Business plans & the ‘Pitch’
How to present your business to investors

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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

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

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

  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
SWOT Analysis

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

![SWOT Analysis Diagram]

- **Strengths**
  - Visitors
  - Growth
  - Value
  - Visibility
  - Technology

- **Weaknesses**
  - Monetization & Conversion
  - Engagement
  - Social
  - Search Traffic
  - Geography

- **Opportunities**
  - Traffic
  - Monetization
  - Universal search

- **Threats**
  - Social
  - Competing sites
  - Engagement
  - Legal/licensing
  - Negative SEO

**e.g. NewCo**
Go to Market plan

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

• 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

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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…