

How to Talk to Money:

Tailor Your Elevator Speech

To Investors and Venture Capitalists (VCs)

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With your new venture idea in tow you arrive at Trump Towers lobby and spy the bank of elevators. The reality: only one of twelve will elevate you to the rare air where angel investors reside...in the penthouse. Your elevator speech — your sixteen-second sound bite — must push *all* the right buttons or your ride will end far from the top of the building. Simply put: Do you know how to talk to money?

To get your venture funded, your Elevator Speech to investors, including Venture Capitalists (VCs), needs more than the usual qualities of a standard elevator speech:

- ❖ Short and easily comprehended
- ❖ Compelling and memorable
- ❖ Showcasing your uniqueness
- ❖ Leading to further inquiry

It's not enough! Investors, and especially VCs, listen with a different set of values, need different questions answered and play for far higher stakes. Indeed their requirements for doing business are very different.

Thus your Elevator Speech to VCs should focus on the following:

- ❖ Showcasing your maturity (Are you CEO material?)
- ❖ Demonstrating your brilliance
- ❖ Presenting a proven track record (to show you're bankable)
- ❖ Documenting your technical skills
- ❖ Letting VCs (and sometimes investors) know there's a role for them

So whether you've built a better mousetrap, found a cure for cancer, or simply designed a product that is faster, cheaper or easier to manufacture, keep these tips in mind for your sixteen-second sound bite:

- ❖ Don't get too technical
- ❖ Keep your pitch short and sweet

- ❖ Tease (don't tell)
- ❖ Make it memorable!

Ears and Ayes

Here are some additional questions VCs ask, explicitly or implicitly, whenever you pitch them with your elevator speech. Regarding your venture, investors and VCs wonder:

- ❖ Does it change the world?
- ❖ Does it scale?
- ❖ Does it represent a paradigm shift?
- ❖ Is it protectable?
- ❖ Is the founder CEO material?
- ❖ Can VCs buy in cheaply?
- ❖ Is the management team experienced?
- ❖ Can they handle the money?
- ❖ Is it worth a Billion (market capitalization)
- ❖ Can it go public and, if so, how soon?

While you needn't, nor shouldn't, answer all these questions in your elevator speech, know that they form the background for your dialog with investors. Knowing this, you can push the right buttons to obtain the funding you need, whether from angel investors or your friendly neighborhood banker.

"Hi, I'm Trent Markeson, a Silicon Valley entrepreneur. We're ASOUNDING. We've wed telephony and technology to provide VOIP for high ROI. Our prototype has turned heads and ears. Even if you got SKYP'd last time there's still time to join us before we go public."

"Our team's created a new programming language blending the best of Java, Mocha and Perl. It's incredibly cost-effective: easy to learn, teach and use., I'm Steven Peng, programmer and founder of Austin's LingoLabs. Tell me about the type of companies your firm partners with."

"We've conceived a new treatment for a very debilitating disease...Alzheimer's. Trials have gone well and approval is on the way. We're UC San Diego alums with degrees in molecular biology and past experience with Genentech."

Craig Harrison founded EXPRESSIONS OF EXCELLENCE!TM to provide sales and service solutions through speaking. Visit his website www.ExpressionsOfExcellence.com for speaking, training, consulting and coaching resources for you and your firm. Inquiries: Craig@ExpressionsOfExcellence.com. By phone: (510) 547-0664.