

Keeping It Simple: How to make the perfect elevator pitch

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When 30-year old Kaushal Dugar returned home from Singapore to join the family's tea business in 2012 in India, he had a clear game plan in mind. The management graduate who was leaving behind a high-profile job at accounting firm KPMG in Singapore, to modernise the traditional tea distribution located in West Bengal's Siliguri district.

He set up an online portal Teabox and decided to raise venture capital to fund it. But what Dugar hadn't accounted for was the lack of connectivity in the small north-eastern town. No startup event had ever been organised there and the slow internet connection could not even support a Skype call with potential investors.

Not one to give in, he persisted with cold calls on the landline and finally, on the seventh try, managed to convince global early stage investor Accel Partners to travel to Darjeeling to sample his firm's flavours of tea.



(Keep it simple is the message that successful entrepreneurs have for those looking to make the right first impression on investors hard pressed for time.)

"Being a national-level debater helped me convince them about my business pitch made on the phone," said the gutsy entrepreneur who graduated from the Singapore Management University. "We also had global customers, solid revenues and even profits to show that got the investor's attention."

Within two months of Dugar's successful pitch, Accel Partners invested about Rs 6 crore in the startup last year. "Teabox passed all criterion," said Prashanth Prakash, partner at Accel Partners, which is best known in India for being one of the earliest investors in Flipkart.

Dugar was lucky. But everyday hundreds of entrepreneurs fail to make the right first impression on investors who want to hear a story in no more than ten minutes. Termed the "elevator pitch", it is the one gauntlet that raw entrepreneurs prepare the most for and often fail to cross.

"We look for a strong founding team, key differentiator, and a fundamentally large addressable market in any elevator pitch," said Accel's Prakash.

Some entrepreneurs may take as many as 20 attempts before they get an elevator pitch just right. "A face-to-face elevator pitch should ideally be of two minutes, never more than five minutes. When pitching through an email, an executive summary with a presentation is enough," said Paula Mariwala, executive director at Seedfund, which backed online ticketing firm RedBus. She rates

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RedBus' cofounder Phanindra Sama's pitch made to her about five years ago as the best she has ever heard.

"Phani's pitch was simple, short yet explained the problems in bus transport market, completely unknown to us." Sama, who asked for Rs 30 lakh, got Rs 2 crore from Seedfund. "The moral of the story is just being yourself, you can't go wrong with that," said Sama.

Globally, the accepted norm for an elevator pitch is about two minutes. This is the time it takes an elevator to go from the lobby level to the top of a skyscraper, where most investment banks have their offices in financial capitals of the world.

"Entrepreneurs should capture the problem they intend to solve in the first minute itself," said Mariwala, as most investors are swamped with nearly 200 pitches a month, of which they may meet about a quarter in person.

Body language and confidence is judged in those first few seconds. Goonjan Mall, cofounder and CEO of OnlinePrasad, raised Rs 50 lakh from serial entrepreneur Krishnan Ganesh last year over a 10-minute elevator pitch at a Bangalore cafe. "It was meant to be a 10- minute meeting including time for questions. But Ganesh got interested and it extended to over an hour," said Mall. The term sheets were signed days later and Mall is now in the process of raising another Rs 2 crore from a group of angels for his startup that sells temple offerings online.

"Key consumer insight is a must. We definitely want to know the people behind the startup," said Sunil Goyal, cofounder of Yournest Angel Fund, which has invested in mobile services provider ZipDial and business software maker Hotelogix.

IIT-Kanpur alumni Sahil Baghla raised Rs 1.5 crore for his gifting portal BlueGape from 12 global investors, without even meeting them all in person. "I made a three-minute YouTube video that served as the elevator pitch. Investors could obviously download the PowerPoint and ask me questions via phone," said Baghla, who used funding portal LetsVenture to reach out to investors. Eight phone calls and two months later, the money was wired to BlueGape's account in Bangalore.

Vishal Gondal, Mumbai-based angel investor and former CEO of Indiagames, invites startup entrepreneurs to pitch their ideas to him over a 10 kilometre morning walk or run. IIT-Bombay alumnus Shantanu Jha, 31, met Gondal at an event at his alma mater, which was followed by discussions over several such marathons.

"A pitch should always have a story at every stage of fund-raising," said Jha, who started DocSuggest, an online platform that connects doctors and patients. The business idea came when his wife couldn't find an appointment with a doctor on a weekend.