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Compelling Presentations for Today's Market

So you think your company presentation is so amazing that nobody can fail to be impressed? Think again, says Joan Kureczka

The financing environment for emerging biotechnology and pharmaceutical companies remains tight, perhaps the most difficult it has ever been. Competition for investors' dollars is incredibly fierce in both the public and private markets. For many companies seeking financing, closing a round can now take nearly a year or more, requiring presentations to scores of potential investors.

"We were approached by nearly 1,200 companies seeking financing last year," says Jonathan MacQuitty from Abingworth Management, which invests in companies from seed stage through mezzanine financings, in both Europe and the US. "It's rather like mining ore, and we obviously must use a triage system to decide who gets a closer look."

"In a tough financing environment, even an early stage company is effectively conducting a road show," Michael Lytton, general partner at Oxford Bioscience Partners, comments. "First impressions are almost entirely shaped by the presentation a company makes to a venture fund, making the quality of such presentations more important than ever before."

With this level of competitive 'noise', how do CEOs set their company apart from the pack and gain serious consideration for their business?

who are you? what do others say about you?

According to seasoned venture capitalists (VCs), gaining serious consideration is still mostly about people. Who you know and – perhaps more importantly – who knows you, can be pivotal. The best way to gain the attention of a potential investor is to have someone they know and respect make the introduction. Business summaries received 'over the transom' or from a cold call rarely make an impression, most VCs say.

Once the introduction is made, effectively conveying who you and your team are and what you have accomplished in the past is key.

"Every business boils down to its people," says Fred Middleton, general partner at Sanderling Ventures. He recommends that entrepreneurs highlight the top people who are most committed to the company and will make the greatest contribution to its success. If a company does not yet have a CEO, the founders should be able to discuss the qualities of their ideal CEO and show the thought process behind that job description.

"You'd be surprised at how many business plans we receive that gloss over the background of their top people, not even mentioning where

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they have worked most recently,” notes MacQuitty. He says that even if that most recent position was with a company that did not ultimately succeed, the entrepreneur can relay what they learned from that experience to help achieve success for their new venture.

tell me an exciting story, but be realistic

“We don’t invest in companies, we invest in people and stories,” says Chris Ehrlich from InterWest Partners.

Big ideas still grab attention. Presentations that are too generic – for example, focused on yet another new screening technology for small molecules – are typically missed opportunities. Entrepreneurs should communicate all that is new and great about their idea, and challenge themselves to present reasons why their business model is the right one. Why is your idea important? What is your competitive advantage? How will you address the traditional issues around development timelines, risk

and the amount of cash you will need to meet your goals, whatever they are? How will you create real value out of your idea?

But while investors like big ideas and good stories, those stories must be realistic and told without hype. Entrepreneurs should be able to communicate what excites them about their venture, without being too promotional. Excellent presentations are simple, concise and compelling. Forget the adjectives, current buzz words, and business clichés.

“People hate over-selling and lots of superlatives,” Ehrlich comments. With plenty of investment opportunities coming their way, he and others say that VCs are looking for any reason to say “No.”

Equally, good science alone does not create a viable business. Novel technology may grab the attention of those VCs with a more scientific bent, but in today’s conservative financing environment, interesting science or technology by itself will not attract investment. Initial presentations should

focus primarily on the business opportunity and how the company will realize it, leaving extensive detail on the science and technology for later due diligence efforts. Leave the raw data slides at home – or keep them for backup.

roadmap to success – and the next financing

Entrepreneurs need to communicate a clear and consistent roadmap for their businesses, based on realistic timelines and an understanding of the various factors that may affect their success.

“Too often we see presentations where there is no clear strategy for the company,” says Oxford Bioscience’s Lytton. He notes that entrepreneurs need to communicate a clear sense of the milestones they must achieve, not only for long-term success, but also to get to their next financing. How will your business survive, especially if the environment for further private investment or public offerings remains tough?

Dr Barbara Dalton, general partner at EuclidSR Partners, echoes this



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Jonathan MacQuitty
Abingworth Management



Michael Lytton
Oxford Bioscience



Fred Middleton
Sanderling Ventures

thought, and notes the need to be conservative in communicating to potential investors how you will use the money they provide. “We hear lots of pitches that say ‘when we get this money, we’ll increase our headcount to 60 people’. It’s important that entrepreneurs show cognizance that these are tough times and demonstrate how they will be careful with the cash they receive.”

Vcs also say that too many presenters give no sense of having studied their competition or the markets in which their business and products will compete. “You need to be a step ahead of your investor audience all the way,” says Albert Cha, principal at BioAsia Investments. “Knowing your competition and how you differ is almost as important as knowing your own technology.” Doing your homework on the competitive playing field and other factors that can affect your business, and outlining your strategy accordingly earns respect and credibility, he notes.

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It also helps to continue to show progress against your business goals at the same time as you are out raising money. “There is nothing better than being in discussions with potential investors at a time when you can point to good things that show forward movement in your operations,” says Dr Bryan Roberts, general partner at Venrock Associates.

like the scouts – be prepared

The best presenters also anticipate the questions that potential investors might ask and are well prepared to respond.

“It can be devastating to the impact of a presentation if the VC you are presenting to knows more about the competition and conditions that will affect your business than you do,” says BioAsia’s Cha, “especially when it’s information that is available at your fingertips with a simple Google search of the internet.”

Dr Nicola Campbell, principal at BA Venture Partners tells of one

presentation where the company had clearly considered every possible question before they walked through the door. “They addressed the important issues up-front, and whenever a new question came up, they had a back-up slide ready and waiting with the answer,” she said.

know your audience

In addition to knowing your competition and the general environment in which your company will compete, Vcs recommend doing your homework on potential investors and their particular interests, levels of knowledge, and investing styles before you meet them.

Every firm is different. Some love platforms, others drug discovery models. Some groups have great pharmaceutical industry knowledge, others much less. Understanding who you are talking to and tailoring your presentation accordingly can be critical to making a good first impression.

It is also helpful for a presenting company to know where a particular fund is in its life cycle, suggests EuclidSR’s Dalton. “If it is late in the life of the fund, the investors will want a relatively quick exit. A fund in its third year typically can’t invest in early stage companies or, for that matter, anything that cannot go out in the next IPO window.”

Finally, several Vcs suggest focusing



Chris Ehrlich
InterWest Partners



Barbara Dalton
EuclidSR Partners



Albert Cha
BioAsia Investments

early on cultivating a lead investor. Don't hesitate to ask relatively soon in your discussions whether the firm you are meeting with is willing or able to lead. Only a limited number of firms either like to lead or have the bandwidth to do so. Making it a priority to get a lead investor on board early can help ease the fundraising process overall.

make it polished and professional!

Having a substantive, well thought out presentation is essential. But a little professional polish can also go a

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long way towards making the sort of first impression that moves your company high on the list of those

under consideration. Several of the VCs interviewed strongly recommended that entrepreneurs get professional assistance, both with content organization and the graphics of their presentations, as well as with their personal presenting style. There are plenty of consultants and presentation trainers who are willing to help you, they say. And the more you practise before the 'main event' the better.

It is also essential to have the right people presenting, notes Barbara Dalton. "Have people who know what they are doing make the pitches," she comments. "Bring the right people to convince us – presenters who are too 'academic' typically don't do it."

BA's Campbell tells of one company that did everything right before their

presentation – having gained the meeting through a strong recommendation from a CEO that her firm knew well. Unfortunately, she says, the actual meeting was a disaster for the presenting firm. "The presenters were unpolished in their presentation style, unprepared for questions, had inadequate slides and no financial information. As a result, the audience was totally unimpressed, and the company is unlikely to regain the fund's interest – at least, not in this financing round."

the bottom line

Having a polished, well thought out presentation certainly won't guarantee a successful financing, but it can help open the door to further discussions with potential investors. Moreover, when competition for investment dollars is necessitating marathon 'road shows' even for small private firms, carefully honing your presentation – and presentation skills – can help you and your team shine above the crowd. ■



Nicola Campbell
BA Venture Partners

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