Startup Pitch

Let's get the pitch ready!

MIT Global Startup Labs
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Judging Rubrics

- Problem
- Solution & Demo
- Target Market
- Business Model
- Competitive Advantage
- **TEAM**
- Progress to date & Future plans
- Verbal pitching quality
- Presentation slides quality

What is the Purpose of a Pitch Deck

NOT to answer all possible questions, nor close immediate investment, but to open investors minds to your vision and get them excited to know more.

- Grab their interest, don't overwhelm them
- Get them excited, but leave them wanting more.
- Deck should be able to stand alone without your presentation.
- Tell a visual story
- Be concise (10-12 slides)

Common Deck Mistakes

- Too many slides, too much information (too many product & financial details)

- "Wordy slides": To avoid, follow Guy Kawasaki's 10/20/30 Rule of Power Point for slide design. 10 slides / 20 minutes to present the slides / 30 point font or greater

- Belittling competitors

- False/silly assumptions you can't back up or don't have data on

- False confidence or arrogance

Essential Elements of Your Pitch

- Elevator Ride (30-sec quick pitch)
- The Money Shot (demo)
- Size Matters (market)
- Nice Number$ (customers + revenue)
- SuperHeroes & RockStars (your team)

As a Startup...

"As a startup, figure out the problem you are addressing, and the users," says Waze cofounder Uri Levine. "Fall in love with the problem not the solution, and the rest will follow."

https://www.wired.co.uk/article/waze-uri-levine

10 Slides Essential for a Pitch

1. Elevator Pitch

Teaser Image Goes Here

2. The **Problem**

3. Your Solution

Demo Goes Here

4. Market Size

5. Business Model ($)

6. Proprietary Tech

7. Competition

8. Marketing Plan

9. Team / Hires

10. Money / Milestones

12 Slides to an AMAZING Pitch

1. Elevator Pitch ← **Teaser Image Goes Here**
2. The **Problem**
3. *Validation/ Traction*
4. Your Solution ← **Demo Goes Here**
5. Market Size (TAM)
6. Business Model ($)
7. *Product/ Service*
8. *Your Core*
9. Competition
10. Marketing Plan
11. Team / Hires
12. Money / Milestones

1. The Elevator Pitch (30 sec to 50 sec)

A quick one-liner summary that combines your vision/product and the mission of your company

- Short, Simple, Memorable:

    - "What, How, Why."

- 3 key words or phrases

    - "Mint.com is the free, easy way to manage your money online."

- No expert jargon… just KISS. (Keep It Simple Stupid)

- Try making it relatable… as in "We are X for Y"

    - Ex: "We are AirBNB for Event Spaces" OR "We are the Starbucks of Frozen Yogurt"

2. The problem

- What is The Problem? Make it Obvious.
  - "Ouch. Yeah, I have that too…"
- Who has it? Enough people

THE PROBLEM
Designing a great place is hard

TOO MANY PRODUCTS AROUND
the more choices, the more it is difficult for people to choose a suitable products

EXPENSIVE DESIGNERS
great designers are often expensive, while the affordable ones are hard to find
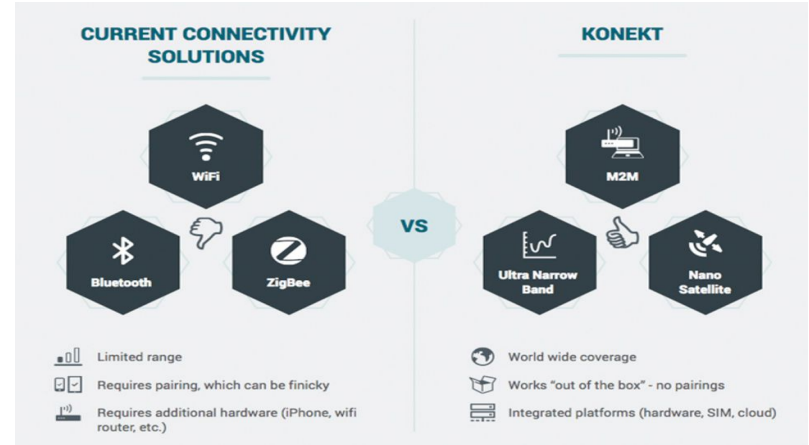
Problem 2

Price is a important concern for customers booking travel online.

Hotels leave you disconnected from the city and its culture.

No easy way exists to book a room with a local or become a host.

3. Your Solution

- Describe why your Solution:

  - Makes your customers Happy

  - Does it better, different than anyone else

- "NICHE to WIN"

  - Example customer case study can go here

The Money Shot: Demo

Demo, Screen Shots, or Video!!

PRACTICE! PRACTICE! PRACTICE!

• demo will **FAIL** -- have a backup (screenshots, local video, interpretive dance)

• expect to be interrupted

4. Market Size

- **Bigger is Better**

- **Top Down = someone else reported it**
  - Forrester, Gartner, Your Uncle

- **Bottom Up = calculate users/usage/rev$**
  - Avg Txn = $X
  - Y customers in our market
  - Avg customer buys Z times per year
  - Market Size = $X * Y * Z annually
  - Market growing @ 100+% per year

5. Business Model

- Describe Top 1-3 Sources of Revenue
  - Prioritize by Size or Potential

- Common Revenue Models:
  - Direct: eCommerce, subscription, digital goods
  - Indirect: advertising, lead gen, affiliate
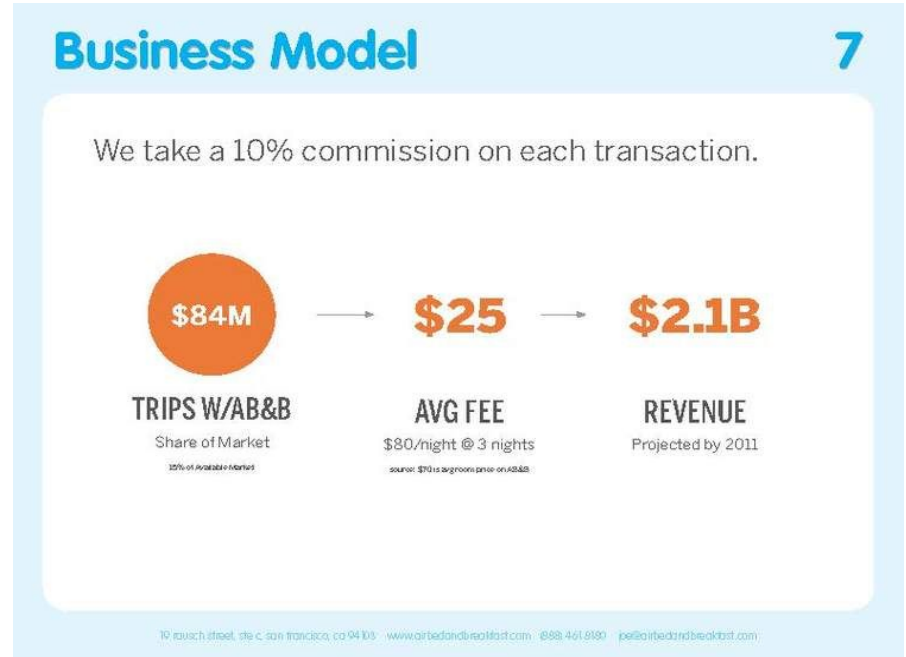
6. Proprietary Technology/Expertise

Investors *really* like unfair advantages:

- BIG market lead
- Experienced team
- "Superior" technology

7. Competition

Why you're better *or* different

List *all* competitors

- Show how you're better...
- ... or at least different

if not better or different then

- "NICHE TO WIN"

8. Marketing Plan

How to get your customers and how to distribute your product

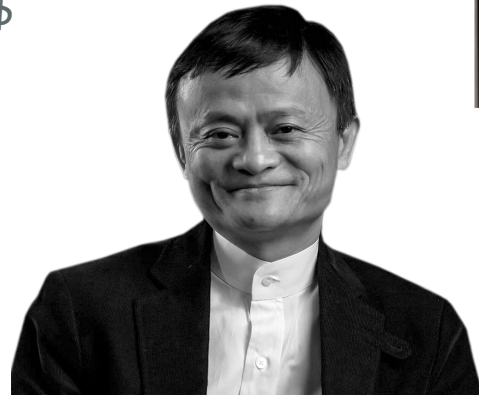- Biz Dev
- Direct Marketing
- Radio / TV / Print
- Telemarketing
- Email

- SEO / SEM
- Blogs / Bloggers
- Viral / Referral
- Affiliate / CPA
- Widgets / Apps

Things that matter in marketing... Volume, Cost, and Conversion

9. Team

What are investors looking for in a team??

- Geeks with deep tech experience

- Entrepreneurs who have sold companies

- Sales/Marketing who bring in customer$
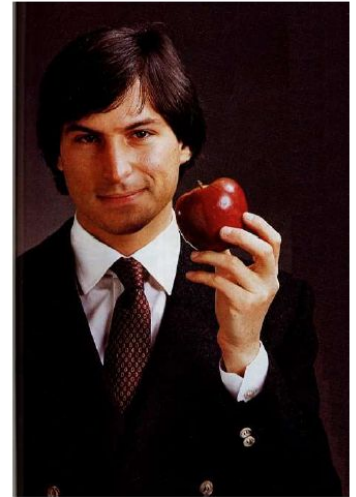
10. Money and Milestones

- How much **MONEY**?

  o 3 budgets: Small, Medium, Large

- What will you do with **Capital**?

  o New Hires (Build Product)

  o Marketing & Sales (Get Customers/ $$$)

  o Ops & Infrastructure (Scale Up)

10. Money and Milestones

State how much Capital you are raising, and with what general Terms:

What is the timing of your Capital raise?

Who are your existing & notable investors, if any?

What are your key Use of Proceeds (as % of total raise)
- Founder salaries
- Sales & Marketing
- New hires
- Technology / Product or Service development
- Capital expenses / equipment

10. Money $$$

Include COCA and LTV calculations. Include 3-5 years of financial projections

Mention key & critical assumptions in your model of expenses, customer conversion, market penetration %

Highlight each of these Yearly for at least 3 years:
- Total Customers
- Total Revenue
- Total Expense
- EBITDA

Now what?

- Before even looking at your slides, write a **script**
  - **The story** you want to tell through your pitch
  - Only think about **overall flow of content**
- Then, look at your pitch deck **slide by slide**
  - Does your deck follow the same logical order described here?
  - When updating each slide, also **write down exactly what you will say** in that slide, at the same time
  - Does each slide (images/words on the screen & words that are said out loud) **answer the key questions** we're looking for?

Demo Day Logistics

Pitches

- 6 min total pitch
  - 5 min speaking & slides
  - 1 min video demo of product (in Solution slides)
- 3 min Q&A from judges

Plan to have
- Passion for the problem you are trying to solve
- Laptop showing landing page
- Phone or other device to showcase prototype
- Matching outfits?
- Business cards?
- Any other information or material you want to share with guests

Deliverables

- **Mobile Apps >> Wednesday, Aug 15th**
- **24 Steps Powerpoint Slides >> Thursday, Aug 16th**
- **First Draft of Your Pitch Deck >> Thursday, Aug 16th**

*** We will review your pitch deck so don't worry too much about the grammar!!
***Focus on your content!!