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RANDALL CROWDER

Know the Do's and Don'ts of pitch preparation



No plan survives first contact. This cautionary advice, conceptualized by German Field Marshal Helmuth von Moltke the Elder in the 19th Century, is passed

down to just about everyone who serves in the military. Von Moltke thought it was paramount for military leaders to prepare for all possible outcomes, because only the beginning of an operation could be planned.

Starting a company may not be a life-or-death endeavor, but entrepreneurs will tell you that it often feels like it. Yet many still march into battle, well, investors' offices, without the extensive preparation necessary to explain how they'll mitigate risk, capitalize on trends and leverage resources as they scale. It's paramount that entrepreneurs thoroughly prepare for outcomes that could impact key

aspects of their business and can demonstrate their understanding of those issues when pitching investors.

Here's some key errors that entrepreneurs make in preparing their pitches and how to avoid them:

- ▶ Don't rely on biographies to sell the team. Instead, outline the skill sets your company needs in order to be successful, and explain how each team member's experience fits into their roles and responsibilities. Identify areas of weakness and develop a hiring plan to address them.
- ▶ Don't just project how your headcount will change over time. Instead, provide a plan for who you expect to recruit, what skills they bring to the table, when you'll need their specific expertise and how much each team member will cost. Develop an organizational chart for every year of operation and maintain a complete job description for each position.

- ▶ Don't just cite a total addressable market that represents a multi-billion dollar opportunity. Instead, justify and quantify your serviceable available market based on your specific business model. Explain how your go-to-market plan will realistically grow your share of this market year-over-year.
- ▶ Don't ever say you have no competition. Instead, describe how the industry currently does things, why it's ripe for disruption, how you are going to do it better and what challenges you expect to face along the way as you grow. Plan for strategic alliances as appropriate and ~~win~~ game your response to competitive threats.
- ▶ Don't just explain what your business does. Instead, provide a comprehensive development roadmap that illustrates how you plan to rollout specific feature sets over time and how these additional features will help you better execute your go-to-market plan.
- ▶ Don't use company logos to

illustrate your pipeline. Instead, describe each stage of your sales cycle, as well as each stage's key stakeholders. Identify where your potential customers are in this cycle, what their revenue potential is and how you plan to prioritize your sales efforts.

- ▶ Don't provide unit economics that support an arbitrary profit margin. Instead, provide a detailed analysis of your cost of goods sold, projected pricing and how you plan to impact these key metrics over time as sales grow and/or you become more efficient.
- ▶ Finally, don't rely on the obligatory "hockey stick" growth curve. Instead, develop a financial roadmap from now through a liquidation event that projects when you plan to take on additional funding and what milestones you'll be able to achieve with each round of financing.

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