

Pitching for Startups - Extract from Reboot, 3rd Edition

Table of Contents

Why do startups fail?.....	3
What is a Pitch?.....	6
An ideal pitch	6
The one rule you need to remember.....	8
Building your road map to credibility	9
Mastering the art of Pitching	9
You can't rule the world.....	9
Finding the voice of the customer	10
Who is your hero?	11
A note on business plan competitions - The reasons why you didn't win.....	13
Step One: Make it beyond the first cut	13
Fit with category or business plan competition theme.	13
Answer the questions.	13
Make my life easier as a judge.	13
Step Two: Get beyond love, get specific.	14
Building Personas. A list of initial questions	16
The voice of the customer - Investment advisory for benefit and trust funds.	17
Step one. Visualize the customer.	18
Step Two. Fill in the blanks.....	19
Finding the voice of the customer. Case Study. Placement services.....	23
Customer Persona.	24
Customer Persona. Case Study. Business school students	25
Pitching Case Studies.	30
Pitching Ground Rules. (Highlighted Side bar)	34
Pitching for Startup - Video Course	35
Pitching for Startups - Introduction	35
Lesson 2 – Painting your Mona Lisa.....	35
Lesson 3 - Building your roadmap to credibility.....	35
Lesson 4 - Competitive Advantage and competition.....	35
Lesson 5 - Bringing it all together	35

Why do startups fail?

No, really, why do we fail?

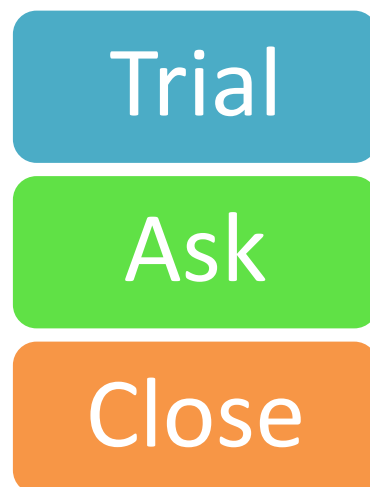
Why isn't an even mix of ambition, inspiration, hard work, talent, drive, commitment and creativity enough? And why more often than not, a superior mix of the above ingredients fares much worse than a much more boring, passé combination.

I have spent a large part of the last two decades asking this question. I have asked dreamers, students, gurus, teachers, failures, entrepreneurs, friends, investors and partners. Yes there is a list of causes as well as a checklist of do's and don'ts; if you want or don't want to fail. But there is apparently also a common cause of failure. More common than the common cold. Like the common cold, symptoms that you could defend against by dressing in layers, getting your daily dose of vitamin C and D, washing your hands frequently and getting off that comfortable padded chair.

It's called pitching and selling, shaking hands and closing deals. Startups fail more often than not because founder don't understand the process of selling. They don't get it. They are not comfortable with persuading, pushing, selling and closing.

What do founders do when they come across something they are not comfortable with or good at? They outsource it. At times to an in house rain maker, occasionally to an outside partner. With uniformly disastrous results.

But selling shouldn't be that difficult or scary. To sell we have to get customers to try our products, ask them to buy it after the trial and then close the deal. **Trial. Ask. Close.** Three words. Words that have sunk many a startups before you and will keep on sinking them for times to come.



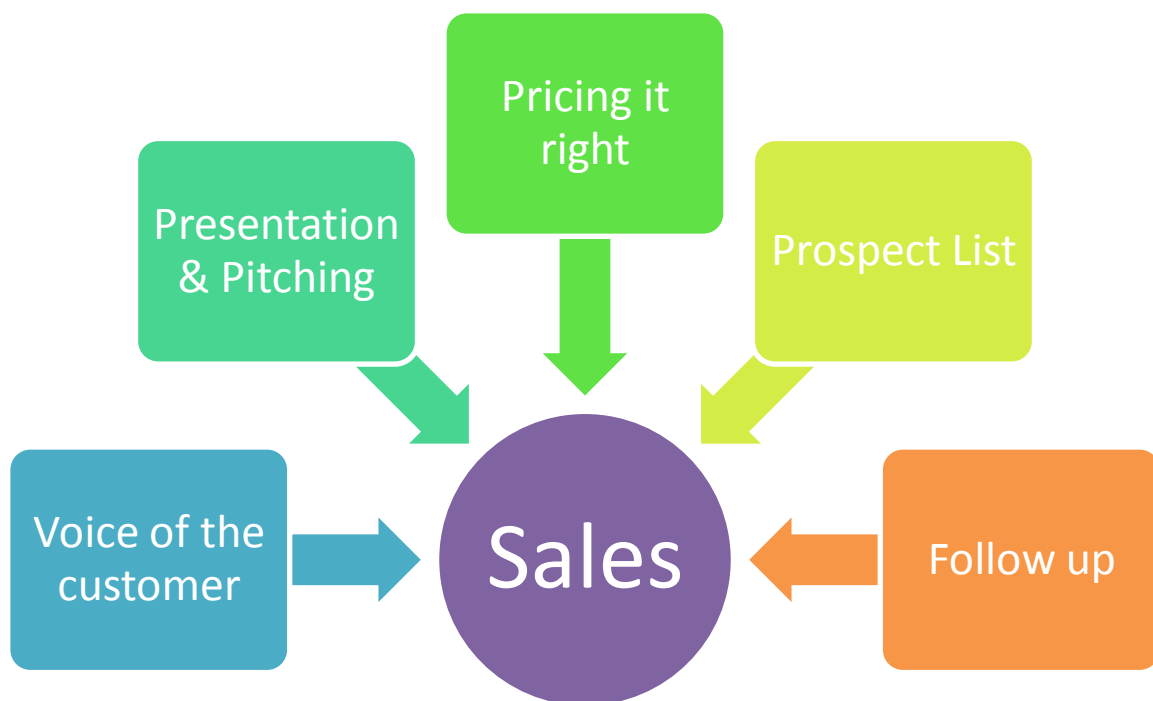
The first edition of Reboot (Blue Screen of Death) was dedicated to understanding failure. I was curious about the wrong turns I had taken that led to two painful dead ends and fairly large holes in the ground. The second edition was one part cleanup and one part what followed the Avicena years. When we published the two editions, failure was common but its coverage on Borders' bookshelves was minimal.

8 years later failure is now sexy and much talked about. You can actually go out and buy a book on the subject (this being one of them). There are a number of frameworks out there that even help you manage it when it occurs. Is there still a need for a book? Or even worse, a third edition? Why now?

I guess you can blame it on the Asia Pacific ICT Awards, the P@SHA Social Innovation Fund and over a thousand MBA students at the SP Jain campus in Dubai and Singapore. As we worked through hundreds of business plans, pitches and mentoring sessions all across the Middle East & Far East it became obvious that the second edition was also lacking.

It's easy to identify a problem. (Teach teams how to pitch). It's difficult to find a fix that works. While we partly discussed approach to solving some of the challenges in earlier editions, selling and pitching required a more detailed treatment. If you knew that inability to sell was the root cause of most failures, a book on the subject should devote some attention to how you could fix that one specific problem. Luckily Ken Morse and Bill Aulet from MIT's Enterprise Forum showed us a way with their seminar series on global selling.

Selling is not rocket science. It's a process. Pitching is one of the steps in that process. The challenge is that while marketing is taught well in most schools, pitching and selling generally don't get as much attention.



With the work done on customer personas by Steve Blank and the minimal acceptable feature set thinking of lean startup, there is now no shortage of frameworks or case studies on customer development, pitching or presenting. Practice a bit and you can get it right too.

Which is what the 3rd edition of Reboot is all about.

A bit of practice, some thinking, a few case studies and a handful of resources on pitching, combined with the original focus on failure. The iPad platform makes it more interactive and the videos add flavors and colors that were missing from earlier print editions.

We have modeled it around the format used for teaching the pitching crash course over the last decade and change in Karachi, Dubai, Bangkok, Kuala Lumpur, Singapore, Macau & Jakarta. Using the same template our national teams grew their medal's tally from an honorable mention to 7 wins at the Asia Pacific ICT Awards in Malaysia and Thailand. It is now default training for any applicant to the P@SHA Social Innovation Fund challenge and the P@SHA Launch Pad events.

Drop me a line if you can about your reactions. But first go forth, dream, pitch and sell.

Jawwad Ahmed Farid

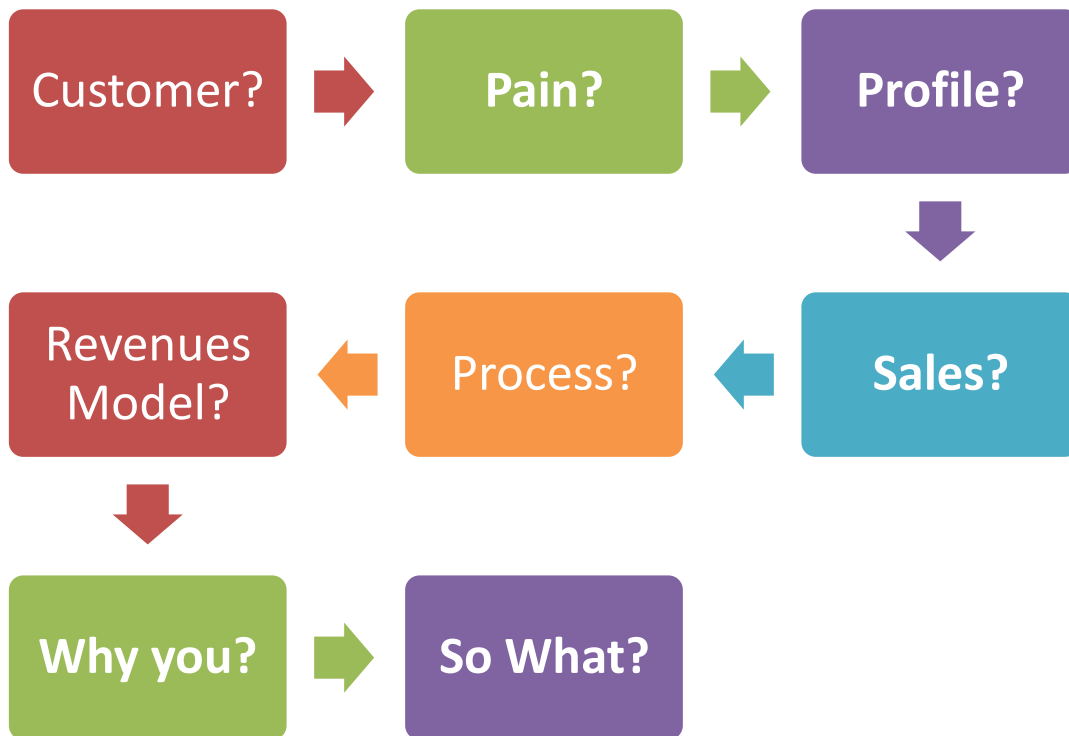
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[Reboot, 3rd edition - Pitching for startups Launch post](#)

What is a Pitch?



A pitch is a conversation with an individual who has something you need. The objective of the pitch is to influence the decision in your favor.

You may pitch to a customer, an influencer, an indirect buyer, a potential employee, an investor, a project partner or even a close family member. The object you desire could be as simple as consent, permission, approval or influence and as complex as a million dollar project proposal.

An ideal pitch

An ideal sales pitch focuses on the customer and his pain and how your product addresses and resolves that pain. It engages the customer using the tools crafted for great story telling and avoids generalizations. It is concise but also clear enough to show a credible road map to resolving the customers pain.



A great presentation is basically a story telling exercise. Think of the best stage play you have ever attended. The ones that you still remember. What do you remember? Great stories and plays engage and connect with the audience, have a number of magical elements that bring the performance together, are well rehearsed and without fail move the group that witnesses the show.

Everyone has their own preferences when it comes to putting together performances. Some put it together in their head, others prefer paper. I sometimes start with pictures and then build a story around them, or build a story and then look for images to support it. There are times when I have told a story only with pictures and words and no supporting audio.

Regardless of how you start, you must build the following elements. A start, the plot and the pitch and the close.

A great start does a few things for your audience. It introduces you and your pitch in very clear terms. Ideally it should directly or indirectly answer the basic questions. Who are you, what do you do, and why should I care about it? And depending on how you do it, these three questions should be addressed within the first 90 seconds of the start.

Post the start you have a number of choices. You can begin the pitch or you can first introduce the path you would take to wow them.

Great plots unfold in layers. Each layer leaves a message and either reinforces the layer that preceded or sets the foundation for the material that is about to be introduced. Sometimes you put yourself in the customer's seat and ask yourself questions that need to be answered based on your story and theme. The plot that you then define answers each of these questions in a logical progression.

The close is an opportunity to reinforce the message and once again connect with the. Think of it as the start all over again except this time you are putting together the final scenes for your exit.

Once you have a basic handle on your theme and the three elements (Start, Plot/Pitch, Close) then it is time to rehearse.

Rehearsals do a number of things for you. They allow you to test the flow, check the time, rearrange your mix and dry run delivery. Each rehearsal is an opportunity for you to improve and try presentation elements. The first few are done in private – in front of a mirror, on your desk, in the pool, while driving. Once you have some control, you can do runs in front of audiences and gauge reactions and impact.

Basic rule of thumb. For every twenty minutes, rehearse two hundred minutes.

The one rule you need to remember

A natural starting point for product or technology based idea is to begin their pitch with their product, or their technology mixed with whatever they feel or believe to be important as entrepreneurs.

We call this the black box, representing technology, infrastructure, inspiration, philosophy and mindset required to deliver a product. It's invisible to the buyer. When you buy a Reebok shoe or a Columbia jacket or an Apple iPad, you don't care about where it was manufactured or designed. You care about the experience and the impression the product makes in your hands. Anything inside the black box is invisible to the customer and doesn't have a direct impact on his interaction with your product/service/solution and should not be the focus of the pitch. Anything outside is part of the customer's experience, need and pain and should be the focus of the pitch.

Here is a piece of advice, when it comes to technology or the black box do a quick intro and then walk away from features and walk towards the customers pain.

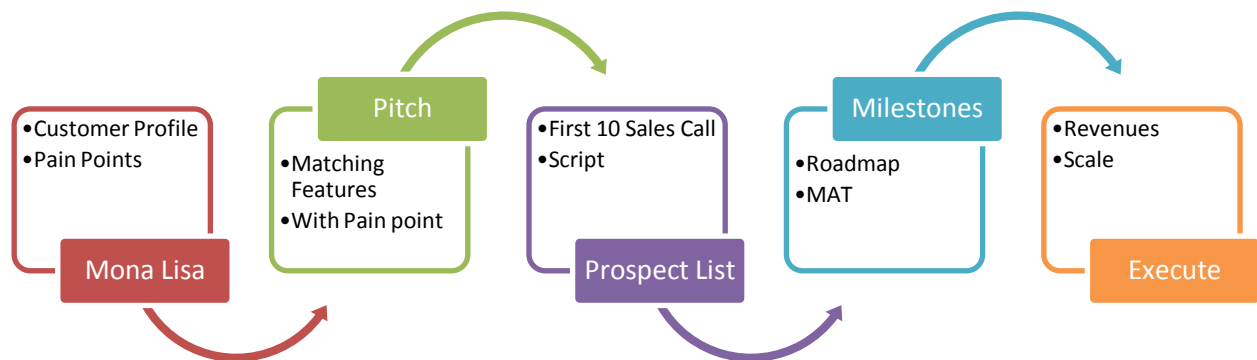
An pitch made to an investor is a mutated sales pitch; the content remains the same, we add additional information about competition, monetization, profitability and financials which are generally excluded from a sales pitch.

Investors also understand that the biggest hurdle a startup faces is selling. If they are comfortable with your ability to sell, the rest is just logistics and negotiations. If they think you can't sell, the conversation is over.

The reason why we can't sell as entrepreneurs is because we don't "get" the customer. A pitch focused on a customer's pain with a script that walks through how you will engage him addresses that concern for the investor. It shows that you "get the customer" and can make your products work with him.

An alternate word for the above description is credibility. If your audience can follow and buy your roadmap to credibility, you are done in a good way. If they can't or if the roadmap is missing completely, then you are not.

Building your road map to credibility



Mastering the art of Pitching

To master the art of pitching follow a four step learning roadmap.



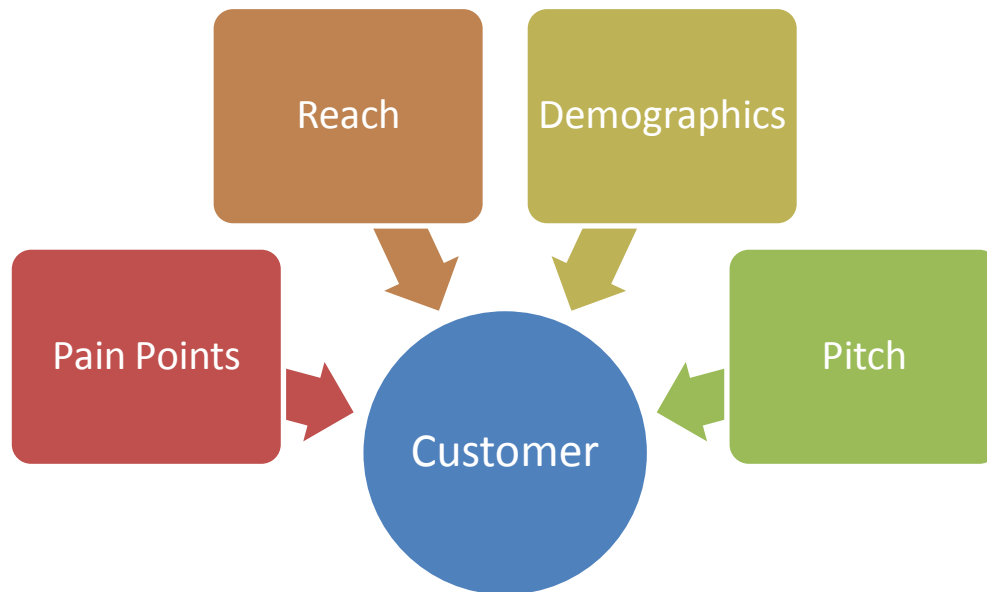
The first two steps focus on building customer Personas. The third walk through the pitching case studies video. The fourth focuses on an approach that allows you to identify the minimal acceptable feature set as well as priorities for your pain-product-feature-customer match.

You can't rule the world.

Everybody wants to rule the world. You can't.

Pick a segment, use laser sharp focus to dominate it.

Easier said than done. To dominate a segment you need to live it, breath it and understand it. When you do you can finally hear the **voice of the customer** and respond to it. Customers and investors love a fresh team rolling out a new product, service and solution that matches their pain and needs. "Where were you all of my life?" is generally followed by a purchase order and a check.



To understand the voice of the customer you can use a simple framework that uses pain points, demographics, idea channels for reach and rules for pitching.

We use a combination of all of these to create four separate customer profiles with varying level of detail in the pages that follow.

Finding the voice of the customer

Every year before we start our weeklong entrepreneurial crash course at SP Jain I ask my audience two questions

What is holding them back from following their dreams?

What is the one question that they would like to know the answer to after they are done with the course?

It doesn't matter where the question is posed and who is in the audience, the most common answers to the two questions above are:

How do I know this is the right idea and this is the right time?

How do I know I am ready?

About 60% of audiences polled said that they felt that this was not the right time or they were not ready or confident enough to take that bet. Another 20% mentioned that they didn't know if their idea was a good idea or the right idea to start up with?

You know that it's the right time and you have the right idea when you can:

- a. Write 10 pages about your customer's persona.
- b. Link that persona to a product, service, attribute combination that gives you some idea of the pricing power of (ideally) each feature or (at least) the product in total.

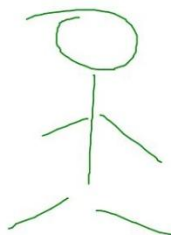
Till you get to that point you are not ready.

Who is your hero?

If you think of your pitch as a movie with a plot, your best bet is to build a plot that revolves around a hero (or central character) that is looking, searching or seeking something. It could be the love of his life (500 hundred days of summer), his destiny (Titan AE and/or Treasure Island) or the meaning of life (Hitch Hikers Guide to the Galaxy) or simply escape (K-Pax with Kevin Spacey). Great movies get the audience involved from the beginning showcasing the pain and making them wish and pray for a happy ending for the central character.

Who is the Hero in your movie/pitch? No it is not you, nor the investor, nor the product. Your pitch is best delivered in third person and the pain you are documenting is the pain of the customer. And the story you really want to tell is the how badly he or she wants this pain to get fixed, addressed, nuked and neutralized. Somewhere in there, maybe towards the end is space for production credits (your profile) and maybe a sexy placement for your product (showing the hero using it in exactly the right context and scene where the audience is aware of the sub text and would love the usage). But all of that comes later; this movie is primarily about your customer.

Sounds easy, right, what seems to be the problem then. The problem is that a large number of pitches start with a customer profile as empty of details as the stick figure you see below. Who is this guy, where is he from, what does he feel, how do I find him, what do I say to him, will he bleed when I cut him?



Technically speaking what you really want when it comes to your customers profile is to draw a Mona Lisa. Ideally a restored edition that is rich with colors and details. You are still missing data but at least there is a face in front of you that you can now work with. You can now add details about demographics and profiles (age, education, job role, experiences, social preferences, reading interests, family size, ethnicity, political views, and personal tastes) and any other piece that helps you understand what drives this individual.



Once you have the Mona Lisa you can focus on the pain that would drive the hero of your movie to the transaction on which your plot is based. And you can link your plot to all the other questions the audience would like to ask about the transaction. Why, how, how much, when and where?

As a student asked me we are not doing KYC (Know Your Customer) from the point of collecting data and doing nothing with it. We are building a profile so that we can understand how we can help alleviate the pain he is suffering and effectively pitch our product in a way that he or she can easily appreciate.

Imagine having a conversation with a customer where earlier you could only ask him “Do you like the idea and will you buy the product if I build it”? Now armed with the profile you have created you can ask him how he would use the product and what are the most important features that he would like to see first? You can engage him about how why he would chose one version over the other and the value specific features represent for him. Rather than push for a close with your engagement you help him visualize how easy his life becomes with your solution as well as the value the solution creates for him. In the first conversation you would have come back with a possible commitment. In the evolved, engaged version of the conversation you come back with a roadmap, a commitment and in most cases a check.

Here is a simple example that illustrates my point. How many times in a year do you get a call from your credit card company and/or bank telling you about a home equity product, a personal loan product, a personal accident insurance plan, a travel consolidation scheme, a timeshare concept; basically everything in the world that you wouldn’t need. For a change how would you react when the callers pitches the following

“Mr. Farid we have noticed that you travel a great deal and have breached your credit limit a few times during your international travel. I wanted to apologize for the inconvenience and wanted to let you know that we have approved an extension in your credit limit. I just need your approval on the phone to activate it”. How many of us would be able to turn that down?

A note on business plan competitions - The reasons why you didn't win

I am often asked, "Why do you decline or reject participants to the various business plan competitions you judge here, in the Middle East, in the Asia Pacific region?".

Here are some notes as a judge who has been evaluating business plan pitches for the past eleven years.

Step One: Make it beyond the first cut

Your first challenge as a startup in any competition is making the first cut. As judges we generally receive about 10 – 50 times the number of entries compared to the number of prizes that we can give away or slots available for recognition. So if I have 75 entries for 3 grants or slot you have to make it beyond my first cut. The first cut is the initial short list a judge draws that he wants to focus on after his first pass on the contestants.

Making the first cut is partly a question of discipline and partly a question of effort. Here are some of the things that impact how business plan competition judges create a first cut

Fit with category or business plan competition theme.

If you are pitching for a Social Innovation Fund run by a technology association, please make sure that you clearly and adequately address how you are going to go about bringing a social revolution using technology. Before you make the pitch, try and pass it by the smartest people you know to check if it makes it beyond their “sufficient and necessary” condition test. A sufficient and necessary condition tests the linkage between your reasoning and its relevance and appeal. Just because something makes sense to you, does not mean that it will make sense to the judges.

Answer the questions.

The prequalification sheet business plan competitions use is your worst enemy. Each competition has a selection criterion; each element of the criteria gets translated into a number of questions. You have to answer the questions keeping in mind the theme of the competition. Take the questions and the forms seriously and spend as much time on answering the queries as you would in crafting the cover letter of your life for the job of your dreams. Think about why the question has been asked, how others would answer it and what can you do to really stand out amongst all of those answers. Not filling in the form, filling it flippantly or dumping irrelevant marketing collateral are all mistakes I have made in the past that have cost me. I would rate this as the single biggest reason why participating teams get chopped off my list. You are really close to your idea. I am not. I can't see what you can see. You have to help me see it with your eyes.

Make my life easier as a judge.

While as an investor I may have a commercial interest as a judge most of the work I do is without any fees or commercial considerations. I do it because judging ideas and helping teams reach their commercial potential is an incredibly fulfilling experience. It keeps me young.

Having said that, given the number of companies that I need to wade through to get to the few that matter I really appreciate it when an applicant goes out of his way to provide me with information, data, arguments, testimonials and relevance that make it easier for me to grade him. When a presentation or

submission is done well it is an indication that person presenting respects our collective intelligence and time. He has made the effort by structuring and rehearsing his pitch to ensure that we get what we need quickly, grade him and can move on to the next contestant. I really appreciate that as a judge. There are some very basic rules that you have to follow.

Step Two: Get beyond love, get specific.

Once you have made it beyond the first cut, a judge has a really tough job. If I have three prizes with 75 entries I may pick as many as six winners for my short list. These winners have all made it beyond my first cut because they fit the business plan competition theme, they have answered the question, they have scored high and they have all made my job easier as a judge by giving me the information I need to score them. They all love their ideas, this much is apparent but they have also helped me see why their idea is worth loving.

Now comes the tough part – how do you pick the first three and how do you rank them?

Most competitions that I judge are implementation oriented. We give away a cash prize in the form of a grant. Depending on the nature of the competition and grant the participant may have to reach a few milestones to complete the terms of the grant and our effectiveness as a judge may be linked to how many participants reach these milestones.

To assess if you can reach these milestones as a judge I generally need to understand:

- a) How do you make money or your business model?
- b) Who is your customer – or your customer profile?
- c) Why would they buy a product or service from you?
- d) Who are you and why are you relevant to this idea?
- e) How well do you understand the problem being solved?
- f) How credible is your roadmap? Do you even have one?
- g) Will giving you this money really change our world?
- h) Do you really need money to make this work?

Unfortunately my bias has always been towards implementation. If your idea in its first phase will simply generate a report, I will most likely shoot it down. On the other hand if you can take the cash grant and ship version one of your product within three months I may become one of your strongest supporters. I want you to go out in the field and touch customers, to sell to them, to handle rejection. But remember saying that you will and your ability to do it are two separate questions and over the years as judges we have developed our own tools for assessing your ability to deliver. A large number of these tools rely on how credible your answers are to the above questions.

If you do an outstanding job you are in my second cut. If you don't you are not.

So we are now down to the top three. How do I rank them and pick a winner?

You would be surprised by the answer. I don't, you do.

Building Personas. A list of initial questions

To find the voice of the customer you have to start with some basic questions.

To sell your product you need to understand who is buying it. You need to understand how he reaches that decision and how you can reach him before he makes that decision? To be effective you need to predict purchase behavior and the only way you predict behavior is if you understand the customer better than he understands himself. What do these questions look like?

Who is your customer – An individual or an entity? If the customer is an institution, who is the individual within the institution authorized to make the final decision?

When you close your eyes can you see him using your product? Buying your product? How does he arrive at the purchase decision?

How frequently does he use your product? How frequently does he end up purchasing it?

Why does he need your product? How would you describe the pain that leads to the purchase decision? Can you capture the essence of that pain in a single word?

Each product has many features? Which feature of your product is most valued by him? Why?

While the above questions help, we need more specific ones that allow us to paint a portrait.

How would you describe your customer? What is he like? What motivates him? How much time does he spend at home? On the road? On the phone? What does he wear? What does he drive? What drives him?

What does he do to chill out? Where does he go to eat? How many years of education does he have? His ambitions? His dreams? Who does he consult when he makes a crucial decision? How do you reach him?

If he starred in a story you were sharing with your grandmother, how would the story start? How would the story end?

While the questions above are simple, the exercise that leads to the customer portrait is anything but.

The first iteration of describing your customer generates a handful of words and maybe a paragraph. Then you throw in the customer's pain and your product mix and play a game of mix and match. Ideally features within your product address a specific pain point. You then ask yourself if your product is the only available alternate or if there are others? If there are others, then using your portrait of the customer how do you change your product to make it the only or preferable choice?

When the persona works, you can close your eyes and see the customer in your mind.

"Tanya, age 25, works with a consulting firm located in Nariman Point, in Mumbai. She lives in Bombay Central, and takes a black-yellow four wheeler taxi to work each day – this is the fastest way of travel for her.

On a typical day she starts from home an hour before her office starts. The first 45 minutes of her travel time are spent in covering the initial 25% of her journey. This is the most frustrating time for her in the day as she is battling several challenges at the same time; the stress of late arrival, the increasing fare on the meter, the smog from traffic congestion, and the heat within an old, rusty, taxi cab.

And if she is marked late, poof her day has gone for a toss even before it started!!”

If you close your eyes can you see Tanya in your mind? Can you hear her voice? Based on this description of the customer, what do you think the group is pitching?

Heels on Wheels was a dedicated two wheeler commuting option for young working women who want to share a quick ride to work with another working woman. Inspired by the Tuk Tuks of Bangkok, Vinita, Kiru and Santosh in Dubai, wished to bring a similar localized option to the congested streets of Mumbai.

Visualizing the customer is only the beginning of a long road. The next step on this journey is figuring out how to reach, influence and convince her.

How do you find all the Tanya’s in Mumbai? When you find them what do you tell them? How do you modify and customize your product to meet their exact needs? Whether it is a pre-planned daily pick up every morning, six days a week, or a choice of routes to Nariman point; the model of the two wheeler that comes to pick her up or the profile of the woman steering the bike. Is Tanya looking for the cheapest and fastest commute to work, or a more stylish, comfortable ride? Is she looking for a driver, a friend or a psychotherapist? You won’t know till you actually find her and ask her.

This triangle between the customer, your product and product feature set becomes the centerpiece of your effort to describe, document and understand the customer. Getting this triangle right is not easy. It requires conversations with customers, insight into your product, its usage, competitors and a realistic feel for what is needed and wanted versus what is just an item on a nice to have list.

Get the triangle right, pitch it correctly and you will have no problems signing investors and customers at the same time.

The voice of the customer - Investment advisory for benefit and trust funds.

The first detailed persona we will try and build is for a service packaged as a product. The idea is institutional investment management and advisory for benefit and trust funds. The question is how to pitch or who to pitch within an organization.

The high level pitch is simple, we run money for employee benefit funds without taking custody of the funds. Our advice allows customers to earn a higher return than the market benchmark. The primary decision maker is either the CEO or the CFO who is also the Chairman of the board of trustees of the benefit fund trust.

Let's try and build a profile which is as visual as our Tanya from Mumbai.

Step one. Visualize the customer.

The first step is to close your eyes, lean back on your chair, take a deep breath and imagine what would your customer look like?

Salt and pepper hair, 50+, armed with a MBA or accounting degree, marketing background, 20 - 30 years of professional, two maybe three decades of international experience.

While this is a great starting point it's not visual enough. We need to add more details. To do that we need a picture, any picture that allows us to put a face to this segment of individuals. What would he look like?



I picked up someone I had pitched risk solutions to in another life who is also a great candidate for the Investment advisory pitch. The profiled picture was important because it allows you to put a face on the segment.

The next question you want to ask yourself is if you found yourself in the same room with this individual what topics would you touch upon as part of your social chit chat?

Schools for kids (***is he married, does he have kids, how many?***), the state of the economy (***which daily and weekly periodicals does he read? online rags?***) and markets (***fixed income, equities or both***), politics, mutual peer group and friends within our network, the central bank stand on common issues and travel plans for summer and winter vacations (***where to, which airlines***).



How would he answer some of these questions. For example we know that since our candidate is based in the Middle East and travels quite frequently, the airline of choice for him would be Emirates. If you asked him about Emirates what would he say?

“As I have grown older, my appetite for adventure has been replaced by a desire for consistency. I no longer like surprises when it comes to food, hotel rooms, airplane seats and airports. And while Emirates has recently started having issues with age, it has done a remarkable job of delivering consistent services to its frequent fliers. Beginning with food, flat bed business class seats, skywards program, the ease with which you can upgrade and check in online, the number of free upgrades you get and with their travel schedule and lounges across the world, there is no other airline that comes even close in the region.”

Step Two. Fill in the blanks

But to get to common interests we had to build a more detailed profile that covered education, professional experience, personality and demographic of the individual involved. They are useful pillars to build a profile around. Let's fill these in.

Education	<ul style="list-style-type: none"> Chartered Accountant or MBA from a tier 1 accounting and/or consulting firm Has one more educational degree, professional certification or is in the process of picking that up
Experience	<ul style="list-style-type: none"> 10 – 20 years of professional experience with about 3 – 5 years in the current role Has already worked as Financial Controller, the Head of Operations and possibly acting CFO or group head. Responsible for Treasury.
Personality	<ul style="list-style-type: none"> Well read, presentable, confident, strong opinions, understands money, portfolio management, markets, risks and returns. Pleasant, but knows what he wants. Wants to be sure you know what he needs before he will take the conversation any further. Will push you to say something you would regret later
Demographics	<ul style="list-style-type: none"> 35 – 50. Married with two (+) kids. Member of local club/ gymkhana Runs a charitable trust or is involved in <u>at least</u> one social activity Reads WSJ, FT, Economist and the business section of local news. Follows Bloomberg and CNBC Online.

We then had to figure out why would this person buy the product we were selling. What drove the purchase decision and what were the primary pain points he wanted addresses via/through this purchase.

Isolation

- When markets are good and numbers are high, limited credit for performance. When markets are down and returns are low or negative, end up sharing the blame.
- Need a third party to shoulder the responsibility and provide a layer of neutrality. Needs to ensure that career destroying negative returns are avoided. Black box effects.

Attention and Focus

- Already has a day job.
- Doesn't get enough time to do justice to the portfolio.
- Looking for a team to run numbers, report results, identify opportunities and book returns. Wants to be kept in the loop about trading decisions but need the team to run the book.

Results

- Need to beat the benchmark as well as the high water mark. Is willing to pay for performance. Hates losing capital.
- Need to understand trade rationale and logic so that he can explain to trustees and board of directors when asked

Connection

- Will only trust someone who can understand what he goes through every day and can dissect markets better than he can. Must accept you as a solid professional

It helps to round out the profile if you can focus on emotions and reach questions.

Is the customer in pain right now? Is he aware of it? What is he taking for it? How does that help him? Why would he want to switch? Do we have what he needs?

Or

When will the customer start feeling the pain? How bad would it be? What would be his expectation for pain relief and paying capacity? How will he find out about us?

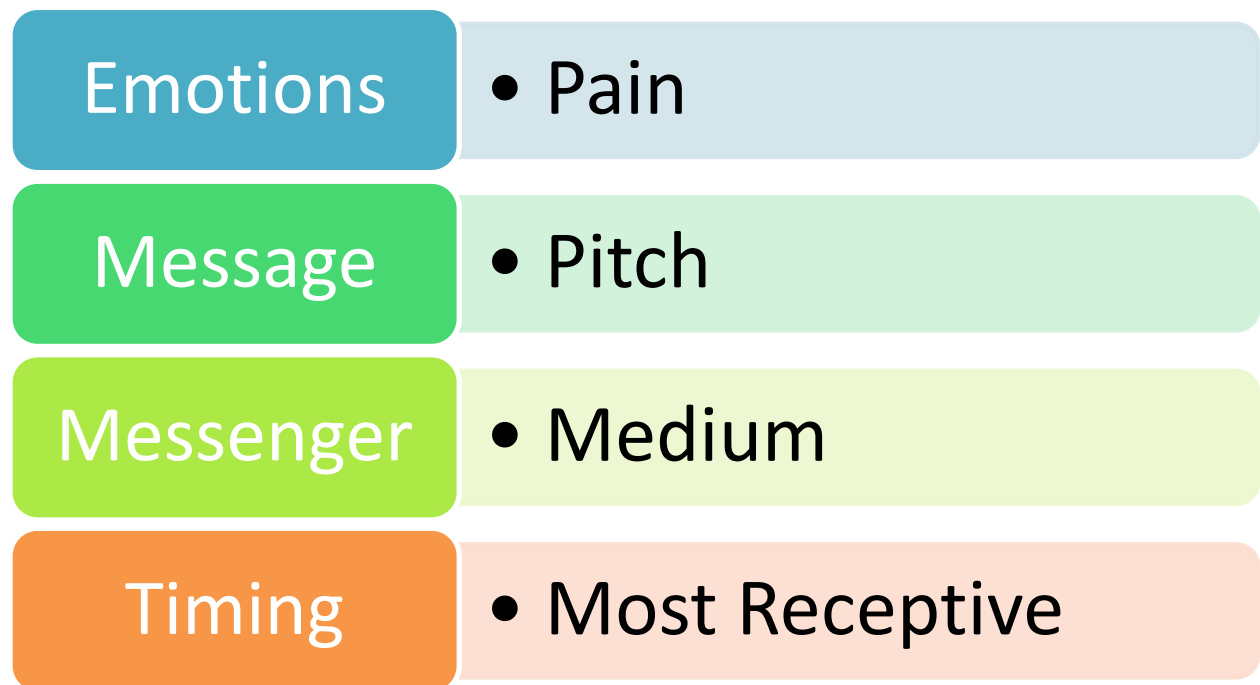
Or

How does this pain manifest? How would you describe it? In levels and layers or in one dimension? Which level, layer or dimension do you target when you sell relief? When you meet the customer how do you sell, pitch, present the product?

But it isn't enough to ask these questions and answer them. You also have to validate these answers by talking to customers, pitching to them and hopefully closing a deal that validates your sales and customer pain pitch.

Steve Blank did a great job with his [customer development check list](#) to frame the question “who is the customer?” in his customer development framework, see below. Using Steve’s framework you add two more questions

Imagine a day in his life without your product? With your product? How do you frame that in your pitch? Use your answers to script the scene in the movie where the customer walks in to focus, uses your product and changes the world permanently.



Once you have these two pieces in place you are well on your way on your personal roadmap to credibility. The only questions you have to answer now deal with whether the customer will buy your product, for how much and will that be enough for you make a decent margin and scale.

If the answer is no, you go back and decide what needs to change in the customer, pain, product, feature, price combo for this relationship to work. It is an iterative process.

How do you use the persona to craft a pitch and a solution? Based on what we have identified about the customer and his pain, our pitch and solution comes in at two levels.

A high level, attribute driven presentation that ties in with what is important to the customer focused on the themes of value, integrity, execution and yield.

delivery integrity
value execution

acturial **yield** risk liquidity
fixed income

Followed by a solution designed based on the identified pain points.

Downside protection with performance track record

All round market leading known team with **safe hands** and exposure to primary asset classes

Monthly NAV, trustee and reconciliation reporting and detailed trade rationale

Blue chip client base with multiple references and transactions

In house actuarial expertise for ALM mismatch and liquidity modeling

Finding the voice of the customer. Case Study. Placement services.

Our second example is also based on a service sold to institutional customer. A rising young banker is set to explore the concept of an institutional recruitment practice. With him we looked at setting up a high quality talent acquisition firm in the Middle East.

To start with we had to figure out what do heads of HR look for when selecting a firm to represent them in the hiring process.

The initial list included the following core pain points. That were described and became the basis of the product attributes used to sell the product to the customer.

Talent Management - Quality of candidate

Ensuring that the right guy gets the right offer, not because we are out of time and need to fill the position. Shortcuts may be taken that we may end up paying for later

Product attributes: Process, Checklist, Assessments that test fit, Background, Compliance with local immigration regulation

Recruitment - Time Management

Conflict with existing mandates and positions. May not get the right priority in search or execution

Product attributes: One stop shop. Does everything with one relationship

Cross checks - Hassle of the process of hiring

Managing a complex process of approvals, paper work, processing that may derail the process of visas and offers permanently

Product attributes: One stop shop. Does everything with one relationship

Times a wasting - Opportunity Cost

Can't launch a business without the right team, may lose market share

Product attributes: Guaranteed delivery of 10 resumes within 7 days. Turnaround times based on seniority level of candidates

Exploding offers - Competition for Talent

Closing the deal in face of competing offers, requires the right approach and mindset and is an art that cannot be executed by everyone.

Product attributes: Market based benchmarks for existing or similar offers, Market value assessment based on profile of candidate. Negotiation team dedicated to closing an offer within 3 working days

Focused Search

Specialized talent needs specialized networks

Product attribute: 10 years in recruiting within the financial services segment in the ME. Personal account manager, team of specialized recruiters, database of available candidates with profiles, existing network established after 20 years in banking across 4 different markets

Fast and Furious 4 - Experienced with Process

Hunt, Kill, Offer, Close within 4 weeks

Product attribute: 10 years in recruiting within the financial services segment in the ME. Personal account manager, team of specialized recruiters, database of available candidates with profiles, existing network established after 20 years in banking across 4 different markets

Customer Persona.

The only thing missing now was a detailed profile of the customer which we filled in piece by piece.

Title and Role: Head of HR

1. Demographics, work practice, work ethic,
2. 45+
3. Currently recruiting for 10 Plus strategic positions and roles
4. 8 am leaves 9pm
5. Lives in new Dubai, in or around Marina Walk
6. Compensation is 300,000 US\$ a year excluding bonus
7. With the bank for the last 10 years

8. Good power base, knows the Chairman, the CEO and the board
9. Knows the business plan of the plan and its execution
10. Part of the strategic team and a Key Decision maker
11. Chain Smoker with Blood Pressure and Over weight
12. Very active socially and extremely extrovert and very approachable
13. Strong opinions - is always right
14. Travels very frequently
15. Reports to the CEO
16. 3 kids
17. Day starts at 6:30 am and end at 11:30 pm at night
18. No exercise and no secretary
19. Well connected within your network
20. Plays Golf every alternate Saturday excluding the summer months.
21. Now that we have all the pieces, it's a simple extension to go out and create a pitch that works in the best elements of the above profile, the pain points and the product attributes.

Customer Persona. Case Study. Business school students

While the first two personas we built focused on institutional selling linked to an individual, our last case study is aimed at a retail customer segment.

A business school student enrolled in a top ranked graduate degree program.

What do business school students buy? Books, meals, student loans, test and interview prep materials, vacations (after the signing bonus has been banked) and jobs (despite the recession hiring top talent is still very much a battle field).

Rather than build it ourselves we worked with a group of MBA students and asked them to put together a detailed customer persona for a business school student. The primary question posed to the group was:

What does a typical North American MBA student look like at a top 10, top 20 business school? How would you start building a customer profile for business school students? How would you sell 3 different knowledge based products to them?

We started off with a day in the life of my customer technique.

A day in the life of a business school student?

Up between 5 and 8 am: Goes to sleep around midnight.

First and last things done during the day: Prep, review, exercise, connect, catch up

Head to the first class that starts at 8:20.

May have 3 - 4 classes on a given day. Upto 18 hours of instructions in a given week.

Has about 6 planned work, networking or recruitment related sessions in a given day.

Review case, answer questions, print out submissions. Stop in the Library or Career Office. Head out to the break out room. Grab a drink (Water, Juice, Gatorade, Ice Tea or Coffee) between classes.

Decide where to grab a bite, attend a lunch networking session, sit with classmates, group mates or friends. Catch up on the world during the bite break, head back to classes.

Review cases due for analysis and discussion. Sit down with group to review submission or assignment

Look up jobs, speakers list for this week or next. Find out what is happening on campus.

Go for a break, jog, run, bite, drink after school or depending on the case load just drop.

Head back to room to do work, chill, relax or catch up and connect.

We then moved on to Sources of Stress at Business School?

Assignments, submissions, networking sessions, interviews, shortlists, career related stuff, second and third term tuition bills?

Single biggest source of stress? By Term

First Term: Grades

Second Term: Internship

Third Term: Full Time Offer

Fourth Term: Full Time Offer followed by risk of not performing and getting laid off.

Post Graduation: Student Loan

Then we used the demographic bucket

Business School Student: Age group

Between 25 and 35. With the higher ages spreading out over 5% or so. Most students are in the younger bracket with the most common age being 27 - 28 years old.



25 - 28 Age Bracket for MBA students

2- 4 years of professional work experience - in most cases a single function job with a one or two employers. Most likely banking or consulting. More likely to be single than married, US resident versus international. Focus on recruitment and placement. Very competitive but also concerned about social circles, standing and network. Using the business school to upgrade compensation and prospects.

28- 32 Age Bracket for MBA students

Married, sometime with kids. More likely to be international with a broader professional exposure.

More likely to use business school to switch careers and professions. Concerned about placement but have a few back up options. More concerned about acquiring the right skill set. If international most likely to head back home.

32 - 37 Age Bracket for MBA students

Not at business school to switch career or look for placement. Most focused on education & acquiring skill sets.

Short Profile by Age group for Business School students

Profiles/Segments	MBA - Younger	MBA - Middle	MBA - Elders
Age	25-28	28-32	32-37
Experience	2 years	4 - 8 years	10+
Background	Banking or Consulting	International /	Independent

		Independent	
Marital Status	Single	Single/Married	Married
MBA Motivation	Career Progression	Career Switch	Learning & Skill Acquisition
Net Worth	Still paying off Student Loans from undergrad degree	Negative	Significantly Positive
Spending Power (in USD)	Upto 200+ a term	Upto 400+ a term	Upto 1,000+ a term
Rationale for using a supplementary resource	Do well in an interview, Do well at job	Do well at interview. Learn something new	Learn and Master a new skill
Interest	Finance. Excel Models	Finance.	Background dependent
Ambition / Aspiration / Choice between offers	Compensation and bonuses since it helps pay down loan balances. Career prospects 2 - 3 years down the road. Nature of work, relocation requirements.	Compensation followed by what works best for the family followed by nature and type of role and responsibilities at the new job.	Nature of work. Last chance at a career switch.
Evaluating an online Learning product - Pain Points & Factors - One	Grades and Class Assignments. Great grades are one part of the selection process.		
Pain Points & Factors - Two	Career & Placements. Can you help in: Picking up the language, Stay in touch with what's happening in the world of finance, conversational topics.		
Pain Points & Factors - Three	Knowledge. Industry trends, compensation levels, economic outlook, investment guidance, opinions and views		

So the final questions posed to the class and their assignment during this session were:

- Designing three separate knowledge products for this group and selling them?
- Identifying as many possible practical & addressable segments

How many segments can you really make from the above profiles? Which segment would you chose for your knowledge products? How do you know a segment is large enough or even profitable enough for you to begin work with it?

Here is some raw data to help you along. More than 200,000 students take the GMAT exam every year. Business school students in North America produce over 120,000 Master in business graduates every year and about 300,000 undergraduates.

Home work assignment:

Look up High Sierra Bags. Build a customer profile for people who buy the High Sierra Brand.

How would you sell a High Sierra Bag to the graduating class at an ivy league business school?

Pitching Case Studies.

The pitching case studies video reviews and dissects 7 startup pitches made in the entrepreneurship course that I teach. All presentations were made by EMBA and GMBA students in the two year period between June 2009 and June 2011. The selected presentations form a select group shortlisted from over 500 student pitches. Target markets for most of these pitches were the Indian and Middle Eastern markets.

By reviewing this portfolio of 7 pitches we expect to teach you to do a few things:

- 1) How to introduce your primary product concept and pitch it in under 30 seconds? While the pitches are not elevator pitches since they represent complete business plan presentations, almost all of them incorporate a short elevator pitch as part of their introduction
- 2) Going back to the list of questions that we focused on in the [Pitching for startup](#) training course what is the best of way of answering questions that allow you to make your pitch real and if you are not sure about the questions, what are the questions you need to answer?

Here are some of the core lessons that we highlight during our dissection of these seven pitches:

- 1) Presenting a complex concepts and products with simplified visuals and graphics?
- 2) Presenting financial data - Balance sheet and P&L in an easy to understand format?
- 3) How to make back of the envelope calculations easy for your investors?
- 4) Presenting Financials - What I need and want to see as an investor?
- 5) Simplifying and presenting your revenue model?
- 6) The best way to visualize customer pain
- 7) Sequencing slides correctly to create much more impact
- 8) How to showcase the underlying magic and process behind your value chain
- 9) How to get past the "I don't think this is real" or "I don't think these guys can do it" mindset of investors, clients and partners?
- 10) How to use target market surveys and incorporate them in your presentation and pitch? What questions to ask your target customers in your target surveys?
- 11) How to use more than 5 slides in under 30 seconds to create impact and introduce your idea to your audience without getting bogged down in the details
- 12) What is credibility? How do you go about building it in a pitch?
- 13) What is the best way of presenting a 10 year plan?

Pitching Ground Rules. (Highlighted Side bar)

- a) If possible always have multiple sales pitches for a meeting. A pitch could be for a product, a service, a referral or even information about the industry that isn't widely available.
- b) Try as many free pitches (no loss of face or credibility or opportunity if you fail) in front of friends and family as possible. Use their reactions to tweak the pitch. Don't be shy. Tell them what you are doing, what you are selling and why you are in their home at 7 am in the morning before they have had a chance to grab their first cup of coffee.
- c) Every now and then you will meet someone who will whack all the balls you throw at him out of the park. Don't let that get to you. In most cases, this villainous perfect batter will come back with a peace offering. You would be surprised how often that happens. People are in general nice; they don't like seeing you fail as long as you are not a pain. Fall with grace, and if they can, they will help.
- d) Generally this happens when you start talking before listening. If you would like to reduce the occurrence of (3) above, listen first and talk less.
- e) For every trip that is going to cost you have at-least one big pitch planned right towards the end, preceded by many small trial pitches.
- f) Do your research on who you are meeting and have a clear agenda and an objective for the meeting (introduction, referral, sales call, action items)
- g) Have your follow up emails and marketing collateral ready so that you can follow up before they forget who you were.
- h) Keep an open mind.
- i) In an introductory, investigative round, take any meeting you can get. In a formal sales round after the investigative round is over, only do qualified sales visits.
- j) Remember the large the deal, the larger the number of people you have to meet in person and shake their hands to close a deal.

Pitching for Startup - Video Course

Pitching for Startups - Introduction

While elements of a pitch can be classified as an art, there is a process to putting a good effective pitch together. Jawwad Farid walks through ground rules of presenting ideas to investors and making effective sales pitches to customers. How do you get investors and business plan competition judges to take you seriously and make your pitch real and credible? What are some of the things you can do to work with your audience to leave a strong and lasting impression?

Lesson 2 – Painting your Mona Lisa

Painting your Mona Lisa – Using the customer development framework to build customer personas. The problem is that a large number of pitches start with a customer profile as empty of details as stick figures. Who is this guy, where is he from, what does he feel, how do I find him, what do I say to him, will he bleed when I cut him? Technically speaking what you really want when it comes to your customers profile is to draw a Mona Lisa. Ideally a restored edition that is rich with colors and details. While you are still missing data but at least there is a face in front of you that you can now work with. You can now add details about demographics and profiles (age, education, job role, experiences, social preferences, reading interests, family size, ethnicity, political views, and personal tastes) and any other piece that helps you understand what drives this individual.

Lesson 3 - Building your roadmap to credibility

Your roadmap to credibility is the list of questions you have to ask as well as answer so that your business model can get to the next stage. Starting up, we need a framework or a mind map to build a task list. Jawwad walk through a list of steps you need to follow to make your startup and your pitch real.

Lesson 4 - Competitive Advantage and competition

In our fourth session we review competition and competitive advantage. Teams are often confused about what is a true competitive advantage. We discuss scale, technology, intellectual property and captive customers. We also discuss the right and the most likely advantage for your startup when you have capital and when you don't. And link that advantage to your understanding of customers.

Lesson 5 - Bringing it all together

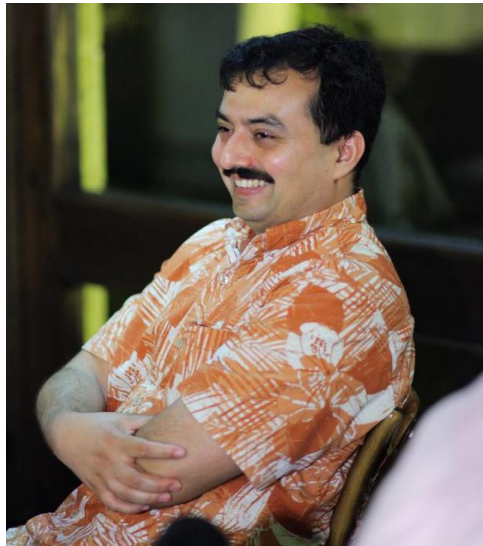
In our two part closing session we try and put together everything introduced so far in a complete pitch for a new idea or product. There is a some overlap with the Pitching Case Studies session

Lesson 5a - Closing session

In the final session on pitching for startup, Jawwad wraps up the rules and guidelines covered in our six part series by walking through a sample pitch for banking technology.

About the Author - Jawwad Ahmed Farid

Jawwad Ahmed Farid is a Fellow Society of Actuaries (Chicago), a MBA from Columbia Business School and a computer science graduate. During the last two decades, he has worked as an advisor and a consultant in North America, Pakistan, Middle East, Far East and the United Kingdom.



Jawwad's core areas of expertise include Asset/Risk Management, Investments, Product Development, Risk Models & the Financial Services Back Office. He is the author of five books on Entrepreneurship (**Reboot**), Commodity Markets (**Understanding Commodities Risk**), Delta Hedging (**Decoding Greeks**) and Risk Management (**Risk Applications and Frameworks 2011, Models at Work, Macmillan 2014**).

In addition to being a PASHA CEC member and Treasurer he has also served as a judge and a mentor at the Asia Pacific ICT Awards in Macau, Singapore, Kula Lumpur, Jakarta, Pattaya & Brunei Darussalam, as well as a mentor and judge for the PASHA ICT Award from 2006 - 2012. He currently serves as member of the oversight board for the PASHA Social Innovation Fund and the EduEnrich Education foundation.

Jawwad has worked directly as a founder, mentor and advisor at multiple startups including two green field life insurance companies, multiple technology product businesses, financial services consulting operations, risk and investment advisory businesses, product focused distribution as well as micro insurance, micro pensions and micro finance startups.

Jawwad is an adjunct Faculty member at the SP Jain Campus in Dubai and Singapore where he teaches courses on Entrepreneurship, Risk Management, Derivative Pricing and Project Finance. As part of the Alchemy Training practice he has delivered over 125 courses in the last 11 years to treasury, risk, corporate and investment banking customers in Dubai, Abu Dhabi, Riyadh, Kula Lumpur, Singapore, Bangkok, Manama, Karachi, Lahore and Islamabad. He has been a featured speaker on campus at Columbia Business School, University of Virginia's Darden Business School, SP Jain, LUMS, IBA and CBM.

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