Unit 2:

Entrepreneurial Practice – Modelling a CCI enterprise

Theme 2.1.

Designing a business for the CCIs: preparing a business plan and pitching business

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This material is a part of the training content for the syllabus “Management and Entrepreneurship in Cultural and Creative Industries” for BA and MA students in business and economics (B&E) containing 10 themes in total. It has been developed within the Erasmus+ Strategic Partnership “*FENICE - Fostering Entrepreneurship and Innovation in Cultural and Creative Industries through Interdisciplinary Education*”.

The training contents at a glance:

FENICE Program

Unit 1: Management and Entrepreneurship in CCIs
Theme 1.1. Understanding CCIs. Cross-Sectoral Collaborations.
Theme 1.2. Creativity and Innovation. Accountability and Ethical Behavior
Theme 1.3. Cultural Policies and Institutions. Intellectual Property
Theme 1.4. New Media, Creative Technologies and Digital Environment.
Unit 2: Entrepreneurial Practice – Modelling a CCI Enterprise
Theme 2.1. Designing a business for the CCIs: preparing a business plan and pitching business
Theme 2.2. Towards value. Economic, Market and Cultural valuation of products and services in the CCIs
Theme 2.3. Market, Competition, Consumption and Branding in CCIs
Theme 2.4. Business models, systems, partnerships
Theme 2.5. Management: team and change management in the CCIs
Theme 2.6. Financing. Opportunities and Risks

You can find more information at the homepage: http://www.fenice-project.eu

Content

About the Module

Training description

This theme introduces the concept of a business plan as a roadmap that systematizes a business, details the business' operational and financial objectives, determines the viability of a business idea, and guides decision-making. Given the relevance of the business plan when starting a business, which is crucial for the success of a venture in any field of activity and so as in CCIs, special attention is given to the content/key sections of the business plan: products and services (value proposition, key activities, resources), management and control, partnerships, market analysis, marketing strategy, and financial planning (forecasted income and costs, funding needs). Considering relevant communication techniques in business contexts, the role of pitching a business idea is approached. Relevant tips and especial guidance/mentoring on how to prepare and deliver a pitch for potential investors are presented to the students.

Objectives of this training module

The goals for this module are:

- To make students aware of the specifics of the CCIs and their business potential;
- To equip students with specific managerial skills that are relevant to the CCIs,
- To make B&E students aware and capable to cooperate with Arts&Humanties students as in real-life situations within the CCIs i.e. work in interdisciplinary CCI teams

Target groups

This module is designed for:

- BA and MA students in business and economic studies who want to improve their knowledge, skills, and competences for pursuing careers in the field of the cultural and creative industries (CCIs).
- Students of interdisciplinary areas.

Gained knowledge and skills after finishing this module

After having become familiar with this training module, you will:

- Develop business models for creative business ventures, including strategic planning for entrepreneurship initiatives, innovative methods for generating funds, stakeholder management and development of partnerships, governance structures of creative enterprises, etc.

- Interpret the key characteristics of the economy of the cultural and creative industries, the important challenges the industries face, such as technological, legal and economic, and the policies adopted to meet those challenges
- Discuss the innovation process in CCIs as an open, interactive, collaborative and interdisciplinary process as opposed to the traditional models of innovation in science
- Identify new opportunities within social and business problems and develop business solutions, while at the same time, securing revenue sources that achieving financial sustainability
- Justify the need for business to demonstrate accountability by regularly measuring performance and impact

Training method

The course is based on the experiential learning model (ETL)[1] and the delivery of the training contents will follow the main stages, defined below. The instructors shall adapt the sequence and combination of the activities according to the specifics of the groups of learners:

Stage1. Motivation (Why?)

- Motivational video stories from real practice
- Group or paired discussions
- Subjective quizzes followed by self- or peer-assessment
- Virtual field trips (observing activities)
- Simple group projects (feedback from instructor and peers)

Stage 2. Expertise (What?)

- (Video) lecture – models, factual information, theoretical background
- Reading (textbooks, magazines, articles, websites)
- Video demonstrations
- Independent research and application of theoretical models (simple quantitative or qualitative research questions)
- Objective tests (quizzes)

Stage 3. Coaching (How?)

- Case studies
- Problems for self-study
- Individual (written or oral) reports

[1] Kolb, David. (1984). Experiential Learning: Experience as the Source of Learning and Development.

- Reflective essays
- Problem solving virtual discussion boards

Stage 4. Evaluation (What if?)

- Subjective exams
- Short individual (or group) research projects
- Group or individual competition simulations (students run virtual business enterprise - analyzing particular market, and strategies for promotion, setting prices, identifying competitive advantages...)
- Student presentations of solutions to more challenging questions (providing an opportunity for learners to demonstrate own personal strengths and talents – incorporating music, arts, technical skills or expert knowledge...)
- Brainstorming, role-play, competitions, games

Training content

1 What is a business plan?

A business plan is a document that describes, in detail, a business and the way it is conducted. It should contain the most complete information possible and be written in simple - but professional, rigorous and careful - language that can be understood by third parties (Finch, 2013; Saraiva, 2015). The business plan is constructed to fulfil two major objectives.

1. It guides the entrepreneur's work, forcing him to reflect on the most essential aspects of the construction of the business.
2. It presents the project to possible investors, providing important business indicators.

Sufficed to say, it should also show the structure that has been built for the business to succeed. However, and because it includes complex and very technical details, the document can be prepared by the business owners with the help of professionals from critical areas, such as financial, marketing or project managers.

1.1 Why create a business plan?

There are several benefits that contribute to the importance of creating a business plan. Some of the most relevant are: It is a risk reduction instrument; It is an instrument of communication between the entrepreneur and himself; After being made, the Business Plan indicates new paths; It is a space where mistakes are cheaper; and It is an instrument of communication between the entrepreneur and his partners. Table 1 helps to synthetize them.

Table 1 Benefits of the business plan.

Benefits of the Business Plan	**Characteristics**
It is a risk reduction instrument	By making the Business Plan, the entrepreneur studies the viability of a product under all aspects.
It is an instrument of communication between the entrepreneur and himself	- Yes, it is an instrument of reflection on the company: is it worthwhile? - Is it the business I dreamed of? - It is a way to evaluate the business idea
After being made, the Business Plan indicates new paths	Among them, even the giving up of the idea.
It is a space where mistakes are cheaper	On paper or on a computer screen

It is an instrument of communication between the entrepreneur and his partners	- partners - collaborators - investors - banks - governmental promotion and financing agencies - etc.

Sources: Finch (2013) and Saraiva (2015)

To summarize…

…a business plan should be set up to identify opportunities and threats, while it supports the decisions that need to be taken in order to achieve success. It also should be an instrument that allows the entrepreneur to condense the information that is obtained in and about the market; raise awareness among partners and investors; and evaluate the various environmental (contextual) influences on his new business, thus being able to minimize its risk.

1.2 What is a good business plan? What defines the success of its implementation?

A business plan will be difficult to assess and/or implement unless it is Simple, Objective, Realistic and Complete – it must reveal supervision and commitment to implementation.

Considering this scenario, it's important to answer a few simple questions (Finch, 2013; Saraiva, 2015)

→ Is the plan simple? Is it easy to understand and execute? Does it convey its contents in an easy and practical manner?

> This helps to assure that the business plan can be understood by everyone that reads it, whether they are customers or even future business partners.

→ Is the plan objective? Are its goals concrete and measurable? Does it include specific actions and activities, each with deadlines, responsible persons and detailed budgets?

> This helps to guarantee that the actions occur accordingly with what was defined. Therefore, evens if things don't go exactly according to plan, the business owners can maintain their focus and the motives that made them become entrepreneurs.

→ Does it include a sound and well-founded financial model?

This becomes relevant especially when business owners are trying to obtains funds or are looking for business partners. If they see inconsistencies in the business plan, they might not feel stimulated to invest.

→ Is the plan realistic? Does it include all the necessary elements?

Some business plans involve ideas that are hard to put into practice. Which doesn't mean that they are impossible to achieve. This is why the business plan needs to be logical and thorough, helping everyone involved to believe in the business idea.

1.3 How can I create a business plan?

Generally speaking, a business plan follows a basic structure, which can then be more or less developed by each entrepreneur. The main stages on creating a business plan are (Finch, 2013):

1. Executive summary
2. History of the company and/or the promoters
3. Study of the market
4. Project positioning
5. Product and project analysis
6. Commercial strategy
7. Business management and control
8. Investment Needed
9. Financial model and projections

Executive Summary

The executive summary represents the first chapter of the business plan, although it can be written at the end when all relevant information has been gathered.

It’s probably the most important of all because it is the first stop for investors and can determine from the start their interest in the business. In other words, if it’s not clear and interesting it can discourage investors from reading the rest of the plan.

Ideally, it should summarize in no more than 500 words the entire plan, which will be more detailed in the following chapters. You should also consider that the few pages of the executive summary should contain the most powerful and persuasive message of the entire document. Therefore, only the most important figures should be used to make the presentation of the project as strong as possible.

Keep in mind!

These are the essential points to focus on in the Executive Summary:

- What is the name of the business and its area of activity?
- What is the mission statement?
- What is the scope of the business and the potential market for its products?
- Why is it an innovative and winning proposition? (What is the value proposition?)
- What resources, human and financial, are needed to start the operation?
- What is the expected timeframe to start showing profits?
- What are the strong and weak points of the project?
- What are the references and relevant experience of the project authors for this particular project?

History of the company and/or the promoters

The history of the company or the business experience of the entrepreneur, should be presented. It shall also include how the idea of the project came about and why the company was created.

When you write the history, you should consider the following items:

- How the project came about and how it was introduced into the company. Whether it is a new company or not and, if so, why it was decided to create one;
- How can the entrepreneurs' past experience contribute to the success of the project? Do they have management experience? Do they have in-depth knowledge of the business area? → this allows to highlight the value of the entrepreneurs;
- What are the strengths and weaknesses of the project from the perspective of its promoters? → a brief analysis of the project by each of the entrepreneurs can be included at this stage, providing their vision.

Apart from its name, legal form, etc., a company is essentially defined by its Business Mission. In a way, it’s the starting point for the definition of the company's fundamental objectives.

Therefore, the Mission Statement is a global declaration that defines the general objectives of the company, expressing the fundamental purposes of the management as a whole, providing general lines of development.

The main purpose of this statement is to provide an answer to the question: " why does the company exist?”, as well as giving employees and partners a clear sense of what the company is about, enhancing its long-term objectives and explaining how its performance should be directed towards achieving those objectives.

Study the market

The market is the "arena" where the company's plans will be carried out. It’s very important to define the market for the new product in terms of size, stage of development, types of customers and competitors.

How many customers are there and what is their influence on the market?

The size of the market or the annual consumption of the product will be defined in terms of the scope of the project under consideration. Market size can be assessed by the level of consumption of the product in a given city, country, group of countries or worldwide or, alternatively, in well-defined customer segments with certain characteristics.

Meanwhile, when you try to define and describe a hypothetical market for a product that does not yet exist, you will depend entirely on forecasts. These forecasts can be based on consumption of the same product in another city or country or, alternatively, on consumption by a market segment with very specific characteristics.

In this scenario, the aim is to determine the size, stage of development and characteristics of those who are likely to buy the new product or service. At the same time, it allows the identification and the definition of the profile of the competitors. At this stage of the business plan, and if the size of the project justifies it, the company may resort to the support of professionals or companies specialized in market studies and analysis.

Where can you find relevant, concrete and credible data?

In the scenario where you don't need the help of others to study the market, you might find relevant, concrete and credible data in the following options:

- Consult business associations and others that analyze and monitor the relevant markets for your idea/product.
- Look for specialized publications.
- Ask financial entities to provide public information about that market and the companies in it.

Keep in mind!

The underlying market analysis is essential for two purposes:

- To substantiate the basic viability of the idea/product in question;
- Translate the specific knowledge of the promoters about it, one of the most fundamental factors for potential investors.

Positioning of the project

It's important that the business plan describes the current status of the project, the most recent commercial results and the goals already achieved. This information aims to convey confidence to investors, showing them that the project is already under development and that there are already tasks successfully accomplished and within expectations.

In cases where there are no commercial results to show (because the product or service has not yet been commercialized, when we are talking about a Start-up Plan), it's obviously not possible to base credibility and solidity on the company's track record.

In this case, it will be necessary to put the emphasis on the track record of its founding partners (e.g., experience in previous businesses), and on their capacity to assume the risks arising from what they propose to do and to implement the defined plans.

Product and project analysis

At this stage, you must present the project's Unique Value Proposition. You do this by mainly approaching four aspects: product/service presentation; summary of activities to be developed; critical points in the development of the project; and description of the production process/service delivery

Product/service presentation

In this section you should answer questions related to "what is the product or service", and "why is everyone going to buy it". You also have to decide if your product/service is going to be market pull or product push.

The "Market Pull" type of product is defined as being designed as a result of an identified, unmet market need. While the "Product Push" is born as a result of an invention or development for which an application is sought.

Summary of activities to be developed

At this point, you must describe project's stages of development, especially the main objectives the were already achieved.

All the activities necessary for the launch of the product must also be described, including all the necessary actions to accomplish them. It's essential to be realistic and take into account all the possible difficulties, so that these facts can be translated into the financial projections.

The time allocated to each activity must also be considered, with and without constraints, and considered as effective time the sum of the two. It's important to always reserve some additional time and effort (20% of the total) for unforeseen problems and deviations - the so-called implementation risk margin.

Critical points in the development of the project

The critical aspects of project development should be mentioned, i.e., the aspects that may condition the development of the project. This should allow the promoters to prepare, even if not in writing, contingency plans (i.e., how to act if unexpected situations arise) in order to minimize the project risks.

Description of the production process/service delivery

You have to elaborate a detailed description of all the essential components for the start-up and/or launch of the project and its unfolding over time. Simultaneously, strategies should be weighed against the need to achieve a sufficiently high level of production and quality to satisfy customers.

At this point, potential investors will want to check that a good compromise has been achieved between the capital restraint required and the solutions chosen, and to consider whether these solutions might lead to problems in production and the supply of important raw material/resources when the company starts operating.

Commercial Strategy

This stage consists of demonstrating how the company will present its project to the market. It’s comprised of two stages: establish a price for the product; and elaborating the sales process design (marketing).

Step 1: Establish a price for the product.

If you are creating a completely new product, this process is more difficult. However, it’s possible to determine a price based on the added value that the product will offer to your consumer.

How to set the price?

By aggregating all the costs associated with the production, marketing and distribution of the product on a unit basis, you create the minimum value for the product.

This is the value from which you must then establish the final value based on typical market margins or analysis of the added value perceived by the Customer.

Step 2: Sales process design (Marketing)

This step should start as soon as the design of the operational components is complete, and the price is set.

In this context, Marketing acts like the process by which the needs of the client are identified and quantified and a clear strategy to satisfy them is defined, involving, if possible, professionals with experience in this area

After defining the Marketing strategy, the sales circuits and channels that are the basis of the communication process with the potential buyer should be defined and implemented.

A plan should be created that contemplates the actions to be developed, the sales forces to be involved, the distributors, agents, forms of advice and the production of adequate advertising media.

Management and control of the business

When you are elaborating this stage, you must keep in mind that you have to demonstrate to potential lenders that the business will be properly controlled from the moment it is started.

Regular reports will need to be produced, which are useful both to the management of the company and to third parties such as auditors, tax inspectors and banks. Keep in mind that there is a strong tendency for SMEs to devalue this type of documentation, limiting themselves to the minimum legal requirements. Try not to do this!

An adequate governance and control system - adjusted to the size of each company - is an essential component of the value of that company and/or project. This is due to the fact that the managers of the new company need to know/be able to determine what the indicators of success are for each of the company's sectors.

In addition, departments should be instructed to collect relevant information at appropriate intervals and to present the findings in a simple but relevant way, to make what is happening at any given time understandable. This information, which must be clear and easy to use, should allow timely action to be taken to correct situations that require it.

The three fundamental areas where control is essential from the outset and where the greatest attention should be focused are:

- Sales
- Production
- Financial Information

Investment required

Information and advice on what the potential financing structures are should be provided at this point. If you are searching for investments, the main options available are equity financing (by the promoters or third parties such as Venture Capitalists) or debt financing, which can take various forms of debt: Bonds, short- and long-term loans, commercial paper, etc.

Keep in mind!

When choosing potential forms of financing, it will be necessary to specify what the core capital requirement is and the funds needed for the purchase of premises, equipment and all kinds of initial investment required.

In addition, the financing period should be specified and also whether this investment can be phased or whether it should be done in a lump sum + repayment modality. The financing component provided by the promoters must also be specified.

Financial model and projections

The basic financial projections (Sales, Cash-flow and Profitability projections) will be the last vital element in determining the viability and attractiveness of your idea for partners and potential investors.

Sales projections

Supported by the information provided in the previous chapters on the market and business strategy, sales projections should point to an expected volume of orders and market growth.

Cash flow projections

Cash-flow projections estimate the monthly net cash position, based on receipts, payments and costs forecast in the previous sections. The purpose is to assure investors that the company will be able to finance its own operation without being too vulnerable to customer payment conditions.

Break-even projections

When the value of revenues exceeds the value of costs, the company starts to turn a profit. Investors will want to know where this point is and at what stage of the project's development they can rely on it, to gauge whether the business is attractive.

For a more complete business plan, various break-even scenarios should be worked out, based on different projections of variable costs. The goal is to make investors aware of the limit scenarios beyond which the business is no longer viable (sensitivity analysis).

1.4 The business plan and the CCIs

Cultural and creative businesses are recognized to endure from unremitting asset imperatives and development issues. This is often related to the require of businesspeople in these firms to oversee at the same time the inventive side of the commerce and a complex set of connections with an articulated value chain (Landoni, P. et al., 2020).

Take the firms within the film and music industry, for instance. They are implanted in a complex organization of connections and interact often with producers, studios, merchants, and suppliers of money related assets. Nonetheless, the business visionaries in these firms have ordinarily on inventive foundation, so they are, as far as anyone knows, more curious about the imaginative viewpoints of the commerce, missing administrative capabilities, as well as a common dialect that would permit them to associated effectively with the different partners (Landoni, P. et al., 2020).

In this context, issues related to the definition of the business model in the CCIs may occur due to reasons such as:

- There is a need for constant innovation, along the several stages of the business’ life cycle - This may cause pressure to change periodically according to the Market, and not according to the process involved in the creation of cultural products and services; or,
- The lack and/or misunderstanding of the language used in the cultural sector - Cultural and arts organizations often affirm that they are not businesses – therefore, business rules are difficult to be implemented by them;

The process of entrepreneurship is slightly different for entrepreneurs in the CCIs, as these have a different profile, motivations, and objectives from "traditional" entrepreneurs. Therefore, one of the ways that this issue could be addressed resides on a possible innovation on the structures of the business models themselves (Schiuma & Lerro, 2017). Others may be originated from open innovation processes or even through venture creation processes (Werthes, Mauer, & Brettel, 2018).

Please do exercise 1: Importance of the business plan

Tags for Unit 1: Business Plan

Business plan, Creation of business plan, CCIs

2 Sell your idea: Make a Pitch!

A Pitch is a quick presentation, usually made to "sell" something or an idea to a specific person (Amaral, 2019). A pitch is also a short and direct presentation aimed at selling your startup's idea to a potential investor.

When preparing for and giving a pitch, it’s important to highlight the most relevant aspects of your company, such as (Amaral, 2019):

- What is the problem you want to solve?
- What is the market like?
- What is your company's differential?
- Who are the professionals that make up your team?

It sounds like quite a reasonably simple task, right? But making a pitch involves many issues, like being able to explain your proposal in a clear and objective way to your possible future investors, and how exactly you want to apply the capital you might raise. But how to build an effective pitch?

2.1 How to build an effective Pitch?

When you’re building the perfect pitch, you should know exactly what you are going to do. You must define what the next steps are for your startup and what kind of investment you need. Thus, it’s imperative to clearly explain the problem and the solution that you are proposing and/or are trying to implement in the market. In this context, it’s key to study very well the market in which your business is inserted; to know the main metrics for your type of company and, if possible, have encouraging numbers; to make a good support material to help both you and your audience at pitch time; and to always be objective! (Amaral, 2019; Stell, 2006)

Knowing what not to do is also an excellent way to start a pitch. The most common errors while giving a pitch are: unpreparedness, ill-defined problem, and lack of objectivity. The solution to unpreparedness may seem obvious, but it might not be that easy to prepare yourself. For example, it takes a lot of research. So, study well about your startup's market, as well as its target audience. Know your company thoroughly and know what its relevant traction numbers are, this is essential (Amaral, 2019; Stell, 2006).

To avoid ill-defined problem related issues, you must be sure you know how to describe the problem/pain your startup proposes to solve. Not always when the solution is clear the problem is equally obvious, even more so for people who are often not in the business or who have not experienced this type of problem. To tackle lack of objectivity, you should prepare a pitch that gets straight to the point. Don’t procrastinate! To do this, it is important to get organized and structure your presentation. First, establish the key points of your pitch (problem, solution, market, traction, among others), and then, develop a narrative that connects them in the correct order that you visualized (Amaral, 2019; Stell, 2006).

2.2 How to give the perfect Pitch?

A successful pitch can be structured following these steps (Amaral, 2019; Stell, 2006):

- **Step 0**: Personal presentation of the entrepreneur(s).
- **Step 1**: Present the context in which your business idea is inserted and explain that in this context there is a "big" problem that has not yet been (well) solved.
- **Step 2**: Present your product or service.
- **Step 3**: Present your business strategy to sell the product (service) as profitably as possible.
- **Step 4:** Present your expected financial results (revenues, profit, net cash flow) for the next five years.
- **Step 5:** Present your investment needs and how you intend to apply the resources.
- **Step 6:** Save your competitive/comparative advantages for last.

In Step 0, it’s recommended to give a Personal introduction of the entrepreneur(s). Keep in mind that you are selling the idea to people, telling them your name is almost required in this context. However, if the entrepreneur(s) experience in the business is irrelevant or non-existent, you might skip directly to step 1.

When in Step 1, you should present the context in which your business idea fits and explain that in that reality there is a "big" problem that has not yet been (well) solved. In longer pitches (10 or 15 minutes), you can give more details, explaining how the problem is being solved and why it is not yet (well) solved. The goal at this stage is to get four "yeses" from the investor:

Yes, the context exists. Yes, the problem exists in this context. Yes, the problem is "big". Yes, the problem is not (well) solved. Up to this point, the investor will "think" these "yeses" without the exclamation mark. He/she may think: That's good. I know that.

In the next Step (Step 2) it's time to present your product or service. The goal here is to get a "fifth yes": Yes, your product (service) is ideal to solve the problem (well)! Quick reminder: The elevator pitch is an ultra-summary version of steps 1 and 2.

When you present your business strategy to sell the product (service) as profitably as possible, you are clearly in Step 3. Ideally, a "sixth and seventh yeses" from the investor should come in here: Yes, the strategy makes sense. Yes, the business looks quite profitable!

Consequently, in Step 4 you should present the expected financial results (revenue, profit4, net cash flow) for the next five years. At this time, you and your idea must look reliable to the eyes of the investors. Therefore, it's recommendable to present three scenarios for the financial results: one more optimistic, one realistic and one pessimistic. If you are successful, an "eight yes" should be obtained: Yes, the projections make sense. Which can also mean: Yes, it looks like a great investment opportunity!

In the fifth Step it's time to present your investment need and how you intend to apply the funds. Emphasize that not only the money is relevant for the venture, but also that the skills that the investor(s) will bring are critical for its development. Consequently, the goal here is to get a "ninth yes" from the investor(s): Yes, the investment makes sense!

In the sixth and last step, you have to highlight the venture's competitive/comparative advantages. Thus, it's important to present information to make the investor's want to invest in you. It's also critical to clarify that there are still other "details", like a team of entrepreneurs with competence to execute the business strategy, patents, already closed partnerships, renowned clients that may facilitate new sales etc. At this point, it's important to close the presentation by demonstrating that the company is on the right track, while trying to obtain the final and "tenth yes" from the investor: Yes, it is a great investment opportunity and I want to talk to these guys personally!

2.3 Pitch Types

The stages that were described to give the perfect pitch can be adjusted accordingly to the time that you have to give it. Therefore, the more time you have, the more thorough you need to be (Stell, 2006). Table 2 brings us the different pitch types.

Table 2. Pitch types

	1 Minute	3 to 5 minutes	7 to 10 minutes	Up to 20 minutes
Focus On	Objectivity	Deepen the data	Prepare quality support material	Keeping the audience's attention
Main topics	Basic Points (problem, solution, audience and differential)	+ team, growth and market	+ Financial projections	+ Objective and intriguing narrative
Support material	No	Depends (if it is a short and objective presentation, yes!)	Yes	Yes

1 Minute Pitch

Also known as elevator pitch. If you’re using this type, you have to make your business interesting to the investor to the point where they want to hear more about your company and possibly ask you to send them an email with more details. Keep in mind to give more attention to the venture’s purpose, the problem it proposes to solve, the target audience and why it is different from all the others in the market. Consequently, it’s best to put your money where your mouth is!

3 to 5 Minutes Pitch

The extra time of this type gives you the chance to go into the specifics of your business. Thus, develop more clearly the basic points (problem, solution, audience and differential), while deepening the explanation with relevant data on each of them.

Your company's growth is also an indispensable factor. You should know what metrics matter in your industry. It's also time to talk about two other super-important factors: the size of the market and your team. Regarding the market, it's good to make it clear that you are informed about your company's niche and know exactly who you are competing with, otherwise you might give the wrong impression and make your investor give up on your company. At the same time, the team has to be balanced. It’s not enough just to have technology professionals, but it’s important to show that there is complementarity and support in areas such as Business, Marketing, and Sales and Development.

7 to 10 Minutes Pitch

Having more time for the presentation, you can invest in support materials such as presentation software, among others. If using presentation software, you should use very little text on the slides, preferably with a large font.

But not all supporting material has to be short on text, after all, after the pitch itself, there is usually the question round. Here you can prepare some slides with some Q&A written down This usually shows to the investors that you are prepared, and you went the extra mile.

In most cases, it’s also interesting to add financial projections to the pitch. Therefore, prepare, carefully, data regarding the venture’s micro and macro environment, in a way that supports your idea, and reassures the investors on their decision to support you and the company.

Up to 20 Minutes Pitch

When using the 20-minute pitch, you have to keep in mind that you have to keep your audience's attention throughout the entire exposure time. For you to be able to do this and overcome distractions, that usually occur and affect the pitches consistency, besides data and deepening the topics already covered, it is interesting to tell a story. After all, why is this startup so important to you? And why should it be important to your investors?

Remember that in a pitch it is essential to be objective, so do not get lost in the narration: know where you want to get. But what exactly does an investor pay attention to when they see a pitch? There is no exact answer to this question, as this varies from person to person. Once again, it’s key to show your enthusiasm and your passion for your idea, as well as the fact that you are prepared for the next step and grow with the support of the investors.

Please do exercise 2: Pitch perfect!

Tags for Unit 2: Pitch

Pitch, Pitch types.

Please do exercise 3: Quick checks!

Tags: Self-assessment

References

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