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# The 7 Key Components of a Perfect Elevator Pitch [with Infographic]

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(<http://pas-wordpress-media.s3.amazonaws.com/content/uploads/2015/09/elevatorpitch-e1443154970918.jpg>)

Whether you are trying to raise money for your business or just want to perfect your business strategy, a solid elevator pitch is an essential tool for achieving your goals. An elevator pitch can be delivered either verbally, **ideally in 60 seconds or less**, or as a one-page overview of your business. Think of the elevator pitch (<http://articles.bplans.com/pitching-a-business-guide/>) as an executive summary that provides a quick overview of your business and details why you are going to be successful.

## Here are the 7 key components that every elevator pitch should contain:

### 1. Problem

The most important thing is to identify a problem that is worth solving. If your product or service doesn't solve a problem that potential customers have, you don't have a viable business. Simple as that.

Now, you don't have to be solving a massive problem where the solution will change the world. That's great if you are tackling such a problem, but for most businesses, that's not the reality. Problems can be simple—and that's OK. As

long as you, as an entrepreneur, are solving a problem that customers have, you can build a business. Here are a few examples of problem statements that could be highlighted in an elevator pitch:

“Transferring photos from mobile phones is a difficult and complex process.”

“There are no good Chinese restaurants in Eugene, Oregon.”

“Analyzing results from MRI tests is difficult, time-consuming, and expensive.”

Try and distill your customer’s problem down to its simplest form. Ideally you should be able to describe the problem you are solving in one or two sentences, or potentially a few bullet points. In the long run, your company may solve multiple customer problems, but initially you will be more successful if you just focus on one core problem.

**See Also: 9 Things That Take a Pitch From Good to Great**  
(<http://articles.bplans.com/9-things-that-take-a-pitch-from-good-to-great/>)

## 2. Solution

Too many entrepreneurs start with a solution: a product or service that they think the market needs without first identifying the problem they are solving. As a smart entrepreneur, you can avoid this mistake by first making sure that you are solving a real problem that customers actually have before you define your solution (see point one).

Once you have clearly defined the problem you are solving, you need to explain your solution. A clear problem statement will help you focus your solution on solving that one problem, and not stretch the solution to solve multiple potential problems.

Again, try and distill your solution description down to as few words as possible. You should be able to describe your solution at a high level in just a few sentences or bullet points.

**See Also: 5 Sure-Fire Ways to Bomb Your Investor Pitch**  
(<http://articles.bplans.com/5-sure-fire-ways-bomb-investor-pitch/>)

## 3. Target market

As you define the problem you are solving, you should naturally be thinking about the potential customers who have this problem. In the Target Market section of your pitch, you will define exactly who has the problem you are solving and figure out how many potential customers you will be trying to sell to.

You should try and divide your target market into segments—smaller groups of people whom you expect to market to.

It’s always tempting to define a target market that’s as large as possible, but that does not make for a credible pitch. For example, if you have a new shoe company, it would be tempting to say that your target market is “everyone.” After all, everyone has feet and everyone needs shoes, don’t they? But, realistically, your new shoe company is probably targeting a specific group of people, such as athletes. Within this group of athletes, you might segment the market into additional groups such as runners, walkers, hikers, and so on.

Once you have created a good list of target market segments, you'll need to do a little research and estimation to figure out how many people are in each segment. If you live in the U.S., the U.S. Census site (<http://www.census.gov/>) is an invaluable resource that you should take full advantage of. The SBA site (<http://www.sba.gov/content/understand-your-market-and-economic-conditions>) also has a great collection of links for market research. Next, try and estimate what an average person in each group currently spends each year on their current solution to the problem you are solving. Now, just multiply the number of people by how much they currently spend and you will have a realistic “market size” number for your target market.

In your pitch, you will want to talk about the market segments you are targeting, how many people are in each segment, and the total amount they currently spend. These numbers are critical and must be part of any good pitch presentation.

**See Also: How to Define Your Target Market (<http://articles.bplans.com/how-to-define-your-target-market/>)**

#### 4. Competition

Every business has competition. Even if no one has come up with a solution similar to what you have come up with, your potential customers are solving the problem they have with some alternative.

For example, the competitors to the first cars weren't other cars but horses and walking. As you think about your competition and existing alternatives, think about what advantages your solution offers over the competition. Are you faster, cheaper, better? Why would a potential customer choose your solution over someone else's? Describing your key differentiators from your competition is a great exercise and ensures that you are building a unique solution that customers will hopefully choose over other alternatives. These differentiators will also help you focus your marketing on the key value proposition (<http://articles.bplans.com/create-value-proposition/>) that you offer that your competitors don't.

#### 5. Team

As great as your idea is, only the right team will be able to effectively execute and build a great company.

In the “team” portion of your pitch, you should talk about why you and your business partners are the right team to execute on your vision and why your team's skill set is precisely what is needed to lead your company to success. People often say that a company's leadership team is more important than the idea—and this is often true. No matter how great or unique your solution is, if you don't have the right people on board, you won't be able to see it to fruition.

It's also OK to not have an entire team in place. It's more important to understand that you have gaps in your management team and that you need to hire the right people. Knowing what your team is missing and recognizing that you need to find the right talent to fill the gaps is an important trait in any entrepreneur.

**See Also: 10 Ways to Develop Your Leadership Team (<http://articles.bplans.com/10-ways-provide-executives-ongoing-leadership->**

development/)

## 6. Financial summary

For a great pitch, you don't necessarily have to show a detailed five-year forecast. What's more important is that you understand your business model.

"Business model" (<http://upandrinning.bplans.com/2011/02/28/business-model-vs-business-plan-vs-business-planning/>) may sound like something complex, but fortunately it's not. All you need to know is who pays your bills and what kinds of expenses you will have. For example, if you are starting an online news site, the customers that pay the bills are your advertisers. Your costs will be writers, graphic designers and web hosting. As you learn more about your industry, it is certainly helpful to put together a sales forecast and expense budget. You will want to ensure that you can build a profitable company based on your assumptions. But, for your pitch, a detailed forecast isn't necessarily required.

**See Also: The Key Elements of The Financial Plan** (<http://articles.bplans.com/the-key-elements-of-the-financial-plan/>)

## 7. Milestones

The final key element of your elevator pitch is conveying your business milestones, ([http://www.liveplan.com/features/tracks\\_your\\_progress?\\_\\_hstc=246577179.15203c9926beeb16b1a495ad4ac4eb61.1443548067555.1443548067555.1443548067555.1&\\_\\_hssc=246577179.1.1443548](http://www.liveplan.com/features/tracks_your_progress?__hstc=246577179.15203c9926beeb16b1a495ad4ac4eb61.1443548067555.1443548067555.1443548067555.1&__hssc=246577179.1.1443548)) your schedule.

Here you will want to talk about your upcoming goals and when you plan to achieve them. If you have already accomplished notable milestones, you should mention those. For example, if you have invented a new medical device, potential investors will want to know where you are in the clinical trial process. What steps have been accomplished and what's the projected schedule for final approvals from the FDA? If you are opening a restaurant, investors will want to know about plans to sign a lease, design the interior, and open for business.

**See Also: Milestones Make Your Business Plan a Real Plan** (<http://articles.bplans.com/milestones-make-your-business-plan-a-real-plan/>)

Talking about upcoming milestones in your pitch makes your business a reality. This section of the pitch illustrates how well you have thought through the detailed steps it's going to take to open your business and start making money.

If you need help putting together your pitch deck, check out our article that outlines exactly what slides you should include in your presentation and what should be on each slide. (<http://articles.bplans.com/what-to-include-in-your-pitch-deck/>)

**Ready to get started? You can download our pitch deck templates and jump right in:**



(<http://cta-redirect.hubspot.com/cta/redirect/467363/cadca902-d1cb-447e-8a54-767ccb138104>)

### Bonus component: The one-sentence pitch

Let's say you're at a dinner party and one of the guests asks you, "So, what do you do?" Can you answer in one sentence so that they understand your company?

Being able to distill your company into one simple sentence is incredibly valuable. It helps you, as an entrepreneur, focus on exactly what you do and who you're doing it for. It also helps you clearly market your business. A simple headline at the top of your website or brochures will communicate the core essence of your company and generate interest in learning more about what you do.

There are certainly other components you can include in your pitch, but these seven are really the "must-have" pieces of an elevator pitch, whether it's written down as an executive summary or literally delivered as a verbal pitch in an elevator. If I've missed anything that you think is critical to include, please let me know in the comments.

### View this as an infographic:



This article is part of our Elevator Pitch Guide. (<http://articles.bplans.com/elevator-pitch-guide/>) Check it out to learn everything you need to know about pitching investors.

Was this article helpful? ★★★★★



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