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WHAT YOU SHOULD KNOW ABOUT THE NEW ELEVATOR PITCHES

Also Consider Tweets, Taglines and Ignites

BY JOHN FREISINGER

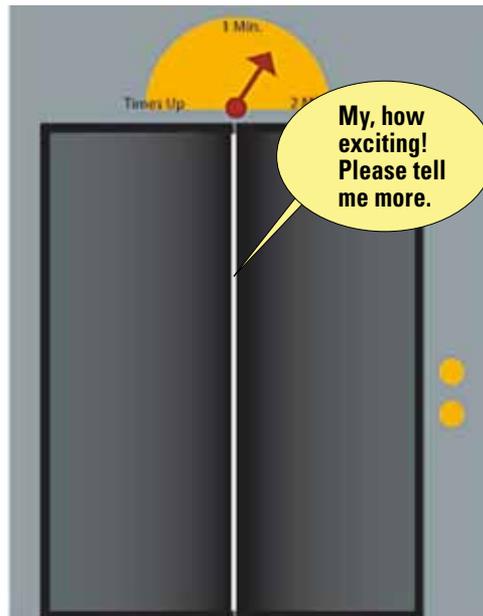
In the 1990s the hot event at investor gatherings was the Elevator Pitch contest. Entrepreneurs would have 30 seconds to present their great ideas to the assembled venture capitalists. Those who did well would be invited to share their longer PowerPoint presentations and business plans in subsequent meetings. Those who did not were sent home.

The term “Elevator Pitch” was derived from its perceived intention. The idea was that you would happen upon an investor riding the elevator up to his skyscraper office. You would have approximately 30 seconds during an elevator ride to convince the investor that your investment opportunity warranted another meeting. I don’t know how many meetings actually occurred this way but it certainly makes for a good story.

As we move into a new century, entrepreneurs are faced with even more challenging venues to try to pique investor interest. Fundraising entrepreneurs may have the opportunity to present their ideas in a tweet format (140 characters or less), a tagline contest (maximum of 10 words), the Ignite format (5 minutes, 20 slides, only 15 seconds per slide), or the 2-minute video format. All these are variations of the classic Elevator Pitch and are preludes to longer meetings. The format may have evolved but the basic skills needed to be effective have not. If you would like to return, be relevant, reliable and remembered.

Relevant. The challenge with tailoring your message to presentation formats with strict guidelines is that you have to be very economical with your words. The important words are the ones that your audience wants to hear and in the case of investors those words have to do with the return they can expect on their investment.

Often when asked by an investor to describe their business entrepreneurs will describe their technology through a series



of unintelligible acronyms and technical jargon. Many investors are non-technical and the message they want to hear has more to do with market size, profitability, barriers to entry and competitive advantages. A good rule to remember is that your technology is not nearly as important as the problem that it solves, and for an investor, the money it generates.

So your concise relevant message should begin with the problem that your technology solves and the more specific you can be the more believable and relevant you are as the messenger, regardless of the format.

Reliable. The major hurdle that you face with any audience is establishing yourself as the credible, reliable source for the information that you are deliver-

ing. Your goal as a communicator is to create a sense of credibility that allows the listener to rely on you enough that they will act on the information that you are giving them.

This is achieved by constructing a message that begins by answering the question, “Why you?” Why should the listener believe you? What special expertise or knowledge do you bring to solving the problem of creating a successful company from your idea or technology?

In tagline format this might begin, “Ph.D. solving the plastic problem....” As a Twitter entry, “Ph.D. solving the problem of recycling mixed-type plastic.” An elevator pitch might begin with, “Hi, I am Bob Roberts and I am a Ph.D. biochemist who has developed a novel method of turning mixed-type waste plastic into diesel fuel.” Three different formats, all of different lengths, establishing the speaker’s credibility for solving a stated problem.

The second question that needs to be answered in an investor’s mind is, “to whom?” Who cares enough about the problem that you are solving that they would be willing to pay

money to change to your solution (market pain)? And how many people are there with the same problem (market size) ? The more specific you can be the more credible and reliable your message.

If the target market for our hypothetical product is municipalities that recycle plastics, our elevator pitch might include, "The 40,000 municipalities that have active plastic recycling programs spend on average \$400 per ton to sort, recycle and dispose of mixed waste plastics. Our process allows them to turn this mixed waste plastic into \$300 per ton of profit for each ton of plastic recycled. This is a difference of \$700 and the process pays for itself in 9 months." Our tweet might read, "Every ton generates \$300 of profit." We can further modify our tagline to, "Ph.D. Producing Profit from Problem Plastic."

And the last question that needs to be answered in the mind of an investor is, "How?" How will you be able to create, market, service and deliver your solution to the customers within your target market? You should be able to present a very clear plan on how you will get your products into the hands of those eager consumers in a way your competitors cannot. This might include mention of your patents and licenses, your experienced management team, your distribution channel and your partnerships that make you competitive and unique.

Added to our tagline this may be worded, "Ph.D. Patented, the Profitable Problem Plastic Solution." Our Twitter message may add, "...protected by three patents our solution will be delivered by Waste Management." The Elevator Pitch may give us the opportunity to expand the message to, "Prior experience with the world's largest recycling company has enabled us to team with Waste Management Corporation to deliver

our patent protected solution. Our three U.S. and four international patents will allow us to further expand this delivery channel to include several international partners as well."

Remembered. With some careful editing, thought and practice you can create a message that meets the most important criteria for micro-messaging, being remembered. Short sentences with unique phrasing, alliteration or other mnemonics will help the listener retain and remember your message. As Craig Valentine, a professional speaking coach says, "That which gets remembered and repeated gets rewarded."

The key in all of these short messaging formats is to create enough interest in your offering that you will be rewarded with an invitation for additional meetings. The key is thoughtful editing and lots of practice. Formatted presentations are not the time to "wing it" or "go with your gut." You need to take the time to script what you will say ahead of time so that you can meet the rigid word and time limitations imposed by these various micro-messaging formats.

So prepare ahead of time. Spend the time to script out your message in the various micro-messaging formats. You may never be called upon to use all of them but someday you may be in an elevator with a potential investor who just happens to be reading the latest Twitter postings on his favorite entrepreneurial web site and you will be confident knowing that the next time you see him he will want to know more about, "Ph.D solving the problem of recycling mixed-type plastics. Every ton generates \$300 profit. Protected by three patents solution will be delivered by Waste Management." 

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