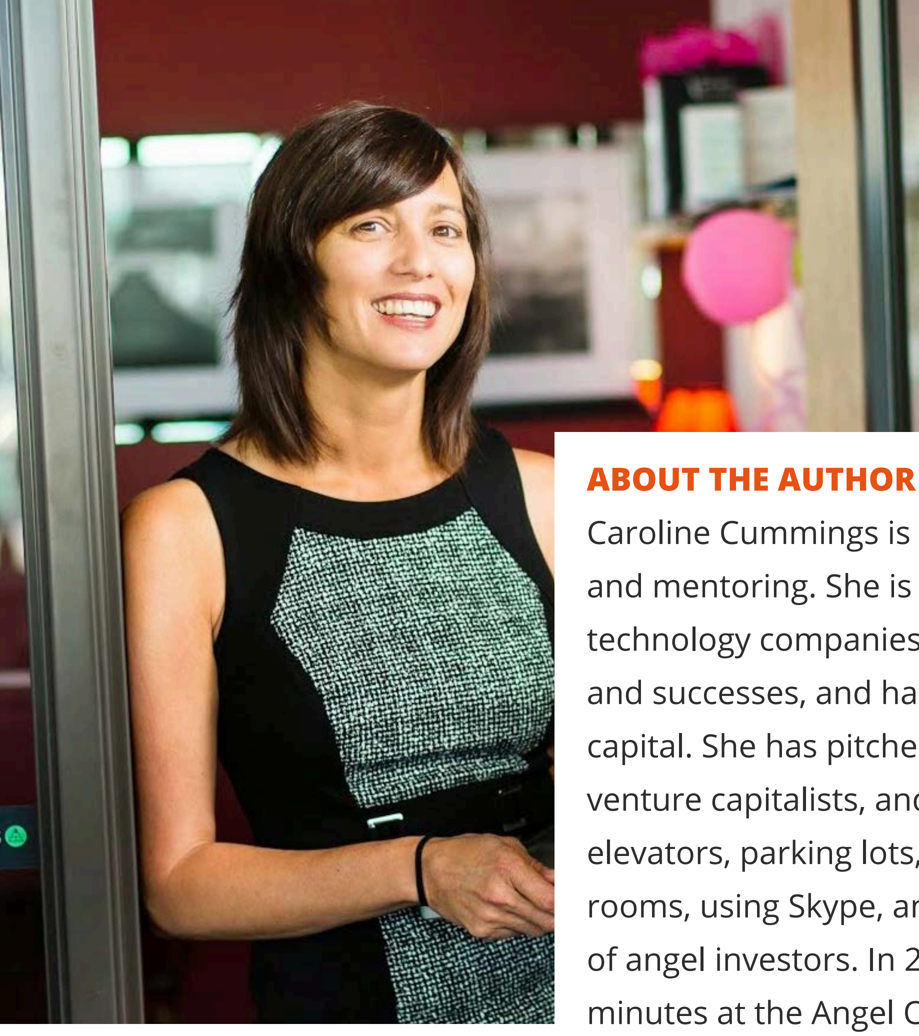
"Caroline's common sense and straight talk is delivered with the enthusiasm and passion that made her a successful fund raiser. Her advice should be listened to by all new entrepreneurs."

DIANE FRAIMAN
VENTURE PARTNER, VOYAGER CAPITAL

HOW TO PITCH AND **GET FUNDED**

Business pitch secrets, techniques, and tools from a seasoned entrepreneur

CAROLINE CUMMINGS



ABOUT THE AUTHOR

Caroline Cummings is passionate about entrepreneurship and mentoring. She is the former cofounder and CEO of two technology companies, she's experienced both startup failures and successes, and has raised close to $1 million in investment capital. She has pitched to friends and family, angel investors, venture capitalists, and private equity firms. She's pitched in elevators, parking lots, taxicabs, hotel lobbies, conference rooms, using Skype, and even on stage in front of hundreds of angel investors. In 2009, she pitched her business in 10 minutes at the Angel Oregon business plan competition, the largest angel investor conference in the Pacific Northwest, and was one of the three companies funded out of over 50 startup companies who submitted for an opportunity to pitch.

Caroline's first venture, OsoEco.com (social shopping), dissolved in 2009. Her second venture, RealLead (mobile marketing for real estate) sold in early 2012. She has cofounded several successful entrepreneurial programs for the Eugene Area Chamber of Commerce, including Smartups Pub Talks and the Southern Willamette Angel Network. As a contractor for the Oregon Entrepreneurs Network, she assisted several cities in Oregon by helping them launch or expand entrepreneur, mentorship, and investor programs.

Caroline is regularly invited to participate as a business plan competition judge, as well as speak on topics including entrepreneurship, angel investing, and authentic self promotion. She is a graduate of Drexel University's LeBow School of Business and a longtime mentor through the Big Brothers Big Sisters program.

Praise for *How to Pitch and Get Funded*

"Caroline's common sense and straight talk is delivered with the enthusiasm and passion that made her a successful fund raiser. Her advice should be listened to by all new entrepreneurs."

DIANE FRAIMAN
VENTURE PARTNER, VOYAGER CAPITAL

"Struggling to build an amazing product often pales in comparison to the stress of having to pitch that concept to investors. Caroline manages to provide a simple and straightforward recipe that can help any entrepreneur get his or her head around the techniques—and alleviate some of that stress—for crafting that perfect investor pitch."

RICK TUROCZY
COFOUNDER, PIE, AND FOUNDER, SILICON FLORIST

"Nothing strikes fear in the heart of an entrepreneur like having to pitch investors for the first time. Caroline Cummings breaks down the process of pitching in clear, actionable and effective ways. She has lived the startup journey herself, and knows exactly what she is talking about. I recommend this ebook for anyone who wants to successfully close funding for their startup."

PAMELA SLIM
AUTHOR, ESCAPE FROM CUBICLE NATION

CAROLINE CUMMINGS

CHAPTER ONE

THE PURPOSE OF THE PITCH

The Purpose of Delivering a Pitch to Lenders of Investors is:

TO MAXIMIZE AN OPPORTUNITY AT-HAND

This is why being prepared is so important, because you never know when an opportunity to pitch will present itself. This also shows that you can think quickly on your feet, a skill any successful entrepreneur needs.

TO GRAB YOUR AUDIENCE'S ATTENTION AND LEAVE THEM WANTING TO KNOW MORE

Don't bore them with technical details about your product. You want to pique their interest to the point where they are asking to set the next appointment. I've heard many investors say that if they walk away from hearing your pitch and can't remember anything, or can't easily communicate it to others, then you've lost their interest. Practice this next suggestion to avoid this from happening to you.

TO TELL A STORY

The best pitches are the ones that begin with a compelling story about someone using your product, and how it helped them (i.e. saved them time, money, or perhaps saved their life). If you are having difficulty coming up with a story, talk to one of your customers. If you don't have any customers yet, that's okay. Find a prospective customer and share your product with them. You should have a beta group of customers anyway that you're doing market research with. Ask this group to share how their life has changed as a result of using your product. It's the stories that your audience will remember more than the numbers or technical aspects of your product.

TO SHARE YOUR PASSION FOR YOUR BUSINESS OPPORTUNITY

Don't let stage fright be an obstacle on your path to funding. I've seen hundreds of pitches in my day, and the ones that disappointed me the most were from entrepreneurs I knew had passion about their company, but when the rubber hit the road, and it was time to deliver their pitch, they got so nervous that they couldn't effectively communicate the passion they have for their product and market potential.

TO SHARE YOUR PERSONALITY

The more that investors like you, the more they will want to believe in your pitch and help you. But you'll need to let "you" shine through to make this happen. It's difficult to know what someone's personality is from reading a piece of paper so be sure to show your personality when delivering your pitch. This comes with a lot of practice.

CAROLINE CUMMINGS

TO COMMUNICATE THE CONFIDENCE YOU HAVE IN YOUR BUSINESS

If you deliver your pitch and your confidence doesn't come across, how can you expect to confidently sell your product to your customers? Don't be afraid to share how much you believe in your product and your market opportunity.

TO SET THE STAGE FOR THE ALL IMPORTANT "ASK"

You want to hear investors saying "I'd love to hear more of what you think." Go in for the close after you deliver your pitch or better yet, during your pitch. Create a sense of urgency so that your audience can't wait to hear more and see the rest of your business plan.

The Purpose of the Pitch

1. To maximize an opportunity at-hand
2. To grab your audience's attention and leave them wanting to know more
3. To tell a story
4. To share your passion for your business opportunity
5. To share your personality
6. To communicate the confidence you have in your business
7. To set the stage for the all important "ask"

Investors worth their weight will want to share their resources with you once they find interest in you and your business, so be sure to find funding partners who bring more than money to the table. You want funding partners who are willing to share their social capital as much as their financial capital with you. Also, conduct due diligence on the investors you're pitching. It's as much your choice to do business with them, as it's theirs to choose to invest in you.

CAROLINE CUMMINGS

CHAPTER TWO

THE DIFFERENT TYPES OF BUSINESS PITCHES

The Elevator Pitch

An "elevator pitch" is a short summary statement you make to deliver a compelling message about your product or service. It's delivered in the time it would take to complete an elevator ride (30 seconds –2 minutes).

My recommendation is to have various formats of your pitch handy (from 30 seconds to 10 minutes) because you'll never know where you will be or how much time you will have when you meet that perfect person to pitch to.

The Video Pitch

I recommend you create a short video (under 2 minutes) explaining the value of your business opportunity. Video allows you to include music, images of your product, testimonials from your customers, and examples of how you can utilize this medium for communication. If you are posting your business plan and business pitch to an angel investor networking site, like Gust.com for example, adding a video pitch to your account will help you stand out from the crowd, as well as increase your likelihood of having your pitch viewed. It's difficult to share your personality and passion in writing, so take advantage of video.

You can standout by creating a one-page visual image of your business plan. The next section is about how to create a one-page pitch.

The One-Page Pitch

As mentioned previously, it's important to be prepared for any kind of business pitch. This means you need your pitch in various formats. There are several ways to format your pitch, but I'd like to feature a one-page layout I've successfully used. This is a great example of how to share all of the compelling points about your business opportunity on a single page, and deliver it in a professional (and hiplooking) fashion.

The components below match the information that an investor or lender would want to see in a business pitch. Remember, the purpose of the pitch is to grab your audience's attention, so don't dig too deeply into any specific area – there will be plenty of time for that in the due diligence process after you've wowed them with your amazing pitch!

The On-Stage Pitch

If you are lucky enough to have the opportunity to pitch your business opportunity on stage, or in front of a group of investors (Shark Tank style for example), you'll want to first and foremost know that you are now an "entertainer" on stage delivering a performance. By this, I mean that you are now not only delivering your business pitch, but you're also entertaining your audience. Note: this is not community theater; you are going for a Tony Award. Just as an entertainer on stage needs to be concerned about his or her personal presentation (clothing, hairstyle, use of hand gestures, smiling, use of humor, etc.) and needs to stay on time and hold the audience's attention,you too need to consider these elements to ensure a successful "on-stage" pitch.

TIP

Learn to tell a Story. I highly recommend you start-off any pitch by telling a story. Your story should speak to how your product solved someone's problem. Don't jump right into why you're great and why your product is great. Rather, the most successful pitches I've delivered and heard started with a compelling story. At the end of the day, your audience will remember the story, and not your numbers or market facts.

The best way to ensure that your onstage performance is exciting and memorable is to consult with someone who can help you put your best performance foot forward.

Rehearse! Rehearse! Rehearse! As the old adage goes, "you only get one chance to make a great first impression." Believe me, I've bombed at delivering a pitch on stage and I've excelled. The latter is much more exciting.

Enroll in a public speaking class or acting class to help you learn how to deliver your content in a confident and professional manner. Toastmasters International is a great resource.

CAROLINE CUMMINGS

CHAPTER THREE

THE COMPONENTS OF A SUCCESSFUL INVESTOR PITCH

Your pitch should support the philosophy of communicating snippets of information in 140 characters or less – sound familiar? Just like Twitter, you should be able to describe each section of your pitch in a succinct manner. This will also help you communicate the most important components of your business pitch.

Who and What

You have 140 characters to grab someone's attention, that's what the top of your pitch page provides.

You should add your logo, and a short blurb about who you are, what you do, and who you do it for. You can enter anything you want in this top section, but know that it's what sets the tone for the rest of your pitch page.

SIDE NOTE

Below I present components of a successful pitch using the outline from a tool called LivePlan. I provide examples from a fictitious business called Platinum Concierge: See a sample one-page pitch page for Platinum Concierge

Platinum Concierge

We are a boutique concierge firm in New York City that offers services tailored to meet all of your unique personal and professional needs.

The Market Opportunity

Unless there is a problem worth solving in the marketplace, don't bother starting that business.

The "Our Opportunity" section is where you describe the problem that currently exists in the market, as well as your solution for addressing this problem. Be as specific as you can. You will be asked to backup this data, so be sure to include your research in your full business plan.

Our Opportunity

Problem worth solving

Business executives lose 25% of their work week performing tasks that are not strategic in nature.

Our solution

We provide our clients with a highly experienced and dedicated assistant to handle their requests on an as-needed basis.

Your market opportunity section also features a chart depicting your target market segmentation and a table to highlight your competition, as well as indicating what separates you from the competition (your competitive advantage). Never say "we don't have any competition." If I had a nickel for everytime someone said that, I would have a lot of nickels. However, the people who thought they

CAROLINE CUMMINGS

had no competition would likely not have a lot of nickels, because their businesses went kaput due to lack of planning. Even if you're creating a product that opens up a new market, you will still have to take your market's time and money from somewhere else. It's important to know where/who you will "steal" your customers from.

Breaking down your market into segments is important because you will most likely need to tailor your marketing messages and tactics to each segment.

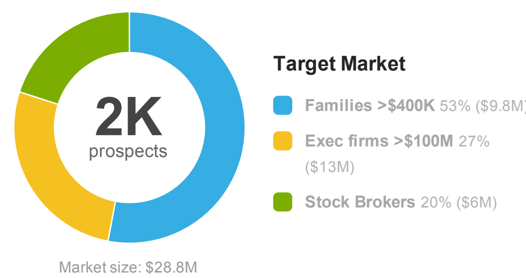
For example, Platinum Concierge will reach the wealthy families differently from how they will reach the executives in top New York City firms or stockbrokers. Even the products they provide for each market segment will vary.

For Platinum Concierge, there are two other elite concierge services firms that provide to the same professional and personal market. Therefore, it's important for Platinum Concierge to conduct research on these firms and explain why they are different and what gives them a competitive advantage.

You can elaborate more deeply in your full business plan. This section is just to show that you are aware of your competitors and show why you're better or different.

Problem worth solving

Business executives lose 25% of their work week performing tasks that are not strategic in nature.



Our solution

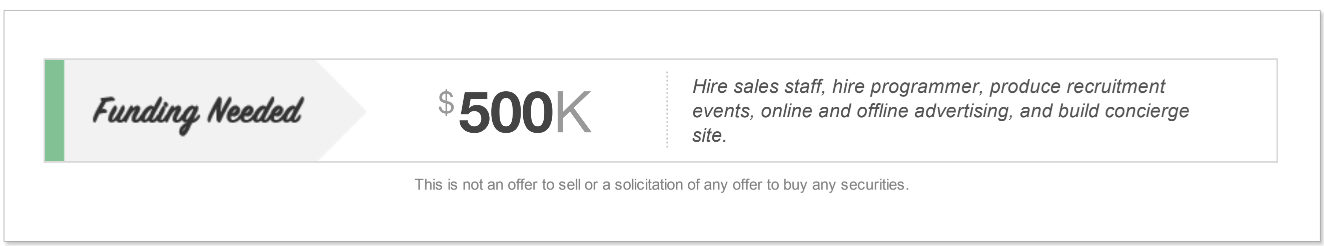
We provide our clients with a highly experienced and dedicated assistant to handle their requests on an as-needed basis.

Competitors	How our solution is better
Premier Concierge	We provide a dedicated professional
NYC Elite Concierge	Our packages are more flexible
Int exec assistants	Our social capital in the City

Funding Needs

A business pitch is not complete without including how much money it takes to launch or grow your company

Not everyone needs to raise funds to grow their business, but most need to acquire loans, lines of credit or seek investment capital from friends and family, angel investors or venture capitalists. Regardless of who you are seeking funds from, you'll need to know how much money you need, exactly what those funds will be used for in your business, and the timeline for spending the money.



I've seen too many pitches where the entrepreneur says, "we only need $200,000 to scale the company," yet they don't really know how they will spend that money. Or they say "we'll use half of it to hire people and the other half to build our product, but after you dig into their business plan, you see that they don't need to hire people until after the product is developed. This is where mentors come in handy. It's difficult to know how you will spend every dollar, but it should be fairly easy to identify the gaps on your team, the time and tools it will take to build your product, how much it will cost to launch your product (your "go to market strategy"), and how much it will take to retain those customers. This data is known as "your numbers behind your numbers," and they are more important than your actual financial projections.

Sales and Marketing

Highlight your sales channels and the marketing activities you'll use to attract and retain your target markets.

You will have a more in-depth marketing plan within your business plan, but this section allows you to highlight your sales channels and the marketing activities you'll use to attract and retain your target markets. Your sales channels are the avenues you'll use to bring your products and services to your target customers. There are two types of sales channels:

- **Direct:** when you sell directly to your market, no middleman is involved. An example is when you have "brick-and-mortar" storefront and you sell your products to customers who enter your store.
- **Indirect:** when you sell your products through another entity, such as a retailer. An example is when people sell their products on Amazon. Amazon is the indirect channel being used to reach the consumer.

Sales and Marketing

Sales channels

1. *Internal sales team*
2. *Utilizing executive networks*
3. *Utilizing event manager networks*
4. *SEO optimized website*

Marketing activities

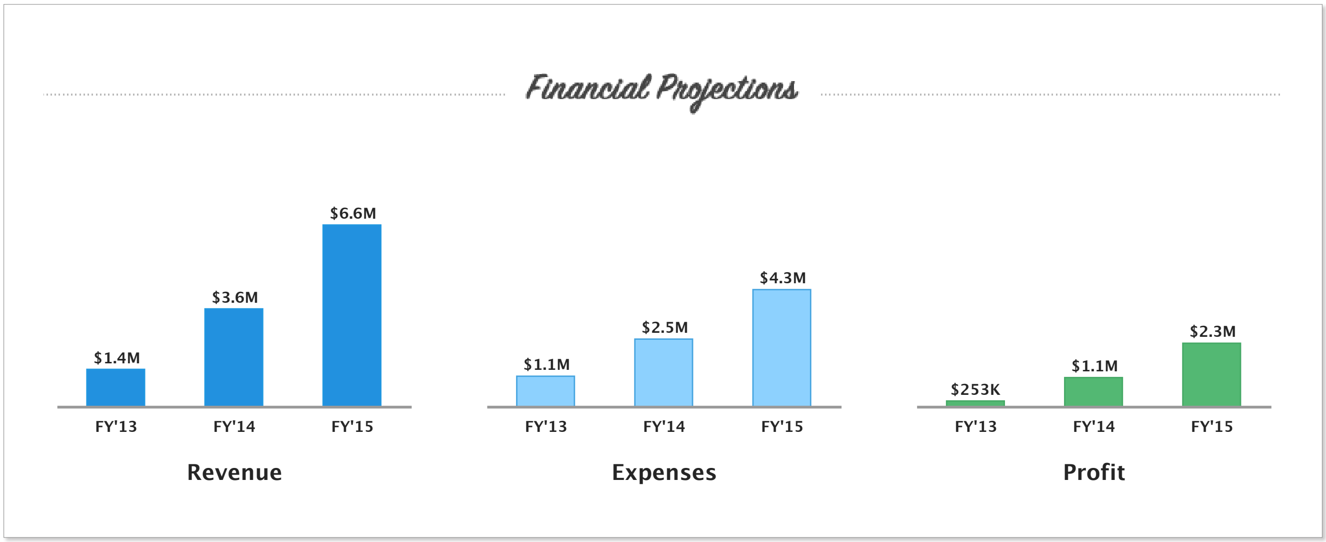
1. *Advertising in executive lifestyle mags*
2. *High-end direct mail pieces*
3. *Attend executive-level events*
4. *Host high-end executive events*
5. *Write and position an executive blog*

Your marketing activities are the actions you will take to entice your market to want to buy your products and services. For example, Platinum Concierge will advertise in magazines read by the elite in Manhattan. It's important that Platinum Concierge positions their brand in elite magazines to send the message to their customers that they are the best concierge firm to work with.

Financial Projections

Your full business plan will include the details behind your topline numbers, but for the sake of your pitch, it's okay to just share your topline revenue, expenses, and profits.

I recommend only projecting out three years. Some investor groups may require five years, but more and more are moving to only requiring three. I've met with many investors who only required two-

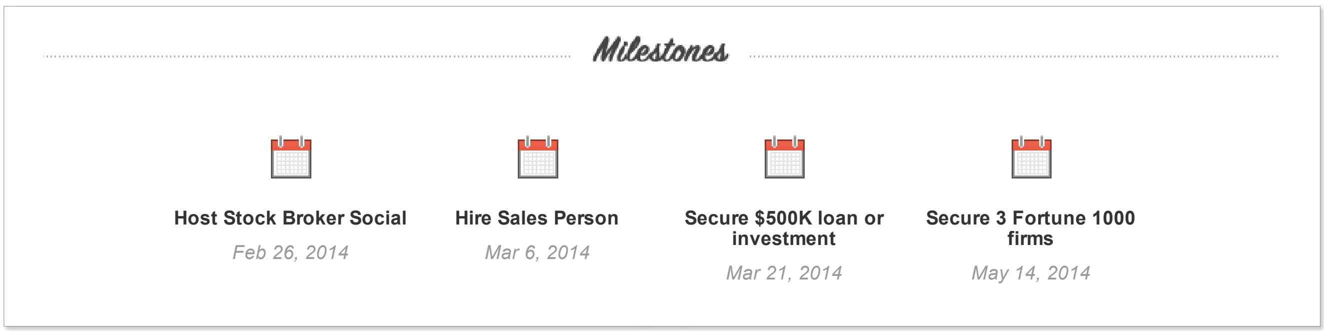


year projections and they wanted very specific details about how I came up with those numbers.

When an investor or lender asks you for your "financial assumptions," they are asking you to tell the story behind your numbers. Investors may even ask you, "what are the numbers behind your numbers?" They are asking you how you came to project $1.4M in sales for 2013, for example. They will want to hear things like, "the $1.4M revenue is based on closing 50 family accounts at an average of $12,000 each; 10 executive firms at an average of $50,000 each; and 40 stock brokers at an average of $8,000 each. Your full business plan is where you will provide this level of descriptive financial detail.

Milestones

In the investor world, "traction" is a frequently used term. I've been asked many times by investors, "tell me about your traction."



What they were asking is "what milestones have you achieved so far in your business?" You'll want to not only mention what you've already achieved, but also what other milestones you are striving to achieve and include dates.

Don't be afraid to share your successes. Examples of milestones to share include:

- Signing a lease for a building
- Purchasing key equipment
- Securing your first customer
- Raising money or securing a bank loan
- A key hire
- A signed letter of intent (LOI) from a customer
- A media mention
- A new sales channel
- Results achieved from your marketing activities

Think of it this way: if it's something you can't wait to tell your spouse, partner or best friend, then it's worth mentioning in your pitch and your business plan.

Team and Key Roles

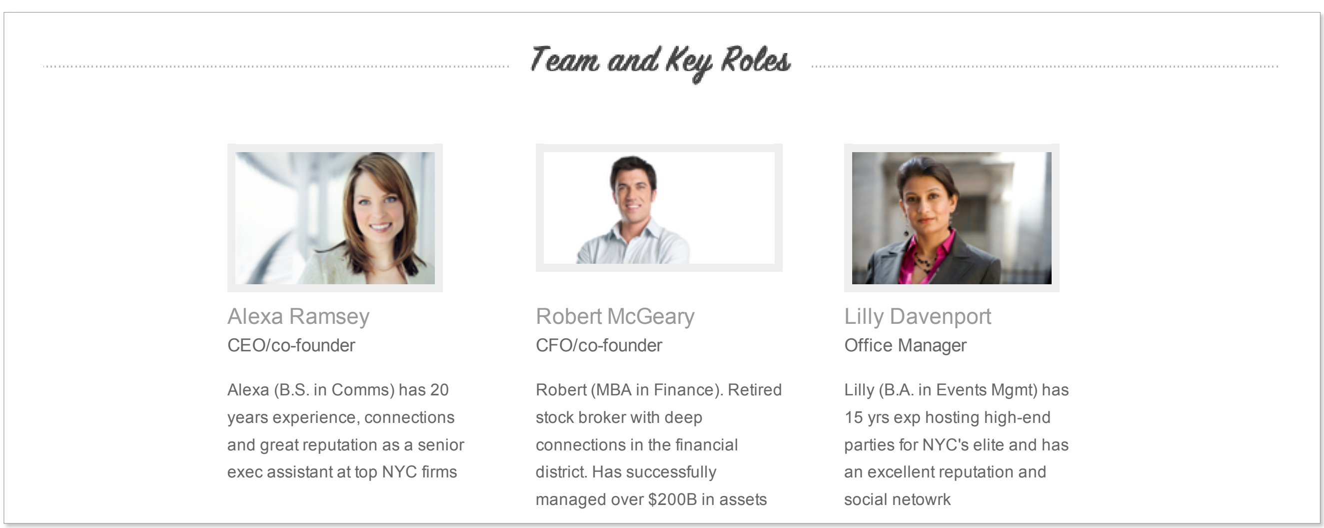
Investors invest in people first and ideas second.

Be sure to tout your team's abilities and accomplishments. In your pitch, you won't have the opportunity to share each key person's full resume, but you should highlight the skills and experience that are relevant to the success of achieving your business goals, in keeping with best practices. Your "Team and Key Roles" section should include founders, key members of your team, mentors, and advisers. Including mentors and advisers is key because lenders and investors like to see who else believes in you and your idea.

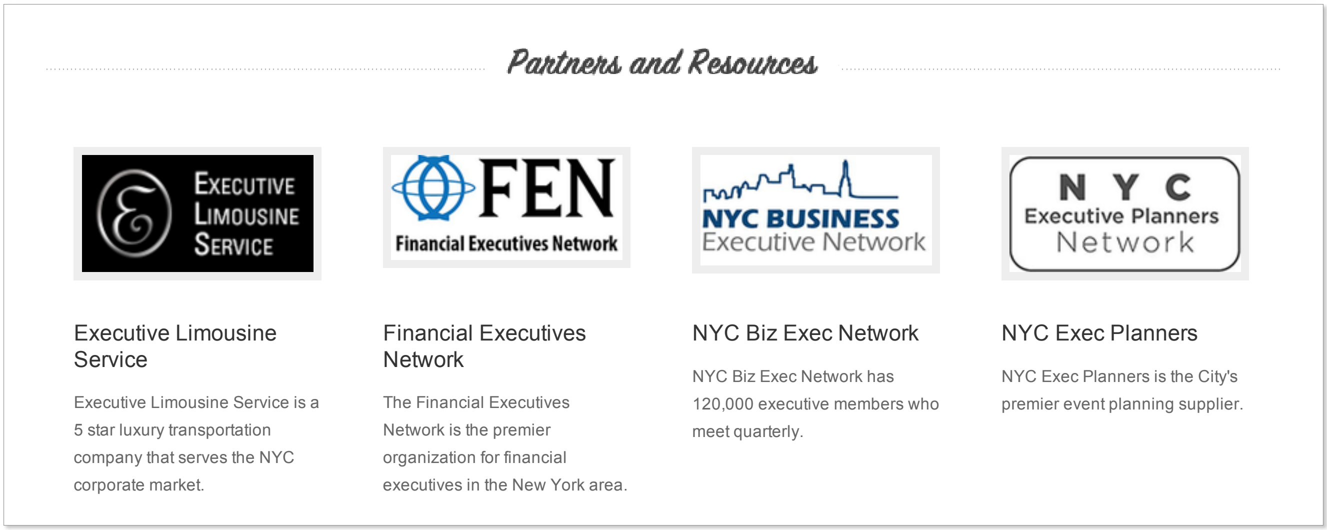
SIDE NOTE

Utilize your support network and ask for their feedback about your pitch before going "prime time." I made not three or four, but 30 to 40 revisions of my pitch before actually hitting the stage at Angel Oregon. That extra research and work paid off.

If you're raising significant investment capital, your investors will want to know what your exit strategy is, and ultimately, what kind of return they can expect on their investment. Typically, companies exit by way of acquisition by another company.



CAROLINE CUMMINGS



Partners & Resources

Your team extends beyond your four walls.

The "Partners and Resources" section is where you feature any other organizations that are, or will, contribute to the success of your business. Examples include:

- Vendors
- Suppliers
- Bankers
- Accountants
- Distributors
- Lawyers

TIP

Find yourself a mentor! I can't emphasize this enough.
It's important for the following reasons:

- You will get feedback and advice that will help you and your business grow.
- Investors want to know who believes in you and who supports your ideas.
- Your mentor may be able to open doors of opportunity for you.
- To me, mentorship is like breathing air – you need it to survive!

CHAPTER FOUR

ADDITIONAL RESOURCES

Additional Resources

BLOGS

Bplans Blog
http://articles.bplans.com/

Startup Weekend blog
http://startupweekend.org/blog/

VentureBeat
http://venturebeat.com

LivePlan blog
http://www.liveplan.com/blog/

VIDEOS

"How to Deliver a Powerful Investor Pitch in 10 Minutes"
http://www.liveplan.com/blog/2012/09/free-how-to-pitch-webinar-sep-26-10am-pt/

"How to Write a Winning Business Plan"
http://www.liveplan.com/blog/2013/01/webinar-series-how-to-write-a-winning-business-plan/

"Demo of the LivePlan Pitch tool"
http://www.liveplan.com/blog/2012/12/webinar-series-liveplan-pitch-demo-new-lean-planning-tool/

Business planning expert, Tim Berry, talking about how to deliver a 60 second elevator speech
http://www.bplans.com/business_planning_resources/videos/the_elevator_pitch

PUBLIC SPEAKING RESOURCES

Toastmasters International
http://www.toastmasters.org

MIT's public speaking tips
http://mit.edu/urop/resources/speaking.html

ANGEL INVESTOR NETWORKS

Gust
http://gust.com

Inc's Angel Investor Directory
http://www.inc.com/articles/2001/09/23461.html

Keiretsu Forum
http://www.keiretsuforum.com

AngelList
https://angel.co

FINDING MENTORS AND ADVISERS

The Association of Small Business Development Centers
http://www.asbdc-us.org

SCORE Centers
http://www.score.org

Women Business Centers
http://www.sba.gov/about-offices-content/1/2895/resources/13729

Minority Business Development Agency
http://www.mbda.gov

StudentMentor
http://www.studentmentor.org

Youth Entrepreneurship Council
http://theyec.org

For non-US entrepreneurs, I recommend connecting with your local college or university to see what programs they offer for small businesses and entrepreneurship.