

## Preparing Your Elevator Pitch

**“All I need to do is make the presentation and give the demo. The product is awesome; it’ll blow them away. As soon as I get in the door and explain the technology, they’ll buy.”**

A definition of “Sales”:

Understanding Client Needs -- and Matching Products to Those Needs.

It entails:

“Needs Processing”  
Identifying/Quantifying Current Pain  
Developing Latent Pain

Clients rarely buy from you unless and until they feel they have a relationship with you and your company.

Clients will feel they have a relationship with you only when they believe that you understand their needs, their situation, their vision, their constraints, their corporate goals, and their career goals.



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## Preparing Your Elevator Pitch

You need to quantify the benefits: To understand customers’ economic benefit, you need to get in their heads (“needs processing”) and model the positive effects on their business of using your new products and technologies:

Step 1: Understand how they are currently solving the problem.

Step 2: Understand how their work processes will change by using your product.

Step 3: Calculate the change: You must deliver excellent payback.

Bear in mind that the forces of evil in your customers’ organizations frequently fight hard against innovation. These evil forces are rampant, devious, and well-organized.

You must be 2X faster, 2X better, and 2X cheaper than the known alternatives. That takes serious technology and IP.



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## Preparing Your Elevator Pitch

Consider NIH. Set a trap for in-house competition.

Calculate “Make vs. buy”. To understand the customers’ economic benefit, you also need to quantify how much it would cost for customers to try to build the solutions themselves.

### Examples of Customer Cost Components

- \* Hardware, software
  - economic amortization
  - scale efficiencies, etc.
- \* On-going maintenance (people costs)
  - people required to manage new product
  - synergies with other businesses
- \* Replacement cost when new versions are needed
- \* Cost of a missed opportunity



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## Preparing Your Elevator Pitch

There are many easy and awful ways to establish prices. The best approach integrates information from a number of different sources and maximizes your capture of the value you deliver to your client value.

The Ugly:	Cost+
The Bad:	Relative to Competition
The Good:	Customer Economic Benefit

**The Best: An Integrated Approach**



Pricing Structure:	Royalty vs. Flat Rate, Volume Discounts...
	Channels support alternative prices.



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## Effective Delivery of Your Elevator Pitch

1. Convinces the “target person” to schedule a longer meeting with you, and be receptive to doing business with your company.
2. Empowers and enables the “target person” also to convince other appropriate people to become interested in your company.
3. Resonates. Demonstrates sincerity.
4. Communicates a sense of value, empathy, and urgency.
5. Combines thorough Sales and Market Research.
6. Requires no more than 1-2 minutes.

