



Access 4 SMEs

National Contact Points for Innovation



TIPS FOR THE PITCH INTERVIEW

EIC SME INSTRUMENT PHASE 2



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DISCLAIMER. Publication Information

This report was produced under the framework of Access4SMEs, the official network for Horizon 2020 National Contact Points (NCPs) for Small & Medium-sized Enterprises (SMEs) and Access to Risk Finance (ARF).

ACCESS4SMEs' main objective is to provide support and specialised services to the network of SMEs and ARF NCPs.

INTRODUCTION AND BACKGROUND

The 'Tips for the pitch interview – EIC SME Instrument Phase 2' is a guide created in order to assist those companies invited to present their innovative ideas in Brussels to the [EIC SME Instrument Jury of investment experts](#). The aim of this document is to help companies better understand the requirements and the rules of this face-to-face evaluation in front of venture capitalists, business angels and other players in the innovation ecosystem.

With the start of the European Innovation Council (EIC) pilot phase at the beginning of 2018, some changes were introduced to the SME Instrument, one of them being a pitch interview in addition to the remote evaluation. Consequently a certain number of SMEs that submitted an application for Phase 2 of the SME Instrument and are eligible for funding will be invited to Brussels for on-site interviews to pitch their breakthrough ideas. Twice as many applicants than there are funds available will be invited for each deadline.

The "Tips for the pitch interview" is provided for information only, and reflects solely the view of the authors. This guide has been written as part of the Access4SMEs project, a Coordination and Support Action funded by the European Commission, with the goal of empowering the network of Horizon 2020 National Contact Points (NCPs) for Small- and Medium-sized Enterprises (SMEs) and Access to risk finance (ARF). More specifically, the project is focused on identifying and sharing best practices in applying to SME-dedicated instruments in Horizon 2020. The authors of this guide are Horizon 2020 NCPs who interact regularly with SME Instrument applicants, evaluators, jury members and EASME.

The recommendations appearing in the document also include feedbacks received both from the experts employed by the European Commission during the interviews and the companies who pitched their ideas in the first three deadlines of 2018. This work is therefore largely based on the concrete experience of the two main protagonists of the interviews process. The guide should be useful for anyone who will be invited to the interviews in Brussels as well as contains general tips to be usable in other types of pitching session.



Jury members

SMEs which
have pitched
in Brussels

SME NCPs who interact
regularly with SME
Instrument applicants,
evaluators, jury members,
EASME employees, etc,
and were granted an
observer's status in some
of the interviews

ORGANIZATIONAL PROCEDURE

The invitation to the on-site pitch/interview is usually sent to applicants one or two weeks prior to the interview week. The dates for the interview week are known in advance, and are scheduled for about a month and a half after the cut-off date – applicants must be prepared to clear their schedule and have a pitch deck ready to send when needed. The SMEs will have to submit their completed pitch deck usually within 48 hours of receiving the invitation to the on-site interview. Once the pitch deck is sent, no changes are possible. Up to three SME representatives per application are allowed to participate in the interview, third parties (such as consultants) are not accepted. The interview language is English.

The interviews take place in Brussels (at the EASME premises, Place Rogierplein 16, 1210 Bruxelles / Brussel, BELGIQUE / BELGIË). Once you have entered the building, your personal details will be checked (security check) and you will be escorted to the waiting room by a staff member of the Commission. Staff Members will accompany you to the interview and later to the exit.

In the waiting room, a list containing the names of the panel experts will be displayed. As soon as you enter the

interview room, the pitch will start. Your presentation will already be uploaded. For the on-site interview, a total of 30 minutes is scheduled per proposal – 10 minutes for the pitch presentation and 20 minutes for a question and answer session. Please note that no extension to the 10-minute pitch is possible.

There are seven thematic panels. Proposals are assigned to the panels based on the keywords in Part A of the proposal. A panel consists of a minimum of five experts, including one briefer. The experts receive the applications and evaluations in advance and are required to at least review the abstract. The briefer is familiar with the entire application and will introduce the proposal to the panel colleagues before the company's/consortium's pitch. After the interview, the experts come to a conclusion based on the proposal, the pitch, and the clarifications and answers provided during the interview. At the end of the interview week, all jury members gather to decide on the final ranking (A - Selected for financing; B - Not selected for financing).

The jury evaluates the participating SMEs according to three main criteria: Implementation, impact and excellence.

IMPLEMENTATION

Does the team have the capability and motivation to implement the innovation proposal and bring it to the market?

IMPACT

Are the business model and commercialisation strategy well thought through? How sound are the financial planning and projections?

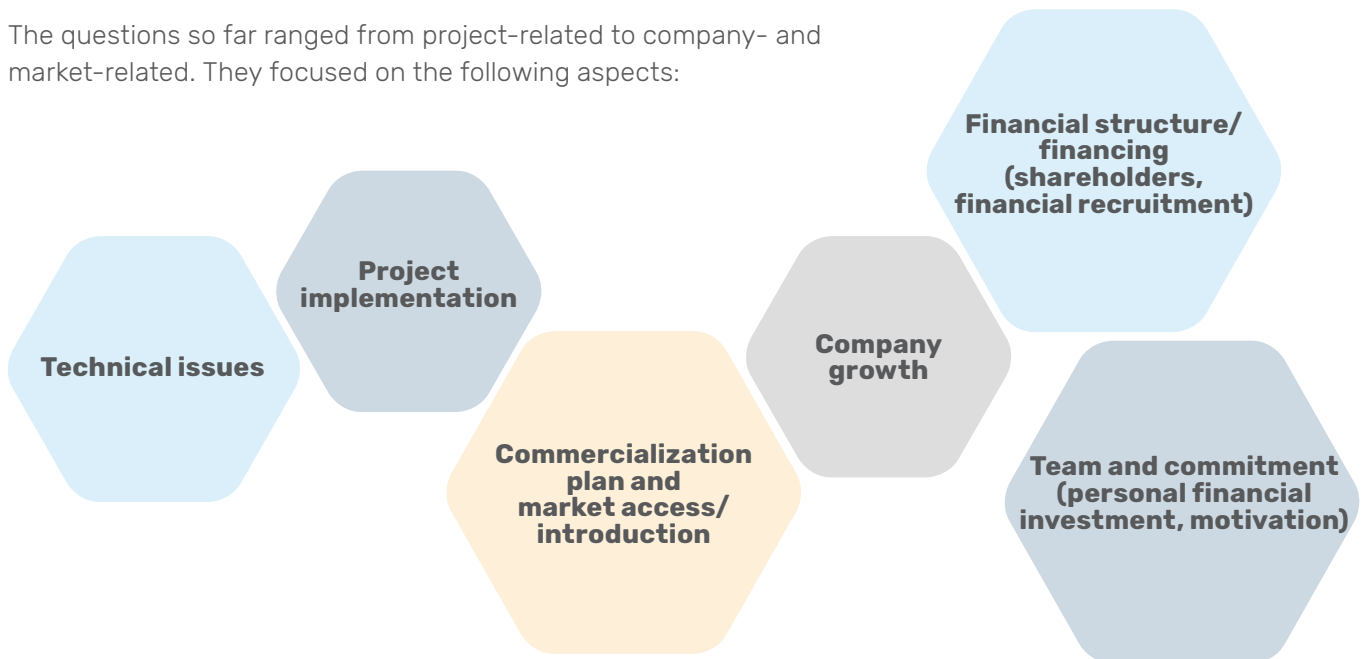
EXCELLENCE

Does the innovation have the potential to create a new market or significant impact existing ones? Is the timing right for this innovation?



Figure 1: Three criteria to assess (source: EASME)

The questions so far ranged from project-related to company- and market-related. They focused on the following aspects:



THE SME-I PITCH DECK

Contact your NCP for additional advice and support schemes.

WRITING THE PITCH-DECK AND YOUR STORY

- Stick to the [pitch-deck template recommended by EASME](#) (about 10 PDF slides).
- **Bear in mind the audience** you are talking to. These are not your fellow colleagues. Only one of the jury members reads through the entire proposal, the others base their judgment entirely on the proposal abstract (which all review before the interview) the briefing and your presentation.
- **Choose the most outstanding detail\ figure\ fact to begin with** – in order to engage and “recruit” the audience from the very beginning. It is a good start to secure the audience’s attention and curiosity within the first minutes.
- A good presentation should not be too wordy. Do not overburden the presentation, but instead **highlight, focus on** and **emphasize** the **key messages and figures**. Remember, the proposal cannot be conveyed in detail in 10 minutes, choose where to **focus**.
- There is a difference between a PowerPoint presentation and a handout. **Do not design your presentation like a handout!**
- The presentation should be **simple, clear, concise** and **cohesive**. It has to be reader-friendly for non-experts also. Do not only design a presentation – the pitch has to be a **story** that someone who hears it for the first time would be able to repeat and report about to someone else (almost like explaining it to a child).

- Include only the most important **facts, numbers** and **diagrams** that “catch the eye” and are relevant to a specific part of the pitch (such as company growth, market opportunities, financial projections, known companies that will support or be part of the project). Do not use small fonts or a great amount of numbers.
- Make figures understandable, do unit calculations and pricing. Balance between **visual vs. text**.
- If you want to show a **video** of your product (at the beginning or end), use one which is silent (some background music is ok) and which serves as a tool for you to **give the audience a feel of the product**. It is recommended to avoid a video that attracts more attention than you do. Note: Only videos sent in advance through the functional mailbox will be accepted and displayed during the interview. You may also bring a demonstrator or samples.
- Remember that during the pitch you will have to prove that you are able to **raise money from other sources as well** and make the case why you need the grant.
- Make sure the project is presented in a **cost-effective way** (be ready to defend your reasonable estimations). Show that you have had interaction with your **future customers** and how their feedback affects your business model and your product.
- Show your project’s **EU contribution and its social and environmental impact**.
- Balance between tech and business during the pitch: do not forget to explain the technological side, but focus on the **business model** and the **process of commercialization**. Explain the **market segmentation**, the path of how you intend to enlarge your market share and the **scalability** of your commercial strategy.
- From statistics taken in the first interview rounds of 2018, **most interviews which obtained a “B” grade (not eligible for funding) failed because of the criteria “Impact”**. The most dominant sub-criteria responsible for the negative score were first of all the commercial strategy and then the business model followed by the second disqualifying criteria “Excellence”, with the sub-criteria of market-creating potential, financial planning and projections, and thirdly “Implementation”, with the sub-criteria of team capability, team motivation and right timing.
- Other important aspects are related to the ability to properly demonstrate market traction through STRONG letters of intent, pilots or any other means.
- If there are IP aspects in the project, the applicant should be in a position to clearly explain the scope and status.

PREPARING TO PRESENT THE PITCH

- Make a **list** of things you want to say.
- Check the **consistence** of the information you will present as you may be challenged on gaps/inconsistencies.
- **Timing** is crucial: there is a timer during the interview, which will not allow continuing after **exactly 10 minutes**. You will be interrupted – even in the middle of a sentence. Practice your presentation as much as possible to fit the timing; perhaps include half a minute buffer time to make sure you are within the limit. There will be a “time remaining” sign – make it a part of your timing practice.
- Prepare in such a way that you will speak naturally during the pitch, do not read or do assisted reading from the PowerPoint slides.
- **Film yourself** while rehearsing and identify possible improvements this way. After recording the presentation, type it and trim it in order to make it more effective. Use easy words and easy sentences. Every word counts!
- Pitch the presentation in front of externals who are not familiar with your project. Do this at least **2 or 3 times**.
- Practice **presenting as a team**: Who is the main speaker, who speaks when, where does everyone stand. When someone else speaks, do not take the attention away from her/him (do not move around or make hand gestures. Instead listen or nod). “Let the best driver drive”, but make sure that everyone has a role in the pitch and/or in the Q&A session.
- Sometimes the pitching room is small and crowded – be prepared for that.
- If you have a handy **exhibit of your prototype**, bring it with you and **demonstrate it**.

DURING THE PITCH

- **Describe your innovation in simple words which are easy to understand for everyone. Also, avoid detailed technical explanations** and describe your product in view of its application (“putting products in real life situations”).
- Pay attention to **body language** during the pitch and when responding to questions of the jury. Pay attention to the interaction between team members.
- Pitching is not acting: be yourself, find your style, be emotional, have fun, have energy on stage. Use your voice – fit your voice to what you say.

THE TEAM

- Most recommended is a pitch team of 3 team members (thus showing seriousness and commitment). The **dynamics, synchronization and interaction between the team members** and the role of each of them for the success of the project will be observed.
- The team members who are included in the pitch team should have diverse experience and roles (such as CEO, CFO or CTO). All team members should contribute their specific expertise. There should be more than one presenter.
- The jury will check **team cohesion, commitment of all members and management skills** of the CEO. If you have key opinion leaders on your **advisory board**, you can mention them (as they raise credibility and trust in your project and in this team to carry it out).
- The team should prove that it has the **capacity to execute** the project and make **a successful, profitable business** from your innovation, thanks to its **qualifications, skills and past experience**. Mention relevant experience in the business sector (such as being a serial entrepreneur, leading other similar companies to successful marketing).
- If there are skills that the SME lacks, you should have a solution prepared, recruit the right person and ensure that this is solved to ensure smooth commercialization.
- Be ready to answer **questions about issues that you did not include** in your presentation. The questions' section is very important: even the best pitch cannot "save" you if you do not convince with your answers during the Q&A.

THE JURY

- The jury members have different professional backgrounds, mostly **business or investment oriented**, but are not necessarily experts in the field of the company. You can find the list of [all jury members here](#).
- The mandate of the jury is to find the **closest match between the most innovative companies and the next unicorns in Europe**.
- The jury will want to verify the enthusiasm and motivation of the team – i.e. your **"skin in the game"**: that you have invested a lot of time and money in your project, and that you are also taking a risk with it because you believe in it, that you are in control of the company.
- They will also seek to invest the public money **in areas in which there are market failures or a changing sector**.
- They will want to know about the **risks** and how the company is going to deal with them. But remember that they are looking for a fundable company; they want to see if there is a solid **business model**, a financial plan and a clear commercialization strategy. Know your market and your customers ("customer intimacy").

- Since the jury does not have pre-defined questions, they can choose to ask for more details about any aspect of your project that seems unclear to them; or on any issue of the written proposal that is hard to assess. Be ready for hard questions – “the devil is in the details”. For example:

- What will happen if you do not receive the SME-I grant? Does the company have other investors?
- What is the decision-making process in your company?
- Does the team have the capacity as a business creator?
- Intellectual property rights (IPR) or regulatory issues.
- Statistics/future technology development.
- Do you see any other application areas for your technology? Why have you decided not to address them now?
- How do you stand out from the competition?
- What are your long-term goals? How would you like to globalize the technology?

THE UNIQUENESS OF THE PHASE-2 INTERVIEW

Many of the jury members are from the **private investment/equity sector**. The pitch is thus very similar to an investors’ pitch to private VCs. Nevertheless, as a pitch to “European public investors”, the phase-2 interviews have some peculiarities that candidates need to bear in mind:

- One example of the difference between the SME-I pitch to VCs is **why does the project need public money from the EU?** Especially if it has already raised significant private money. Possible answers for this could include:
 - that in some sectors there is a specific need for governmental investments to deal with market failures in certain stages of development;
 - to bridge the **gap between early stage \ strategic funding and VCs**;
 - the element of **non-dilution**;
 - the issues of **urgency** and **risk**: the further **need of de-risking** to other investors;
 - obtaining now the **advantage of a first-mover** in the market (perhaps before other competitors outside of Horizon2020 participating countries).

- Another element relates to the fact that private VCs usually look for fast **ROI** (Return on Investment), yet with public money there is no pressure for fast ROI. Companies could be of great value for Europe, and still take more time to reach the ROI (not attractive to VCs). Where public money is concerned, the jury is looking for:
 - **disruptive innovation** (and not just for a solution that will generate good revenue);
 - **EU added value** (for example: will the manufacturing be in Europe? What positive effect will it have on the European economy? Will the IP be kept in Europe?);
 - **high risk** (otherwise you can find funding in the private sector).
- Usually, when going to a private investor, the personal aspect is important because the SME is looking for a **work partner**. In the SME-I grant this is not the case, there is no personal connection and the interview is only about the project and the ability to execute it (implementation and commercialization).
- VCs may be interested in a fast exit, whereas the SME-I jury looks at the **growth strategy** of the company (creating more jobs, growing in Europe); you may have to answer questions of what the **company's future will be in 5-10 years**.

GENERAL RECOMMENDATIONS:

- At the time of submission of the application, save the date of the interview week.
- Prepare your pitch presentation immediately after the submission deadline for the written proposal to avoid time constraints.
- Be at the interview site on time (or even early) and plan for possible delays.
- It is recommended to check EASME's website and communication channels for updated info, for example the videos they have released about the interviews: [Meet the innovators](#), and [The company's perspective](#).

PARTNERS

Agenzia per la Promozione della Ricerca Europea (APRE) – ITALY (co-ordinator)

Centro para el Desarrollo Tecnológico Industrial (CDTI) – SPAIN

Österreichische Forschungsförderungsgesellschaft mbH (FFG) – AUSTRIA

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