



Perfect your pitch

By Brad Feld

As a venture capitalist, I'm constantly on the receiving end of pitches from entrepreneurs looking for capital. While there are plenty of different mistakes you can make, these are the ones I see over and over.

- 1. Not knowing your audience:** I invest in early-stage software and internet companies in the U.S. I'm always amazed when someone reaches out to me to invest in a telecom company, a retail products company or a biotech firm. Do your research and make sure the venture capitalists you target invest in what your company does.
- 2. Asking the venture capitalist to sign a nondisclosure agreement, or NDA:** This is a stupid idea perpetuated by lawyers. Most venture capitalists will

not sign an NDA, so all you're doing is putting up a barrier to get their attention and demonstrating your naivety.

- 3. Sending a 74-page business plan in the mail:** This might have been the right approach in 1972, but today you should start with a short e-mail introducing you and your company. If you must, include a short (four pages or fewer) executive summary. Make it easy for a venture capitalist to either engage or say he isn't interested. If the venture capitalist is interested, he'll inform you of the next step in the process.
- 4. Spamming 150 venture capitalists with a "Dear Sir" e-mail:** If you do send an e-mail, make sure it's person-

alized. Remember to target your audience first, and then personalize your e-mails to that person. Oh, and if my name is "Brad," please don't start off with "Dear Fred."

- 5. Name-dropping other venture capitalists:** If I'm interested in your company, I might ask you who else you are talking to, but don't start off by name-dropping. It probably won't have any positive benefit, and if I know the other folks you are talking to, I might reach out to them. If I hear they are lukewarm or, worse, have no idea who you are, you just blew it.
- 6. Listing 27 advisors but only one co-founder:** Advisory boards, especially at the very early stages of a company, are generally useless. A few key advisors who have deep domain knowledge or experience in your industry are great, but a long list of lightly engaged people who have well-known names but aren't helping you diminishes your credibility.
- 7. Using the wrong materials at the wrong stages:** When you are raising money, you should have an arsenal of presentation materials ready to go. However, dumping it all on the venture capitalist with one big thud is rarely effective. Instead, provide access to a demo or PowerPoint presentation so I have the option of reviewing it and talking with you instead of getting pitched.
- 8. Thinking there are rules that apply to all situations:** Each venture capitalist is different. Learn what you can beforehand so you can tune your approach to each venture capitalist.

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