Developing and Delivering an Elevator Pitch

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DEVELOPING THE BUSINESS OF TECHNOLOGY

About BBCetc

BBCetc works with technology-based entrepreneurs and companies on strategies to advance R&D efforts to commercialization. Through training courses and one-on-one counseling, the BBC team coaches clients in:

- Commercialization Planning
- SBIR/STTR and Other Research Grant Assistance
- SBIR/STTR and Commercialization Training
- Grants/Contracts Management
- Programs for Entrepreneurial Support Organizations

Developing the Business of Technology

What is an Elevator Pitch?

- Imagine you are in an elevator with someone who is important to your business.

- You have from the time you both get on until the time he/she gets out to convince that person that yours is a great business opportunity and warrants that person's involvement.

- Typically, elevator pitches are < 60 seconds in length.

Who are you talking to?

- Investor
- Customer
- Business partner
- Key politician
- Someone who can help you network
- Any other person who may be useful to help you realize your business opportunity, including:
  - SBIR/STTR Program Manager
  - Technical Point of Contact (TPOC)
  - Topic Author

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The goal

- Your goal is to intrigue and engage, not close a sale.

- No one will "write a check" after hearing your elevator pitch.

- A successful elevator pitch results in a request for more information, an invitation to talk/meet later, a RFP or a request to see your business plan/technology/project proposal.

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Know your Audience

- **Prepare in advance:**
  - What does the individual care about?
    - Making money?
    - Saving lives?
    - Safety?
    - Moving their own product forward?
    - Following protocol?
  - On the fly encounters, ASK:
    - What does the company represent?
    - What role or capacity do they serve

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Problems with the Typical Elevator Pitch

- Focused on you, rather than the listener's needs
- No clear identification of the problem you are solving or why the listener should care
- Too much background or detail, taking too long
- Didn't identify competition
- No clear, differentiating factor from competition

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Customer Benefits

FEATURES   VS   BENEFITS

FEATURES	BENEFITS
■ Seamless integration	■ Increase revenues
■ Scalable platform	■ Reduces risk
■ Adaptable	■ Cut costs by 30%
■ Improves network performance	■ Reduce hospital readmittances
	■ Increases short-term memory by 10%

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Limit the Jargon

Limit the technical detail in your elevator pitch. Get to the point. Assume the individual you are speaking to is an <u>educated layperson</u>, not a subject matter expert.

- **WRONG**

  We provide non-penetrable intrusion detection for digital voice and wireless communication devices with our 2048-bit Hellman encryption algorithm that is combined with the latest 168-bit Hellman DES.

- **BETTER**

  We allow you to communicate safely on a broad range of digital devices.

What to include in the SBIR Elevator Pitch

- Define your position based on the target segment you intend to dominate and the value proposition you intend to dominate it with

- In this context, set forth your competition and the unique differentiation that you expect to drive the decision your way

- What you leave out is as important as what you put in—don't include the kitchen sink!

*Based on the Elevator Test presented in "Crossing the Chasm: Marketing and Selling Technology Products to Mainstream Customers" by Geoffrey A. Moore
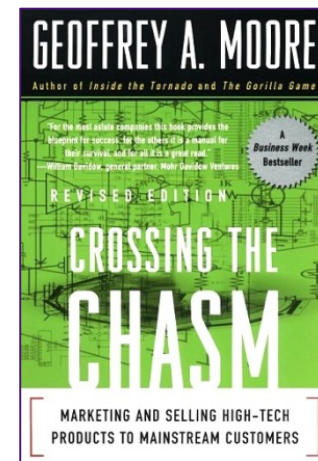
The Formula - #1

- **WHAT** you do
- **WHOM** you serve
- **HOW** you deliver
- **BENEFITS** for clients

2 Sentences

Sentence #1: **WHAT** are you doing, and **WHO** are you doing it for.

Sentence #2: **HOW** are you delivering what the customer needs, and name the key **BENEFIT** or intended result.

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The Formula - #2

- **FOR** (target customer)
- **WHO** (statement of the need or opportunity)
- **THE** (product name) is a (product category)
- **THAT** (statement of key benefit—the compelling reason to buy)
- **Unlike** (primary competitive alternative)
- **OUR PRODUCT** (statement of primary differentiation)

2 Sentences – **fill in the italicized prompts below**

Sentence #1: **FOR** *target customer,* **WHO** *statement of need,* **THE** *product name* **IS A** *product category,* **THAT** *statement of key benefit.*

Sentence #2: **UNLIKE**, *primary competitor or product,* **OUR PRODUCT** *statement of primary differentiation.*

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Example 1 (of formula #2)

For PC users _who_ want the advantages of an Apple-style graphical user interface, _Microsoft Windows is an_ industry-standard operating system _that_ provides the ease of use and consistency of a Mac on a PC-compatible platform.

Unlike other attempts to implement this type of interface, _Windows is_ now supported by every major PC application software package.

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Example 2—SBIR project

For manufacturers of body-worn electronic medical devices *who* want to offer a comfortable, cost effective form factor to measure vital signs continuously, *our proposed solution, Form-Flex, is a* printed electronics technology *that* provides the comfort of a flexible bandage with the performance of costly standard electronics.

Unlike traditional electronic device formats that are heavy and rigid, *Form-Flex will be* both comfortable and cost-effective, encouraging greater day-to-day patient compliance.

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The Formula

BBC's Elevator Pitch

For researchers and entrepreneurs ***who*** are seeking to launch a company, ***the*** SBIR/STTR program is a federal grant mechanism ***that*** provides non-dilutive grants $3 billion annually.

Unlike loans and other types of equity investments ***SBIR/STTR*** provides research and development funding that neither needs to be repaid, nor requires you to relinquish ownership in your company.

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Testing your Elevator Pitch

Step #1

- Write down two elevator pitches, using the statements above

Step #2

- Practice the elevator pitch on your own, multiple times, then practice with a friend, colleague, or family member.

Step #3

- Critique the pitch based on feedback

Step #3

- Commit the elevator pitch to memory

Step #4

- Attend a networking event, and approach ten people you've never met. Practice your pitch

Step #5

- Test your pitch against potential customers.

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Testing your Elevator Pitch

To Verify that a Problem Exists…Complete These Steps

- Write your elevator pitch down
  - Create a list of 50 customers who are directly involved in purchasing your product
  - Interview the 50 customers via in person meetings, or phone calls:
    - Present the elevator pitch
    - Have them describe their relationship with the problem as you've defined it
    - Ask what their needs are in relation to the problem
    - Ask them what other problems they may be experiencing
    - Ask them to force rank their problems as they have identified
    - Record & LISTEN
  - Modify your problem statement as you progress
- List your customers needs…force rank them

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Working with BBCetc

- Complete and submit our online Assessment Form.

- We'll set up a call to chat about your project, your SBIR/STTR eligibility and next steps.

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