

Business plans & the 'Pitch'

How to present your business to investors

By Hugh Thomas

Associate Director Entrepreneurship, Innovation and Design



TRANSCENDING DISCIPLINES, TRANSFORMING LIVES

Fast Pitch 2023

- Columbia Engineering's campus-wide **elevator pitch competition**.
- Pitch to win up to **\$5,000** to support your idea.
- Teams have **60 seconds** to sell their business ideas to a panel of judges.
- Fast Pitch is Columbia's longest running pitch competition
- Apply by Oct 30th 11:59pm EDT.

What is a 'Pitch'

1. An **elevator pitch** is a quick, spoken, description of your idea and your “**ask**” for support
 - The ask is (e.g.) “**I need money**” or “**I need time/advice**” or “**I need resources**”
 - The ‘elevator pitch’ requires an **idea** and a description of how you **plan** to implement the idea
 - The **plan** is the roadmap of key steps for how to implement your idea
2. A **business plan ‘pitch presentation’** is usually for investors
 - From which you can distill into your elevator pitch
 - Business plans are usually required to get funding for your business idea

Business plans & the ‘Pitch’

- What is a business plan ?
 - Business plan is a roadmap for how to structure, run, and grow your business
 - It’s a way to think through the key elements of your business
 - Business plans can help you get funding or bring on new business partners
 - Business plans can be complex >100 page documents or 1 page summaries

“The ideal length of a business plan is twenty pages or less” – Guy Kawasaki

- Today, we will describe a business plan ‘Pitch’ presentation for investors



- And the short version called the “Elevator Pitch” – no slides (optional)

What a business plan is not



- A business plan is NOT cast in stone
 - “The plan is the plan until the plan changes”
 - Write deliberate, act emergent
 - Write the plan as if you know exactly what you’re going to do, be deliberate, even though you’re probably wrong
 - Act emergent – adapt to new information over time, be flexible, changing as you learn more and more about the market
 - But don’t let the business plan become your rule book
- A few words of **warning**:
 - Business plans are not product sales pitches for customers
 - Business plans should not include your proprietary code or patents ideas
 - Business plans should not be a public document.



The 'Pitch' Presentation contents

- Business plan Pitch Presentation key components:
 - **Company Vision**
 - What problem are we solving ?
 - Our solution/Value Proposition/Business model
 - **Market Opportunity**
 - Market Analysis / Segments
 - Target Customers (key partners, etc.)
 - Competition
 - advantages/SWOT analysis
 - Go to market plan
 - **Company Description**
 - Legal structure
 - Management team/org chart
 - Key Milestones
 - Customer traction
- **Plus** You will need Financial Plan & a polished “Investor Elevator Pitch”

Guy Kawasaki's 10/20/30 pitch rule:

*“The ideal pitch contains 10 slides,
takes 20 minutes to present and has smallest font size*

of 30 point”

Company Vision

- Describe what **problem** your company is solving ...
 - Clearly describe the “pain point” in the market..
 - e.g. *“Hospitals need to monitor patient’s recovery after their surgery when they return home.”*
- ... and the **solution** & business/value Proposition
 - Our Proposed solution
 - E.g. *“NewCo provides a mobile app for patients which keeps them in touch directly with their doctors and provides the hospital vital patient health statistics on an hourly basis”*
 - Business model
 - E.g. *“Newco charges hospitals a monthly fee based on the number of patients using the app, the apps are free to download for the patients”*
 - Sales/revenue model
 - App store / **B2B** / Reseller / Retail distribution/ etc.
 - Other...

Market Opportunity

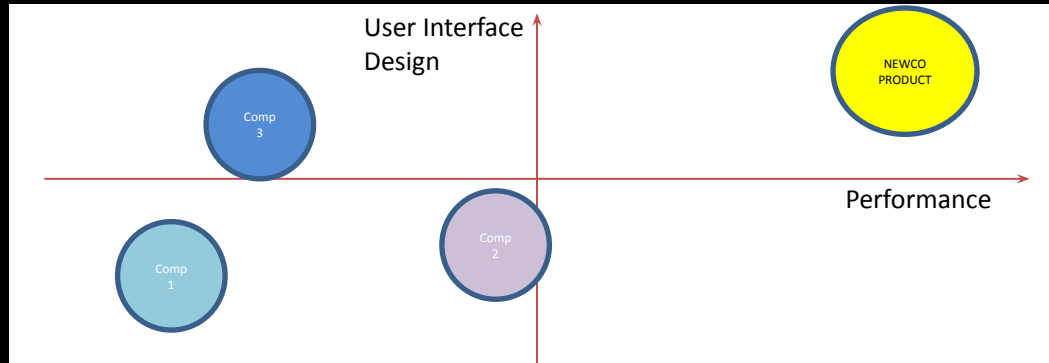


- Breakdown your addressable market from overall industry **TAM**
 - Use current data from credible market research firms
 - E.g. Gartner, Forrester, etc.
- Describe your **SAM** (based on product goals)
 - E.g. “Health app for surgery patients over 50”
- Describe Target market & example customers
 - E.g. “We sell through hospitals”
 - Show list of top 100 hospitals in USA
- Describe your go to market strategy
 - Show how you plan to gain your market share
 - E.g. “We have two hospitals already signed up & 4 more interested, once we hire sales people we will grow hospital number by 1 per month... then 4 per week after 1 year”

Competitive Analysis

- Compare & contrast list of competitors in a table
 - Name, estimated revenue, Product details, market share
 - Show segments of market addressed/unaddressed
 - Highlight your product differentiation
- Use “Quadrant” chart to differentiate your solution

	Market	Biggest Audience	USP	RBD	Social conscious Sponsorship	Influencers	Social media Strategy
Peppi	Worldwide				NFL, NBA, NHL, Pakistan cricket teams, etc.	Kendall Jenner, Beyoncé	
Dr Pepper	Worldwide (US)		Unique taste				
Red Bull	Worldwide	Sports, bar culture	Energy booster		Sporting events, & brand building events (Red Bull Air Race)	Felix Baumgartner, Red Bull F1 team, etc.	FB pages - music, ads, videos, and likes; TW - image based; Inst - action filled
Gatorade	Worldwide	Sports, athletes	Various formulas for different sporting activities	Gatorade Sports Science Institute	Ext. health and fitness research, American College of Sports Medicine, Sponsors NFL, NFL, MLB, NBA, etc.		
Mountain Dew	Worldwide (US)	Outdoor, fun-loving, youngsters	Healthy living				
Lipton	Available in 110 countries	Tea drinking nations, e.g., UK, India, Africa	Healthy living		Reinforced Alliance		
Tropicana			Boost immune system		Cool Earth, Rescue Reinforced.		
Brand #8							
Brand #9							



SWOT Analysis

- Strengths, Weaknesses, Opportunities, Threats
 - Popular way to depict business (from circa 1995)
- One chart overview of the competitive landscape and market opportunity.

e.g.



Go to Market plan

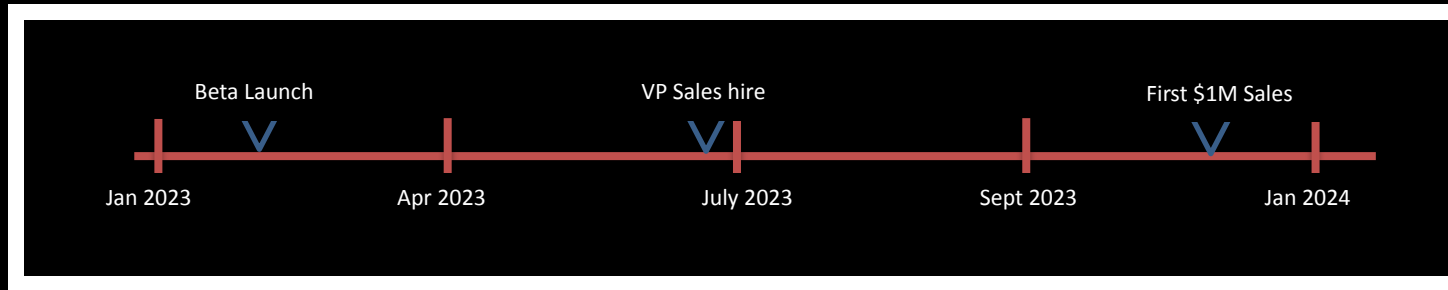
- Explain the strategy of how (& when) you are planning to promote/sell your product
 - e.g:
 1. Jan 1st - “Tester” group (few users/10’s of users, typically friendly users, maybe key influencers)
 2. Feb 15th - Beta user group (few hundred/thousand users)
 3. April 15th - Alpha launch (pre launch to your “special” mailing list)
 4. June 1st - Product launch (promotion/advertising/PR/etc).

Some common ‘marketing’ Terminology :

- “Beach head” customers to secure credibility in market segment
 - e.g. a first hospital customer using your product for an internal trial
- “Eating your own dogfood” – term used to describe a company using its own product
 - Adds credibility to the quality of the product before going to market

Key Milestone timeline

- Timeline showing some key targets for the company to achieve



- Some examples of key milestones
 - First Product (MVP) Launch
 - First Customer
 - First Revenue
 - Strategic Partnership
 - First 10, 20, 50, 100+ Customers
 - First \$1000, \$10,000, \$100,000, \$1M revenue

Company Description

- Short description of legal entity

e.g. “NewCo Inc” is a Delaware C Corp, founded April 2022, headquartered in New York, NY with sales office in San Jose, CA

- Management team

- Highlight key employees & previous accomplishments
- e.g. **CTO has published 32 patents & invented the transistor**
- e.g. **VP Eng has published over 50 apps to app store and managed 300+ people**

- Org chart of initial team & explain projections for growth

- e.g. **“Its just Sergei & me right now but we know the people we’ll need to grow”**
- e.g. **“We’re using part time book keeper right now but plan to hire someone full time after funding”**
- e.g. **“We have 3 college room mates now working for Google who will join us after funding”**
 - **Warning ensure they have all agreed to take reference calls before making this statement!**



Financial Plan

- Summary of overall financial plan for 18-24 months
- Usually presented as spreadsheet chart (or dashboard with key metrics)

e.g.

The image shows a screenshot of a financial plan spreadsheet. The spreadsheet is organized into columns representing months (Month 1 to Month 12) and rows representing different financial categories. The categories include Revenue, Expenses, and Net Income. The data is presented in a grid format with numerical values for each month. The spreadsheet is color-coded with green for revenue and expenses, and yellow for net income. The total net income for the 12-month period is \$100,000.

Category	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Expenses	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
Net Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

- Be prepared to answer questions on your assumptions

The Business plan document



- **Executive Summary (not required for the elevator pitch)**
 - The executive summary is the most important part of a written business plan
 - You should spend **80% percent of your effort** on writing a great executive summary
- Sections of the written business plan should contain
 - **The Problem**
 - **Your Solution**
 - **Business Model**
 - **Underlying Magic**
 - **Marketing and Sales**
 - **Competition**
 - **Team**
 - **Projections**
 - **Status and Timeline**
 - **Conclusion**

“The ideal length of a business plan is twenty pages or less”
– Guy Kawasaki

The “Elevator Pitch”

- A short, succinct description of your company, value proposition and funding requirements.
 - A well practiced summary you are ready to use at any time
 - e.g. in an elevator ride
- Your elevator pitch should be **brief** i.e. 60 seconds.
- Know your **audience**, and speak to them (tailor your “ask” accordingly)
- You need to be **persuasive**.
- Be **positive** and **flexible**.
- Mention your goals and needs.
- Propose a follow up... or agree to share your LinkedIn/other social media profile...