Guidelines for Entrepreneur's Presentations

1. **IDENTIFY THE PROBLEM OR CUSTOMER PAIN POINT:**
   - Clearly define the PAIN that your product/service is addressing in such a way that the audience READILY identifies with the PAIN.
   - Make sure that you present convincing outside data that confirms that the problem/pain is huge and specifically what attempts have been made by others in eliminating the PAIN. If others are trying to solve the problem, that may support your position that there IS a problem.
   - Nice-to-haves or products/services that are easily replicated or problems/pain that can be eliminated by a broad range of products/services are less attractive from the point of view of the angel investor.

2. **IDENTIFY THE MARKET SIZE AND GROWTH:**
   - Size the potential specific market clearly relative to the identified problem/pain and use specific outside validation and data.
   - Make sure that you clearly define who is the buyer(s). They will be on the list of people who we would call during due diligence.
   - Be very clear about competitors and potential competitors. Be specific. Know your landscape well. Don't let the audience catch you with a competitor that you don't know about. "No competition", while heard often, is not realistic. Focus on the verticals.
   - Is there an opportunity for FAST growth and adoption within the market?
   - Is there an opportunity to "own" a large part of the particular market and is the market growing?

3. **DESCRIBE SPECIFICALLY THE BUSINESS, WHAT THE COMPANY DOES AND WHAT THE PRODUCTS/SERVICES ARE:**
   - Specifically how does your product/service actually solve the problem (eliminate the pain) in the most efficient, cost effective and faster manner than anyone else.
   - The audience does not include 100% technical or subject matter experts. The CEO/FOUNDER's presentation and materials must clearly translate from technology or science to the business value proposition.
   - Illustrate by specific example how the customer saves time and money with your products and services and use some numbers.
   - Show an ROI. Show what drives adoption of your product and service.
   - We look for generally a 10X advantage over existing products/services.
   - Clearly set out the competitive advantage using specific examples.

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- Clearly set out your competitive advantage – price, functionality, barriers to entry, strategic partners. (Don't simply throw around big names but explain clearly the true value of the partner relative to any competitors.)
- Specifically identify where your product or service FITS in the business processes of the customer.

4. IDENTIFY WHAT THE PROPRETARY ASSETS AND INTELECTUAL PROPERTY COVERS:

- Status of patents and other IP.
- Status of COMPETITOR IP.
- How defensible is your product/service in terms of IP protection?

5. DESCRIBE CLEARLY HOW THE COMPANY MAKES MONEY:

- Show the specific transaction map – sales, costs, margins and price sensitivity.
- Show the leverage points i.e. how expenditures in marketing, for example, might drive sales.
- Clearly demonstrate a well defined cost structure – the effect of key outside component price changes, supply, etc.
- Show who buys the product and how their ability to buy might be affected by factors outside your control – economy, budgets, etc.
- Again use specific numbers as examples.
- Show at least 3 year projections – Income Statement, Balance Sheet and Cash Flow – high level in presentation but detailed backup schedules as necessary and ensure that the relative numbers (growth, cost components, etc) can be justified.

6. DESCRIBE HOW THE PRODUCTS OR SERVICES ARE SOLD:

- Will you use direct sales, channel partners (include their unique qualifications), independent representatives? Rationale for your choice of channel.
- Do you have partners or key channels (international, government, a particular vertical distributor, etc.) and WHY will they provide you with an advantage?
- Clearly explain your sales to date – beta, deep discount, etc.
- Explain the pricing rationale for your products and services and include outside data/support.
- Identify risk factors in hitting revenue targets.

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7. **PROVIDE A CLEAR VIEW OF THE FINANCING ROADMAP:**
   - Show your financing past and future – a time line is useful – with amounts, source and valuations.
   - Show the amount of cash that you (the founders) have put in the company and how much more you (the founders) plan to put in the company.
   - Clearly lay out where the business is in its life-cycle and support the growth/cash-flow plan as early stage investors are always concerned that the business will require substantially more investment going forward than anticipated, thereby diluting the early investors more than expected.
   - The investors want to make sure that their money is used to build the business through to success. The money is not for perks, premises and image. Demonstrate frugality and sensible use of financing proceeds.
   - What is your specific use of funds and WHY do you choose to use the proceeds of the financing(s) that way?

8. **DESCRIBE THE STRENGTHS AND WEAKNESSES OF THE CURRENT AND FUTURE MANAGEMENT TEAM:?**
   - Provide concise bios of current management, length of time with the company and specifically WHY they are suited to this business, why they will be successful and past success related to businesses in this stage and/or industry.
   - Speak to their start-up experience. It's not always about degrees and credentials. What have they DONE in similar environments?
   - Future management team including skill sets and time line to hire.
   - Advisors, Board Members – who, length of time with the company, relationships with management and brief qualifications.
   - Identify who is taking a salary, equity, advisory fees, etc.
   - Demonstrate the CEO/FOUNDER's and the other management team members' ability to be mentored. The investors often have a great deal of knowledge and they have an interest in the success of the venture. They will want to be involved at the start and then as the business grows at least on a Board level. Take advice!
   - Many, if not all businesses reinvent themselves and change direction throughout their lifecycle. Demonstrate how the company's leadership is agile, nimble, flexible, etc. and willing to change as market forces change.

TECH COAST ANGELS

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9. RESENT THE RISK/REWARD RATIO IS FOR THE INVESTOR?

- VC's and Angels, because they are in the high risk phase for an investor need to see a certain "___X" factor. If they invest $50,000 then they want to see a relatively high multiple in terms of return.
- Each investor has their "____X" factor so make sure that you speak to how you will get there and very important, WHEN – specifically demonstrating how the business will build value.
- Understand what that factor might be at any particular time. Understand where you are in the potential financing cycle, i.e. are you asking for very early money where there will need to be extensive additional investment to get to profitability.
- Do you have a planned exit strategy? What is it? Timing?

A NOTE ABOUT PRESENTATION AND SUPPORTING MATERIALS (PPT'S, HANDOUTS, ETC.):

Your presentations and materials should CLEARLY demonstrate that each item on this checklist has been considered or answered as appropriate in the appropriate amount of detail depending on the time provided for you to present. When coaching founders and management, Consider in the PRESENTATION and SUPPORT MATERIALS for potential investors:

1. Taylor the presentation to the audience and to the time allotment: pre-screening, screening, dinner – each has different time lines and requirements.
2. Edit from what you learned in each of the earlier presentations.
3. NEVER leave a question or comment from a member from the prior screening UNANSWERED!
4. Keep track of the questions and comments and make sure that your next presentation/screening clarifies or answers the question or comment.
5. FOCUS on the key elements – communicate in the BEST FEW WORDS you can.
6. The PPT text and presenters' words should be limited to ONLY that required to communicate the key points. Long detailed paragraphs, complex charts, etc. are a negative. Use charts and graphs that sometime do a better job of communicating the points – keep them simple and EASY to READ.
7. The CEO/FOUNDER should be making the presentations with support from advisors and other management where appropriate.
8. HOWEVER, the CEO/FOUNDER MUST OWN all of the data including the numbers in the presentations. The CEO/FOUNDER MUST understand each statement and number in the presentation and

should NEVER say that "the CFO put these numbers together so I'll need to get that from him", or "the Marketing VP has been speaking to this listed channel partner and he/she has the details of the agreement with them". At this stage, the CEO must be hands-on, understand the detail and be able to speak to the detail.

9. Remember that each of the steps in the screening process represents a "hurdle" and the audience/screeners need to be convinced AT THAT TIME to move on to the next step. You don't generally get another chance if you blow that presentation.
10. The CEO/FOUNDER needs to have a great ability to extrapolate and convey that clearly to the audience. If "this" happens, then "that" will happen.
11. During the presentations, the "interest level" in an audience starts relatively high and then quickly dwindles. Don't leave your best to last. If you have important points to make – make them early. You are not following a pre-scripted business plan or PPM. You are doing a presentation in a limited amount of time to sell the value of investing in your venture. Once you have the interest, there will be other opportunities to subsequently to enhance with all of the underlying information.
12. The presentation and PPTs should be subsets of a complete Business Plan – and all should tie together.
13. Be HONEST as to what you present – this is just the start and investors HATE surprises at the due diligence phase.
14. Practice your presentations and have others read and critique your presentation materials.