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INVESTOR PITCHING

PROVEN STRATEGIES FOR FUNDRAISING

PELCKMANS

Contents

Preface

BY JÜRGEN INGELS

Pitching is a bit like a first date. You're trying to impress, you definitely don't tell them everything about yourself, and you just hope they don't walk out halfway through. The difference? In a pitch, money is on the table, and a lot more egos.

When I gave my first pitch, I was only focused on my product and the cool stuff you could do with it. Since then, I've learned and I've seen hundreds, maybe thousands of pitches. And trust me: some were brilliant, others... well, let's just say they left a lasting impression, like a bad tattoo after a wild night in Las Vegas.

Pitching is a craft. An art form. And also a bit of a circus act: you've got to entertain, convince, and make people believe your idea is the next big thing, even if it's just a smart way to rent out socks using blockchain.

But behind all the performance is something essential: the connection between founders and investors. Or as we like to call them here: *incestors*. Yes, you read that right. Because once you get an investor on board, it's like marrying into a weird family. You share wins, frustrations, and the occasional awkward conversation about why €30K was spent on a "brand experience at an alpaca ranch."

This book has no fluff. No corporate nonsense. Just raw advice, honest insights, and a bunch of stories that'll make you laugh, frown, or maybe even cry a little. Think of it as a survival guide for anyone trying to raise money without selling their soul or their cap table.

Whether you're a seasoned founder or a rookie with a pitch deck and a dream, this won't make your pitch perfect. But it will help you avoid looking like a clown with a plan in front of a room full of sharks.

Enjoy the read. And pitch with passion. Or at the very least, with deodorant.

INTRODUCTION

Why read this book on investor pitching?

This book explores the process of getting in touch with investors and presenting your business idea as part of a funding journey. This is also known as an investor pitch. An investor pitch is a strategic presentation aimed at convincing potential investors or funding organizations to fund a business or project. It typically includes a concise and compelling overview of the business concept, market opportunity, and financial projections, but most of all a strong value proposition. The goal is to secure investment by demonstrating the potential for a significant return on investment for those who invest.

My fascination with pitches began during my experience as a jury member in numerous pitch competitions and as a host of various pitch events and concepts. Taking part in pitch juries gave me the unique opportunity to evaluate a wide range of pitches and witness firsthand the elements that made certain presentations stand out. I was intrigued by the pitches that managed to captivate both the jury and the audience, not only because of their content but also through their delivery and ability to connect emotionally. That's when I started to coach entrepreneurs in both crafting and performing their pitch, applying my insights based on what I had learned.

What set the most compelling pitches apart wasn't just their market analysis or financial projections, but the clarity with which they communicated the value proposition, the energy the presenter brought to the stage, and most of all the ambition for – often exponential – growth. Hosting pitch events and summits further broadened my perspective, allowing me to see the diversity of pitching styles and the importance of tailoring a message to fit both the audience and the moment.

As a host, I've also had the opportunity to facilitate numerous Q&A sessions. What struck me is how often the Q&A is ill-prepared, despite being a crucial component of the pitch process and sometimes even the main focus in securing funds. These experiences sparked my interest in dissecting the anatomy of an impactful pitch and Q&A session. I have delved into how entrepreneurs can refine their presentations and the way they respond to questions to captivate their audience, effectively convey their ideas, and maximize their chances of securing funding. These insights, drawn from countless real-world examples, are what I'm excited to share with you. Make no mistake, crafting a compelling pitch and delivering it confidently on stage is a skill that can be learned. With dedication, you can train yourself to excel in the same way and get familiar with the investor pitching process.

An investor pitch is not a one-time opportunity to secure funding and involves much more than a single presentation. There's an extensive process leading up to the pitch and a structured follow-up afterward. This book will guide you through every step of the pitching process: preparing effectively, creating a pitch, presenting with confidence, and managing post-pitch relations with investors whether they decided to invest in you or not. You'll find tools, tips, and case studies to help you succeed at each stage and provide you with insights on raising funds with investors internationally.

– Nathalie De Schepper

Throughout this book you can look for symbols that correspond to the following type of information:

- The expert's point of view: an expert adds their insights about this topic.
- The pitch: this section tells the story of a startup or scaleup and the successes and challenges in their investor pitching journey.
- The investor's perspective: an investor, fund manager, or portfolio manager shares their expectations for a pitch and recounts their experiences.
- A must-see pitch or most memorable pitch: refers to a pitch you have to see because it stands out on one or multiple levels. Sometimes, a must-see pitch is recommended by someone in the startup ecosystem who adds their take on things.

TIP: a hands-on tip to apply to improve your pitch.
Exercises to help you craft/present a pitch.

This book also includes a glossary to clarify key concepts.

THE ART AND SCIENCE OF INVESTOR PITCHING

A pitch is an impactful message that aims to persuade an audience about a product, service, or business project. It's different from a traditional presentation, which focuses on sharing knowledge or ideas when the main aim of a pitch is to convince. While a presentation can be best compared to a marathon, a pitch is more like a sprint. There is a difference in length, and in power, but most of all in the way you convey the message. A pitch is a short and powerful message. An entrepreneur delivering a pitch must maintain a clear focus on the pitch's objective and harness their full strength to persuade the audience into making a specific decision. Just like in a sprint, you need to push toward the finish line in a short amount of time and if you are not explosive in your delivery, you won't be able to "win" over the audience.

We make a distinction between three main categories of pitches, each serving a specific goal:

» A **recruitment pitch**, to recruit new employees and convince them your company is fun to work for.
» A **sales pitch**, to convince customers to buy your offerings.
» An **investor pitch**, to convince people to fund your project.

Investor pitching, like the other pitch categories, involves specific elements that must be included and certain questions that need to be answered. This ensures that its preparation follows a structured process with well-defined criteria. That's why investor pitching is **partly a science**: it relies on proven frameworks, data-driven storytelling, and measurable outcomes. Successful pitches often follow tested templates, incorporate financial modeling, and strategically align with investor expectations. Additionally, the timing must be meticulously planned. However, it's also about conveying a feeling to your audience and building trust, convincing them that investing in you is their best decision. This aspect makes it much more about psychology and the **art of framing your business idea** into a story.

Many ask: what are the ingredients for a perfect pitch? But the "perfect" pitch simply does not exist because every project is different, and everyone's expectation of a pitch is different (which also goes for every investor). Most entrepreneurs spend a lot of time doing research to find out what their customer segments are looking for in their product or service but end up repeating the same pitch without acknowledging the fact that different customers also require a different message. The same accounts for investors. As you'll read in the case studies in this book, entrepreneurs demonstrate how they completely revamped their pitches when switching from one investor to another, tailoring their approach based on each investor's background, previous investments, and the experience and feedback from previous pitches.

Before you prepare your pitch, it is essential to understand that no context is the same and you must keep on adapting your pitch based on the context in which you will be presenting. That's why we don't advise striving for a one-size-fits-all, "perfect" pitch, but rather a good pitch with some basics you can adapt to every context. In chapter two you'll learn how to build your pitch. While the exact definition of a good investor pitch can vary for everyone because of differences in perception, there is a standard framework we can keep in mind throughout this book. The definition of a pitch we will use is:

A compact story about your business idea presented in a clear and coherent way to convince an audience to invest.

In an investor context, we often overlook the importance of storytelling. It's not just about presenting your offering and numbers but about wrapping it in a narrative. Transparency and clarity are crucial, ensuring all information is easily understandable. Investors are not rocket scientists, and what they don't understand may scare them. Most importantly, always remember the ultimate goal of an investor pitch: to secure funds.

BEFORE SHAPING A COMPELLING INVESTOR PITCH, it's essential to understand who the pitch is for and what they expect. Not all funding sources follow the same rules. Each comes with its own goals, criteria, and preferred formats. That's why the first step in preparing any pitch involves getting familiar with the funding landscape and identifying the funding sources that suit your business. A clear overview of the available financial options makes it easier to tailor your message and choose the right approach for each type of investor.

CHAPTER 1

The preparation

1.1 GET TO KNOW ALL FUNDING SOURCES

The secret of getting ahead is getting started

– Mark Twain

The first part of preparing your investor pitch is getting to know the funding landscape, as we will focus on pitching in this context. While this is not a book on startup fundraising, having insights into the different funding sources is necessary before drafting your investor pitch. The outline of your investor pitch should differ depending on the funding sources you want to use.

There are different categories of funds you can raise related to the stage of your business. When referring to an investor pitch, it's not only traditional investors that have to be taken into account. On an international scale, there are many different funding sources you can turn to. In this chapter, we investigate different methods of securing financial support and identify organizations or individuals that entrepreneurs can approach. Before embarking on any funding journey, it's crucial to acknowledge that the **concept, strategy, and vision must be well-defined,** as we will discuss in the next chapter. The type of funding an entrepreneur seeks must align with these elements.

The format of the investor pitch, as well as the items that need to be included, differ depending on the source of funding used. In this book we will focus on pitching for traditional investors, business angels, and venture capitalists (i.e. equity funding), but being aware of the different funding sources and what kind of investor pitch they require is the first step.

The starting point for any entrepreneur is always **investing in themselves** (in their own business), whether through personal savings or sweat equity, in order to lay a solid foundation for your fundraising efforts. Why? Because no one will ever invest in a concept if you don't show commitment yourself.

Although this is a book on investor pitching, this is not a form of propaganda to raise funds. Some entrepreneurs might not be interested in raising funds, or their ambition might not coincide with fundraising. Also, keep in mind that the quicker you can expand using your own income, the less reliant you'll be on external organizations and individuals.

BOOTSTRAPPING VS. RAISING FUNDS

Growing exclusively through your own funds and grit or by reinvesting your revenue is what we call **bootstrapping**. Bootstrapping derives from the expression "pulling yourself up by your own bootstraps" and therefore means achieving something using your own or very limited resources. Consider a company that starts with a couple of thousand euros and grows into a company now worth a billion.

Although bootstrapping might sound appealing, companies that bootstrap are required to meticulously plan their financials; manage their cash, inventory, and accounts receivable efficiently (i.e. working capital management); and opt for lean options to develop a prototype or draft their go-to-market strategy. This encourages a focus on generating revenue and becoming profitable from the outset. Successful bootstrapping stories often involve companies that give preference to early paying customers and negotiate the best terms with their suppliers.[1]

Whether raising funds or bootstrapping is the most attractive for the business depends on the context and nature of your business, and whether you value being in control. With a bootstrapping approach you remain the owner of your business, whereas raising funds involves dilution of equity and you will have to share control with your investors. Both strategies could lead to success, one is not better than the other, and one industry is not necessarily linked to bootstrapping more than another. However, by raising funds, you can drastically speed up the (international) growth of your business. To give you an idea, here are some well-known businesses that either bootstrapped (until they reached the growth stage or until long after) or raised funds:

Bootstrapped	**Raised funds**
Mailchimp is a leading marketing automation platform specializing in email marketing services. Originally founded in Atlanta, Georgia, it empowers businesses to manage customer relationships through targeted email campaigns, audience segmentation, and analytics.	Airbnb is a globally renowned platform that connects travelers with hosts offering unique accommodations and experiences. Originating in San Francisco, California, the company redefined the travel and lodging industries by making local stays and personalized travel experiences accessible.
Loop Earplugs, originating in Antwerp, Belgium, designs stylish and reusable earplugs that combine noise reduction with sound clarity. With a focus on comfort and aesthetics, Loop has captured a diverse customer base, offering innovative solutions for different types of environment.	Deliverect simplifies online food delivery operations by integrating platforms like Uber Eats, DoorDash, and Just Eat with restaurant POS systems. Based in Ghent, Belgium, the company has rapidly gained traction among restaurants, helping them streamline their delivery processes.

I love the story of Mailchimp. The founders were laid off at their corporate jobs and started their own business to help small business owners with web and graphic design. The business was doing well, but in the early 2000s, they noticed that their customers were in need of a better email marketing solution. They founded Mailchimp as a side business to their already existing customer database. The company demonstrated rapid growth, quickly dominating the email marketing space and outpacing industry giants. This success led to the company generating over $800 million in revenue before being acquired by Intuit. Their big advantage was the fact that they were always in control and could easily adapt to their customer needs and play around with fun marketing campaigns.[2]

"When we founded Soulmade we were students, and we were able to reinvest almost all of the profits we made from our projects back into growing our business. This growth might have been slower than if we had used external capital, but it also meant every euro was spent thoughtfully. The idea of building the business without any third party involved made the sense of risk for us minimal. It allowed us to experiment freely and grow at our own pace."

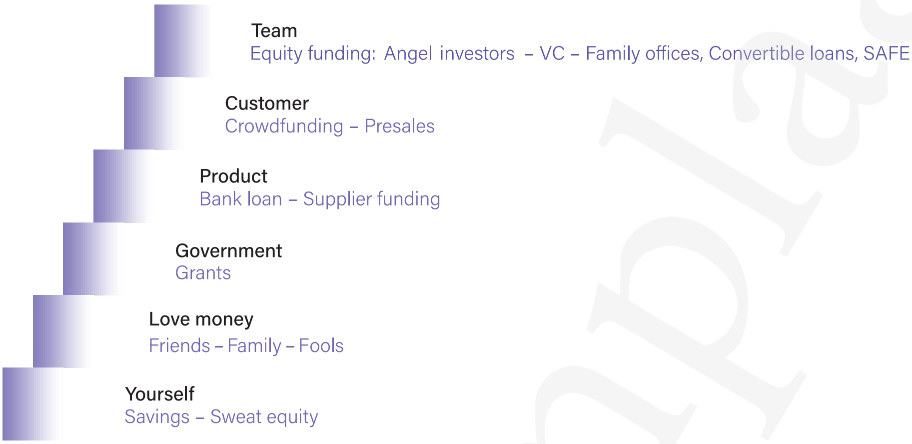
– Sander De Roeck, Co-founder of Soulmade
(VR productions)

Opting for bootstrapping isn't always the easiest path. It requires a specific mindset, one where every dollar is carefully scrutinized and spent wisely, often negotiating every detail to stretch resources as far as possible. Bootstrapping also comes with its own risks. If you take the leap and run out of money, convincing investors to fund your business later on can be challenging. They may question your ability to manage resources effectively or doubt the financial viability of the business itself. When bootstrapping, you have to keep checking that you will have enough funds for the next month. However, this also makes you more mindful of spending, forcing you to operate in a lean and efficient way. Regardless of whether you choose to bootstrap or raise external funding, the foundation for success lies in having a sustainable business model.

THE FINANCIAL LADDER

In the world of fundraising, startups rarely rely on a single funding source. Instead, they often opt for a combination of sources to meet specific financial goals, which we refer to as a **funding mix**. These funds may be raised simultaneously or over a period, showcasing the dynamic nature of fundraising strategies. By using multiple funding sources, you mitigate risks and can use the expertise and background of all parties involved. Moreover, once they have invested in you or participated in a project or presales, your success becomes their success, and you create the best set of ambassadors.

Funding sources



Visual 1. Financial ladder

The financial ladder reflects the **ascending levels of trust** required, considering factors such as track record and endorsement from others. While it's not necessary to follow the ladder chronologically, it provides a guide on the amount of trust needed to get access to funding sources. Successfully securing funds from one level can serve as a leverage to access other levels on the ladder.

For instance, a well-executed, reward-based crowdfunding campaign can demonstrate market demand for your offering, not only attracting investors but also enhancing your bargaining power when applying for a bank loan as part of your diverse funding mix. When you can show the bank the successes of your business, it's easier to get a loan with better conditions. If you can't show that your business concept works on the market, your loan will be far more expensive. The higher you move up the ladder, the more your pitch has to inspire trust. For each level, you need to win the trust of someone or with something. In crowdfunding, you need to win the hearts of your customers, or at least prove demand.

Depending on the funding source, entrepreneurs may need to tailor their pitch accordingly. While we'll focus on presenting the "highest level" pitch, it's valuable to understand how to adapt your presentation for different funding options.

INVESTING YOURSELF

We start at the bottom of the ladder, where the lowest amount of trust is required. In this phase, you start with the founder(s)! By investing yourself, you show commitment and skin in the game toward others, making way for the initial investments you need to get going.

There are two ways to invest in your own business. The most straightforward is to invest your **savings** in your project. If you are in the luxury position of being able to put in money from your savings, you might put in some initial cash to develop your offerings or to explore the market.

If you don't have savings to invest, there is another way to show you are committed to your business and that's to invest **sweat equity**, also referred to as "sweat money." Sweat equity refers to the contribution of time, effort, and expertise that an individual puts into their business, most of the time in exchange for ownership or equity of that project or venture. It represents a person's non-monetary investment in a venture, often through hard work without receiving a wage.

This type of investment can also be used when there are multiple members in the founding team. When one of them wants to invest savings or one of the team members wants to put in more work, you could define how to divide the equity accordingly. The person contributing sweat equity may receive a percentage of ownership in the business proportional to the value of their non-monetary contributions. Sweat equity arrangements are often formalized through agreements when multiple founders are involved. When pitching in a later phase, it's crucial to mention your own investments in the process of building your business.

While you don't need a pitch deck to convince yourself, it's important to draft a business model into a concise presentation for your own clarity and for the team you plan to work with. This ensures you have considered all the essential building blocks and stakeholders in your venture.

LOVE MONEY

Another way to raise funds is through "love money," also referred to as **friends, family, and fools**. If there are individuals within your close network interested in investing, there's an opportunity for them to engage in privately negotiated contracts. These agreements involve them allocating a portion of their savings in exchange for a disclosed return, determined mutually. Additionally, you can leverage government-supported organizations or funds designed for investing in early-stage businesses. Through these mechanisms, in most countries, friends, family, and fools can benefit from tax incentives and sometimes even warrants for the money they invested, while supporting you. If these investments are not considered an official loan, you can add these to your company as "own investments."

Raising money with individuals close to you offers you more leeway in terms of the repayment, and you can negotiate more attractive terms. It's also an easy and fast way to get access to funding with minimal interest or fundraising costs.

Once again, you don't need an official pitch deck for this audience, as the funders of love money are motivated by their relationship to the project owner. But it is important to get the story across and make it clear to them what your purpose is and what they potentially get in return. In this context, a good pitch will also make sure they understand that you are serious about this project and that it is not just your latest idea. You want to avoid awkward moments with this group of people in social settings, so you have to ensure they understand what they are signing up for.

GRANTS

Grants are what we like to call "free" money. They are sums of money granted to you by the government or governmental institutions without you losing equity or having to repay a debt. However, they are not entirely free. To apply for grants, you have to either invest some of your own time or pay someone to invest theirs to write the grant case in which you have to demonstrate how a grant can support you in making your business successful in the long run.

The funds you require might support various aspects of your business journey, such as launching your business, funding research endeavors, or facilitating international expansion. The key is to select the grants that best fit your business needs and ensure that your application aligns closely with the objectives of the grant program.

Grants can be issued at multiple government levels: local (cities, councils, etc.), national, European, or global (often linked to an industry). While cross-border grants might give you access to a larger funding pool and opportunities to establish an international network, there is more intense competition and a more complex and longer application process.

Depending on the type of grant, you have to write a case in which you pitch your project. This is sometimes followed by an actual pitch for a jury, after which they decide whether to give you the funds or not. The focus of the pitch (both written and oral) always has to be on future value and validation: grants aim to create future value. In your file and your pitch, make sure you have a strong vision and clearly describe how you will create value and have an impact with the grant. Keep in mind that the goal of the government is mainly to create more employment. Securing grants doesn't always require pitching your project, but when the funding involves a substantial amount, you'll almost always need to present and defend your proposal before a jury of experts or government officials. The core of your pitch should focus on emphasizing the impact of your project and how it aligns with the grant's objectives.

A-Chief is a Belgian company that offers their services to identify the most suitable grants for you and to write your grant file, saving you time and offering you a higher success rate. Based on their experience, they provide you the following **insights** into grants:

» *Always review the grant guidelines first: Are you eligible for this grant? Is this grant suitable for your current phase and industry?*
» *Understand the role of grants: Grants typically do not cover your entire funding need but act as leverage to attract other funding sources such as investors and banks by instilling confidence.*
» *Timing is crucial: When applying for grants, you must often file before incurring costs, starting collaborations, or hiring employees. Costs incurred before the application are often not eligible.*
» *Check the duration: Some grants are temporary, so verify their duration and ensure they align with (the different phases of) your plans.*
» *Not all grants are permanently submittable. Some grants can only be submitted during defined call periods. Check when to submit your file in time so you don't miss any opportunities.*

BANK LOANS

Bank loans represent the most traditional funding avenue for entrepreneurs. They used to be the first port of call for companies. However, many startups stay clear of them due to banks' aversion to risk, the proof of repayment capacity, and inflexible repayment terms, which could potentially jeopardize the business. Nevertheless, under certain circumstances, a bank loan may prove to be the best choice. If you have confidence in your ability to repay the loan and anticipate immediate returns on the investments made with the loan, it could be the most cost-effective and fastest way of financing your business. When it comes to bank loans, you can distinguish between different types:

STRAIGHT LOAN

This is what we call a "traditional" bank loan. A straight loan provides a lump sum of money to a business, which is repaid over a defined period through regular installments of principal and interest. The interest is charged on the full loan amount at the start. A straight loan is often used for specific and distinct purposes such as buying equipment, an office, etc.

CASH CREDIT

A cash credit, also known as a revolving line of credit, provides a business access to a defined credit limit, from which it can borrow funds when needed. As a startup, you can then borrow and repay funds within a credit limit. Interest is only charged on the amount you loan. These types of loans are often used to bridge short-term cash flow gaps. A cash credit is rather expensive and best avoided unless it's absolutely necessary.

To receive a loan, you have to hand in a written pitch mainly focusing on the financials and the potential and timing to repay the loan and defend this at the local branch of the bank where you want to receive the loan. Banks rarely give a loan to brand-new startups and traditional banks won't lend you the money if you don't really need it.

SUPPLIER FINANCE

Supplier finance is a form of funding in which a supplier provides goods or services to a buyer on credit terms, allowing the buyer to defer payment for a specified period of time. The supplier acts as a lender, providing financing to the buyer by extending credit for purchases made. Example of supplier finance: A software developer could propose to a startup to develop the software and tweak it during their go-to-market period only to receive (part of) their payment when the first customers are secured. The developing company and the startup can agree on the interests and repayment terms.

For this funding option, suppliers must have faith in the startups' long-term viability and aim to establish a lasting partnership with them. This is also your focus when crafting a pitch in this context.

CROWDFUNDING

Crowdfunding represents a funding method where you bring your project to life through the support of a sizable **community** of individuals, each contributing a small amount. The distinctive feature of crowdfunding lies in

engaging and mobilizing a broad spectrum of people for contributions. This involves initially reaching out to your personal network when initiating your crowdfunding campaign, starting with family and friends before expanding to a wider audience and eventually reaching out to strangers.
As a project owner responsible for managing the campaign, it is crucial to have an estimate of the required funds. This estimation sets the target amount to be raised from the crowd, a figure that varies depending on the crowdfunding type and the nature of the project.

Project owners typically launch and conduct their campaigns on regulated **crowdfunding platforms**. If the campaign is successful, the platform deducts a percentage commission (6–12% of the total funds collected, depending on the type of platform). While it is possible to crowdfund independently on your own website, it is known to be time- and resource-intensive for project owners. This is because you must independently formulate comprehensive terms and conditions, safeguarding against potential liabilities. Moreover, integrating multiple payment methods on your website is essential for successful independent crowdfunding. But most importantly, a crowdfunding platform serves as a sort of neutral "third party" between the entrepreneur and the crowd, which gives projects a sense of credibility.

When you want to launch a campaign, you usually need to know upfront what your **goal amount** is. It's the amount of money you need to carry out your project. So, before you can start working on a campaign, you need to get your financials straight.

In every campaign, you **offer a reward** to your funders. What type of reward? That depends on the type of crowdfunding you are pursuing. There are four different categories of crowdfunding:

Donation-based crowdfunding. As there is no substantial reward, people are funding because they believe in your project and because they are sympathetic to the cause of the campaign. As an entrepreneur, you can't use this type of crowdfunding, as you have a commercial purpose.

Reward-based crowdfunding. Most often used for new product launches, this is when you give a first version of the product/service you are creating as