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Take Aways from the 2024 MIT Climate and Energy Prize Semi-Final's Panel on Paths to Scale an Early-Stage Venture

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On March 8, 2024, I attended the **MIT Climate and Energy Prize** Semi-Final in Cambridge, Massachusetts, a climate-tech and energy startup competition for graduate students. At this event, innovators pitched their businesses – which were all geared towards moving the world closer to net zero carbon emissions – to expert judges and audience members. After the first round of pitches, a panel of venture capital experts, including Michael Kearney (General Partner, Engine Ventures), Prutha Atre (Innovation Manager, Rose Rock Bridge), and Micha Ben-Naim (Investor, Clean Energy Ventures), discussed paths to scale an early-stage venture. The panel discussion centered on avoiding pitfalls, engaging investors, and successfully pitching early-stage businesses to investors. The following are key take aways from this panel.

Tips for Avoiding Pitfalls

Challenges are inevitable as entrepreneurs grow their businesses, but having an experienced team in place will help early-stage companies avoid common pitfalls. The panelists encouraged entrepreneurs to be strategic and to build teams with advisors with relevant technological and business experience.

Tips for Engaging Early-stage Venture Capitalists

Early-stage venture capitalists must be able to clearly understand the risk profile of a potential investment. With this it is incumbent upon early-stage entrepreneurs to be able to articulate their risk profile and understand the risk tolerance of respective investors. The panel encouraged innovators to understand the pain points in their venture, candidly articulate those pain points to investors, and propose potential solutions to de-risk their businesses. Additionally, to secure an investment, early-stage entrepreneurs need to be able to explain the potential reward that accompanies an investment into their business despite the risks.

Prior to a pitch, early-stage entrepreneurs should gain an understanding of the risk tolerance of an investor by doing their due diligence and researching the companies in their portfolio – even asking the investor directly about their level of comfort with potentially risky technologies.

Having strong relationships with investors is also key to securing an investment – particularly when the technology has a higher risk profile.

Tips for a Successful Pitch

A compelling pitch is imperative for engaging investors and growing and expanding an early-stage business. When developing a pitch, it is crucial to understand and be able to proactively address: (1) if the business meets an investors' criteria for choosing a new investment; (2) if the business solves a defined need; (3) if customers will pay for the product or service the business will offer; and (4) their level of commitment to the venture.

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