

# DAVIDSON SHAMIR

TECHNOLOGY GROWTH DEBT

Vintage I 2015–2018

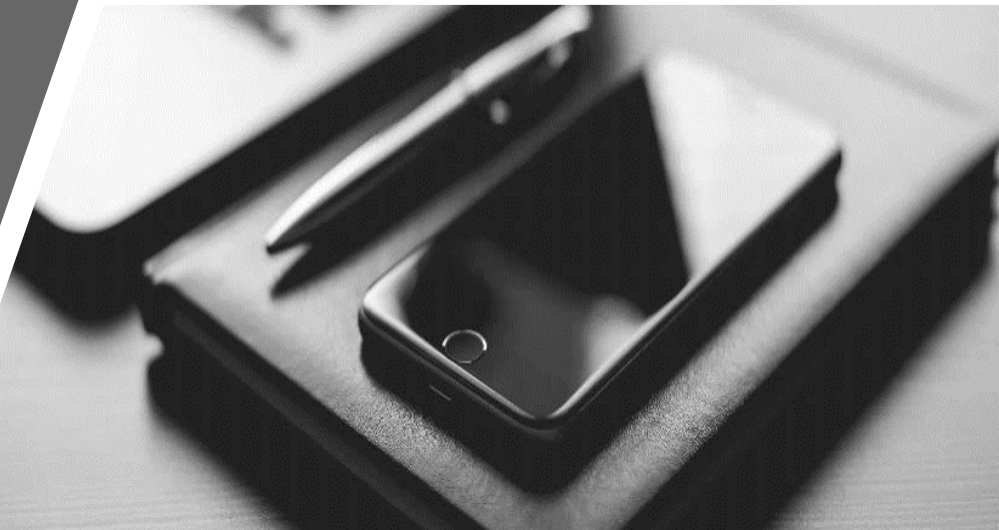
Vintage II 2019–2023



**THE  
PERFECT  
PITCH  
GUIDEBOOK**

# HIGHLIGHTS

- Have a Hook. Keep Your Attention
- Make sure you tell a good, clear, repeatable and exciting story
- Showing is better than telling
- Stay focused
- Big problem, big market

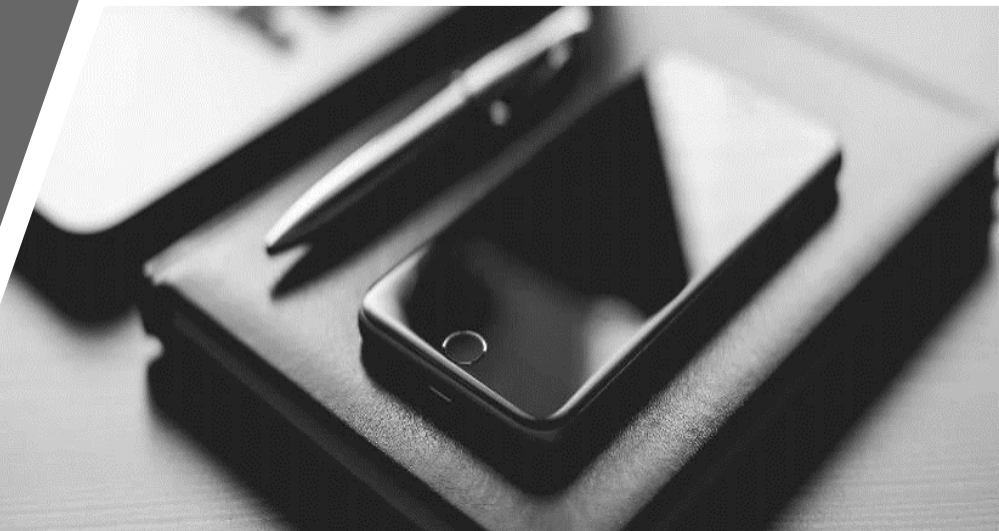


# GET YOUR BEARINGS

Practice	<ul style="list-style-type: none"><li>○ Nail down the flow, timing and coherence of your pitch</li></ul>
Time	<ul style="list-style-type: none"><li>○ The typical time slot for an introductory meeting is about 1 hour (including Q&amp;A), so make sure to keep your presentation concise and focused</li></ul>
Number of Slides	<ul style="list-style-type: none"><li>○ Best pitched we see are boiled down to below 10 slides</li></ul>
Arrival	<ul style="list-style-type: none"><li>○ Try to arrive 10 min early. Usually we set up your computer before the meeting starts</li></ul>
Bring	<ul style="list-style-type: none"><li>○ Bring hard copies of your pitch because hardware failures are not uncommon</li></ul>
Attire	<ul style="list-style-type: none"><li>○ Our meeting room is a “ no tie area”. Don’t dress up for us. Feel comfortable with what you are wearing</li></ul>
Language	<ul style="list-style-type: none"><li>○ Our corporate language is English. Be prepared to switch between German and English if needed</li></ul>

# HIGHLIGHTS

- Submit your pitch in PowerPoint
- Be prepared to discuss key assumptions
- Mind the time!
- Focus! No more than 18 slides



# STRUCTURE OF THE PITCH (UP TO 18 SLIDES)



## 1. Intro

Define the company, business, service or product in a single sentence.

## 2. Team

Identify a core group of talent that can execute on the next set of milestones.

## 3. Opportunity

Establish the need for your company's solution and the size of the market.

## 4. Solution

Demonstrate how you will solve the problem and validate your differentiation.

## 5. Competition

Identify your competitors, validate your differentiator.

## 6. Business Model

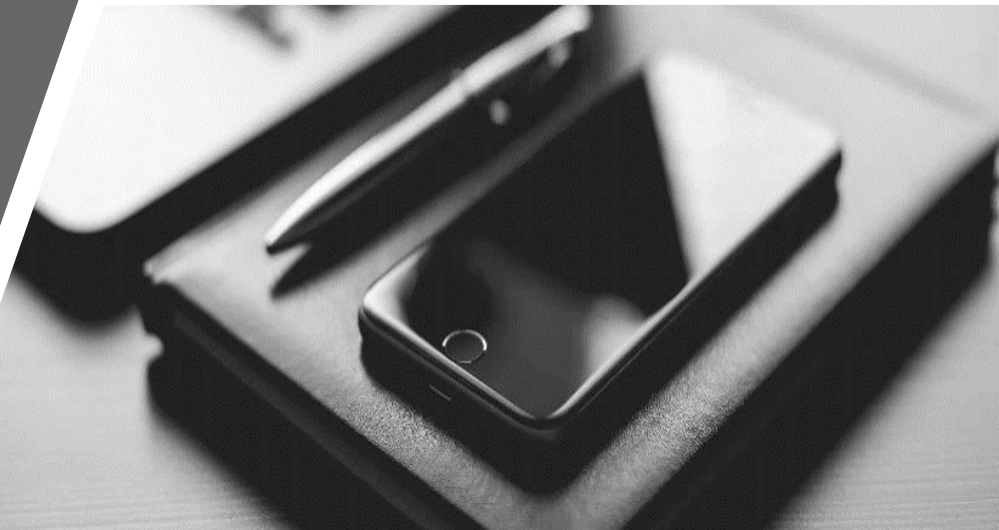
Explain how you will generate revenue. Show us what you've accomplished to date and make future forecasts.

## 7. The Question

Ask for the order and outline what you need from us to make your business a success.

# HIGHLIGHTS

- If real estate is about “location, location, location” then pitching is about “focus, focus, focus.”
- The success of your pitch depends on the clear and defensible presentation of an opportunity (big problem + big market), your plan for addressing it (your solution) and identifying the team that is uniquely positioned to do so.
- Make sure you have and convey **ONE** key take-away per slide!



# INTRODUCTION



## Key Objective

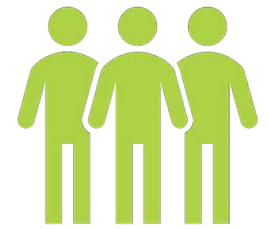
- Everyone should know the basic idea and value proposition of the company.

## Tell Us

- Give a brief history of the company, when it was started, how it's been funded. Define the company, business or product in a single sentence.
- Concisely state your core value proposition, including the target market.
- What unique benefit will you provide to what customers to address what need?
- **Clearly introduce your company so that everyone in the room knows what your company does and the market you are targeting. The only questions that should remain are the details of how you are going to do it.**
- Before you go on to the next slide you should make certain that everyone in the room knows what your company does and for whom.
- State what you do in ONE sentence.
- Make sure your statement clarifies why you are unique and necessary.
- Train for an elevator pitch. If you can explain to somebody you meet in an elevator during the ride why he should invest in your company – you will be well prepared for our pitch.



# TEAM



## Key Objective

- Make us confident that there is a core group that believes in the company and can execute the next set of milestones.

## Tell Us

- Management – crisp & relevant experience on key players.
- Prior companies/startups, educational background, prior Exits/IPOs
- Board of Advisors (if applicable).
- Key future hires.
  
- **Why you?**
  
- Describe team and advisors – their role relative to the plan, their relevant experience achieving similar results.
  
- Focus on significant, relevant accomplishments for each person.
  
- Who's missing in the team? Discuss hiring plans. We understand that few companies have the perfect team from the start.

# OPPORTUNITY



## Key Objective

- Establish the need for your company's solution and convince us that solving the problem is worth the effort.

## Tell Us

- State the problem; describe the pain.
- Why does the problem persist?
- Define recent trends that make your solution possible.
- How is it currently addressed?
- Why are we at an inflection point now?
- Identify the market size.
- How does this market change and grow over time?

# OPPORTUNITY



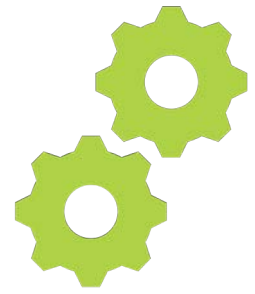
## Problem

- Describe the problem, convey the pain.
- What is the compelling problem to be solved – describe the pain of the customer. How is it solved today – outline how the customer addresses the issue today.
- Identify/profile the customer you cater to.
- Set-up the historical evolution of your category – explain why we are at an inflection point now.

## Market

- Show how there is a big market for your solution.
- Emerging/fast growing market – including global markets.
- How much is being spent on the problem today?
- Start with the economics of 1customer ( $\#$  of customers)  $\times$  (% who buy each year)  $\times$  (avg amount spent annually) = market size.
- Calculate the Total Available Market (top down), Served Available Market (bottom up). Define addressable market share.

# SOLUTION



## Key Objective

- Help us understand how you will solve the problem.

## Tell Us

- Demonstrate your solution.
- Validate your differentiation.
- Explain your technology/IP.
- How is the new solution better?

# HIGHLIGHTS

- The Offering – What specifically are you offering to whom? Software, hardware, services, a combination?
- What's your differentiator or unique competitive advantage? Team, relationships, IP, new insight, domain expertise?
- Clearly quantify three or four key benefits you provide, and who specifically realizes these benefits.
- Highlight the elements of your technology that give you potential for leverage and scale as you grow.
- Explain how your solution is a company, not just a feature.
- Patent approval status or status of key regulatory approvals.
- What is your Unique Selling Proposition (USP)?

# COMPETITION (1 SLIDE)



## Key Objective

- Help us understand who you compete with, why you have a better product or solution and how you can win.

## Tell Us

- Competitive matrix with: Strengths & weaknesses.
- Metrics.
- Investors of competitors.
- Where do you play in the environment outlined above?
- How does this market change over time?

# HIGHLIGHTS

- Use a competitive quadrant matrix to reflect the market's requirements, and where you are positioned compared to your competitors.
- Where does your solution fit in the value chain or ecosystem of your target market? Do you complement or displace commonly used technologies? Do you change business processes or do them the same but better, faster and cheaper? Do you disrupt the current value chain or fit into established channels?
- Summarize the three or four key reasons why customers prefer your solution to other solutions.
- Show how you are better than current solutions and explain why people will switch.
- Remember, your biggest competitor is status quo!

# BUSINESS MODEL (2-4 SLIDES)



## Key Objective

- Tell us how you will generate revenue; show us what you will accomplish in a given period of time.

## Tell Us

- How will you make money? Revenue model & metrics.
- Pricing, average account size, lifetime value, churn, views, unique, registered users, sub base, etc.
- Sales & distribution model, customer pipeline, wins and metrics.
- What milestones are you going to realistically hit with the new capital?



# HIGHLIGHTS



Make sure you understand the key assumptions underlying your plan and be prepared to defend them.

The most important thing is that you understand the economics and evolution of a growing, dynamic company, and that your vision is grounded in an understanding of practical reality. Caveat: Seed and Series A deals will have less financial model data; later stage companies will be expected to have more details.

## Financials

- How do you make money? P&L.
- Balance sheet – focus spending only on what's critical. Cash flow, burn rate - before and after the investment.
- Cap table.
- Revenue model.
- Pricing and average account size and/or lifetime value.
- Who are the key customers? How and what do they buy? Explain your pricing, your costs?
- How and when you will achieve profitability? Key metrics that drive revenues, expenses and growth.
- Marketing, sales & distribution model.
- Pipeline of customers and strategic/channel partners that have expressed interest in your solution and/or are reference able.
- Show us what you've accomplished to date.

# FINANCIAL NEEDS (1-2 SLIDES)



## Key Objective

Outline what you need from us to make your business a success? And what you are looking for in a venture capital partner.

## Tell Us

- Financials, including prior backers, date(s) and amount of investments  
Valuation expectations.
- Amount you are looking to raise.
- Milestones you will hit with the new capital.
- How much runway will the new money buy (pro forma burn).
- Post-money of the last round.
- The Exit - IPO? Merger? Acquisition? By whom?

# HIGHLIGHTS

The amount you're raising shouldn't be arbitrary – tell your story in numbers. Investors want to see that you're hitting milestones and that you are asking for the right amount of money to get the company to a meaningful next step.

How much are you raising?

What milestone will it get you to? Why is this milestone the right milestone?

Why is it the right amount?

Post-money of last round.

Amount of cash in the bank.

How much runway the new money will buy (pro forma burn).

# PROCESS (4-8 WEEKS)

## Go/No Go Meeting

After the pitch, we discuss the merits and potential challenges in the business and determine whether to pursue a second meeting.

## Soft Due Diligence

Conduct our own assessment of the marketplace, the effectiveness of your solution and the

## Term Sheet Negotiation

As we are getting more and more insight into the marketplace and your company, we can discuss the terms and conditions of our partnership.

## Core Due Diligence

Our internal team will do an intensive DD, lead by one partner together with an investment manager or analyst. External consultants may be hired for some ad-hoc issues like technology, market or financials.

## Presentation to Investors

If we like everything, you will present to our Investment Committee Meeting – and the final decision will be made.

## Closing

Our lawyers will work with yours to close down the contracts.

A photograph of a group of people in a meeting, overlaid with a semi-transparent green filter. The people are engaged in various activities: one is using a laptop, another is holding a smartphone, and others are looking towards the center. The text "GOOD LUCK!" is centered in white, bold, uppercase letters.

**GOOD LUCK!**