

Brief Title

*Tag Line About Benefits**

**Features: what your technology does*

Benefits: why an end user would care about what your technology does

Your Name

Your Position

Your Institution

Introduction

- The following slides are set up as a series of questions asked by the investor to whom you are pitching. These are questions that any investor will need to have answered before s/he will get excited about the opportunity to invest in you and your company.
- Your primary goal in an initial pitch is to get to the next meeting. This is true whether it's a 30 second, 3 minute or 10 minute pitch. You are not trying to teach with this pitch, you are trying to communicate the opportunity. Teaching will take much more effort and time and is appropriate when the investor has asked for it. Greater technical detail is appropriate at that time and/or when experts have been brought in to provide due diligence.
- Remember that investors, especially equity investors, have the opportunity to review dozens, if not hundreds, of business opportunities each year. Most of them are presented poorly and some great ideas are rejected because the exciting opportunity was lost in a sea of jargon and equations or because the case that this is a money-making opportunity was not made in a convincing fashion. It is up to you to make your pitch stand out against this background. Follow this template carefully - do your homework! - and you will be off to a great start.
- For more information, check out the MTTC website at www.mattcenter.org or drop our coach a line at lplano@umassp.edu. Also, see the end of this file for tips on using PowerPoint.

Why should I care about your business/ technology?

Your answers should

- Validate size of market your technology will impact
 - E.g., size of your market is not everyone who experiences cartilage damage but everyone who pursues treatment and can be affected by your technology.
- Address the ‘pain’ in the market
 - E.g., the insurance company has to pay thousands of dollars for 80% of patients for follow-up surgery, a loss of hundreds of millions each year, due to problems with current treatment procedures.
- Be quantitative in terms of money whenever possible.
 - E.g., number of people who tear cartilage per year is not as important as how much money is spent trying to fix or treat it. VCs typically want \$1B++ market; angels and others can be more conservative.

What Does Your Technology Do (in language I can understand)?

Your answers should

- Tell me *what* it does, not how, except as it pertains to what makes your approach unique.

Comments
















- Avoid jargon, undefined acronymns, equations, chemical formulas, complex diagrams. Investors are not stupid, you aren't dumbing your presentation down. You are just changing the focus from teaching about the technology to communicating the business opportunity.
- Use 1 or 2 slides for all the technology. If you need more and you've got more than clear, easy to grasp graphics on the page, you are doing something wrong.
- At this stage of the game, your technology can be treated as essentially a black box. This is safer for you from a confidentiality perspective as well as a way to keep to the benefits rather than features of the technology.
- It is important to talk about benefits (what the tech does for the end user) and not features (the technical items that support the benefits). E.g., if your technology is a light switch, I care about the fact that it makes the light turn on a lot more than I care about the electromagnetic technology associated with the actual switch mechanism. I do care about why your switch is better than anyone else's but only in terms of how I benefit, e.g., a dimmer switch, a clapper switch, whatever. I do care that the advantage exists and that it is patented, but not (now) the details

Why are you better than anyone else?

Your answers should:

- Highlight the benefits* of your technology over competing technologies/companies/etc.
 - Stick to a small number of benefits: < 5
 - Consider framing them to highlight your advantages - see next page for an illustration
- Your competition includes:
 - “Business as Usual”: the solution your potential customers use today, even if it’s doing nothing about the problem - there is still inertia associated with changing to a better solution
 - New technologies from existing companies
 - New technologies from startups
- Caution: never ever say that there is no competition.
 - Chances are you’re wrong
 - If you’re wrong, then you haven’t done your homework
 - If you’re right, are you sure there is a market??
 - Saying there is no competition suggests arrogance, which no investor wants to deal with

One Useful Way of Representing Competitive Advantage

	Important Benefit 1	Important Benefit 2	Important Benefit 3	Important Benefit 4
OurTech				
Business as Usual			-	
Current Competitors				
Upcoming Competitors				

Notice that OurTech is best in class across all parameters. This is the case you would most like to show potential investors since it indicates that you can dominate the marketplace (actually, having your competitors have xes in all categories would be even better). Another way to think of it is to identify and specify the market(s) for which the benefits your technology provides really does make it the best choice across the board. In other words, if you are not the company that is best in class across the board, then perhaps your market needs to be segmented differently. Don't lie and don't obfuscate, but do use this as a tool to help you further refine your markets and competitive landscape.

How are you going to stay better than anyone else?

Your answers should:

- Indicate that you own critical technology, that you have freedom to operate, and that you have a strategy for maintaining leadership in terms of patented technology.

Comments

- Intellectual property ownership is a critical component of most investors' decision to invest.
- Identify who owns the technology: your company, your research institution, company founders, etc. If the company (not the founders) is not the owner, then you should be prepared to answer when and under what terms ownership by the company will be attained.
- Identify whether you have Freedom to Operate, i.e., will you have to sublicense someone else's technology in order to practice your IP?
- What, exactly, does your IP protect? Does it address Composition of Matter or Process?
- What stage is the patent application in? Provisional? Filed? Granted? The closer the patent is to granted, the lower the investor fear!
- Having a couple of solid patents is a great start, but your competition will be moving ahead, too, so your IP slide should include your strategy for further IP development over time.
- "All lawyers cost the same in the end" (stolen from Sharon Ballard of SuperCoaches®) – in other words, don't try to economize on legal representation because the cost of bad legal advice is very high.

Is It Real or Is It Vaporware?

Your answer should

- Indicate the maturity of the technology with respect to the level of effort (time, money, and technical hurdles) required to produce a working product.

Comments

- Investors see many, many good ideas in the course of a year. Very few of them make it to commercialization, so one of the best things you can do to engender confidence in your pitch is to show that you have a working prototype.
- Regardless of where you are – idea, proof of concept, prototype, beta-test, product – solid data and hardware will help to make the technology seem more real. Do not lie or exaggerate, but do make sure you highlight what you can demonstrate and do not go out of your way to emphasize flaws or problems.
- This is not the time to get into deep scientific assessments, analysis or jargon. Do not show raw data if at all possible; instead, refine it in the context of one or more of the benefits in your Competitive Advantage slides.
- The closer you are to your first product/ revenue, the better you are in terms of reducing investor fear and enhancing greed.

Why Are You the Right Team?

Your answer should

- Engender confidence that you understand the components of a good team, even if you haven't filled all roles as yet.
- Include any scientific and especially business advisors who will add credibility due to their reputation and/or skill set.

Comments

- When listing your team members, include their titles (generally speaking, the CEO should be giving the pitch) and any industry experience. Emphasis on corporate or startup experience shows your understanding that you are pitching for a business, not a research project.
- Relevant technical experience (e.g., years in research in a field is more important than specific degrees) is also critical, of course, at least for technical members of the team. Specific schools and degrees are important but should come last – investors will usually assume you are a leader in the field or you wouldn't be doing this startup in the first place.
- Previous patents (related to the current technology or not) can also add credibility, particularly if any have led to formation of a startup company or an important product platform.
- Advisory boards are great – members will generally serve pro bono because they believe in you and the technology. Recognized names and associated companies can greatly enhance your credibility.
- On the other hand, nothing builds confidence like a paying customer or partner, someone else who has skin in the game. If you have industrial partners with whom you are working (preferably for money), give them a slide, too.

How Are You Going to Use My Money?

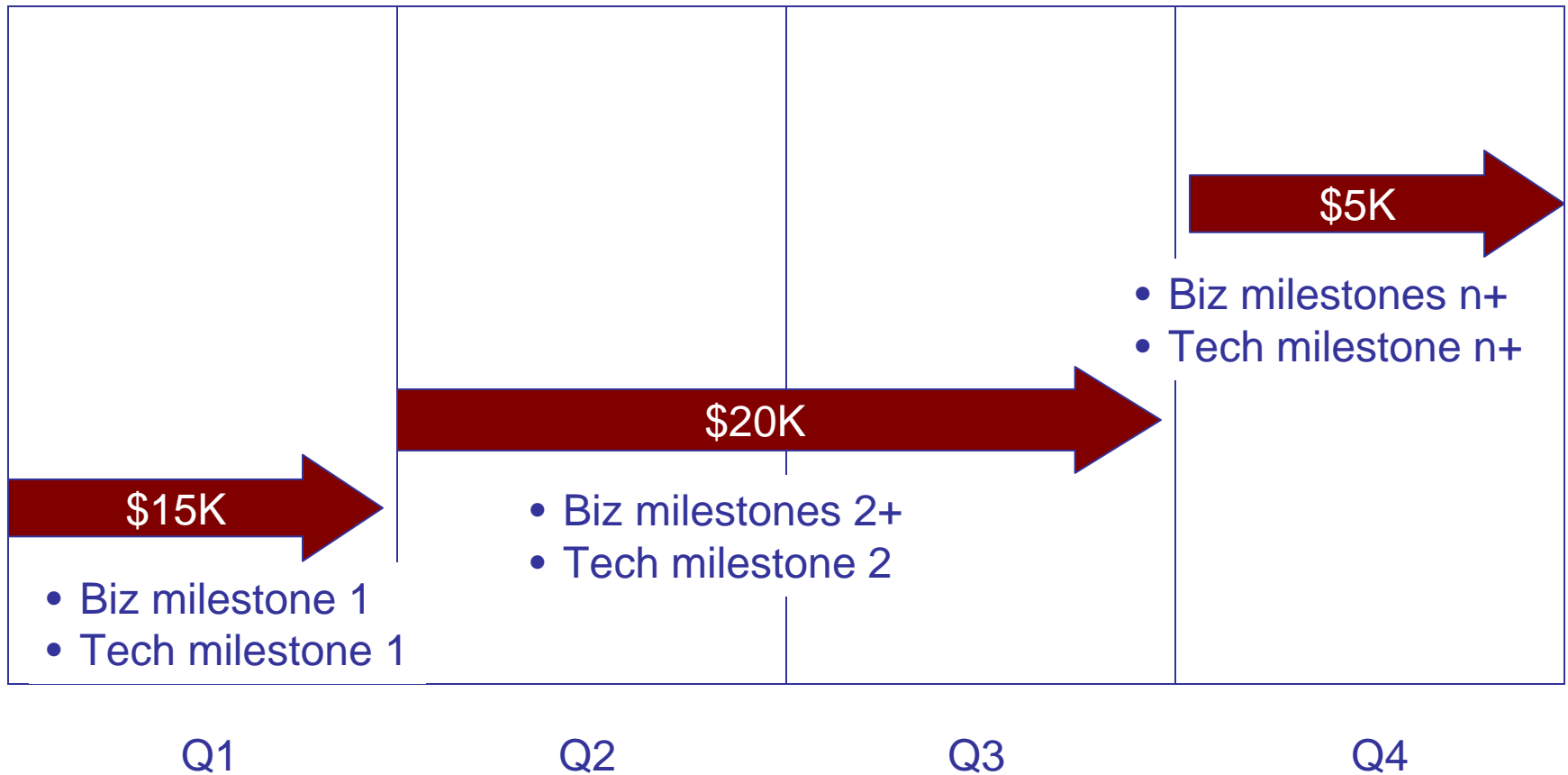
Your answer should

- If you are a startup or spinout: Demonstrate that you have thought through an aggressive, focused plan to reach your first revenue and, preferably, a liquidity event within 3 – 5 years.
- If you are a researcher with technology to license: Demonstrate that you have thought through an aggressive, focused plan to take the technology to the point where a license would be highly desirable by a number of potential licensors.

Comments

- Remember that the money you are talking about is the investors' and they tend to take very personally. Even those focused on the 'triple bottom line' are focused first and foremost on the first bottom line, economic return.
- Use a milestone chart (an example follows). Investors fund milestones that add value to the company. Adding a CFO does not add value in that sense; successful completion of testing of your prototype does, as does obtaining a customer or filing IP.
- Everyone knows that the chances of the proposed scenario unfolding exactly the way you propose are very low. The investor will be more interested in knowing that you have thought through the issues, are realistic and focused and therefore have the capacity to change directions in an intelligent way when circumstances change.

One Way of Representing Development Plan



How Am I Going to Make Money?

Your answers should

- Provide a plausible scenario for the investor to get an ROI (return on investment) that fits with his or her investment profile.

Comments for equity investors

- Liquidity events are required because an equity investor will not be able to exit with a return until the company either goes public or is acquired. In general, investors want a 10 – 15x ROI in 3 – 5 years.
- While you may not know which exit strategy is appropriate for your business, it's best to select the one that fits best with your strategy and pitch that one rather than saying you'll do whichever seems appropriate at the time.
- If you have defensible financials, use them! You should provide graphic or, if you must, tabular information on revenues, expenses, and breakeven. Headcounts & other details are not critical at this point – that's a topic for subsequent meetings.

Comments for potential licensees (another type of investor)

- Licensees are most interested in knowing how long it will take for them to get their product to market based on your technology, and to which market in particular.

Comments for both

- Be sure to frame this slide in terms of an 'ask': be specific in terms of how much money you need to make the proposed business strategy to work.
- Be prepared to answer questions about what would happen if you received significantly more or less money.

Benefit from PowerPoint Features!

PowerPoint is extremely powerful and useful in spite of all the bad press it gets. Learn a few standard procedures and make it work for you!

From the Queen of PowerPoint:
My favorite PowerPoint Tips

Slide Master

- Go to View/Master/Slide Master to see and edit Slide and Title Masters.
- Normally the Masters will be linked together, so that changes you make to the Slide Master will be reflected in the Title Master (this is a one-way connection).
- I almost always set up the Slide Master so that the title placeholder is set to bottom alignment: right-click on the placeholder, go to Format Placeholder, then Text Box, then select Text Anchor Point as Bottom (or Bottom centered if you are doing center justification).
- Avoid Footnotes as these clutter your slides up visually. Especially avoid “Confidential Information” or similar phrases - if this is an initial pitch, you should not be revealing confidential information! Suggesting that you are by using this phrase suggests that you are naïve, which is not an image you want to project.

Slide Master Favorite Trick

- I almost always select the fifth level of bullets and make it a very small font size, e.g., 8 or 9 pts. This allows me to create a uniform separation between bullet points that will withstand transitions from one machine to another, sometimes from one platform to another.
- To see what I mean, select the line between the two bullet points of this page. If you have trouble finding it, select both bullet points and you'll see in between the two big blocks of text a very small, very indented line. If you put the cursor in that line and hit shift-tab, it will un-indent itself one level at a time and you can see it changing size. So - to get a small, reproducible space between paragraphs, just hit 'return' and then tab four times to get it.

Fonts

- Pick a standard font!
- To emphasize: Do not pick an unusual font. Even if you embed it!! I did my best to accommodate some presenters in this way at a recent conference and, even though I'm pretty good at this stuff, some of it blew up on the day of the conference. Don't take the chance!
- You never know when you are going to have to put your presentation on someone else's machine that may or may not have your cutting edge font installed. If you switch platforms, chances of it getting screwed up are even higher.
- Choose: Arial, Verdana, Times New Roman, or Trebuchet. Every machine I've ever encountered has these fonts on it and should give you plenty of room for creativity. What you're saying is even more important than how cool the slides are
- Generally speaking, pick a Sans Serif font (Times is a Serif Font, so-called because it has these little doodads at the ends of the letters.) Serif fonts can be harder to read in projection because of resolution issues. If you must use a Serif Font, keep the color combination very simple and not high contrast, e.g., dark blue on white, not orange on royal blue.

Slide Design

- *Sorry, under development!*

Color Scheme

- *Sorry, under development!*

Slide Layout

- *Sorry, under development!*