INVESTORS' DEN

Pitch, question, negotiate, decide | Entrepreneurial Summit

SPEAKING TIME PER PITCH

5 to 7 minutes

Entrepreneurs ask a panel of investors for funding. Every pitch is judged on the same four things, and this guide is organised around them. All maths is O Level standard: percentages, multiplication and division.

1. Pitch route	2. Viability plan	3. Money and spending	4. Return
Equity (sell a share), debt (borrow), or both combined? Choose your route and pitch it.	How will the business actually work and make money?	How much is needed, and exactly where does it go?	What does the investor get back, and when?

Session flow: investors introduce what they fund; each entrepreneur pitches for **5 to 7 minutes**; investors question the numbers; investors make offers; the entrepreneur accepts, counters once, or declines.

01 Pitch route: equity, debt or both

Declare your route **before** the session. You may pitch **equity finance**, **debt finance**, or a **combination of both**, where part of the money comes from selling a share and the rest is borrowed. Whichever you choose, the route changes what the investor cares about.

	Equity finance	Debt finance	Both (equity + debt)
You give	A percentage of ownership	A promise to repay money plus interest	A percentage of ownership for one part, and a promise to repay the other part plus interest
Investor wants	A business that can grow many times over	Steady monthly cash that covers repayment	Growth potential for the equity part, and steady monthly cash for the debt part
If it struggles	Investor shares the loss; you owe nothing back	You still owe repayment; security or a guarantor is at risk	The equity investor shares the loss on their part; you still owe repayment on the debt part
If it booms	Investor shares the upside	Lender gets only the agreed interest; you keep the upside	The equity investor shares the upside; the lender gets only the agreed interest
Suits	New or unproven ideas with high growth	Businesses with existing sales needing equipment or stock	Growing businesses with some existing sales that need a larger sum

If you pitch both routes: state how much of the total comes from equity and how much from debt, and explain why this mix suits your business. **Example:** PKR 500,000 needed = PKR 300,000 of equity (15% of the business, valuing it at 300,000 / 0.15 = PKR 2,000,000) + PKR 200,000 as a loan repaid with interest. You must then show the return for each part: the equity investor's payout and the lender's monthly instalment.

02 Financial viability plan: how the business will work

Answer one question: **if the investor funds you, does the business earn enough to survive and pay them back?** Prepare five numbers.

Number	Meaning	Example: school cupcake stall
Revenue	Units x price	200 cupcakes x PKR 150 = PKR 30,000 a month
Variable cost	Cost per unit made	PKR 90 per cupcake
Fixed costs	Paid even if you sell nothing	PKR 6,000 a month (stall fee, oven rental)
Break-even	Fixed costs / (price - variable cost)	6,000 / (150 - 90) = **100 cupcakes a month**
Cash runway	Cash in hand / monthly spending	60,000 / 20,000 = 3 months

Profit is not cash: a printer who delivers PKR 80,000 of work in March but is paid in May still buys paper and ink now. Show *when* money arrives.

03 Money needed and spending pattern

State **one exact number**, then break it into lines that add up to it, each with a reason and its share of the total. Always keep a buffer.

Investors like to see	Investors tend to worry about
Supplier quotes behind every big line (e.g. two quotes for the solar kits)	A large "miscellaneous" line, or the founder's own pay as the biggest item
Money going into things that earn: equipment, stock, customers	Spending not linked to a sales target
A buffer of roughly 5 to 15% for delays and price rises	No buffer at all. Debt pitchers: no security or repayment months stated

04 Return to the investor

	Equity investor	Lender (debt)
How they earn	Exit: selling the stake later. Dividends: share of yearly profit. Buy-back: agreed price for you to buy them out	Interest on the loan, repaid in monthly instalments over a fixed term (often 12 to 36 months)
Show them	Stake % x future business value = their payout. Payout / money put in = multiple	Monthly instalment, total interest, and coverage = monthly cash left / instalment (lenders often want 1.3 or more)
Also state	Honest risk: what has to go right for this to work	Security: what the lender can claim if repayment stops

05 Two worked examples against the four points

	A. SunCharge	B. PrintCraft
1. Business	Solar phone-charging kiosks for schools and bus stops	Custom T-shirts for sports days and farewells, now printed by an outside shop
2. Pitch route	**Equity:** new idea with high growth potential	**Debt:** existing sales, needs a machine
3. Viability	A charge costs the customer PKR 30 and SunCharge PKR 8, leaving PKR 22. Fixed costs PKR 70,000 a month. Break-even: 70,000 / 22 = **3,182 charges a month**. At 40 charges per kiosk daily on 4 kiosks: PKR 18,000 profit a month. At 30 a day: PKR -4,000, a small loss.	A shirt sells for PKR 900. Own printing costs PKR 450 instead of PKR 600 outsourced, leaving PKR 450 per shirt. The pitch relies on existing orders, not hopes.
4. Money needed	**PKR 500,000 for 25%**, valuing the business at PKR 2,000,000 (500,000 / 0.25)	**PKR 400,000 loan** at 12% a year over 18 months, secured on the heat press and a parent's guarantee
5. Spending pattern	Solar kits 240,000 (48%); ports and casings 80,000 (16%); booth deposit and permissions 60,000 (12%); posters and QR payments 40,000 (8%); buffer 80,000 (16%)	Heat press 150,000 (38%); blank shirts and hoodies 180,000 (45%); vinyl, ink and paper 50,000 (12%); design software 20,000 (5%)
6. Return	By year 3, 10 kiosks earn about PKR 1,200,000 a year. At 5x yearly profit the business is worth PKR 6,000,000, so the 25% stake is worth **PKR 1,500,000, or 3x the money**. Risk: only just above break-even, so a cloudy season hurts.	Instalment PKR 24,393 a month. At a cautious 100 shirts a month, PKR 45,000 is left, so repayment is covered **1.8 times**.

06 Presenting it, and what investors may ask

Pitch order: problem and customer, then how the business works, then viability numbers, then the ask and spending, then the return, then a one-sentence close. Include a use-of-funds table showing exactly how the funding will be spent.

Topic	Examples of questions an investor could raise
Viability	What is your break-even? What happens to cash if sales are 30% below plan?
Money and spending	Why this amount and not less? Which line could you cut? Where is your buffer?
Return	What would I receive if you sold in year 3? Which month will be your tightest to repay?

Offers: an investor may offer the full ask, a smaller amount, different terms (e.g. 30% instead of 25%), or pass with a reason. The entrepreneur may accept, counter once, or decline.