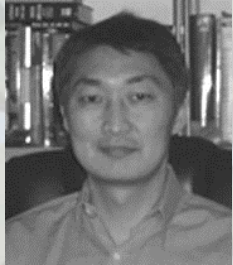


Hot Sauce! Secret Sauce for Entrepreneurs



About The Author

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Booway has worked with clients across many industries including financial services, healthcare, and IT, and he has served as the CEO of a \$14 million debt settlement company. Booway earned his MBA from Harvard Business School, and his BA in Linguistics from Moscow Linguistics University.

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Your First Pitch

Unlike baseball, your first pitch isn't ceremonial. It really counts. It can be decisive in shaping the rest of your life. So, if you want to succeed at it, the following preparation strategies should help.

Great concept? Check. Big Market? Check. Product (or prototype) development complete? Check. Focus group or market test successful? Exceptional management team in place? Top quality business plan developed and sent to several best-fit investors? Check, check, check. With all this achieved after months or, maybe, years of hard work, there is no way investors shouldn't invest in us, right? Not necessarily. You have yet to pass the final and crucial test in your path to obtain funding - the face-to-face pitch. This hurdle often proves the hardest for many entrepreneurs, as the pitch is more than just a personal presentation of the business plan.

Why is the pitch so important?

Up to this point, all your strengths and accomplishments, however impressive they may be, remained on paper, as far as investors are concerned. Regardless of what your business plan and resumes may claim, your potential investors have yet to be convinced of your leadership skills and your 'proven' ability to thrive under pressure.

Investors, ultimately, invest in people, and, until they meet you in person and get to know you well, they will not rush to part with their cash, no matter *how* strong your business plan is. Given a choice between a great concept with unproven management, and a so-so idea by an established entrepreneur, investors are likely to choose the latter.

In that sense, your pitch is very much like an audition. It is your chance to show your talents, impress and entice your potential investors by demonstrating the expertise of your management team, the strength of your personalities, your abilities to inspire, motivate, sell, execute, to argue your position and defend your strategy well.

You have an hour, at the very most, to demonstrate all of the above skills and then some. And if you don't nail that audition, chances are that someone else *will* and walk away with the money earmarked for you.

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There are a few things you can do to improve your chances of success when the actual pitch day comes.

PREPARATION

Prepare different versions for different circumstances

The first pitch may not necessarily happen by appointment, in a cozy office or conference room. You have certainly heard of 'elevator pitches', when you have an unplanned opportunity to pitch a sought-after investor at an entrepreneurial conference, social event, or even a hotel lobby. This may be your chance to 'sell' yourself onto a follow-up phone call, email, or even a full meeting. Therefore, it helps to have a quick, 30 second version of your presentation in your head (an oral version of your executive summary). If impromptu sales is not your forte, you may want to write down a short script or bullet list of the key selling points in advance and memorize it.

Know your numbers...

... by heart. Digging through papers or your computer for key facts and figures during a presentation creates a poor impression. Bottom line: be prepared to recite all your key figures if an investor happens to call you in the middle of the night.

By key numbers I don't mean just the numbers in your business plan and presentation, but also other relevant figures helpful in understanding your business and market that did not make it into your final documents, including key industry metrics.

Know your investor

Understanding your audience is always a critical part of making any presentation. In this case, know your potential investors' relevant portfolio companies, investment criteria, the names of the partners, and so forth. Your knowledge of their history shows that you've done your due diligence.

As you know, every decision contains an emotional element, and the more the investors like you, the higher are your chances. It doesn't take a lot of time to research, and the results might make the difference.

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Prepare your Q&A arsenal

A VC firm examines thousands of business plans every year, and have sat through hundreds of presentations. For every question you think they might ask, they probably have two more up their sleeves.

I personally like to organize the list of possible questions around the sections of my business plan, as 90% of all the questions tend to revolve around your business and the business plan. It's safe to expect the other 10% will go beyond your business plan, and may cover anything from your past successes and failures to your hobbies.

Make your answers brief, specific and to the point. Try to limit each response to two sentences.

You could further polish your Q&A skills by playing a simple hat game. Write each question on an index card, put them all in a hat, and have each team member pick a random question and answer it. Then you can give each other feedback, share observations, and improve answers.

Remember a good rule of thumb: never walk into the meeting with an unanswered question.

Rehearse

If you were to take away only one tip from this article, this one is it. Practicing can dramatically improve your presentation skills. It exposes all the strengths and weaknesses in your pitch (thus pointing out the areas you need to focus on the most). Most recognized orators, from Churchill to Clinton, are known to have repeatedly rehearsed before important speeches.

You can practice alone, but I find it much more effective to have an audience, whether your teammates, friends, or family. A friendly audience can give you valuable insights about your presentation style, point out your strengths and weaknesses. Furthermore, diverse audiences help you spot different problems and identify new ideas, so it makes sense to rehearse more than once.

Obviously, the more you practice, the better you'll get. Try a new audience each time and utilize the following:

- *Practice* with your team members, your family, and friends. Ask them to think like an investor, and to think critically.
- *Take notes* during your (or your teammate's) presentation and reflect them in the next attempts.

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- *Time yourself.* Find out how long each segment takes to deliver, and make adjustments if necessary.
- *Videotape* your performance. Videotaping has proven an invaluable tool that helps to significantly improve your public speaking skills in general. You might be surprised by how often you use annoying speech pollutants as 'um', 'well', 'you see', 'you know', and 'like'.

Different people have different learning styles. So, analyze your progress and repeat the above if you think you could benefit from additional practice. Your morning showers are a great time for practicing your pitch.

Sweat the small stuff

There are a number of little things that are so common sense and seem so obvious that you'd think it would be insulting to mention them to educated adults. Until, that is, you hear about the entrepreneur who started clipping his nails during his team's pitch (tinyurl.com/ctanu; scroll down to April 11 entry titled 'Personal Hygiene and PowerPoint Don't Mix').

Furthermore, there are other trivial details that many smart people simply forget, for whatever the reason may be. Laptops, cell phones, key exhibits, even product prototypes (in a recent episode of *The Apprentice*, one team forgot a product prototype, ultimately leading to their loss of the assignment); the list can go on.

True, many of them are insignificant and often go unnoticed, but why take a chance that's easily avoided?

I will just mention a few last minute reminders. Make a checklist and review it before you go out the door:

- *Business cards:* Have plenty of them in your pocket at all times.
- *Dress:* The safest bet is to see how the VC dresses in photos on their website and do the same. Suits are always safe, and business casual is usually acceptable.
- *Meeting logistics:* Find out in advance about your pitch room amenities: projector, Internet access, conference calling abilities, etc. Most of the above will most likely be available, but assume nothing. Always have a Plan B in case the projector is broken or you happen to drop your laptop as you take it out of the bag.
- *Rest up.* Your brain functions much better and faster after a good night's rest.
- *Be on time:* Expect traffic delays. Better yet, show up 15-20 minutes early so that you'll

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have time to set up your equipment and take a deep breath.

- *Cell phones*: Don't forget to turn them off for the duration of the meeting, especially if you have musical ring-tones.

GIVING THE PITCH

Structure

Obviously, your pitch will be structured around your PowerPoint slides. There are, however, a few things you should remember beyond the content of your slides:

- First of all, your pitch is very similar to any other public speaking engagement, except you have a smaller audience. And, as public speaking mantra goes, a speech should accomplish three key objectives to be successful: it should excite, educate, and entertain (the 3 E's). This fully applies to your pitch, except I would replace 'entertain' with 'entice'.
- Your opening is very important. Whether it is a tasteful joke or an interesting anecdote, make sure it is an attention grabber. Excite your audience and don't let the attention go until the end of the meeting.
- Tell a story that people can relate to by using plain language. Limit the use of industry jargon.

I'm sure you can google for tons of additional public speaking tips.

Distribute Printed Materials at the End

The content, structure, stylistics, and formatting of your PowerPoint presentation is a subject of a separate discussion, so I will not address them here. Let's just assume you already have your presentation ready.

Handing out printed copies of your presentation at the beginning of the meeting is generally not a good idea, unless the investors specifically request one. It has a few downsides:

- a) Your investors finish reading your presentation before you start speaking. Once you start speaking, they interrupt you at will and start asking questions about various parts of the presentation, often jumping ahead. While interruptions are, in general, a good sign of interest, they may disrupt your story flow, pace, and, completeness.

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b) Your investors flip through it quickly and don't get the complete picture /story, or worse yet, form the wrong impressions. Once it happens, it's hard to undo.

c) Investors read your presentation while you speak, and miss some important details not covered in the printed copy.

So, don't even have a stack lying visibly on the table before the meeting. Once you're finished, you can offer each audience member a copy of your presentation.

Take advantage of interruptions

Anticipate repeated interruptions and breaks in the pitch flow. As the intended buyers, investors like to and will ask all kinds of questions at any time and any way they please.

As annoying and unnerving as they may be, interruptions are a sign of interest. Don't take anything personally, and go with the flow.

Think of each interruption as an extra sales opportunity and use them to your advantage. Relevant interruptions may even help make your case stronger. Use them to reiterate your key selling points and provide details that are not in the PowerPoint or the business plan.

One way you can invite relevant interruptions into your pitch is to end each section of the presentation by asking: "Before we move on, are there any questions?"

Another benefit of these mini- Q&A segments is that they give you an outlet to deflect and defuse untimely or irrelevant questions. For instance, if an investor asks a question that is yet to be covered, you can simply say: "Great question, we'll cover that in a minute (or, in a slide or two)," and still retain control of your story flow. You've let them know that the answer is coming, and, if you don't have one off-hand, just bought a little time to figure out a decent response.

Stay in tune with your audience and adapt

Pay attention to your audience reaction as you progress through your presentation. Facial expressions and body language can communicate, intentionally or unintentionally, a lot of feelings and thoughts. So, your audience's non-verbal reaction can reveal very early on if they a) understand and are clear about what you're telling them, and, b) like what they hear.

If you start noticing confused or puzzled looks, it is better to stop and make sure everyone is on the same page before continuing. Don't expect everyone in your audience to be familiar

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with every detail of your business plan. In fact, it's not uncommon that some of the attendees may be hearing about your concept for the first time.

Be flexible and make adjustments in your pitch flow and structure as you progress. Speed up if eyes are glazing over; slow down if people are scribbling furiously. Don't worry if you have to skip some details, as you can always return to cover them later during the Q & A portion of the meeting.

Closing & follow-up

- After the Q&A section, discuss and agree on the next steps;
- Identify the contact person and schedule the next tentative contact date.
- Send follow-up emails or letters. You should continue your selling in the follow-up emails and calls, but that's another article.
- If you feel exhausted after the meeting, don't be surprised, it's normal. In fact, you should be, if you gave your 110% to this task.

Finally...

Your first attempt or two may not succeed, and not every pitch is going to be a slam dunk. But it's a contact sport, and you will get better with each attempt. Think of them as great real-life practices. Practice makes perfect. Success, as you know, is a statistical event.