

# Small Business Center at Forsyth Tech

“Increasing Business Success”



If you are an entrepreneurial thinker and would like more information about starting or expanding a business, contact the Forsyth Tech Small Business Center for free information, including small business seminars and one-on-one counseling.

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## The Elevator Pitch:

**Engage People, Move to Action...in 2 minutes**

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“Four Score and seven years ago...currently engaged in a great civil war... final resting place for those who gave their lives...new birth of freedom... government of the people, by the people, and for the people shall not perish from the earth.”

Lincoln's "Gettysburg Address" is often referred to as the greatest elevator pitch of all time. It framed a national vision based on results of recent contextual events. It helped move our nation to action.

The elevator pitch (EP) that you will construct, while less ambitious in influence, is none-the-less important to the future of your new venture. There is power in being able to communicate important concepts in a concise, efficient message. This is particularly true when you are attempting to influence action of important stakeholders. In the context of this article, we use EP as a communication process to educate others on your proposed new business venture.

What is an Elevator Pitch (EP)? EPs are well-prepared, relatively short (2-3 minutes), pithy talks, designed to convey a message that results in a desired outcome from a targeted stakeholder.

What are desired outcomes? In 2-3 minutes, there is little likelihood that you will get a funding commitment, sell a product, or convince someone to join your management team. However, you can get a commitment from them to spend more time with you in order to learn why they should fund, buy, or join. You are selling your time, and you hope they buy.

When is it used? EPs are used in many contexts. Most often it is the "hook" or first introduction of your business venture to a potential stakeholder. Who that person is influences the structure and content of the EP. For example, an EP to a venture capitalist might describe consumer markets and needs in the context of your product/service, business model, and team. The EP of the same opportunity to a prospective team member might emphasize organizational vision, team roles, personal growth opportunities, and ownership.

How do you make it great? There are some common elements to great EPs.

- Use analogies. Describing your opportunity is often complex and cumbersome - resulting in too much time devoted to conveying an incomplete or misunderstood concept. To communicate clearer and faster, use analogies. For example if you are proposing a new contractual sales method, you might say, "...it is what Pitney Bowls does with stamp machines" or "it is how Xerox charges for its copy machines." If you are conveying an opportunity to provide national certification for lab technicians, say, "it is like a CPA for lab techs."
- Demonstrate your awareness of stakeholder needs: customers, employees, partners, and investors. Why is it needed, to whom and how much? What is the role of others, what will they contribute, how will they be rewarded?
- Be believable. Avoid unsupported generalities or huge numbers that could scare the targeted stakeholder. Also avoid meaningless geek or MBA speak. This is especially true if you are pitching a complex scientific venture. Work on describing the technology simply.
- Do not think of the EP as a condensed business plan. If you do not know what is most important to communicate, how will your target stakeholder know? It becomes information overload with little focus or purpose.

❑ Prepare for questions. Seldom do you have 2-3 minutes of uninterrupted time for your EP. The targeted person will interrupt and ask questions relating to what she is interested in or does not understand. Answer the question; deflect the question to one you can answer; or, tell them you will respond later.

❑ End with a realistic next step. Hopefully you can read your target stakeholder's reaction to your EP. Ask them what they want. Set an appointment. Tell when you will call or send a business plan. Avoid having them initiate the next action, rather you should.

❑ Prepare and practice the EP. Great EPs do not naturally appear in your mind at the time they are needed. Design several EPs with different purposes in mind. Practice your pitch with others familiar and not familiar with your venture. They can provide feedback regarding understanding and missing concepts.

It is part of a larger process. An EP is the start of a longer sales process. You must be able to make concise/effective pitches to influential individuals with the expected outcome of getting more face time; you must be able to make great formal presentations that let potential investors (or other stakeholders) know of the value of your opportunity; you must be able to respond to a series of penetrating questions that demonstrate your situational awareness; and you must wrap this around a great entrepreneurial team with a compelling opportunity.

The entire process may be long and complex...but it begins with a simple 2-minute pitch. Good luck!