

Fig. 6.

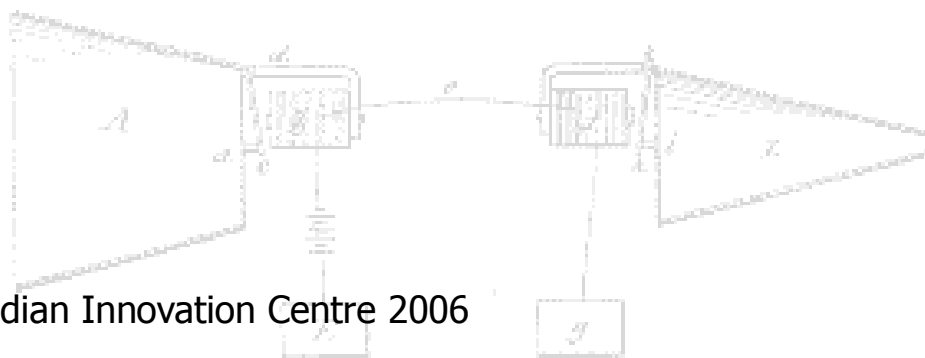
# Pitcher's Guide

"Why Dragon's don't invest!"

*Guide For Innovators*



Fig. 7.



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Witnesses

*Charles F. Smith*  
*W. J. West*

Inventor:

*A. Graham Bell*  
*by atty. Fuller Bailey*

## Investors don't "get" the innovation:

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There are many possible reasons for this:

1. It could just be a bad idea, with no market opportunity.
2. It could be a great idea, but the innovator failed to communicate the value proposition to the potential investor.
3. It could be a great idea, but the innovator fails to convince the investor that they can make a sufficient return on their investment.
4. It could be an innovation that is in an application that the investor is unfamiliar with or uncomfortable with.

## Investors lack confidence in the inventor's ability to make money for them:

There are many possible reasons for this:

5. It could just be that the inventor does not have the knowledge, aptitude or experience to be successful in running a business.
6. It could be that the inventor themselves have limited experience, and they are not willing to seek and implement external advice which could overcome this shortcoming.
7. It could be that the inventor has the necessary knowledge and experience but does not succeed in communicating it to the investor.
8. It could be that the inventor has the capabilities and knowledge required, but there is not the right chemistry between the inventor and the investor, or even a potential conflict.

## Investors don't feel that the investment will provide them sufficient return:

There are many possible reasons for this:

9. It could just be that the invention is not a real business.
10. It could be that the invention is too far away from being investment ready, and is not seen as being likely to be investment-ready in the near future.
11. It could be that it is a great product, but not a great business from the point of view of providing a return to shareholders.
12. It could be a great investment opportunity, but the inventor fails to communicate this adequately to the potential investor.
13. It could be that the innovation is a great investment opportunity, but the inventor has unrealistic expectations on current valuation.
14. It could be that the investment cannot provide the type of return required by the investor.

## Investors don't feel that the innovation has sufficient impact to create a viable business:

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There are many possible reasons for this:

15. It could be that the innovation is excellent, but there is no real business model to drive value for customers.
16. It could be that the innovation does not provide sufficient value or momentum to create a stand-alone business.
17. It could be that there is no way to stop future and stronger competitors taking over the market.
18. It could be that the business plan foreseen requires a level of resources too high to create and launch the business.
19. It could be that there are unrealistic expectations about first customers or channel partners.
20. It could be that the business model does not scale adequately to reach profit/growth targets shown in business plan.

## What can I learn from this?

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Most pitches fail, because they fail to communicate effectively. This can occur when the inventor becomes too interested in their invention and not enough in the business or investment opportunity. It can be because they have not rehearsed enough or because the Dragons put them off. Whatever the reason, they need to leave the experience wiser. They need to learn from this experience, their investment of time and emotion and be better prepared when the next opportunity arises.

Most inventors fail on their first attempts to raise money. What separates the ones who are ultimately successful is their ability to learn from each experience and incorporate these lessons on the next pitch.

Remember it is the dragons who have lost out on the opportunity, not you!

Other information

See notes on “What should I include in my pitch”