

LEARNING ACTIVITY

'Elevator Pitch'

Ent-teach Unit 4 Financial management

Description learning activity

The teacher first offers further readings and inspirational videos to the students concerning raising capital and elevator pitches.

Further readings

Read the Art Of The Start: Attracting VCs To Your Business and What Are The Different Types Of VCs? by Guy Kawasaki, on the following web pages:

- http://www.forbes.com/work/2004/07/12/cx_gk_0712artofthetstart.html and
- http://www.forbes.com/work/2004/06/03/cx_gk_0603artofthetstart.html

Videos

Dragon's Den pitch example 1 <http://www.youtube.com/watch?v=kQTzLJCUtjk>
Reggae reggae sauce

Dragon's Den pitch example 2 <http://www.youtube.com/watch?v=X8iZLL6fgNg>
Clothing company Ten Tree

Elevator pitch introduction <http://www.youtube.com/watch?hl=en-GB&v=Tq0tan49rmc&gl=GB>

What is a elevator pitch <http://uk.youtube.com/watch?v=Tq0tan49rmc>

Assignment

The teacher then gives the individual students the following assignment:
Create an elevator pitch for an innovative product you think could possibly be a viable business proposition. Use Annex 1 for the preparation of the elevator pitch.

Problem

The Unit describes ways to raise capital for a (start-up) business enterprise. Now it is time to have students experience for themselves what elements are most important to stress to investors and how to prepare and do an elevator pitch.

Timeline

To watch two videos it will take the students approximately 20 minutes (2x10min). It will take the students around 2 hours to prepare an elevator pitch (at home or at school). The time needed for presentations and discussion depend heavily on the number of presentations by students, 15-20 min. per presentation including Q&A and discussion on it would do.



Target audience

VET students who have completed the Financial Management Unit. The background (field of study) of the student is not a large factor.

Goal

Students learn how to apply their knowledge on raising capital and key points of presentation by being put on the spot and do an elevator pitch to potential investors.

Learning outcomes

Students will learn how to present their business plan in an appealing way that includes all key points. By doing so they will comprehend the different aspects of a business and be able what elements are most important (to present). Furthermore they practice (and improve) their presentation skills.

Evaluation

Based on the outcomes of the presentations, the Q&A and discussions on the elevator pitches and the application of the key points and steps for an elevator pitch as explained in the Unit, the teacher can assess if the Unit content has been understood and applied by the students in a good way.

Technology

Students was use a (digital or physical) presentation as support to their oral elevator pitch.

Methods

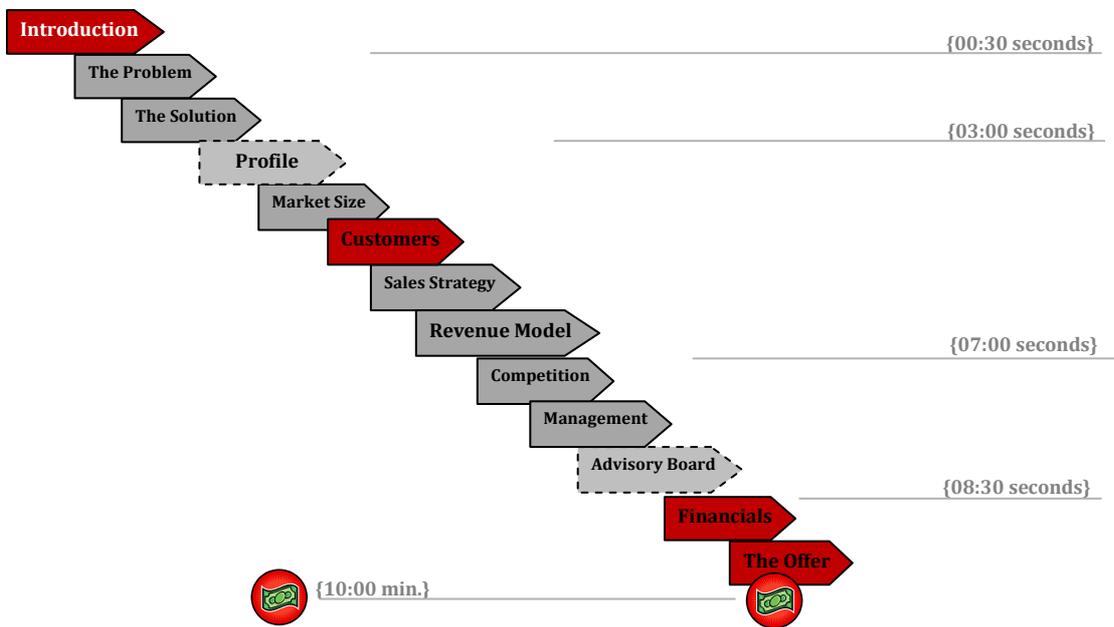
- Verbal introduction by teacher, supported by the Unit content;
- Preparation by the students;
- Presentations by (some of the) students;
- Questions and feedback by 'potential investors' and/or teacher and other students;
- Summary by the teacher of the outcomes of the learning activity and relation to Unit theory (how to raise capital and prepare an elevator pitch).

Team

This learning activity can be led by a single teacher. To make it lively and as close to reality as possible it is also possible to create a true Dragon's Den type setting by having chairs with 'potential investors' or a jury and inviting business people to take on this role.

Annex 1

Prepare your Elevator Pitch



Remember that your investors want you to get to the point so just state the facts let the investor make the inference.

Investors are sensitive to hyperbole. They know that 700 customers is not equal to 680 Beta users and 20 paid customers

Be aware of the figures the investors want and remember that your figures must add up.

Visual aids should be graphical where possible as opposed to textual

Pitch Guidelines

1. Define the problem

And determine exactly who has this pain. Use graphs, pictures or better still describe a problem scenario or usage case

2. Present the solution

This is an overview of the product or service offering that will solve the problem. Use photos, Screen shots, briefly list the features and benefits. Remember to be clear about the status of product development

3. Profile of the company

Be specific for example:

- Year it was founded
- Number of employees full time and part time
- When was the product launched
- Number of beta users and number of paying customers
- Identify channel partners
- Identify any certification received
- Number of patents filed
- Any press coverage, awards

4. Determine the market size

Identify the total potential target market, show the different segments and explain how you prioritize the segments. If you must use 3rd party figures, cite the source.

5. Present your sales strategy

Specify how do you sell your product? If you sell directly identify (a) how many sales people?; (b) how long does it take to close a deal? and (c) who is the key decision maker? . If you use a channel, determine (a) who are the partners?; (b) how many are required? And (c) how are the territories divided?

6. Describe your revenue model

This should include both revenue and cost drivers. If you're part of an network dealing with brokers, value added resellers, or wholesalers, each member of the value chain will require a share of the revenues. A graphical representation of how is allocated can give investors a clear understanding of the profitability of the business.

7. Determine your competition.

Be sure to present all your competitors. They may be direct competitors or indirect competitors. In other words you should identify and summarize existing alternatives (other technologies or types of products) that are offered.

8. Management team

Identify all members of the management team and their position in the venture. Also identify all members of the advisory board and their areas of expertise

9. Financial projections

(5 year) Assumptions:

- In 2015, €? per sale
- In 2015, number of customers
- 2015 market share: ?%
- In 2015, ?% from new sales; ?% from recurring
- Clearly determine which market you are serving
- State that figures do not consider future product extensions
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10. Funding requirements

- Prior Funding: €? from founders, €? from outside investors, €? grants
- Current Round: Seeking €? million (€? raised)
- Use of Funds: Finish v 2.0 Prototype, launch in ??? market, file patents
- Future rounds: Series B of €? million expected in early 2010
- Exit Strategy: Acquisition (list potential buyers)