Why Are You Special?

It’s a weirdly hard question to answer, especially when pitching your company. This VC turned entrepreneur learned that the hard way.

by ROB HORNING

When you’re a VC, your job is like drinking from a fire hose. You have a constant stream of business plans and pitches coming at you. There’s no way to get through all of them. So you start looking for shortcuts, quick little glimmers of magic that tell you this idea is worth paying attention to. Is it an amazing management team? Proprietary technology? Exclusive contracts? Is it the first mover in a totally new space?

The magic: That’s what a VC wants to see. And yet, entrepreneurs always want to tell you everything about their business. They are excited, passionate. They’re in love. I was an investor for 12 years, and during pitches I wanted to grab these people, shake them, and scream, “Just tell me the one thing that makes your business special! It’s not that hard!”

Then I left investing in 2008, started a company myself, got in front of a VC, and made the same mistakes. I couldn’t stop rambling on about Kwippit, my image-amplified messaging app. I was so consumed by my own story that I missed the VC’s body language. He looked tired, his eyes were glazed, and he kept looking at his watch and taking notes from his assistant. He’s just busy, I thought. Hang in there; a few more slides and he’ll really perk up.

Now, finally, I understood why founders kept making the same mistakes in front of me. Entrepreneurs are like proud parents bragging about their kids. It’s hard getting to the point—whether pitching an investor, potential partners, or clients. And that meant I kept blowing deals.

Luckily, one investor invited me back to meet with others on his team—but before I came, he advised me to get to the point earlier than an hour and a half into my pitch. Lead off with the meat of the subject, he said. I blushed. I was embarrassed. It’s the same thing I used to tell people. But now I knew exactly what to do. I grabbed a pencil and a sheet of paper and wrote out bullet points:

- Large market opportunity
- A differentiated strategy
- The right product
- Attractive monetization opportunities
- Opportunity to build a barrier to competition

I went in with my new pitch. It didn’t take long, and it went well. And it’s gone well ever since. The first five entities we pitched signed on, and Kwippit is growing and growing.

The lesson I learned is invaluable. Investors want to know so little, and they aren’t going to change, so it’s incumbent on the entrepreneur to digest their own wealth of information, their boundless passion, and their countless hours of hard work into a couple of nuggets of gold and drop them into a VC’s lap. I’m still refining my pitch; I know it needs work. But I’ve come to believe that the key, like most things in life, is balance. One nugget is too few—but all the nuggets are too many.