

How to make the perfect pitch to potential investors

BY [NAZLEY OMAR](#) [November 17, 2015](#)



Pitching to get funding for your business can be tricky. Follow these steps to ensure you're properly prepared

For any entrepreneur pitching to a potential investor, the most important thing is to articulate a viable business idea and illustrate how you can implement it. Executive coach [Penny Holburn](#) says you also need to demonstrate how your business idea will make money.

"It's critical that you offer products and/or services that someone wants," she says. "A complex business idea is not necessarily good. Keep it simple, especially if this is your first business. Investors also want to see that you can deliver, so it's advisable to have a track record of being able to deliver on a business idea."

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Holburn suggests including these key points in your pitch:

- **Your business idea**

Some of the most successful businesses are simple. It's really important to explain your idea clearly. Being vague may leave your investors questioning whether you have fully analysed and researched the idea. It's also crucial that you are confident when you present your products or services. If you don't believe in your idea, neither will they.

- **Financials**

While you can't be certain how much profit you will make, you must provide projections and, where you can, actuals. Do sufficient research on all aspects of the business, including your expenses, pricing, cash flow and profits/losses. Pitches are often the most successful when you give an overview of financials up front.

- **Your products or services**

You will have no business if no one wants to buy your products and services, so it's important to do market research and use it to demonstrate that you will have a market. If you have been running your business part-time or for a few months, it's advisable to include the actual figures.

- **Geographical location**

For some businesses – such as retail goods, coffee shops and restaurants, location is extremely important. When you pitch you need to know where you will be based and the geographical area you intend to supply.

- **Management team**

The make-up of the management team of the business will give investors an idea of how successful the implementation of the business idea will be. Give relevant information about team members such as their experience, qualifications, work history and accomplishments.

- **Competitor environment**

It's important to research who your biggest competitors are. Investors will want to know how they operate and, most importantly, how you will differ from them.

- **Marketing plan**

You need to define your target customer and present credible market numbers. Tell potential investors about your proposed marketing budget, marketing channels and messages. Present your plan in a way that allows your audience to visualise and sense the potential.

- **SWOT analysis**

To demonstrate that you have a holistic understanding of your business and competitors, it's important to do the following analysis:

- **Strengths:** Which characteristics give your business an advantage over your competitors?
- **Weaknesses:** Which areas could be potential pitfalls? Highlight which areas you need to work on and how you can prevent potential problems.
- **Opportunities:** Is there anything that you could possibly exploit to the advantage of your new venture?
- **Threats:** Demonstrate that you have analysed which internal and external factors could negatively impact your business. Show investors that you are aware and prepared for these potential threats.