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The Myth of the Elevator Pitch

Instead of pitching, listen and offer.

BEHOLD, ON THE elevator you just boarded is a key executive or leader you have long wished to meet. You have approximately half a minute to say something about your project that will engage that person and get that person's help. What a tremendous boost to your project that would be! Could you do that?

One of the most common pieces of professional wisdom is to prepare and practice a short speech that you can launch whenever you need to make a quick summary of your project, your company, or your idea. You cannot predict when the circumstances will arise where it would be valuable to do this.

The elevator pitch, sometimes known as the elevator speech, is a short summary that quickly defines a product or service and its value proposition. A successful pitch induces the listener to make a decision sought by the speaker. The pitch is usually approximately 30 seconds, never more than two minutes.

There is certainly great value in being able to give a clear, concise, memorable summary of your work. However, the elevator pitch has been enshrined in mythology that greatly inflates its importance and promises an outcome it cannot deliver. The success of your venture depends on much more than a short pitch. We will examine the elevator pitch claim and offer guidelines on how you can make a short summary be a useful part of your repertoire.

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Pitch Pervasiveness

The lofty exemplar of elevator pitches is the TV reality show "Shark Tank," which features entrepreneurs pitching to a panel of investors. Investors can do anything from rejecting pitched proposals to opening negotiations or offering outright purchases. The show offers great entertainment, drama, and suspense. We can only imagine the fight-to-the-death competition of elevator pitches in the auditions for the show.

A recent celebration of the pitch appeared in the popular *Sherman's Lagoon* cartoon by Jim Toomey. One character, about to enter an elevator pitch contest, tells his friend that an elevator pitch "is a fast-and-furious business proposal I give you while we ride in an elevator together. By the end of the ride, you like me enough to give me money." His friend responds, "There isn't a building tall enough."

Elevator pitches are a hot topic on the Web. Hundreds of Web sites offer courses, videos, and books to teach this valuable skill. A typical checklist appeared in an article by Pincus[4]:

- Know your purpose
- Know your target
- Focus on your customer
- Be authentic
- Be specific
- Be prepared
- Be concise
- Solve a problem
- Show your passion
- Practice

There is even a Web site that offers 10,000 examples of elevator pitches in case you have a mental block (http://www.speech-topics-help.com). The quintessential pitches stick in listeners' minds.[2] Public speaking organizations such as Toastmasters have offered practice sessions for elevator pitches for many years.

Do Elevator Pitches Really Make A Difference?

The advice to prepare an elevator pitch is commonly presumed to be valuable for many professionals, including project managers, sales engineers, visionaries, and policy makers. Entrepreneurs preparing to pitch to venture capitalists are often sternly warned to have a great pitch because, it is said, the VCs judge the quality of the idea and the team by the quality of the pitch.

With all this enthusiasm, you might be surprised to learn that most elevator pitches do not lead to the final outcomes sought by their speakers. For example, innovators use pitches but suffer a failure rate of about 96%.[1] It is like the lottery—your pitch is almost certain to be a losing ticket, but you buy it because it is cheap and there is a *chance* that your 30-second pitch could change *everything*.

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While there have been no rigorous studies of pitch outcomes, there have been several studies about the influence of business plans, on which many pitches are based. If the business plan makes a big difference to investor decisions, then there is a reasonable chance that its synopsis (the elevator pitch) might have a big impact too.

However, until recently most of the studies of business plans were plagued with issues such as small and unrepresentative samples and weak statistical methodologies, which led to unreliable and contradictory claims about whether business plans affect investor choices.

Finally, in 2009, two Stanford-trained economic historians published a definitive study that looked carefully at the whether business plans actually convey any information to VCs.[3] This study was a breakthrough because it used a much larger sample (762 plans) than used in previous studies, the plans were representative of those typically screened by VCs, and the study used rigorous statistical methods to achieve its results.

The authors unequivocally ruled out the idea that business plans communicate anything to VCs: "We find that neither the presence of business planning documents nor their content serve a communicative role for venture capitalists…[O]ur findings are consistent with the view held by VC practitioners who dismiss efforts to systematically evaluate the role of business planning documents."

In other words, VC investors do not—perhaps cannot—infer much about likely success from business plans, let alone their elevator cousins.

So, the data does not support the conventional wisdom that the elevator pitch is a key to success with innovations. The convention is a myth. Is this an example of a sticky, untrue idea?[2]

The Bigger Picture

In escaping a myth, we want to preserve its nugget of truth while defining new and more effective actions. To do this, we must step back and look at the bigger picture.

The desired outcome of a project is to produce a result—for example, a system or product—that brings value to a group of customers; they adopt it as part of their practice.

The innovation process producing this outcome has many pieces. One summary of the pieces is the Eight Practices framework.[1] The first five practices—sensing, envisioning, offering, adopting, and sustaining—are the main elements of the process. The last three—executing, leading, embodying—create an environment of success for the first five.

At first glance, it appears that the elevator pitch is a component of the envisioning practice. The purpose of that practice is to tell a compelling story (a "vision") of how the world would be if the innovation idea were incorporated into it. The story makes it obvious what problem is solved and why the innovation proposal is likely to solve it. The elevator pitch might appear to be a précis of this story. And another business construct, the motto, may seem like a précis of the elevator pitch. Thus we have a hierarchy: envisioning story; elevator pitch; and motto.

Here are two examples:

- The John Deere Company has a vision about farm machines improving productivity by factors of 10 or more. In their pitch, they envision a line of tractors and tools that perform impeccably and never wear out, so that farmers get the most out of their investment. They ask their investors to join them in making this happen. They summarize their vision with the motto, "Nothing runs like a Deere."
- NASA has a vision of a space elevator structure that can lift payloads

to orbit, 100,000 kilometers up, at a cost per kilogram less than 1/100 of costs with current rocket technologies. They organize competitions to try out different lift mechanisms, materials, payloads, and energy recovery systems. They invite investors to join them in making this dream become a real technology. Although they have not selected a motto, it might be "Lifting your loads to the stars."

But the notion that a pitch is a précis of an envisioning story is not quite right. A closer examination reveals that a pitch is actually a combination of a précis of the envisioning story and an offer. The offer to make the vision happen is the heart of the third practice. In the example(s) of pitches cited above, you can see not only a summary of the idea but an invitation to investors to help make it happen.

The standard idea of a pitch is that it is a communication—a presentation transmitting information from a speaker to a listener. In contrast, the core idea in the Eight Practices of innovation is that each practice is a conversation that generates a commitment to produce an outcome essential to the innovation.[1] The envisioning story is a conversation to elicit the listener's commitment to imagine how the world would be with the new idea incorporated into it. The offer is a conversation to elicit a listener's commitment to join the speaker in making that world happen.

The problem with the communication idea is that communications do not elicit commitments. Conversations elicit commitments. Commitments produce action.

We can now define a pitch as a short conversation that seeks a commitment to listen to an offer conversation. It is transitional between the envisioning and offering conversations. The purpose of a pitch is to engage the other person into a conversation with you about your idea. This is a sharp contrast with the conventional idea that a pitch is a transmission of information.

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Peter once assisted his coauthor Bob Dunham in leading a workshop with small-business CEOs. Bob formed everyone into groups of three and asked them to "state their offer" to their two listeners, then receive constructive feedback on how engaging their offer is. He specifically said to think of it as a version of the elevator pitch. In all the groups, the feedback was largely negative. The elevator pitches were not engaging. Bob knew that something was amiss because all these CEOs were successful in their businesses. Why would a warm-up exercise about what their business offers be so unsuccessful? I conferred with Bob and we concluded that the CEOs were working from information-transmission notion of their pitch. They decided to try an experiment in which Peter would break that paradigm in his group. Bob ran the exercise again with the same instructions but different groups. As before the first two speakers in Peter's group presented their "offers" and got lukewarm feedback. They then looked at Peter for his turn. This little segment of conversation took place:

Wendy: Your turn.

Peter: Before we start ... are you interested in innovation?

Wendy: You bet. If my business does not come up with an innovative idea soon, we'll be gone.

Peter: I'm writing a book on how to succeed at innovation. Would you be interested in talking about it at lunch?

Wendy: Sure thing! But let's get back to our work. What is your offer?

Peter: I just made it.

The point that the whole group understood after this was that the purpose was to gain a commitment from the other person to have more conversation with you about what you can offer. If you think about the elevator pitch as an offer to discuss how to solve the other person's problem or get a job done for them, you will approach the conversation in a different way from a presentation pitch.

Conclusion

We call the elevator pitch a myth because it is a widely shared belief that a short fast-paced presentation is essential to the success of a project or innovation. The data show almost no correlation between these pitches or their supporting business plans and the final desired outcomes.

The useful nugget of the myth is that a short compelling summary of your idea is worth developing. It will help you in completing the envisioning practice, which is essential to success. It will also help you in making connections with other people—such as those whom you might serendipitously encounter in an elevator—and who might be helpful to you in the future.

To make this work, you need to reinterpret the pitch. It is not a transmission of information but an offer to have a conversation. It is often much easier to ask someone to join you in a conversation than it is to present a polished, sticky, commercial-grade presentation. A conversational pitch will get you closer to your idea being adopted.

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