Pitching at the Dragon’s Den

CEODay 24th October 2012
09:00 – 18:00
Stade de Suisse Berne

Where High Tech Start-up’s meet in Switzerland

New Template prepared by:
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Pitching Competition
Pecha-Kucha (www.pecha-kucha.org)

Max 6 Slides
On average 30 seconds per slide
You decide which slide how long
⇒ Max 3 minutes pitch overall

• Each slide must be timed with Powerpoint or Keynote
• No Pointers allowed (or needed)
• Practice, practice and practice
Pitching Competition Q&A

Q&A
Jury members
⇒ Max 2 minutes per pitch

Award:
With rating form
compiled by Jury members

Pitching Competition Criteria

• Problem Description
• Solution (magic/technology)
• Market potential (size)
• Biz Model
• Quality of Pitch
• Personality
• Gut feeling
How to do it: READ this carefully

Check the proposed 14 slides on the next pages.

Make your selection of the 6 slides you want to present.

Time: max. 3 minutes sharp, you will be stopped by the moderators!

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Investor pitch: Possible slides (only a recommendation)

- Slide 1: Event, logo, date, speakers, contact information
- Slide 2: The problem
- Slide 3: Our solution (mention patents)
- Slide 4: Underlying magic (explain USPs)
- Slide 5: Market (size, potential)
- Slide 6: Competition and/or competing technology
- Slide 7: Go to Market Strategy (segmentation, distribution)
- Slide 8: Value chain & business model
- Slide 9: Achievements & Next Steps
- Slide 10: Team (short bio with picture)
- Slide 11: Boards & support network (short bio with picture)
- Slide 12: Financial overview (Sales, net profit, cumulated FCF, FTEs)
- Slide 14: Summary (Why you should invest)
- Q&A Overview
Slide 1: Title page

COMPANY LOGO and Mantra (Slogan)

- Explain what your company is doing in the first minute (with a slogan / mantra on this first slide):
  - "We sell software"
  - "We develop, assemble and sell a medical device"
  - "We develop a new drug"
- Contact info always on first slide (Investors hate to look for it!)

Slide 2: The Problem

- The motivation should be: „Make this world a better place!”
  - Increase quality of life
  - better a wrong
  - keep something good
- Where’s the customer pain?

- Plausible problem description (pictures can help, also analogies)
- Who is concerned?
- How is the problem seen?
- Is it a real problem? (not only my own one?)
- What happens if we do not solve it?
Slide 3: Our solution

- USP of product (max 3)
- Picture of product (prototype)
- Value proposition for:
  - Customers
  - Partners (Distributors)
- Further products/applications in the pipeline
- Patents (mention if there is one)

  • Question of the Little Man:
    - So what?
    - Your answer: “For instance...”
  • Too many USP are not realistic!

Slide 4: Underlying magic

- Describe the technology, secret sauce, or magic behind your product or service.

  • The only slide where technology is allowed!
  • Less words, more diagrams, flowcharts and pictures
  • Proof of concept (PoC) are helpful here:
    - Bring prototype along, show it
    - Bring results of studies
  • Mention the intellectual protection strategy and status of patenting (no details)
Slide 5: Market

- Market potential (size & growth) with:
  1. Addressable and
  2. Target market related to applications
- Top-down versus bottom-up

Watch outs:
- Top-down market approach (if only 1% of all Chinese buy the product...)
- Market research studies (Forrester etc), always give the info source

Slide 6: Competition and/or competing technologies

- Market structure
- Names of potential or real competitors (competitive landscape)
- Also show competing technologies!

- If there is no competition, there might be no market!
- Everyone wants to hear why you are good, not why the competition is bad!
- Compare Market price to your price (or cost savings for buyers)
**Slide 7: Go to Market Strategy**

- Customers list (potential or real)
- Go to market strategy

**Watch outs:**
- Top-down market approach (if only 1% of all Chinese buy the product...)
- Market research studies (Forrester etc), always give the info source

**Distribution Partners US**
2011

to be continued

**Direct Sales to Early Adopters DACH**
2010

**Slide 8: Value chain / business model**

**LOGOS**
Supply partners and Research partners

**START-UP COMPANY**
(own logo)

Competences (e.g.):
- R&D
- Quality control
- Marketing & sales

**LOGOS**
Distribution Partner

**LOGOS**
Customer Enduser

- Name dropping of existing Customers and/or Distribution partners can help (Logos)!
- Differentiate between onetime and recurring revenue (Razor & Blade!)
Slide 9: Achievements

Achievements (with timeline):
• Customers (LOI’s, prototype on site,...)
• IPR (Intellectual Property Rights)
• Technology (proof of concept, Prototype)
• Partnerships (R&D, Distribution, Supply)
• CTI Projects / Coaching (show amount)

Next Steps: (roadmap, indicate timeline)
• Hiring key people within the next 6 months
• Moving to own facility in fall
• Closing financing round by the end of the year

• Format either as table or as a simple gantt chart
• Include concrete milestones
• Only show the most important achievements (in the eyes of the investors!)

Slide 10: Team

Management
Name / Function / Education & Title
Experience / Founder
Important functions are:
CEO, CFO, CTO, CSO

• Show team deficit and your commitment to fix it!
• Always show pictures of people, they have faces!
Slide 11: Boards & support network

Board of Directors
It would help, if not too many Management members or Founders still remain on the Board of Directors

(Scientific / Business) Advisory Board
Well known and committed academics or (serial) entrepreneurs!
Also mention CTI Coaches.

- Show any deficit and your commitment to fix it!
- Always show pictures of people, they have faces!

Slide 12: Financial overview

<table>
<thead>
<tr>
<th></th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>1'004</td>
<td>11'779</td>
<td>38'328</td>
<td>55'177</td>
<td>64'781</td>
</tr>
<tr>
<td>Net Profit</td>
<td>- 883</td>
<td>144</td>
<td>11'413</td>
<td>16'945</td>
<td>19'224</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>- 1'215</td>
<td>- 3'083</td>
<td>407</td>
<td>11'663</td>
<td>31'621</td>
</tr>
<tr>
<td>(capital need)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FTE (employees)</td>
<td>8.7</td>
<td>49</td>
<td>87</td>
<td>107</td>
<td>118</td>
</tr>
</tbody>
</table>

- No graphs on this slide (investors prefer to read financials in a table)
- Pricing and quantities could be helpful
- Differentiation between different businesslines (sales) could be interesting
**Slide 13: Financial offering (investment opportunity)**

- Current ownership: 100% Founders & FF
- End 200x: CHF 2 Mio. first round
  Use of funds: Expansion Step 1: to ~ 8 FTEs
  Product development, Quality Assurance
- End 200y: CHF 4 Mio. second round
  (no further details)
- Exit: Trade Sale in 5 years to e.g. ...

- Be realistic in your timing (for closing of the round, 6-12 months)!
- IPO is most of the time not realistic; investors hate this claim, but of course love it, when it happens (only 5 % of all exits are IPO’s in US)
- For the trade sale do not hesitate to mention potential buyers!
- You should not communicate the valuation. Only disclose during the due diligence process. Keep your negotiation power!

**Slide 14: Summary (Why you should invest)**

- Great Opportunity and Potential
- Great Technology with IP protection
- Great Team

- Be sharp on this one
- Show your passion here again to close
- Do not repeat all of the pitch, only what is of interest to investors!
Mastering Q&A is as important as the pitch

- First LISTEN & UNDERSTAND, then answer
- If necessary, reformulate (to win time)
- Answer as concretely and precisely as possible
- If you do not have an answer, admit it! (take notes)
- Never say YES, NO BUT...

- Beware of participants looking for attention: Don’t start a “debate contest”
- Golden rule: stay calm and never lie

Some last hints for pitching

- Let the CEO present (do not switch speakers in 3 mins)
- Be authentic, be yourself
- Be humble, open-minded during Q&A session
- Know your pitch (with your heart)
- Know your numbers (revenue, profits, burn-rate)
## Timing for slides with Powerpoint

- Go to Transition (Uebergänge)
- Click on: Next slide after x seconds (Nächste Folie)
- Make sure that this transition is valid for all or only one specific slides
- Test it
- Do not exceed the total allowed time for the requested maximum of number of slides!