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You First, Then PowerPoint



And use it only when
absolutely necessary

BY JOHN FREISINGER

SELDOM IN THE LIFE of your startup company will a presentation be more important than your first meeting with a prospective investor. The validation of your idea, your dream and your future will be defined by a 30-minute PowerPoint presentation. Your wild success or abysmal failure will be dictated by your skill with a Microsoft Office product.

As your computer boots up you begin to panic. “How can I make this the best slide show they have ever seen?” “What fonts should I use?” “Maybe I can learn to do that cool animation that I saw at that conference last year. Yeah, that’s it! I need to learn to do cool animations.”

Hold it right there. As a veteran of hundreds of funding presentations, I can tell you the best thing to do is to start by turning your computer off and begin planning a presentation and not a slide show. PowerPoint can make a good presentation even stronger, but even the greatest slides will not save a mediocre presentation.

Where to Begin

All great presentations begin with a vital question, “What do I have to offer my audience?” In the case of an audience of equity investors your answer has to be, “An extraordinary investment opportunity that creates an urgent desire for more information.” Notice the key phrases is that answer, “extraordinary opportunity” and “more information.” Regardless of the presentation, the goal always remains the same: be memorable and leave them wanting more.

Being Memorable

Raising capital is a competition. It is a contest for the attention and mindshare of the investor. In a competition where everyone has the next great technology the only way to be remembered is to be extraordinary. Your idea is extraordinary; your presentation should be as well. Extraordinary presentations have three components: content, structure

Entrepreneurial Characteristics

- Deeply Passionate about things
 - › Products, Markets, Employees
- Has the ability to inspire others through their actions and their words
- Willing to take risks
 - › Understands challenges
 - › mitigates risk associated with risks
- Consistently doing what is right
 - › Employees, customers, competitors

A standard PowerPoint template with four bulleted Entrepreneurial Characteristics. The number of words and the busy background make the slide not only visually unappealing but difficult to read. The font size is too small. While colorful, the fonts are busy and distracting as well.



The four concepts are shortened into keywords anchored by an easy-to-remember mnemonic “FIRE” with an image that reinforces the concept. This greatly simplified slide provides the speaker with a powerful visual anchor for his spoken message.

and delivery. Your computer cannot generate content, so your first step will include a blank sheet of paper, a pile of sticky notes, or, if you can’t bring yourself to turn off your computer, mind-mapping or brainstorming software.

Brainstorming Content

Investors are looking for credible indicators that you and your company can successfully manage all of the risks associated with starting and running a business, thereby increasing the likelihood of a return on their investment. Spend time listing all of the risks your company might face and write them down, along with your mitigation strategy for dealing with each risk. Somewhere along the way, someone with a big checkbook is likely to ask you about it. In your first meeting, be prepared to concisely discuss:

- **Customer Risk** (Who wants our product and why?)
- **Market Risk** (How big and how you get in?)

- **Adoption Risk** (How significant is your solution to the customer?)
- **Management Risk** (Why you and your team?)
- **IP Protection Risk** (How do you keep your idea from being stolen?)
- **Manufacturing Risk** (Can you provide it in quantity?)
- **Financial Risk** (Will you have enough to execute your plan?)

Questions during your presentation and subsequent meetings allow investors to explore other risk areas, so be prepared to address the wildest risks you can imagine. Spending time preparing specific, well-reasoned answers will place you above the ordinary entrepreneur.

Structure

Once you have gathered your content you can begin to plan the structure of your presentation. Select only the most pertinent facts to support the assertion that you are an outstanding investment opportunity and then present them in a compelling manner. While it is possible to pack a single presentation with every detail, even superhuman investors cannot process more than four or five facts about your company per meeting. So be selective. Create a rank-ordered list of strengths that support your assertion that your company is a good investment risk. Trimming your list to the top four or five will force you to be focused and clear. In communication, simplicity creates clarity.

Starting with your second biggest strength and ending with your first, arrange your points into a logical progression of ideas. Look for stories or examples that personalize your points and make an emotional impact with your audience. Logic makes us think but emotions move us to action.

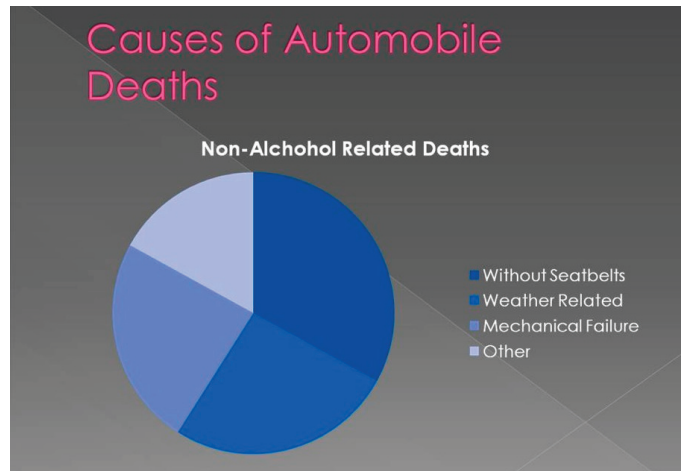
PowerPoint Structure

Finally, it may be time to boot up your computer. PowerPoint has become the universal format for conveying business concepts. When used properly it will help provide the visual components needed to make an extraordinary presentation. The key to effective use of PowerPoint is to use it only when absolutely necessary. After you have established the structure and identified the key ideas, ask yourself what is the best way to show, not tell, each idea. Each slide should anchor the idea that it represents. Find anchors that the investors can remember and will share with their partners.

For instance, a picture of an auto accident victim being loaded into an ambulance with the words "1 in 3 Will Die" is a more effective mental anchor in someone's mind than a graph that demonstrates the average mortality rate in a auto accident for people who don't use seat belts. Other facts may be better represented with a story than a bulleted slide.

Suggestions for using slides as mental anchors:

- **The 3 Second Rule.** The viewer must understand the information on the slide in 3 seconds. Include no more than 3 elements (bullets, pictures, graphs) per slide to make sure.
- **Avoid the "Slocument."** More than 20 words on a slide



The purpose of this slide is to show the dramatic number of deaths caused by the lack of seat belt use. The data are lost in a pie chart. Note how difficult it is to distinguish the comparative importance of each segment.



This slide focuses the audience's attention on the statistic that the presenter wants to communicate. The simple image provides graphic reinforcement of the data presented.

and it becomes a slide document or "slocument."

- **Move with a Purpose.** Animations should only be used if they enhance an anchor.
- **Keep it Clean.** Eliminate anything on the slide that doesn't support the anchor, including backgrounds.
- **Where's Waldo?** If you use a chart or graph, highlight the relevant point so your audience doesn't have to search for it.
- **Mind your Ps and Qs.** Limit your font selection to no more than two complimentary types (one for headlines, one for subheads) and *never smaller* than 30-point type.

Delivery

The last step in providing an extraordinary presentation is to begin with your audience in mind. Your job is to give them what they expect, teach them something they did not know and leave them asking for another meeting.

Your initial meeting with a group of investors will likely be a 30-minute invitation to provide an overview of your company. If you are given 30 minutes, only use 20 of them. ▶▶

► Not only is this unexpected but it allows for unforeseen questions, interruptions or late starts. Let the audience ask you for more time, don't just take it.

Your initial meeting should focus on the solution that your company provides to a large market and how you will turn that solution into a profitable return for your investors. It is not an invitation to present a technical briefing. It is critical to make your first meeting a successful connection so that there will be future meetings in which you can have in-depth discussions about your technology.

You will be expected to be on time, engaging, knowledgeable about your slides and subject matter and supported by specific and well-designed slides. Plan for the unexpected—from projector or power failures to interruptions and ridiculous questions.

Invest a lot of time in practice. You will be giving this presentation multiple times you can be assured that none of your practice will be wasted so do it. Practice your pace. Practice the length of time you spend on each slide. Practice the time it takes to answer a question. Practice enough so that you aren't using your slides as a script. Practice enough so that that you could give your presentation without slides because sometimes your slides will not be available to you. Professionals practice until they cannot get it wrong. Amateurs, and the unfunded, wing it.


As the subject matter expert on your business you are well equipped to provide your audience with items they don't already know. People love trivia. Arm your investors with a few interesting facts they can share with others at cocktail parties. In short, teach them something useful they did not know. If they repeat you, they remember you.

And finally remember, that no business has been funded based on one great PowerPoint presentation. A presentation is a success if it earns an invitation to present again. The next meeting is where you will have the opportunity to share more with the audience.

Work this strategy into your presentations. Create enough interest that the investor wants to know more. Provide them with resources to do some independent research, such as your Business Plan and your web site, and suggest that their next step should be to have you back to expand on some of the key ideas that you have presented.

Final Note:

You First, Then PowerPoint

So take that deep breath. Brainstorm your content, create a cohesive structure and practice your delivery. Remember this is just one presentation on your road to success and PowerPoint is just your billboard. 

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