!
- The story of your business – about value generation, market leadership and a win-win exit.
- Your and your team's story – a story of passion, conviction, and commitment.
- The story of your milestones – a story of reasonable ambition.





**Well, it's just Sales, my friend.  
So what do you do if you get a No?**

# Dig deeper!



Meyer, Marc H.; Crane, Frederick G. 2014 – New Venture Creation: An Innovator's Guide to Entrepreneurship. Chapter 12: Making the Pitch . 2<sup>nd</sup> Edition SAGE Publications. Kindle-Version. P. 313-332.

