Tips for Pitching A Startup To Angel Investors

One of the financing options for small businesses is seeking funds from Angel Investors. Most questions that SCORE mentors are asked about this funding source relates to how to make a presentation to the potential investor.

When seeking funding from angel investors, startup entrepreneurs need to adeptly demonstrate their products and services, communicate need and interest in the market, share accurate financial information, and present their vision of what they believe their companies could be with additional funding.

Put simply, they need to “sell” their companies to investors, so they can sell more of their products and services to more customers.

Approaching and presenting to angel investors can be intimidating for small business owners. What information do you need? How should you present it? What should you say?

According to Gary Kravetz, Santa Barbara SCORE’s past chairman, “The first evaluation from angels will be on the quality of your presentation document. If this does not seem professional, you may not have another chance to be considered.”

He recommends using a PowerPoint presentation when you first pitch to angel investors. “Most angels prefer entrepreneurs to present their business concepts that way,” explains Kravetz.

Here’s what he suggests your PowerPoint presentation should include:

1. An introduction to your company and its purpose
2. The customer problem your company has set out to solve
3. The solution needed to solve that problem
4. Explanation of the product or service you’ve created to provide that solution; include why your product or service is unique and why now is an ideal time to introduce it (or expand it’s availability) to the market
5. Your business model
6. Your marketing and sales efforts
7. Your competitors
8. Your management team and its experience and capabilities
9. Your key metrics and financial results thus far—and your projections for the future
10. The proposed deal you’d like to explore with an angel investor

“Your PowerPoint should be mainly graphics and key points. If the angels are interested, they may ask you for more detail,” shares Kravetz

Preparedness and professionalism will help you put your best foot forward, so give your presentation the time and attention it requires. If you need guidance, consider reaching out to your local SCORE chapter to talk with a mentor who has experience in helping entrepreneurs prepare to approach investors.

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