



PITCHING YOUR BUSINESS IDEAS FOR INVESTMENT

Presenter: Claude Grunitzky, Co-Founder & Chairman, TRUE

Entrepreneurship

Video Transcript

[TEXT: YOUNG AFRICAN LEADERS INITIATIVE
ONLINE TRAINING SERIES]

[TEXT: PITCHING YOUR BUSINESS IDEAS FOR INVESTMENT]

[TEXT: Learning Objectives]

1. Identify potential business partners.
2. Look at the key elements of a pitch.
3. Craft and deliver a pitch.
4. Follow up.]

[TEXT: Claude Grunitzky, Chairman, TRUE]

My name is Claude Grunitzky and this is “Pitching Your Business Ideas for Investment.”

In this lesson, we will explore how to identify potential business partners, look at the key elements of a pitch, craft and deliver a pitch, and follow up.

If you are serious about starting a new venture, you must demonstrate to potential business partners and investors that you are passionate about the idea and truly believe that the business can succeed. You must be willing to work hard, on weekends and late into the night. You will show your investors that you can do what it takes to make your business thrive, knowing that profitability and growth will one day justify all the efforts. Although many businesses fail within the first year, many others succeed because their founders have drive and a great idea. They were able to rally a winning team and investors.

How does an entrepreneur identify potential business partners?

It's very important to choose business partners according to both skill set and personality. Explore your own skill sets. If you are passionate about technology and see yourself as more of an introvert, then you should choose business partners who are more extroverted — partners who are willing to go out, meet customers and engage in the marketplace. If you are not very organized, then it is crucial to add a business partner who is very detail-oriented and good at handling complex tasks, whether dealing with lawyers, accounts or suppliers.

It is also good to have at least one founding team member who knows how to handle investors and answer difficult financial questions.

Still, for the business partnership to work well, you need more than just a balance in skill sets. You need to be relatively certain that your personalities will not clash. Too many businesses fail because of ego or personality mismatches.

How can you find a good match in your business partners?





By first getting to know your potential partner well. Make sure you have clearly assigned roles and responsibilities from the start. Set up a system that allows you to resolve differences amicably, without fights or unnecessary arguments.

Once the business plan is written, how does the entrepreneur craft the pitch?

The pitch should be short, explaining the idea, the potential and team members' expertise. The key is to convey why this business is worth investing in. The pitch should explain why the target customer is willing to pay for the product or service. It should explain what kind of value you will create for that customer. Once that value proposition is framed into numbers and full market- potential quantified, the founding team should make five-year sales and expense projections and come to the required investment amount. The objective of the pitch is to get an investor to commit capital to the business.

What are the key elements of a pitch?

A sophisticated investor will listen to your pitch and assess whether you understand the market and competition. In your pitch, you should focus on a single initial market and grow from there. If, after your short pitch, the investor is convinced that there is something there, then you have succeeded in grabbing their attention and they will want to investigate further and review your full business plan.

How to best deliver the pitch?

It's really about getting to know the audience you are pitching to. If you are meeting one investor, then you will need to research them and know what kinds of companies he or she has invested in in the past, and if they were successful. If, however, you are pitching to an audience of 12 people, you must first understand the decision-making process and figure out which audience members will have the greatest impact on the actual investment decision. Grab their attention and get them excited by showing them why your idea has the potential to change the market and lead to a consistently profitable business.

How to follow up after the pitch?

Don't be afraid to email them relentlessly. Walk them through your business plan. Remember, investors like persistent entrepreneurs and everything you say will need to be backed up by numbers, research, and a plan. Don't be boring and don't allow the investor to be distracted. Your job is to help them imagine what your company could one day become, with their funding.

After you've completed all the units in this course at YALI.state.gov, you can test your knowledge and earn a YALI Network certificate.

[TEXT: Test your knowledge
YALI.State.gov

[TEXT: YALI Network
Produced by the U.S. Department of State]

