The Pitch — Selling Your Disruptive Health Startup

PitchingYourHealthCareStartup.com

#PitchingYourHealthCareStartup

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MIT HACKING MEDICINE

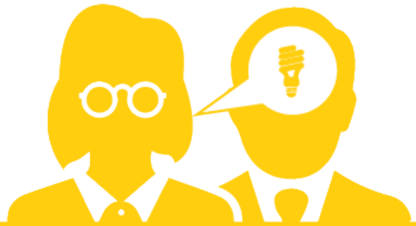
AbelsonTaylor

“Not what we discussed…”

Original purpose vs final product

- Facebook ...”Hot or Not”
- Yelp ...automated reccos via email
- YouTube ...video dating site
- PayPal ...pay $, but only for Palm Pilots*

http://mashable.com/2011/07/08/startups-change-direction/



The idea you have now, is not necessarily what ultimately goes to market

At first glance, innovation is indistinguishable from unnecessary

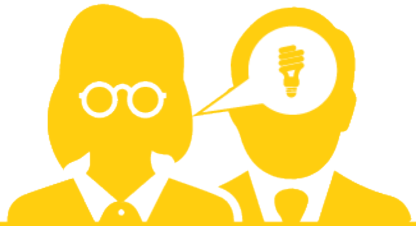
"If they may not get my idea, and everything may change anyway—what *exactly* are we pitching?"

You are actually pitching: Potential & Confidence

Potential & Confidence

The four pillars of a pitch

1. Tell them a story they want to believe in
2. Single-minded focus in all you do—from your business goals to your presentation
3. You are thoroughly prepared—but concise
4. You demonstrate expertise and leadership



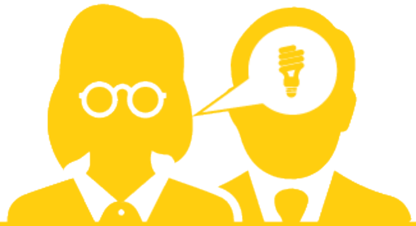
"Storytelling reveals meaning without committing the error of defining it"

– Hannah Arendt

1. Tell an emotional story

(Make your startup the hero)

- What awoke your passion & conviction?
- Humanity > Technology
- Individual > Statistics
- Seduce them. Fascinate them.



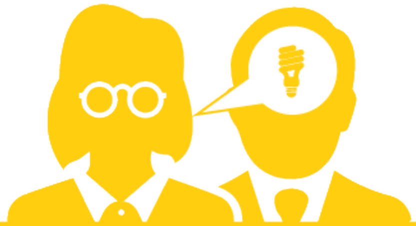
"If you're prepared to invest in a company, then you ought to be able to explain why in simple language that a fifth grader could understand, and quickly enough so the fifth grader won't get bored."

—Peter Lynch

2. Single-minded focus

Could a 5th grader get your point?

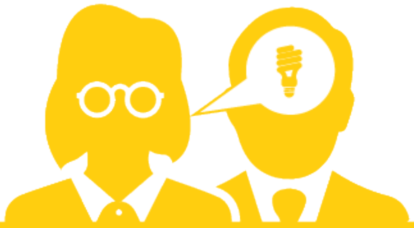
The problem your startup is solving for should be clearly and simply stated on it's own slide (in a single sentence) with a simple supporting graphic. The same goes for your proposed solution.



2. Single-minded focus

Why is this important?

1. Sharpen and focus your startup's purpose
2. Demonstrate discipline and awareness
3. If an idea can't be clearly stated, it implies that it is overly complicated or improperly understood



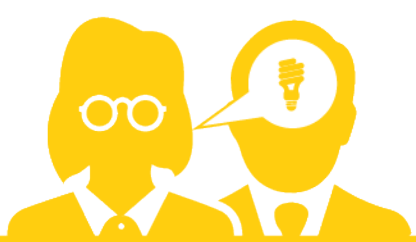
Let's use Pill Pack as a relevant but completely *hypothetical* example about a simple, clear purpose statement

2. Single-minded focus

Pill Pack: Example solution

A custom pharmacy solution for patients struggling with multiple prescriptions or access to their pharmacy

- Supports patients with mobility challenges
- Simplifies dosing instructions
- Simplifies sorting and organization of medicines
- Coordinated delivery and payment
- More time for healthy living



2. Single-minded focus

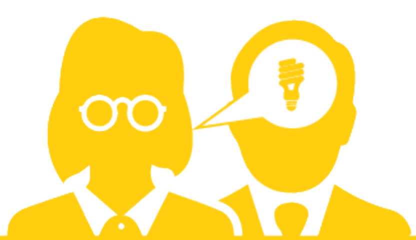
Pill Pack's actual tagline…

"Your medications sorted and delivered to your door"

2. Single-minded focus

Purpose is a tool to shape content

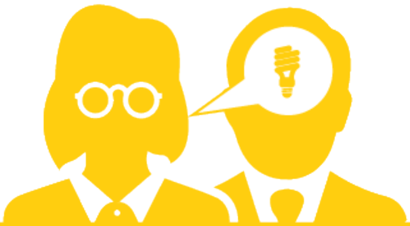
Once you have clearly articulated your purpose, go through your presentation and ruthlessly remove anything that isn't directly and clearly advancing the story of your startup. Use your purpose as the scalpel.



3. Preparation

Rehearse, rehearse, rehearse

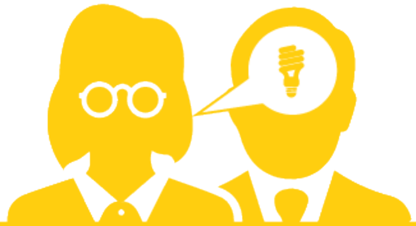
1. Rehearse for time. You have 3 minutes.
2. Rehearse answering the questions you are scared of being asked
3. Have one person present. Two max.



4. Expertise & Leadership

Nail the Q&A to win them over

Have technical experts answer the technical questions. Confident, prepared, and articulate answers signal that hard work was put into thinking through the idea and the team has the *expertise, energy, leadership,* and *vision* to steer and grow a startup.

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Tips & Advice

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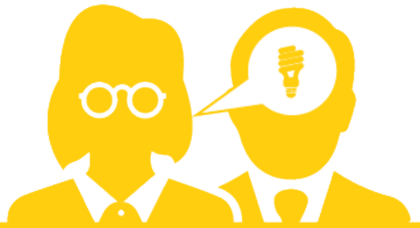
A basic pitch story arc

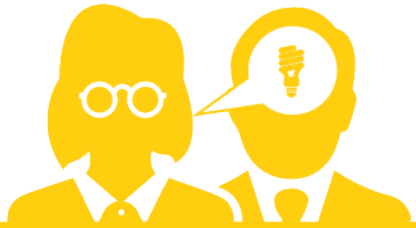
1. Compelling Title (plus Team Credentials)
2. Humanistic unmet need
3. Business solution
4. Risks and the strategies to deal with them
5. Who will buy/pay for it?
6. Q&A



Who will pay for it?

Do. Not. Say. The. Payors. Will. Pay.

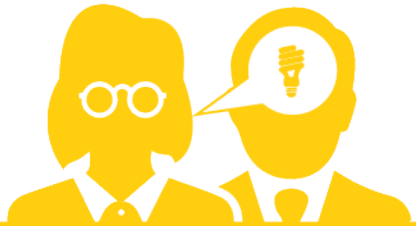
- Financial slide should be high level
- Critical details need to be thought through ahead of time for Q&A



Who will pay for it?

Sample questions to think through

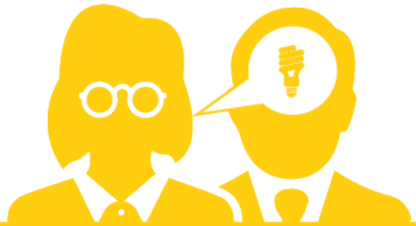
- Are your users the same people as your customers?
- What is the size of the market?
- How much will it cost to produce/maintain?
- What kind of volume is required for profit?
- Is there going to be a formulary issue?
- Is the idea tied to a health product/service that is reimbursed at a fixed rate by insurers or the government?



Should I demo my idea?

Don’t take away their imagination!

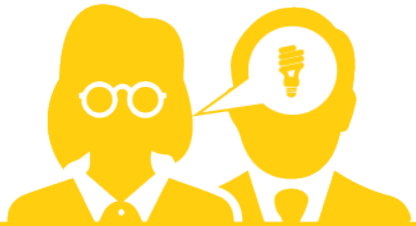
- Imagination is infectious & collaborative
- A demo can potentially prematurely define the boundaries of your product
- It may derail your presentation and steal time
- **Hard question**: Can they imagine my product?



Should I demo my idea?

Demo your idea only if:

1. It flows with & makes your *story* stronger
2. It is truly a "wow!" demo
3. If you anticipate skepticism on your underlying technology or it is difficult to imagine
4. It cannot be shown with a simple image



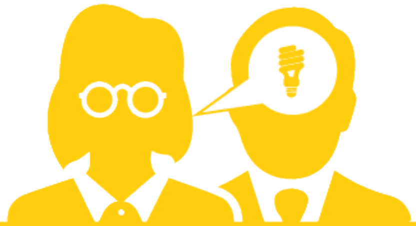
“Clutter destroys emotion”

–Vinod Khosla

Visual design matters

Don't *prove* your slide with details

- Leave open space around your content
- Use color sparingly, as a highlight
- One topic and visual per slide is ideal



Visual design matters

Five easy steps to declutter

1. Duplicate the cluttered slide
2. Make a singular, emotional headline
3. Use one image and one bullet that best supports the idea
4. Delete remaining content
5. Which slide is better?