

Refining Your Investor Pitch on the Fly

You have polished and practiced your presentation to potential investors. Finally, you present it to a real-life investor who looks at you and says, “Why are you targeting the pharmaceutical industry? The telecom market is a much better fit. And a channel distribution strategy will never work for your product. You need a direct sales force model.”

Welcome to the process of fund raising. Should you change everything based on this feedback or stick with the plan on which you’ve worked so hard? It takes persistence and a strong belief in your company, your product and your team to lead a company to success. And, it takes flexibility and nimbleness to respond appropriately to competitive pressures and customer needs. The investor is looking to see if you have what it takes.

ONE RESPONSE IS NOT A TREND

Don’t return to your office and recast your pitch in reaction to the comments and questions encountered. Not yet. At every meeting your premises and strategies will be probed and tested. The investor is gauging your commitment and testing your preparation. On the other hand, if six out of seven investors suggest that telecom is a better market, then it’s probably time to reconsider your strategy because it’s rare that six out of seven investors would agree on anything.

WATCH OUT FOR THE SETUP QUESTION

A good investor will ask a lot of open-ended questions. And, in some cases, will know the answer. If you don’t know the facts, admit it. It’s much better than winging an answer that is inaccurate. That response could discredit all the other facts and opinions that you have

presented. More importantly, by offering to follow-up you have a good opportunity to reconnect with that potential investor by presenting a properly researched and thought-out answer.

THEY DON’T GET IT

If you sense your audience doesn’t understand your product or service, or the problem your company is solving, then change something fast. Most investors will extrapolate that if your value proposition is confusing to them, then it will be confusing to the marketplace. This is the time to listen carefully to the questions and make sure you answer what’s being asked. These are experienced people and there is a reason for their questions. Try to look at the issue from their perspective, if you’re not getting through.

RELUCTANTLY ADD SLIDES

Certain questions requiring detailed answers may come up frequently. However, adding slides to address such questions can make your PowerPoint presentation grow excessively long. Short is better. Instead, prepare slides that address those questions and put them in the laptop version of your presentation, behind the final slide of the formal presentation. That way you can access them quickly without getting bogged by the time-consuming task of retrieving other files from your laptop during the presentation.

THE ENTIRE PROCESS IS A TEST

The investor is constantly evaluating you for the long haul: Will this management team be receptive to new ideas? Will they be forthcoming with good news and bad? Will the management team work well together? Can they make good decisions quickly? The presentation is about more than the slides’



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content. It’s the entrepreneurs’ first opportunity to show they understand their business, but know what remains to be learned. That they can absorb new ideas while remaining steadfastly focused on the business at hand. That they are a team headed for success.

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