

### ***Why this guide was written:***

Many startup companies have developed a great new product yet fail to attract investment capital. The aim of this checklist is to point to common deficiencies in startup pitches and to help companies be well prepared to speak with investors. The list aims to cover common concerns and questions that are likely to come up in an interview or during a pitch. This list is not intended to be a comprehensive or authoritative list for all pitches, but a tool to help guide a thoughtful and thorough preparation that will help you avoid common pitfalls.

It is important to consider that investors tend to be business people and their interest in investing in your company will largely depend on the strength of the business plan, market conditions and risks. The fascinating science behind what makes your product interesting to other scientists is probably not the primary interest of a potential investor.

Beyond conveying a strong and compelling business model and market analysis, conveying integrity, passion, vision and charisma will also play an important role in an investor's decision to support your company, because it is not only a business model that is being invested in, it is confidence in the leadership of the individuals who comprise the company.

### ***Before you contact investors prepare detailed responses to each of the following:***

#### **Business**

- What does the company do? Be specific.

#### **Business Model**

- How will/does this company make money?
- Timeline – where do you expect this company to be in three or five years?
- Budget: How much investment does the company need; what will be accomplished with the investment?

#### **Problem and Solution: What is the problem (or opportunity)? How does this company solve that problem (or seize the opportunity)?**

- Why is the problem important?
- How big is the problem/opportunity? What is the market size?
- Why is now is the best time?
- Why will the customers accept the solution?

#### **Product and Service Description**

- What is the company offering?
- What is the pricing? (profit margin? Production capacity?)

#### **Intellectual Property (IP)**

- What is the current IP? Is it owned or licensed?
- Is it protected by patent, copyright, trademark etc.?
- Is there the potential for future IP?

### **Marketing and Customers**

- What is the plan to reach and get customers?
- Who are the target customers?
- What are emerging market trends?

### **Competition**

- Who are the current competitors?
- Who are potential future competitors?
- Why is this company better than its competitors? Unique?
- What is the company's strategy for competition?

### **Founders and Management**

- Who makes up the team running the company?
- What are their qualifications?
- Outside validation: who has invested, awards won, beta testing, etc.

### **Other considerations:**

Can you convey passion, vision, integrity and charisma?

Can you reference case studies for similar businesses?

Do you understand the priorities and interests of the investors you are pitching to? How does your company fit into their investment portfolio?

Remember that investors are not customers, so what and how you pitch to investors should be different from how you would pitch to customers.

What are the risks in investing in your company?

What sort of return can investors expect?

How much investment are you asking for? Why this amount?