

Module 5 Pitch your idea

Purpose - In this Module participants will be guided on how to communicate their business idea to other people. Pitching is an important skill to develop in order to secure funding, attract customers and sales, or build partnerships.

Skills and competences - This module aims to guide entrepreneurs on how to properly pitch their business and prepare a pitch deck. Participants will enhance their Presentation Skills Prepare a Pitch Deck.

TOPICS:

1. Developing Presentation Skills Participants will learn how to develop a strong narrative for their presentation and understand the importance of a first positive impression. 2. Preparation of a Pitch Deck Participants will learn how to prepare a deck of slides, the tools that can be used and which elements to include in their deck. A sample/guiding pitch deck will be included to guide the participants.

Preparation for pitching your ideas

Entrepreneurs are called on daily to explain the business opportunity they are pursuing to investors, potential partners, suppliers, customers, and employees. Every entrepreneur, startup, and small business knows the power of a great elevator pitch. Your success in launching a new business depends on your ability to clearly communicate the compelling problem you are solving or market opportunity you are pursuing, features of the solution you are proposing, the resources and capabilities required to implement, the risk involved and risk management approaches you propose, and the expected benefits for all stakeholders. A good pitch starts with a thorough analysis of the business opportunity you wish to pursue and the development of a business plan that describes the opportunity. Both your business plan and pitch require an understanding of how to define and analyze a business model. Typically about 60 seconds long, it transmits a message that is completely accessible to anyone who is listening, no matter how complex the idea really is. Van Werven et. al., (2019) analysed 10 pitch narratives by entrepreneurs who participated in AMcubator, an Amsterdam-based business incubator, findings revealed that new venture founders use four micro-level rhetorical strategies to make it more likely that their narratives are seen as plausible and resonant:

(1) using enthymemes when discussing the venture's future, (2) 'talking as if' the venture's future product or performance is the present, (3) making explicit claims about the present state of product and market, and (4) supporting claims through arguments based on historical and current data. They further found that, in terms of these four strategies, the narratives constructed by entrepreneurs who had launched their product before or during the incubation programme differed from the pitches by entrepreneurs who were still preparing for launch when it ended. There are 3 aspects for entrepreneurs to take into account while developing communication skills:

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1) Create your master narrative

No one will be better at telling your story than you. In our overly messaged society, is it important to ensure that your master narrative is carefully crafted to not only appeal to all stakeholders but is also memorable, to the point and interesting. A successful master narrative should answer a few fundamental questions: What is your back story? What challenges do you face? What are the stakes? What is the pay off? And finally, what is the future promise? Adding the human element to the story will help set your story apart from your competitors. Don't be afraid to talk about your failures and the lessons you have learned. The most successful entrepreneurs have made mistakes and learnt from them—that is what makes you different.

2) Focus on owned media

One of the biggest challenges in today's digital world is deciding where to tell your story. The four distinct areas of media: traditional (print and broadcast), hybrid (the online versions of traditional media and media that is born digital), social (Facebook, Twitter, etc.) and owned (a company website and apps). While each of these areas is vitally important, entrepreneurs should focus on their owned media. In today's digital world, your website is the first portal of call for all stakeholders when they search for you or your company online. Owned media will help you build long-term relationships with existing and potential customers and is an effective and cost- efficient way of speak to your target audience.

3) Use comparable to validate business plan

To show an investor you won't just burn through their cash, you need to prove you have a realistic business plan. Show you've thought about your route to market and how your product will actually sell. How will you go from selling no units to a million? Is the itch you're scratching for your customers irritating enough that they'll pay you enough for you to make a good margin? Doing your research really pays off when discussing financials; include examples of companies that have previously succeeded or failed in your space. You should be able to justify your numbers from the bottom up and top down. Have there been other similar companies that grew at the same pace, and how did they do it? How much did they have to raise or spend to get there? It's absolutely fine to talk about breaking the mould and doing things differently, but if you're struggling to find examples of other game-changers that can support your projections, you may find it difficult to get buy-in.

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Pitch Deck

In business, a pitch deck is a pitch presentation for entrepreneurs or businesses to provide a streamlined but informative overview of their company or startup to potential investors, such as venture capitalists or angel investors. A pitch deck presentation—also known as a startup pitch deck or slide deck—is a visual document that provides investors with essential information about your business plan, product or services, fundraising needs, and key metrics like valuation, target market, and financial goals. The best pitch decks are brief but informative and feature simple, visually appealing slides, typically created using a software program. A pitch deck aims to generate interest and even excitement with investors about a company that can lead to another meeting and the potential for investment discussion. A pitch deck can be a critical tool in raising money for a business, but it's only the first step in the process. Try to focus on following questions:

Who? Who are the key stakeholders for your business (e.g., customers, founders, suppliers, advisors, and investors)? Within customer markets, who is the user and who makes the buying decision? Who are the founders? Can they attract the top talent (employees, partners, advisors) and other resources required?

Where? Where are key customers, suppliers, partners, and talent located? Where is the company located? Where will the product be developed, sold, used? Is location an important consideration in understanding the value of your business?

What? What products and services will be offered and at what price? What are initial and follow-on offerings? What differentiates your offerings and what is the value proposition for all stakeholders? What is motivating the founders to start this business? What are the key milestones and deliverables?

When? When will the first product or service reach the market? When will follow-on offerings, markets, and businesses be launched? When will returns be delivered to investors? What are the key milestones and when will they be reached?

How? How will founders attract the resources and build the capabilities required to meet key milestones? How do they plan to build products, then market, sell, and deliver them?

Why you? Why are you and your team best positioned to exploit this opportunity? Do you have the passion, commitment, connections and “mind set” needed to make the decisions and hard choices needed to turn your vision into reality?

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Elements to Include in a Pitch Deck

Though every pitch deck outline is different, here are some essential pieces of information that yours should include:

1. Introduction. The first slide should introduce the pitch deck and explain the business in simple and clearly understood terms. Businesses typically include a unique value proposition as part of their first slide, which compares their products and services to another established company.

2. Problem. The pitch deck needs to explain a problem the business's target market faces. This information will demonstrate the necessity of your product or service in the marketplace.

3. Target market. Every service or product is aimed at a specific group, and yours should be featured in your pitch deck. Describe specific market segments and the size and growth rate of each. Highlight the segment you plan to address at the time of launch, your expectations for how fast and how you will gain the interest and participation of early adopters. Finally, be sure to highlight how your market position might evolve over time. Include information on the competitive landscape in which your business exists and the market opportunity to succeed in that landscape. What is the market size for products or services like those offered by the business?

4. Solution. The solution slide should state the way(s) in which the business solves the problems that your target market is facing. The best way to relay this information is through a narrative approach—provide relatable stories of customers using these products to improve their lives. Support those statements with descriptions and visuals of the products or services themselves, including photographs, screenshots, or even video of a physical demo.

5. Marketing and sales strategy. It's important to detail how the product will be advertised and sold to its market. Investors will use this information to leverage a company's understanding of the market size, and how its marketing approach differs from its competition.

6. Team. The team slide will underscore a company's management team's expertise and capabilities to market and sell a product. Listing the key team members (and co-founders if applicable) and detail how their expertise and previous experience can help establish the company's competitive advantage.

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Elements to Include in a Pitch Deck

7. Financials. Investors will typically want to see a company's financial health for a period of three to five years, including income statements, projected growth, and information on the business model itself. Infographics, such as pie charts or bar graphs, will be more effective in presenting the information than listing numbers. The information on the traction slide may help to corroborate projected figures.

8. Investments and funding. Sometimes, entrepreneurs will craft a pitch deck that forgets a key piece of information: the amount of money needed to fund the project. It's important to include that detail and note how the funding will be spent to help the company reach its goals. This explanation will build much-needed trust with investors.

Recommendations

1. Be straightforward. Entrepreneurs may want to overload investors with information on their first pitch deck, but less is often better. Straightforward, clearly-explained ideas detailed in bullet points and infographic content are more appealing than lots of text and can lead to questions and even subsequent meetings.

2. Prioritize story over stats. The point of a pitch meeting is to engage potential investors. A list of facts and metrics will have less impact than a narrative approach. Entrepreneurs should provide stories about their companies that investors will find relatable, such as how customers use their products or services to improve their lives.

3. Make it a standalone deck. A potential investor may want to refer to the pitch deck after the presentation. Ensure that the deck contains the most critical information they need in print or PDF format.

4. Keep it updated. Businesses typically pitch many potential investors before they secure funding. Ensure that pitch decks are up-to-date with the latest information, including critical metrics and recent milestones, before every pitch to maintain professionalism and avoid presenting out-of-date information.

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Examples of Pitch desk

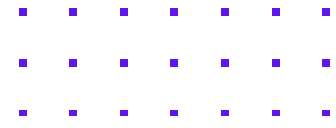
To give you an idea, we've highlighted several sample pitch decks that are worth paying attention to.

1. Snapchat Ad Sales (<https://www.slideshare.net/ryangum/snapchat-advertising-sales-deck>)
Snapchat — a social media platform aimed at Gen Z and millennial users — is a perfect advertising medium for brands that target these demographics, yet it struggled to generate media buying attention in its early years. As a result, when pitching to advertisers, it decided to break things down and present its key benefits and figures in a way that was highly visual and easily digestible — much like Snapchat itself. It also places particular emphasis on the future spending power of these demographics, positioning itself as an early access point to a lucrative long-term audience.

2. LeadCrunch (<https://www.slideshare.net/LeadCrunch/leadcrunch-sales-deck-feb-2020>)
LeadCrunch is a B2B demand generation tool that uses artificial intelligence to identify missed opportunities and reduce waste. Which sounds intriguing, but for many businesses, also unclear. This is why the company's pitch deck is so good. It ensures that potential users understand the problem that LeadCrunch is aiming to solve, and doesn't try to bury viewers in technical jargon. Indeed, it focuses less on the workings of their patented technology, and more on how that technology can be leveraged to benefit clients.

3. Reddit Ad Sales (<https://www.slideshare.net/webjoe/reddit-26009093>)
Reddit's ad sales pitch deck is living proof that pitches don't need to be conventional; in fact, it illustrates that it's often better to be more closely aligned with your brand's identity. For context, Reddit's pitch begins with a picture of a cat riding a unicorn. It highlights a wealth of valuable data for interested brands in a visually impressive way, and clearly communicates how an advertising partnership with Reddit could be beneficial. It even gives use cases of how other brands have successfully used Reddit in promotion campaigns.

Assignments



1 assignments

Write down at least 6 elements of business plan pitch deck presentation

2 assignments

Read the provided article: "15 great pitch decks from successful startups (<https://pitch.com/blog/15-great-pitch-decks-from-successful-startups>) and indicate main aspects that leads pitch decks to success.

3 assignments

FILL YOUR BUSINESS IDEA/PLAN PITCH DECK presentation:

„[White-label template] Agency Pitch Deck“ kopija_.pptx

#1

Questions for the discussion?

1. What are the 5 rules of a good presentation?
2. What is the easiest thing for you to do in public speaking?
3. What do you find most difficult about public speaking?
4. What do you think is a bad presentation?
5. How would you present your idea?

#2

Useful links

- <https://pitch.com/blog/15-great-pitch-decks-from-successful-startups>
- <https://startupstash.com/pitch-deck-tools-for-startups/>
- Analyzing and Pitching Opportunities Tool
<https://www.alumni.hbs.edu/Documents/trending/Analyzing%20Pitching%20Opportunities%20Tool.pdf>
- https://www.theseus.fi/bitstream/handle/10024/508252/Ketola_Mika.pdf?sequence=2
- <https://pubsonline.informs.org/doi/pdf/10.1287/orsc.2021.1520>

#3

Become a co-author

This handbook is unique in that we invite everyone to co-author it. If you are an expert and work in the field of entrepreneurship, if you want to share useful information with the readers, if you are a creator of unique tasks and believe that you can contribute to entrepreneurship in one way or another, we invite you to share your information and we will add a new chapter to the handbook that you have created.

More information: TTO Edvinas Samys edvinas.samys@vdu.lt