

# Pritzker Group

VENTURE CAPITAL

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## Selling Your Idea

Carter Cast

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# Selling Your Idea

## *Your Pitching Reality*

**“Within one minute, I have made a substantial judgment about you and your company.”**

**-Venture Capitalist**

**“We all like to think that people judge us carefully and objectively on our merits. But the fact is, your audience is going to rush to put you in a neat little box.”**

**-Kimberly Elsbach (Pitch coach)**

# Selling Your Idea

*What investors are looking for*

**For every investment, a VC will see 15-20 similar concepts.  
What is unique and special about yours?**

We'll focus on four areas:

1. **People**: passionate entrepreneurs who know the category and can change a market.
2. **Market**: big growing markets, where disruption is ripe to create change. OR finding a niche that can grow.
3. **Product/Service**: innovative, differentiated vs. competition in areas customers care about.
4. **Go-to-market strategy**: how you plan on reaching your customers is critical—otherwise, nothing matters.

# Five Themes / Guidelines

# Selling Your Idea

## *1. A quick, compelling description of your Value Prop*

**Think of it as your elevator pitch... in one sentence.**

**It's a hybrid of:**

- Your product / vision
- Your company purpose
- A starting point for the pitch
- Sometimes a short, simple video is a good accompaniment.

**Common framework: “We are X for Y”**  
*(assuming X is attractive and Y is a big enough opportunity)*

# Selling Your Idea

## *2. Know Your Audience*

**Before crafting a pitch deck, understand:**

- **Who you are meeting with?**
- **What is the investor's and the firm's focus?**
- **Are there related investments?**
- **How much time do you have?**

**These influence your deck, the discussion and the likely questions you'll be asked.**

## 3. Under 20 Slides

**The deck is important...**

**But the conversation is more important.**

**Budget your time accordingly.**

**Allow for discussion alongside each slide.**

**10-20 slides. Max. Use appendix wisely.**

*Will provide suggested structure later in deck*

## *4. Beware of the demo*

For early stage companies, it's all about **product**.  
And the best mark of product is **market validation**.

Demos are great, but remember these four rules:

1. Be careful of time.
2. Don't get lost in product.
3. Pre-wire it & have back-up just in case...
4. Give even weight to product & traction / data.



# Selling Your Idea

*5. Expect the deck to be shared.*

**Whether you like it or not,  
your deck will be shared (i.e. among partnership).**

**Goal: be equally compelling with/without voiceover.**

**How?**

- deck should tell its own story.
- do not rely on builds, intricate slides.
- make the file size manageable for email.
- PDF or secure URL are great alternatives to PPT.

# Suggested Structure

(remember: <20 slides)

# Selling Your Idea

## *Pitch Deck: Suggested Structure*



# Selling Your Idea

## *The Big Idea*

Expand on company one-liner, articulating your value proposition.  
Discuss vision—where you're going today...and tomorrow.



### What is foursquare?

Think: part friend-finder, part social city-guide, part social-game. Foursquare is a mobile application that helps you keep up with your friends while using game mechanics to encourage and reward users for experiencing new things.

In it's current form, foursquare is a website, an iPhone application, an SMS service and an API.

To users, foursquare is a tool used for finding friends, navigating the city and rewarding oneself for discovering bars + restaurants + good times.

# Selling Your Idea

## *Your Team*

**Why are you the right team for the problem?**

- Include management team, advisors and any investors
- Include bios with relevant experience
- Outline the division of responsibilities

**Think of an expanded  
AngelList team profile**



### Team [Follow all team members](#)



#### **Stew Langille** [in](#)

CEO and Co-Founder of Visual.ly  
VP Marketing Mint.com CMO and  
Co-Founder of iKobo.com (Sold to  
Synovus), 500 Startups Mentor  
Adviser to DailyBurn (Sold)



#### **Shane** [in](#)

Designer, Visual.ly, Founder of  
Visual Economics, Printing Choice  
and Contently



#### **Kristen Chan** [in](#)

Director of Information Design,  
Visual.ly, Former Stanford  
University Researcher



#### **Jess Bachman**

Creative Director, Visual.ly,  
Founder WallStats, Creator "Death  
& Taxes"



#### **Tal Siach** [in](#)

CMO and Co-Founder of Visual.ly.  
Founder of Walyou.com, Israel's  
leading gadget site.



#### **Lee Sherman**

Chief Content Officer and Co-  
Founder of Visual.ly, Editor-in-  
Chief Intuit, Mint.com (Sold to Intuit),  
Journalist (Worth, Wired,  
Macworld)



#### **Adam Breckler** [in](#)

VP Product and Co-Founder at  
Visual.ly. Founder SaveBrite.com,  
Web Developer Mint.com



#### **Michael Porath** [in](#)

Director of Engineering at Visual.ly,  
Google, Berkeley MIMS graduate.



#### **Nate Whitson** [in](#)

Creative Director, Visual.ly,  
Creative Director  
Transvideo/Picturelab, Mentor to  
The Designer Fund

# Selling Your Idea

*Describe the market opportunity & show product/market fit*



## The current problem

- Customer / consumer **pains**?
- How are they **solving today**?

## Your solution/value prop

- How will they **solve with you**?
- How is your solution **different**?

## Why now?

- Why is solution **possible** today?
- Why is the time **now**?

- How big is the addressable market?
- How big can you be?
- Be realistic and show the math (a) total, b) serviceable, and c) your target market)

# Selling Your Idea

## Market Size - US

49 Million People  
22 to 35 age range



31 Million Prospective *Mint* Users  
64% of target demographic use online banking

### Referrals (CPA)

\$8 RPU per year w/ 14% CAGR

Conversion	CPA	Referral
0.75%	\$50.00	Savings Accounts
1.00%	\$75.00	Internet
0.50%	\$75.00	Credit Cards
0.25%	\$50.00	Cell Phone
0.10%	\$200.00	Bank Accounts


### Advertising (CPC)

\$4.50 RPU per year w/ 22% CAGR

Data to Leverage
Zip Code (feasibly: School or Workplace)
Age (feasibly: Gender)
Income (propensity to spend)
Where and when you shop
What brands you buy

**\$388 Million Total Addressable Market Opportunity w/ 16% CAGR**

## Value to User

		Finance Software	Online Banking	Finance Social Networks
Ease of Use	Easily tracks and logs data from multiple sites	Steep learning curve; UI cluttered with excessive features	Inconsistent layout; difficult to aggregate other sites	Intuitive interfaces; simplified features
Costs	Free to use; Automated billing and categorization	Required initial investment and update fees	Integrated with bank account and bill pay	Users must contribute to add value
Benefits	Saves time Save money	Powerful feature set for keeping finances organized	International presence; strong advertiser network, existing users	Low quality user-generated advice

Mint offers the most compelling and easy way to manage your personal finances.

## Competitors

### Key Competitor: Wesabe



- No revenue model – Freemium
- Community based - limited source of information from "wisdom of the crowds"
- Poor traction
- Unspecific suggestions

### Potential Entrants



- Develop simple, easy-to-use, free personal finance online application to cater to mainstream
- Acquire Wesabe or similar online application

### Mint's Comp. Advantages

- User-specific saving opportunities
- Compelling AI-based auto-sorting
- Easy and intuitive user interface

### Mint's Defensibility

- High service switching costs
- 3 non-pending technology patents
- Integration partnerships (*TurboTax*)

**Mint.com example**

# Selling Your Idea

*Your Product....AND TRACTION!*

**You've set the stage...now show:**

- 1) the product (prototype or MVP)**
- 2) traction / validation (research or early pilot data)**

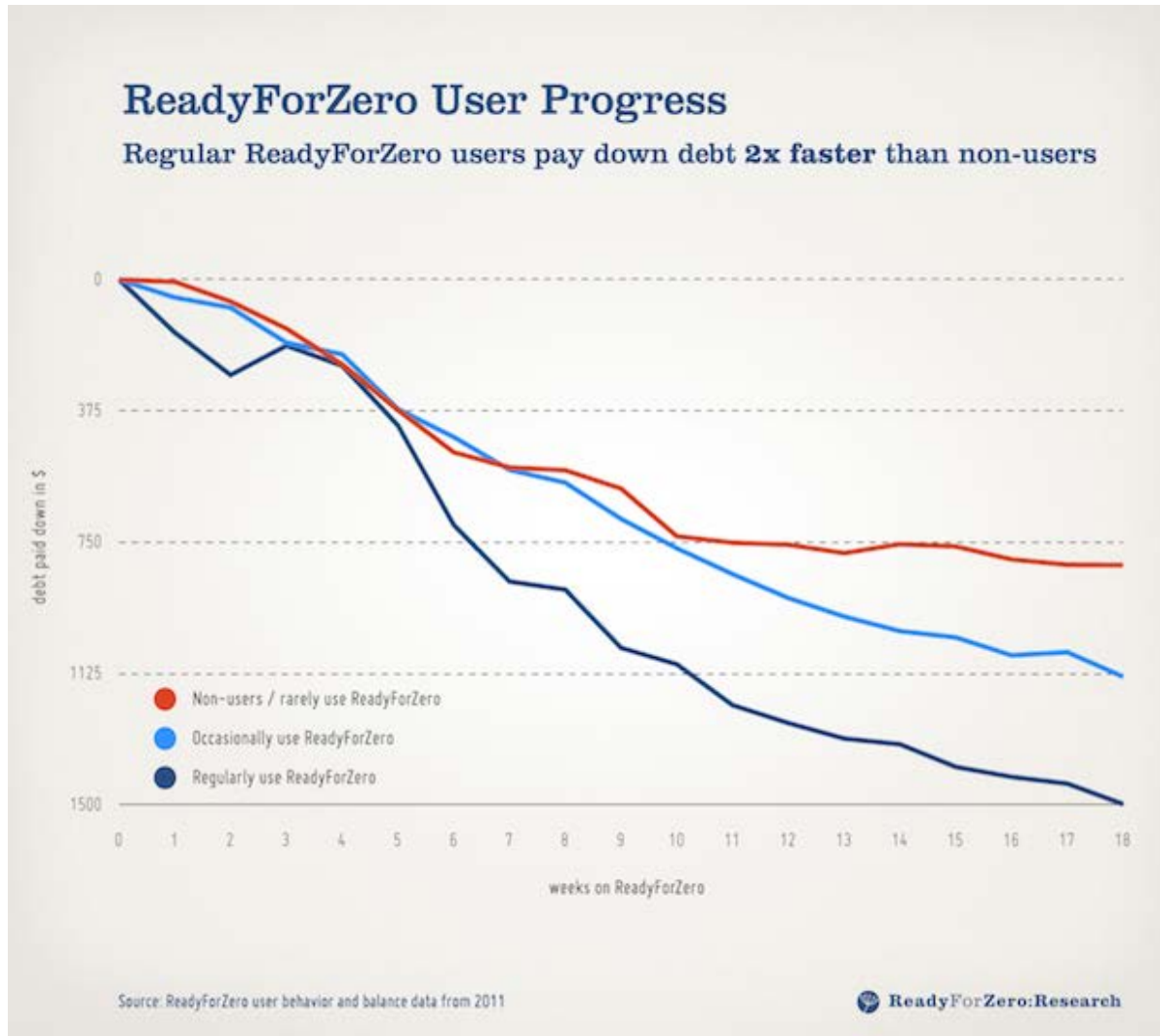
**Investors want to know:**

- is the product resonating with the target market?**
- are you trending in the right direction?**
  - engagement, engagement, engagement**
- engagement data > user acquisition!***
- What are your KPIs? Goals?**



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## *Product Traction example*



Traction can be shown through acquisition, usage, retention, etc.

ReadyForZero showed user activity as measure of product efficacy: Users pay-off debt 2x faster than non-users

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## *The Future*

So far, you've spent the deck showing product/mkt fit, why this team & demonstrating product/service traction.

Now talk about: a) what's next and b) how it ties into the big vision and the fundraise.



What are the next 12-24 months of:

- **Product**
- **Performance**
- **People**
- **Finances**

# Selling Your Idea

## *The Ask*

A pitch deck cannot crescendo without a **clear ask** (*aka* what you are looking for & what will you do with it?).

You want to cover five areas:

- What size investment are you looking for?
- How long does it last you?
- How will you spend it?
- What are your goals before raising the next round?
- How else can the investor(s) help?

## Appendix

# Selling Your Idea

*When Presenting...*

## *Common Stereotypes*

## Common Stereotypes

### “The Showrunner”

- Practical intelligence: has a feel for what to present and how to communicate it
- Displays charisma and wit in presenting
- Gets audience to engage in a “knowledge duet” conversation, through a series of shared memories and viewpoints
- Demonstrates enough technical know-how to convince audience that the ideas can be developed within resource-constrained environments
- Example: the **recruited CEO**

## Common Stereotypes

### “The Artist”

- Enthusiastic about their ideas, but less smooth and conformist in appearance. May even be shy or socially awkward.
- Viewed as “living in their internal world. Still waters run deep.”
- Doesn’t talk of execution/implementation
- Engages the catcher by commanding their imagination, inviting them into this imaginary world.
- Example: **Tim Burton, “the developer”**

## Common Stereotypes

### “The Neophyte”

- Dares to do the impossible. Unencumbered by tradition or knowledge of barriers, they are fresh and ready for battle.
- The passion and optimism drips from their voice.
- Invites dialogue—asks for help.
- Charming, friendly and flattering
- Example: **“the founder”**



## Negative Stereotypes

### “The Pushover”

- Would rather unload an idea than defend it. “We can go through brokers if you don’t like our direct model.”
- VCs: this person doesn’t believe in their idea...

### “The Robot”

- Formulaic presentation. Memorized. Doesn’t veer off-course, regardless of the situation. Canned responses.
- VCs: how would this person respond when the playbook isn’t working?

## Negative Stereotypes

### “The Used Car Salesman”

- Sells too hard and doesn't listen to feedback.
- Often arrogant and argumentative. Confuses “moxie” with “audacity.”
- Can be green/cheesy. Cliché ridden.
- VCs: I don't want to work with this guy...

### “The Charity Case”

- The non-player. Doesn't contribute. Hardly makes their presence known.
- VCs: why is the person in the room?

*A few presentation skills and tips...*

# Selling Your Idea

## Presentation Format Tips

1. Slide minimalism. One big idea per slide.
2. Don't be enchanted with the power of PowerPoint. Can lead to "chart junk."
3. Create a simple, powerful template format.
4. Clip art...COME ON.
5. If you're going to use graphics (e.g. photography) make them high-resolution.
6. Use object builds and slide transitions judiciously.

# Selling Your Idea

## Presentation Delivery Tips

1. Don't read your slides.
2. It's you and the audience. Don't let the medium get in the way.
3. Include stories.
4. Follow the conversation. It doesn't have to be a linear presentation.
5. Don't look around the room, look into individual's eyes.
6. Don't turn your back on the audience.
7. You're nervous. Don't rush.
8. That said, remember that they've seen 10's of pitches in your category. Assume prior knowledge...a level of sophistication.
9. Keep the lights on.
10. Show your enthusiasm. And smile.