# Stanford eCorner

## Questions Going into the Pitch

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**Video URL:** http://ecorner.stanford.edu/videos/3144/Questions-Going-into-the-Pitch

Kate Mitchell, managing director of Scale Venture Partners, uncovers the questions that she considers when evaluating a pitches from entrepreneurs. The key questions focus on opportunity and market size, and whether idea is actually a company, a product, or just a feature.

**Transcript**

We look at startups and you walk in and are pitching the number one thing and probably I'd say the number one piece that is why somebody fails with us and I'll tell you we look at - we probably get 5,000 plans a year. We probably log into our sales force database 2,000. We probably spend time with a 150 and we do six to 10. It's a big winnowing. So you have to have thick skin to be pitch and to begin with. But probably the biggest challenge when it comes to getting venture backing is, is it a big enough opportunity. Is it a large enough market. Is it a company or is it a product or is it a feature. By the way, it doesn't mean you can't be successful with a feature or product but you probably want to take less capital and think about maybe flipping it earlier to as a feature or product to a company, put in a modest, really small amount of capital and sell it off that way. But what we're trying to look at is it a big enough market opportunity.

Is it a relevant team. You can be in your 20s, you can be in your 50s, you can be in Silicon Valley, you can be in Indianapolis which is where ExactTarget is. So you don't have to be - we're pretty wide open. We just want a team that's relevant and we're open to what relevance means. Is this a winning solution? It doesn't always means it's a best technology. For that it doesn't - a best technology doesn't always win. It's really what's a winning solution and I will say that over time the lesson I've probably learned in watching companies and the way we now think about looking at investments is really understanding the user and the buyer, sometimes those are two different people by the way, but really getting the heads not of what you want them to do and what they want to see in your technology, but really understanding what the user, what that customer what the person is going to do in the office, that's why we have students come through our office and we actually try to use a lot of technology, to get in the hands of what our user is thinking when they might use this technology. And also your business strategy, what kind of capital strategy do you have, we've talked a little bit about that. We're trying to figure out why now, why this solution and why you.