

The Wall Street Journal

A Successful Sales Pitch Cuts Out Mumbo-Jumbo

By NEIL F. ANDERSON

Want to improve your chances of raising start-up money, generate increased sales or build more profitable partnerships? Lose the mumbo jumbo, and use plain, straightforward English.

The ability to speak and write concisely and with clarity is fast becoming a competitive advantage for entrepreneurs and small-business owners (and for big companies, too). Articulating clearly what your business is, what kind of goods or services you sell and how much they cost helps the bottom line.

Potential customers or clients appreciate clear and meaningful information. It even can make the difference between success and failure. This is particularly true in the technology industry. A visit I made to a recent technology trade show in Chicago supports my case. At several vendor booths I asked company representatives the following questions:

- What does your company sell?
- How can it help my small business?
- How much does it cost?

Close to 95% of the reps couldn't answer these three basic questions. Getting an answer on the cost was virtually impossible. A common response was: "Check out our Web site."

Technical professionals under the age of 35 are the worst offenders when it comes to using jargon, says Jim Vahle, president of Aspen Consulting Group in Naperville, Ill., which specializes in small-business issues. He blames their reliance on e-mail, with its heavy use of slang and abbreviations.

"I've had to convince them that such practices don't fly in a business plan or prospectus," he says.

Using plain English is crucial when seeking funding to start or grow a business. Venture capitalists and bankers have little tolerance for gobbledygook. If small-business owners can't cut to the chase with answers to their questions, their chances of securing funds are basically zilch.

"Founders are often so enthusiastic about their concept that they succumb to describing their solution in terms only a [techie] would

appreciate, confounding the message to potential investors in the process," says Gary M. Knaus, a Chicago-area entrepreneur, investor and business adviser. What's worse, he says, entrepreneurs often gloss over the problem their product or service is designed to solve.

"The ability of a start-up's management to clearly describe their solution and convincingly couple it to a compelling market need is invariably more important to an investor than the solution itself," says Mr. Knaus.

Investors who see hundreds of business plans and presentations each year don't have time to sift through technical lingo. They want to understand the details quickly so they can decide to pass or pursue the deal.

"Reviewing business plans all day, I probably reject 10% to 20% within the first few minutes because they are written with empty buzzwords and hype," says Mark Glennon, vice president of investments and business development of Leo Capital Holdings LLC, a private-equity company in Northbrook, Ill. "I want facts - nouns, not adjectives and adverbs." For example, he recently didn't get past the first paragraph of a business plan for a company claiming a "next-generation MRM platform that synergistically integrates best-of-breed applications to dynamically optimize enterprise assets." Says Mr. Glennon: "I believe they had a product for tracking mobile equipment, but I was not willing to read far enough to find out."

Every entrepreneur should be able to successfully answer the following 10 questions, both in writing and verbal pitches:

- What exactly do you do?
- What have you done to date?
- How do you make money?
- Who are your customers?
- How do you sell your product?
- Who is on your management team?
- Who is your competition?
- What makes your company different or your position protected?
- How big is the market?
- What do you want?

Even the federal government has jumped on the no-mumbo-jumbo bandwagon. A Presidential Memorandum on Plain Language directed all government agencies to cut out the mumbo jumbo and write documents in plain English. The bottom line is: Using plain English in writing or conversation benefits everyone.

-- Mr. Anderson is president of The Courage Group Inc., a Richfield, MN advisor to entrepreneurs.