



Naturally Bay Area Pitch Camp

January 2021



The Basics of Pitching

- Seek out the right investors at your stage and get introductions if possible
- Be clear about your fundraising goals and your wishes in a partnership
- Tell your story
 - Description of your secret sauce / differentiation
 - Explanation of the “story behind the numbers”
 - Why you and your team can uniquely succeed
 - Callout risks and describe mitigating factors
- Use industry standard formats
 - One-page executive summary
 - Short PowerPoint with key reasons for being
 - Excel model with projections built “bottoms up”
- Keep it concise to start (see Guy Kawasaki 10/20/30 rule)

Executive Summary Example

Big Roller
One Line Pitch: A new experience in moving.
Business Summary: We have invented a revolutionary piece of technology that allows things to be moved quickly and over long distances. We plan to use this technology to create products that we will sell to people who need to move anything larger than things that they can carry.
Management: My business partner and CTO Grok has a secret where he uses a hard sharp rock to shape other rocks. We have already used this technique to manufacture arrowheads. We spend our time making things for other people in exchange for food. We also made a large stone club for our CFO Buba to make sure we get paid.
Customer Problem: Zok in the next cave over tried to move a rock so his family could sit around it, but it was too heavy to drag and didn't roll well.

Company Profile
 URL: www.bigroller.com
 Industry: household energy
 Employees: 3
 Founded: 4000 BC

Contact
 on lock
 @big-roller.com
 Work: 212-555-1234
 Fax:

Financial Information (USD)
 Company Stage: Product B

Executive Summary Example available at 2xPartners.com site

Competitors: We don't know of any other competitors. We saw someone dragging rocks on big sticks once, but our solution is better.
Competitive Advantage: We have been working with stones and know where the best ones are for making our disks. If anyone finds the place with good stones, we will make more clubs for Buba and his friends to keep people away.

Financials* (USD)		2009	2010	2011P	2012P	2013P	2014P
Big Roller 30 E. 23rd Street New York, NY 10010	Revenues	\$1.3	\$2.5	\$5.5	\$9.9	\$16.0	\$25.0
	% Change	140.0%	92.3%	120.0%	80.0%	61.6%	56.3%
United States	Gross Margin %	38.2%	41.0%	41.3%	41.4%	41.4%	41.5%
	EBITDA	(\$1.0)	(\$0.8)	(\$0.2)	\$0.2	\$1.5	\$3.0
	Cash Flow**	(\$1.4)	(\$1.3)	(\$0.8)	(\$0.9)	\$0.5	\$1.4

* In Millions (000,000) **Not including financing

Provided courtesy of Angelssoft.net

Optimize Your Pitch in the New Normal...

- COVID-19 has been hard, but hopefully you'll emerge as a better and more focused business
- Make sure your business model and growth plan reflect that the world has changed – *getting distribution with retailers, acquiring consumers, etc.*
- Emphasize the actions you've already taken in response to the pandemic and their results so far – *investors want to know how well you've adapted*
- Include key metrics for your business overall and for its different channels
 - Overall: Net Revenue, Gross Margin, Contribution Margin, etc.
 - Brick & Mortar: ARP, ACV, AIC, \$/TDP, etc.
 - E-Commerce: CAC, AOV, LTV, repeat rates, etc.
 - Digital engagement: Email (# emails on file, open rate, clickthrough rate), Social Media (# followers, engagement rate¹), etc.
- Demonstrate your ability to succeed if the pandemic persists or subsides
- Manage cash prudently

...And Avoid Common Pitfalls - 10 Reasons Investors Pass

1. Dazed and Confused
2. Wrong Way
3. All Sizzle, No Steak
4. Leaky Bucket
5. No Margin for Error
6. Know Not Thy Business
7. Betting on the Come
8. Mismatched Returns
9. Failure of Confidence
10. Too Messy

**10 Reasons Investors Pass ...
And, Ways To Enhance The Odds of Raising Capital**
By Andrew S. Whitman, Managing Partner – 2x Consumer Products Growth Partners
as presented at *Financing Your Natural/Specialty Products Company Workshop*
(www.npcinstitute.com/Financing%20seminar.htm) and *BevNet Live* (www.BevNetLive.com)

Entrepreneurs often ask why investors, and more specifically institutional investors like 2x Consumer Products Growth Partners, might choose not to invest in a given Company. While the answer is often "it depends", the following are 10 common reasons investors pass and ways to enhance the odds of securing the investment you seek:

1. Dazed and Confused A business plan consisting of 60 pages of repetitive and hard-to-follow narrative, a weak executive summary and confusing spreadsheets are unfortunately all too common. Try to tell your story in a concise and compelling way.
2. Wrong Way
3. All Sizzle, No Steak

**Whitepaper available at
2xPartners.com site**

**Also webinar on this topic
archived there**

3. A Leaky Bucket In your Company not selling your product to a retailer or consumer. Make sure to buy the SPINS data if you're a small, natural/specialty products company (or Nielsen/IRI data). For between \$500 and \$5,000, you can know everything you'd need to know about your business in a given snapshot. The same applies to financial data – demonstrate how your financials (income statement, balance sheet & cash flows) support your proposition. Provide detailed use of proceeds and show how the investor benefits from the investment. Be specific. For investors like us, the two most important metrics are gross margins and velocity (also known as same store sales or sales per point of distribution) growth. See more below.

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Have a Question?

- Contact us!

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- And visit 2xPartners.com for more helpful information!

About 2x Partners



A Team of Operators and Entrepreneurs Investing in The Next Generation of Great Brands

2x Consumer Products Growth Partners joins with founders and management in building the consumer brands of the future. Our firm was founded by industry veterans and former operators, not financial engineers or consultants. We focus exclusively on emerging consumer brands, not any other industry or stage of business. We leverage our 400+ years of collective experience to provide real operational expertise, valuable contacts and connections, in addition to capital to fuel growth.

GROWTH CHARACTERISTICS:

- Natural/Organic
- Functional/Performance
- Ethnic
- Specialty/Premium

SIZE/REVENUE:

- Generally with revenue between \$2 million and \$25 million
- Growing rapidly
- No pre-revenue businesses

FLEXIBLE STRUCTURE:

- Minority ownership stake as part of a partnership most common
- Majority interest or complete buyout possible

INVESTMENT CRITERIA:

- ✓ Founders or management seeking a partner, not just an investor
- ✓ Powerful consumer positioning and product fulfillment
 - Sustainable point of difference built on trends, not fads
 - Unparalleled product efficacy and/or taste
- ✓ Strong sense of in-market “proven-ness” based on consumer takeaway
- ✓ Exponential growth history and future potential
- ✓ Categories that immediately leverage our expertise
- ✓ Attractive go-to-market approach and financial proposition

OUR FOCUS



Food



Beverage



Personal Care



Home Care



Pet Care



Other