



How to Pitch to Angel Investors

DC Palter
Oct. 12, 2021
USC

Who Am I? My Career in 11 Logos



B.S.
Mech. & Energy Eng.



MBA
Tech Marketing



Masters of Jurisprudence
Energy Law & Policy



MFA
Creative Writing



Cofounder / VP Sales & Marketing
Acquired by Broadcom



Founder / CEO
Acquired by Private Equity



Co-founder / CEO
Seed Stage

Angel Investor & Startup Mentor

Angel Investor



Largest angel group in SoCal
Investor since 2009
LA chapter exec. committee

Chemical Angel
Network

Nationwide investors in HardTech
Member since 2018
Lead Ask the Expert Program

Mentor



USC

Ucla



newchip

Investment

30 individual investments
3 member funds



Zylö



NORIA
WATER TECHNOLOGIES

ECHEMION

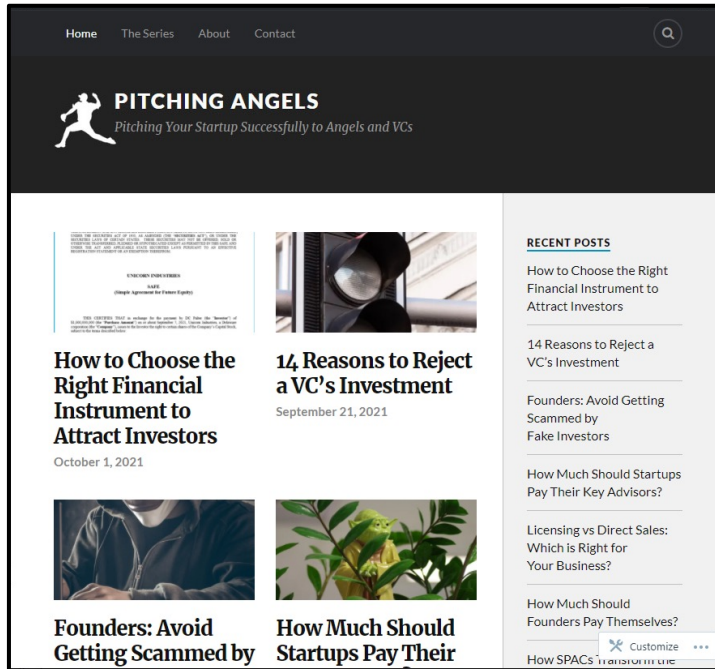
haxiot



tippsy



Startup Writer



Pitching Angels blog
<https://pitchingangels.com>
articles on pitching and startup advice



Medium
Top writer: Startup, Venture
Capital, Entrepreneurship
<https://dcpalter.medium.com/>



To Kill a Unicorn
A Silicon Valley Mystery
Releases March 2022
Pandamoon Publishing

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Investors

Friends & Family

- invest to help you succeed
- earliest stage
- won't negotiate details
- typical check: \$5K-\$10K
- SAFE

Angels

- looking for financial returns
- pre-seed/seed stage
- invest own money
- typical check: \$25K-\$100K
- SAFE, convertible note, equity

Venture Capital

- looking for financial returns
- Series A & beyond
- investing LP's money
- typical check: \$1M-\$100M
- preferred equity

Pitch Deck Basics

What's the point?

Sell stock in your startup

Why would investors buy stock in your company?

Make money

How do angels and VCs make money from your stock?

The exit!

What is an exit?

IPO or acquisition

What happens at an exit?

Investors can sell the stock

Pitch Deck Basics



What makes a good pitch?

It's a story of how an investor will make money 5-10 years from now because your company will have a big exit.

The Elevator Pitch

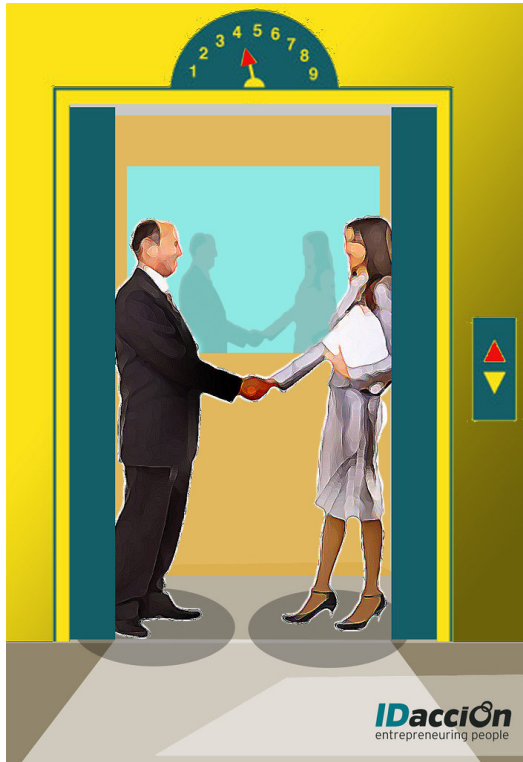
~30 seconds

Situation? “Hey DC, what do you do?”

Goal? “Wow, sounds interesting. Can you send me a deck?”

How? “We’re the team that founded LinkedIn. We’re working on a new startup to apply machine language to hiring. Want to learn more?”

“Heating and air conditioning accounts for 1/3 of an office building’s expenses, but half of that energy is wasted on empty rooms. We’ve developed an IoT system to send airflow where it’s needed, saving building owners \$1 million dollars per year, while reducing CO2 emissions by half. Can I send you details on KomfortIQ?”



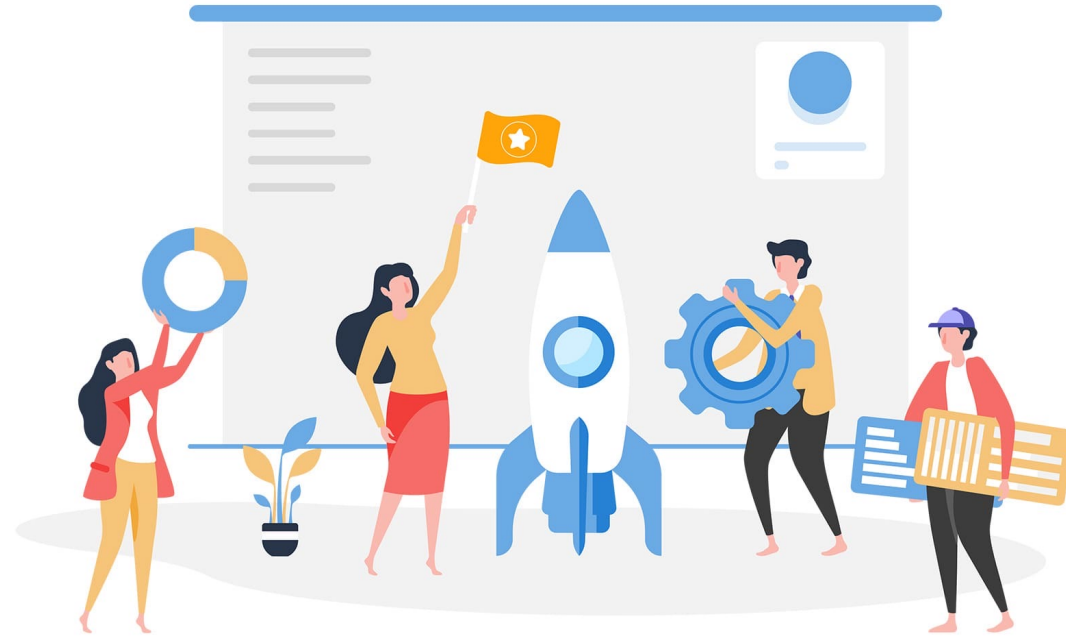
Investor Pitch & Pitch Deck



10-15 minutes pitch
10-15 min. Q&A

Goal?
Get to diligence meeting

Pitch Deck



The Business: what are you making and why?

The Evidence: why will you be the 1 out of 100 that succeeds?

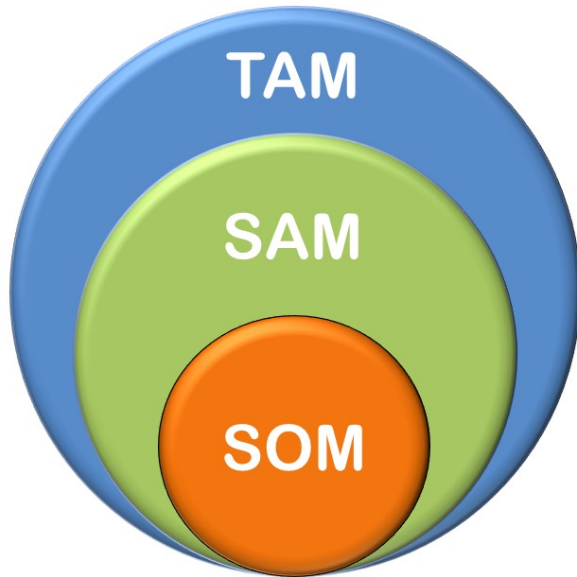
The Investment: how does the investor make money?

Pitch Deck: The Business



The Business: what are you making and who needs it?

- **Problem**
- **Solution**
- **Market size**
- **Business model**



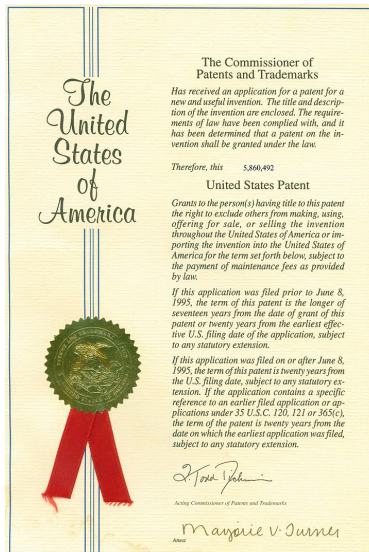
The solution is 1 topic out of 11. This is not a product pitch. You're selling stock in a business to investors. We need to understand the product environment (problem/solution/users), not how it works.

Pitch Deck: The Evidence



The Evidence: why are you the 1 of a 100 who will succeed?

- Intellectual property / patents / moat
- Competition
- Team
- Traction



Most startups don't fail from a bad product. They fail in spite of a good product. Prove you have what it takes to be the one that succeeds.

Pitch Deck: The Investment

The Investment: how does the investor make money?



- **5 year financial projections**
- **Exit strategy**
- **Deal terms**

Show me the money! If everything goes according to plan, how much do I make?
This is the section that most startups miss.



Read pitchingangels.com

Contact: dcpalter@gmail.com

USC Office Hours: Nov. 3 @5 PM