How To Demo
by Jason Calacanis

For the past 10 days I've sat through 200 company demos for the TechCrunch50 conference. These demos are mostly done over the phone for 10 minutes using the phone and web conferencing software like WebEx or Adobe's wonderful new "Connect" service.

After doing 2,500 minutes of demos (40 hours) this year and many more last year for the conference, I've learned a lot about what makes for a great demo and what makes for a horrible demo. Since demoing your idea is a key to your success as an entrepreneur, I thought I would share everything I know in a few simple bullet points.

These tips are applicable to presenting in front of an investor, a partner as well as a demo style conference. Of course, every situation is different so consider these loose guidelines.

Background: The TechCrunch50 conference is taking places on September 8-10th in San Francisco and you can find more information here: www.techcrunch50.com. Mike Arrington of TechCrunch.com and I started the event last year as a place where fifty startup companies could launch their products without having to pay a fee (i.e. the incumbent conference called DEMO charges $18,500 to launch a startup company–that's really low/abusive in my book). Google, Microsoft, Yahoo, Sequoia Capital and a bunch of other fine partners have joined us in hosting the event.

1. Show your product within the first 60 seconds
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Most folks start their presentations with information like the size of the market they are tackling (tens of billions, we only need 1%!), their inflated corporate bios, the philosophical approach they're
taking, and boring Powerpoint graphics explaining some convoluted workflow of their product.

The longer it takes for you to show your product, the worse your product is. Folks who have a kick-ass product don't spend five or ten minutes "setting the stage" or "giving the background." Folks with killer products CAN'T WAIT to show you their product. Their demos start with their homepage and quickly jump into the users experience. If a picture tells a thousand stories, then a product demo tells a million.

Show your product immediately, and if you don't have a product to show don't take the meeting.

2. The best products take less than five minutes to demo
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The greatest tech products over the past 10 years would take no more than five minutes each to demo. For example:

a) Larry and Sergey could demo Google search in less than five minutes. Here's a box, type something in and you get a huge reward.

b) Steve Jobs could demo the iPod in less than five minutes. Plug it in, put in your CDs and it syncs your music. Turn it on and use the wheel to select what songs you want to listen to.

c) Chris DeWolfe could demo MySpace in less than five minutes. Sign up, fill out your profile, and add your friends. For bonus points add some widgets to your page.

I think you get the idea: the better the product the LESS time it takes to demo. If your product demo takes more than five minutes to demo, it probably sucks. All the tiny little features that matter to
you are of course important–God is in the details–however, when presenting your company, you don't have to show them. Larry and Sergey wouldn't open up the advanced search tab and the list of operators you can use in Google during a demo.

Steve Jobs does take the demo details to a fairly detailed level, but you and I are not Steve Jobs. There is only one Steve Jobs and there is only one Apple. You're never going to build something as cool as Steve, and as such there is no need for you to talk about your product for five or ten minutes.

3. Leave people wanting more.
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If you take my advice in point two, then folks should be either blown away or intrigued by your core product. If they are not somewhere in that spectrum, you need to rebuild your core product.

When I pitched Mahalo to investors, I had five sheets of paper with different search results on each. I put them on a table and said which one is the best. Obviously I knew my result was the best, and that simple demonstration lead to MASSIVE discussion: how was the page built? how long did it take to build? what would it cost to make that page? how often do you need to update it? how can you scale that business? how many pages can you create before it breaks even?

It's best for folks to discover the merits of your product for themselves, and it's up to you to make such a compelling core product that they are intrigued enough to explore it.

4. Talk about what you've done, not what you're going to do.
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Weak startups and their leaders seem to immediately start talk about "what's next," as opposed to focusing on the core product. Anyone can say we're going to add: a mobile version, collaborative filtering, an advertising network, visualizations, a marketplace, a browser plugin, a browser and a social network to their product. In fact, given the amount of open source and off the shelf software out there, combined with the large number of developers in the world, anyone can bolt these things on to their service in a week or three.

Who cares what you're going to bolt on to your startup? What really matters is the core functionality of your startup.

Steve Jobs has become at once the world's greatest salesman and product developer because he only announces Apple's achievements. He doesn't waste time on what Apple's going to do: he talks about the here and now. Microsoft's old strategy was to talk about products that were coming and that put them in the horrible position of having to backpedal when they changed their mind about a product.

5. Understand your competitive landscape–current and historical.
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This year I've had three companies show me group SMS messaging products, and most of them did not know what UPOC.com was (Gordon Gould's group SMS messaging service that was five years ahead of its time). I've had three or four companies over the past two years of TechCrunch50 conferences pitch me on Third Voice–the controversial "web annotation" service from Web 1.0. [Side note: I loved the concept of Third Voice so much I considered starting a company like it and even bought the domain name annotated.com.]

When I pitched the idea for Weblogs, Inc. to Mark Cuban, Yossi Vardi and Jeff Bezos, I understood all the niche email marketing and newsletter companies from the early and mid-nineties cold. I researched why they worked and why they failed, and I knew which ones were sold and bought and by whom. When I pitched Mahalo to Sequoia Capital, I knew the history of human-powered search and directories from DMOZ to Yahoo Directory to LookSmart.

If you don't know the competitive landscape, and the shoulder's you're standing on, folks are not going to be comfortable giving you their money, time or attention.

6. Short answers are best.
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When taking questions about your product answer questions shortly. This is a very challenging thing for many people–including myself–to do. If you're like me, you've probably thought out your startup's

issues a thousand different ways. When I sit at the poker table I play a game where I think out every possible scenario for not only my hands, but the hands of my opponents (this is fairly standard among advanced poker players from what I understand).

Say I have Ace King and I raised out of position and the button called my raise pre-flop. Then they re-raised me on the flop, which had an Ace. What does that tell me? They could have an ace, they could have two aces and have slow played me, they could have a medium pocket pair and they want to see if I have an ace, maybe they are on a flush or straight draw or maybe they suck at poker. Who the hell knows?!?! You can go insane trying to figure all these things out–that's why poker becomes very addictive.

The point is all that inner thinking is chaos when you try to explain it to another person. It's pure madness after 60 seconds of talking. The best thing to do is answer the question with the most concise answer. For example, when asked "what happens if Google enters your market?" answer quickly and with confidence:

a) Google has entered many markets, but they are only #1 in search and search advertising. They trail in social networking to MySpace and Facebook, in classifieds to Craigslist, in news to Yahoo and AOL, in email to Microsoft, AOL, and Yahoo, and in instant messaging to Microsoft, AOL, and Yahoo.

b) We're not sure if Google will enter our market, but hopefully we'll have developed our product enough that it will be a real sustainable business by that time.

c) We think Google might enter our market at some point, and if they do they and their competitors will certainly consider buying us–creating a bidding war for our entrenched position.

d) Google is a very big company right now with a very big cash machine that they have to focus on and protect–they will never do our business with our level of focus. We will out execute them on all fronts.

These are all amazing answers (I did, after all, come up with them), and you can say them in around a minute. However, if you cram all four of these sentences together you've spoken for five minutes.

7. PowerPoint bullet slides are death
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Do not make slide after slide explaining your business in bullet points, because it's really, really boring. Powerpoint/Keynote slides that are not boring include charts, product shots, feature set tables and the like. Things that explain big concepts with ease and grace are great, but bullet points of obvious facts show that:

a) you don't have the ability to create a compelling story with data

b) you don't think that much of the person being presented the information

I'm not a huge fan of "funny slides" or lots of graphics for graphics sake. You're not pitching your company to get laughs–unless you're on stage–you're doing it to raise capital, close a partnership or get on stage at a conference. Keep it focused and to the point.

8. How to use this new device called the phone.
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When presenting over the phone use a handset and a land-line… only!

It's amazing to me that any person doing a business call would conduct it on their mobile phone. Mobile phones sound horrible 95% of the time, and they frequently cut out. If you are presenting your company take it seriously and get yourself to a landline. You have limited time and don't want folks to miss a single word.

Speakerphones are horrible, and putting the person receiving the demo on speaker phone during a demo is just disrespectful. You can hear all the rustling, side conversations and horrible echos when you're on speaker phone. When doing a demo pick up the handset and speak. If you go to a Q&A session then use speaker phone. That's why it exists.

Only use a headset if it is very, very high-fidelity and you have the microphone right up to your mouth. Also, don't eat, drink or breath heavy into the microphone or you run the risk of sounding like an animal. I use an amazing Plantronics headset, and I like me some Green Matcha tea, but I hit the mute key when I sip!

I know it sounds crazy to have a discussion about how to use the phone, but the majority of these young people actually think it's acceptable to have two or three drop offs in a call–it's not. Grow up and get a land line.

9. How to handle questions you don't know the answer to
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After you do your concise presentation you're hopefully going to get a lot of questions. Here are some important tips to consider when you don't know the answer cold:

a) take a moment to think about the question. You can even say "Hmmm… that's a good question. Let me think about that for a second." Folks appreciate a little consideration when someone takes a question.

b) if you don't have an answer be honest and say you don't. There are many ways to say this including: "I'm not really sure, I'm going to have to think about that for a bit and get back to you," or "I'm not sure to be honest. What do you think?"

c) feel free to think out loud and brainstorm with the person. You can do this by saying "I've never really considered that. Perhaps you can expand the question a little and we can explore it right now."

d) if you're not sure of the answer you can always say you'll cross that bridge when you come to it. "I'm not sure how we would deal with a sudden spike in the cost of bandwidth, we would have to collect more information and answer that question down the road. It is a manageable risk factor I suppose. "

The worst thing to do when you don't have an answer is b.s. the person. No one has an answer for everything, except a b.s. artists. So, feel free to say you don't know–folks find it refreshingly humble and honest.

10. Always confirm the time of your meeting/call, and always be 15 minutes early.
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People are really busy and meetings get mixed up. Every meeting or phone call I do is confirmed twice: once by email, and once on the day before the meeting. Reconfirming meetings makes you look like a true player and it costs you nothing. You do this by sending a simple email saying "Looking forward to seeing you tomorrow at your offices at 123 Main Street at 3pm. If anything changes you can reach me on my mobile at 310-555-1212."

Also, be early. Come on. If you're doing a meeting with someone who might invest in your company, do a business deal with you, etc., you can show a lot of respect by being in their lobby or on hold on the conference call five to 15 minutes ahead of time. Don't show up more than 15 minutes ahead of time or you'll look like a stalker. If you get to your meeting 45 minutes ahead of time go to the Starbucks and buy yourself a treat for being so on top of things. 😃

What are your best tips for giving a proper demo of your company on the phone or in person?

In your mind, what are the worst things folks have done during a presentation?

How to demo your startup (part two)

Last week, I camped out at Sequoia Capital on Sand Hill Road and did rehearsals with most of the 50 companies that are presenting--in fact, launching--new products at the TechCrunch50 event next week. These 50 represent the top 5% of the companies that applied to our demo-style event. Truth be told, the top 150 companies were all qualified to be on stage--if only we could have a five day event with two tracks. :-)

These are the best of the best, and most of them came into "first rehearsal" with a demo that I would rate a seven out of ten. (Yes, I've come up with a rating system for these presentations, but that's another email).

Actor Ashton Kutcher did his rehearsal last week, and I have to say it was kind of ironic to be sitting there giving presenting advice to someone who's been in, and created, a large number of movies and TV shows. As an actor, Ashton obviously has the ability to draw you in, but presenting a product in this format is a very, very specific skill. He picked it up quickly.

After coaching hundreds of folks over the past two years, I've developed 18 solid rules. You can see the first 10 rules over at TechCrunch, which reprinted the previous email with permission here: http://tinyurl.com/6cbede. These extra eight are very detailed and speak to some deeper techniques for capturing people's attention and transferring your enthusiasm for your product to them.

These eighteen rules are just a framework, and are based on demoing at a conference. However, the rules can apply, to various degrees, to presenting your product to investors, partners and potential employees.

11. Show Don't Tell

This is the most important rule of demoing right after "get into the product as soon as possible." Once you're inside the product demo, you've got folks engaged. Next, you have to *keep* them engaged. When you're speaking about your product, are you saying things like "With Mahalo you can find spam free, well-organized search results with related content"? Or are you saying, "Here is a spam-free search result. Notice how the sections are organized and we have the top most important Fast Facts on the side."

In many demonstrations over the past week, presenters told me what the product did instead of showing me. Other times, they told me what it did, then told me a second time as they showed me. This is really, really annoying and wasteful. Your script should never sound like this:

--> "With YouTube, you can upload videos, tag them and share them with your friends."

--> "Here we are uploading a video, tagging it and sharing it with our friends."
--> "We just uploaded a video, tagged it and we shared it with friends."

If you have limited time--and that is the case 99% of the time--I suggest just showing the product doing its thing.

If you have unlimited time, perhaps it's ok to say what you're going to do or recap what you've done. However, many of the features of these products are simple (i.e. tagging, syndication, etc) and it's wasteful to explain to folks "we can tag your video," "we're tagging a video," then "we've tagged a video."

It's like kissing a cute girl and saying "I'm going to kiss you," "I'm kissing you" and "I just kissed you."

Just kiss the girl, and if you did a good job, you'll know by looking in her eyes.

(Awwww... youth is wasted on the young!)

12. Use inclusive words, live in the present

When you're demoing your product, it's best to use inclusive words like "we" and "our," as opposed to "you" and "your," and it's best to use active words. Let's look at two short scripts for a mock demo of YouTube, shall we?

Try saying these out loud, and imagine you're one of the 500 people in the audience.

Script A: "You"

--> "With YouTube, you can upload a video in five different formats."

--> "Now you can tag your video and you can put it on your blog."

Script B: "We"

--> "With YouTube, we can upload a video in five different formats."

--> "Now we can tag our video and we can put it on our blog."

As you can see, the "we" one feels more like a team effort and it draws the audience in. Now, for extra points, let's change this from what "we" could do to something more active.

Script C: "We can"

--> "With YouTube, we can upload a video in five different formats."

--> "Now we can tag our video and we can put it on our blog."

Script D: "We are"

--> "We're on YouTube.com, and we're uploading a video, as you can see--we can do this in five different formats."

--> "Now we're tagging the video with "bulldog" and "cute overload," and finally we're on Calacanis.com posting the video. Bingo! We're done!"

Active words engage your audience. Inclusive words draw them in. Your job is to engage the audience.

13. One driver, one navigator

The best model for presenting your product is to have one person speaking while another person is demoing the product. There are a number of reasons for this, but the metaphor of a road trip should give you an idea of why. On a road trip, it's best for one person to take ownership of watching the road while another person screws around with the GPS or maps. As everyone knows, screwing around with the GPS while driving can have disastrous results, and a navigator who tries to drive tends to be really annoying.

Whoever is the best speaker of your pair should speak and the other one should drive. If you're equally qualified, then flip a coin, but never, ever switch roles in the middle of the presentation. It causes a major disconnect with the audience and you run the unnecessary risk of technical issues. It's a waste of time, and everyone will think--correctly or not--that the reason you're doing it is because the two of you are in some ego struggle to get equal face-time.

It's best for the audience to connect with ONE person and to get into a groove with that one person's voice. Imagine if David Letterman stopped his monologue half way through and had another comedian take over. Get it? Got it? Good!

Navigator: Your goals are to make sure a) that whatever the speaker is saying is reflected on the screen, b) that the screen is moving crisply and cleanly and c) that if a technical error occurs, you route around it without distracting your speaker.

Speaker: Your job is to a) clearly describe what you're doing with active, inclusive language and b) engage the audience.

14. How to handle technical issues

If you run into a technical problem, have a couple of anecdotes ready to go. For example, if you were Kevin Rose demoing Digg and the browser crashed, you could stop and tell the story about servers getting shut down by massive traffic and the digg mirrors that are setup by users to solve this problem. Here's a script of how to handle a technical error:

"While Jason restarts his browser, let me tell you how we help sites handle the 'Digg effect' of 10,000 people rushing into their site in 60 seconds." Then, monitor the driver, who should give a silent thumbs up when you're ready to go.

Here's what you should not do: panic and/or start babbling. The worst thing you can do is say: "Oh, ummmm.... our browser crashed. This is a new machine, I swear this wasn't an issue before. Oh, no, ummm.... we practiced this ten times... uhhh... I can get this to work, really..."

If the machine crashes, take a deep breath and fix the problem while your driver falls into anecdote mode. If your presentation is FUBAR (fracked up beyond repair), than apologize and let folks know you'll be a back in a moment. Here's a simple way to say it: "It seems we've experienced a little problem. Why don't we regroup for a few minutes while you guys take a quick break?" Or :"It seems we've experienced a little problem. Why don't we let the next speaker present while we regroup? Thanks for your understanding!"

15. The Setup

The first 30 seconds of your presentation is critical. There are a couple of ways to start your presentation that will work. Which one you select should be based on what's the most effective at engaging your audience.

--> Method One: Get personal

Many of the best products ever built were done so out of the frustration of their creators. Cisco was built by two professors who were frustrated that their two networks couldn't connect, so they set out to build hardware to "network networks." YouTube was created because the founders couldn't find a way to easily upload and share their videos.

A fantastic way to start your presentation is to share how you came up with the idea. For example, let's take the fictional example of photo sharing site. I've include notes under each line for what the driver would be doing in brackets.

"Last year, I went on vacation in China and took over 1,000 digital photos... like this one of me eating fried bugs!"

[Scroll through five photos of China--including a really goofy one of me eating fried bugs that's sure to get a laugh!]

"Like everyone, I wanted to share them with my friends, but emailing them was cumbersome."

[Show Yahoo Mail screenshot, including 17 attachments]

"I couldn't easily describe or organize the photos in an email message, and I couldn't host them in their original size, because it crashed my email client. Plus, the recipients would probably have problems downloading them."

[Show Yahoo Mail giving a timeout error, then switch to a GMAIL email with broken images]

"So, I created Flickr, a free, web-based photo sharing site."

[Show Flickr Homepage]

--> Method Two: Show the problem

A second effective way to start your presentation is to show the problem first. In the example of surfing the web while on the go, Steve Jobs might say something like this:

Steve Jobs: "You know, when I'm on the run and I want to get some information on the web, I'm left with one of two choices: Open up my laptop and fire up my browser--which takes four minutes..."
[Driver: Shows photo of Steve Jobs at an airport Starbucks balancing a laptop while dragging a roller.]

"... or I can take out my phone or Blackberry, squint and try to fill out forms so I can switch my flight times... but that winds up taking more time than opening my laptop!"
[Driver: Show JetBlue website loading broken on tiny screen, forms not working.]

"That's why the iPhone has a screen which is 225% larger than a normal phone, has a real browser that works called Safari and still fits in the palm of your hand. It's not too big, it's not too small--it's just right!"
[Driver: Steve effortlessly navigates LAX to JFK flight search on iPhone while in line at Starbucks!]

"Now I just need to order my soy latte!" (huge laugh!)
[Driver: Show Steve Jobs ordering from counter while holding iPhone in his hands.]

--> Method Three: Get right into the product

This method is great for sexy products. If you've got something that just looks amazing, you might want to consider just starting. For example, if you're Kevin Rose showing off one of the Digg visualization tools, you should just throw it on the screen, let folks try and figure out the hotness and then explain what they are looking at.

--> Method Four: The Showman

This is the most dangerous, and advanced, technique in presenting. I don't recommend it unless you've got a killer product, you're entertaining as hell and you can straight-up drop it.

Greg Clayman, the futurist co-founder of UPOC, shocked everyone with this amazing video:
http://www.youtube.com/watch?v=d2N-uCjQu10

You're probably not Greg Clayman, so stick to Methods One to Three for five or ten years, and if your flow is tight, then think about upgrading to number Four. Or, if you're a risk taker, go for it... just be prepared to fall flat on your face and be ok with it.

16. Horrible ways to start your presentation:

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a) Talk about your bio and your business accomplishments. (We don't care, we can talk about that later if your product is any good.)

b) Talk about the market size. (We don't care, we can talk about that later if your product is any good.)

c) Give an overview of the competitive landscape. (We don't care, we can talk about that later if your product is any good.)

17. Describe your product five times

Folks are going to come up with moniker for your service if you don't, so I suggest challenging yourself to come up with a 10-word description of your product, then a six-word description and finally a three- or four-word description.

The best example of slogans come from the political arena:

"Stay the course"
"The buck stops here"
"Change you can trust"
"No new taxes"
"Ross for Boss"
"It's the economy, stupid"
"Are you better off than you were four years ago?"

Try and find a slogan for your company and repeat it a couple of times in your presentation:

"human powered search"
"the easiest way to share video online"
"the most powerful photo sharing service ever"
"answers, not search results"

Continuous partial attention is the mode most folks will be in during your presentation. They're going to give you 60% of their attention while checking their Blackberry, looking around the room and thinking about their own plans

to rule the universe. Knowing this, chances are they will only hear your catch phrase once or twice if you say it three times.

That's why you say it 3-5 times.

18. Change up your style (i.e. shift your tone)

There are many tones you can use in your talk, and it's best to change them up. One tone, a mono-tone, is the worst. Folks hear you in that tone for more than 60 seconds and they zone out. Something else in their attention bank takes over. Here are some styles:

Excited: "This has never been done!"
Puzzled: "Has this ever been done?"
Low questioning: "Have you ever seen anything like this?"
Excited questioning: "Have you ever seen anything like this!?!"
Cavalier: "I don't know about you, but I certainly don't want Google knowing what i searched for last night!" (wink, wink!)

This is an advanced technique, and it might take years to flow naturally, but it's worth starting now. One suggestion is to record yourself and pick out the natural transition in your talk and shift tone during them.

If you made it all the way to the bottom you're one of the more intelligent members of the list--and probably very good looking as well. As such, please considering forwarding this email to the ten most interesting people you know saying "Jason's a really cool cat, you should subscribe to his list."

Have any suggestions for topics I should cover? Tweet them with @jasoncalacanis at the start, or email me at jason@calacanis.com.

See you all at the TechCrunch50.com conference in San Francisco on September 8-10th. More here: www.techcruch50.com.