

The Fundraising Pitch Deck should be crisp and complete, thorough enough that it conveys the big vision and current traction. The presentation should be kept to 10-15 slides and expect that the deck will be shared with others.

The Revenue Group

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Often entrepreneurs feel entitled to investment because they believe they have a great idea. There is also the naïve perspective that investors have a lot of money and they will invest in anyone with a great idea/solution. The reality is that there is a communication gap between entrepreneurs and investors.

Entrepreneurs LOVE talking about their solution. It's their baby, after all. But entrepreneurs need to understand how venture capital works and to present their company in a way that makes it interesting and attractive to an investor.

Vcs hear hundreds of pitches a year but only invest in a few.

Creating a pitch deck can seem daunting at first. You've probably Googled, "How to build a pitch deck" or looked at examples online. You've probably attempted to stitch something together based on what you've learned on the internet and realized your story is fragmented.

What's generally missing isn't the information; it's the arrangement of information and the manner in which it is presented.

At the end of the day a good pitch deck:

- Tells a compelling story that follows a logical sequence
- Shows strong business model validation from experiments and research or customers/partners
- Has a clear ask at the end that is justified by thorough research

For the presentation, use graphics whenever and wherever possible.

- Good: Short, short bullet points
- Better: Just the headline
- Best: Only an image

The following outline has successfully been used to raise funds for numerous early-stage technology companies. Please note that your deck does not have to follow this exact order. Every company has its own unique competitive advantage and the format will differ depending on the stage you're in.

1. **Cover Slide** - Company Logo & Opening – When giving the pitch you will want to expand on the company tagline, if you have one, so that everyone you're pitching to will have a general sense of what you do before going to the next slide.

This is when you give your Elevator Pitch. Work to keep it **Short, Simple, and Memorable** – What, How and Why. Hit three key words or phrases. Example: "Mint.com is the **free, easy** way to manage your **money** online."

2. **The Problem** – **ALWAYS START YOUR PITCH WITH THE PROBLEM, NOT THE SOLUTION.** I can't emphasize this enough. Why? The investor may not be able to understand what your solution does, but



if you connect with the investor emotionally on what the problem is, and hopefully that person also has that problem or knows someone who does, then you have their PERMISSION to tell them more about how you're going to solve the problem.

So tell a story that helps your audience connect with the problem you're solving. This problem is what led you to start the company in the first place. It may be your own problem or someone else's. Start by introducing the investor to someone affected by the problem. This creates the emotional connection, and allows your audience to put themselves in your customers' shoes.

In this slide, address the following questions as simple and concise as possible:

- What is the problem?
- How do you know if it's a problem? Do you have any primary or secondary research to back this up?
- Who are you solving this problem for?

It's tempting to list multiple problems, to prove you'll be big. But instead, start with a specific problem, solve that well, and present your vision for tackling others later. Be laser focused. Otherwise, investors may believe your team lacks focus and/or does not understand the need to solve one problem really well to succeed.

3. The Solution – Clearly state the name of the product/solution and use common terms to state concretely what you have, or what you do, that solves the problem you've identified. You might need an extra slide to show how your solution fits in the value chain or ecosystem of your target market.

Describe why your product makes your customers happy. Explain why you do it better, different than anyone else. Answer these questions:

- What are some alternative solutions that people use today? Why are they not working for them?
- How is your solution better?
- Do you complement commonly used technologies, or do you displace them?
- Do you change the way certain business processes get executed, or do you just do them the same way, but faster, better and cheaper?
- Do you disrupt the current value chain, or do you fit into established channels?
- Who exactly is the buyer, and is that person different than the user?

The goal of the solution slide is to get the audience curious. You want them thinking "how are you solving this problem effectively?" Too many entrepreneurs make the mistake of trying to describe the product and its features, but not how their solution will bring value to their customers.



4. Traction – If you’ve done the earlier slides correctly your audience now is looking for validation of your solution. Most investors don’t care about the details of your product, they’re trying to figure out if your company is a good investment or not. Therefore, the single most compelling slide in any pitch is a pipeline of customers and strategic partners that have already expressed some interest in your solution.

You might want to state:

- How many paying customer or users do you have?
- How much revenue are you generating (monthly/annually)?
- How much are you growing on a monthly basis?
- Are you profitable?
- Do you have any key partnerships in place?
- Do you have any key testimonials from your customers?

If you don’t have a pipeline, and there is nothing unique or innovative about your strategy, then drop this slide and make the elements of your sales model clear in the discussion of your business model.

5. The Demo/Product – If you want to demo your solution, this is where it goes. This is done in a live pitch, but is not part of the formal pitch deck. The best demo is a video of screen shots, not a real live usage. **Do Not Do a Live Demo**, not even of a pet rock!

You want to control everything, especially the timing and the content! Expect the demo to fail and have technical difficulties. Keep it short and fast, no more than 1 minute.

In a formal pitch deck you’ll want to explain how the solution works, graphically if possible. Keep the explanation simple and concise with a few screen grab of your product.

SLIDES 1-5 COLLECTIVELY FORM THE “HOOK.” THE SOLE OBJECTIVE OF THESE SLIDES IS TO GET THE INVESTORS INTERESTED IN YOUR BUSINESS SO THEY WOULD WANT TO LEARN MORE ABOUT THE OPPORTUNITY.

THE REMAINING SLIDES ARE TO CONVINCe THEM THAT THERE IS A REAL MARKET POTENTIAL AND YOU HAVE A GREAT PLAN TO TACKLE THIS MARKET.

6. Market Opportunity – Investors absolutely hate it when they hear, “We are tackling an \$X billion market and if we capture Y% of this market, we will be rich.”

You need to show the market opportunity in a “Bottom-Up” analysis, if possible. A top-down analysis shows the market potential for your product, a bottom-up market analysis will depict a more realistic picture to what’s actually obtainable. Top-down is someone else reported it, like Forrester or Gartner. Bottom-up calculates users/usage/rev\$. For example:



- Avg Transaction = \$X
- Y customers in our market
- Avg customer buys Z times per year
- Market Size = \$X * Y * Z annually = a huge opportunity
- Market growing @ 100+% per year

So address: Who will use the product? What is your target market? Then build up from there. How many of them are there? In what countries? How big can it be?

Address questions like, what does your ideal customer profile look like and who are your early adopters? What is the lifetime value and cost of customer acquisition of your customers? What is your churn?

Then you need to address “Why Now?” why is it right for today/tomorrow? You need to make it clear that there is a big, important problem (current or emerging) that you are going to solve, or opportunity you are going to exploit, and that you understand the market dynamics surrounding the opportunity— why does this situation exist and persist, and why is it only now that it can be addressed?

Show that you really understand the very particular market segment you are targeting, and frame your market analysis according to the specific problem and solution you are laying out.

7. Competition – You HAVE to have this slide. Investors will want to know about them and they need to know you know about them. You may be good, but are you really better than everyone else?

You don’t need to talk about your competitors and their deficiencies here. You need to convince the investor that lots of folks will buy your product, even though they have several alternatives.

And don’t forget that the toughest competitor is often the status quo—most prospective customers can muddle on without buying your solution or your competitor’s solution.

The best way to convince an investor that you really do have a better product is to have referenceable customers or prospects articulate in their own words why they bought or will buy your offering over the alternatives.

8. Business Model – In this slide you want to show how your business model works and how it has been validated with your early adopters. Describe the Top 1-3 sources of revenue, prioritized by size or potential. Common revenue models are:

- Direct: ecommerce, subscription, digital goods
- Indirect: advertising, lead gen, affiliate

The key questions to answer here are:

- How do you make money?



- How has this been validated through experiments or case studies?

Too often companies -- startup or established -- still focus very much on products. Addressing a relevant market need only gives you the right to compete. Figuring out a profitable, scalable, and competitive business model is what gives you the right to succeed.

We have good ideas, but bad businesses.

It's not enough to create a product that sells well and that customers love. If it costs you too much to create and deliver the product or service, you will fail. If it's difficult or too costly to acquire customers, you will fail. If the customer lifetime value is too low, you will fail. Or if your pricing model is generally flawed, you will fail.

In other words, even if your product or service gets good traction, it won't be enough to save you if you don't have a viable business model that allows you to grow. And if you have investors, you won't be able to offer them a return.

A simple way to focus on what matters in your business model is to look at these two questions:

- Can you find a scalable way to acquire customers?
- Can you then monetize those customers at a significantly higher level than your cost of acquisition?

9. Go To Market Strategy/Marketing Plan – Now that you've identified your target market and the business model, you want to let your investors know how you are going to attack this market. How do you get customers and distribution?

- How are you going to get your product into the hands of your customers?
- Which channels are you going to focus on given your current resources?
- What have you done to validate that these are the most effective channels?
- What is your competitive distribution strategy?

Typically there are the only 3 things that a purchaser cares about: it makes them money, saves them money or lowers risk.

Note: This slide is sometimes combined with the Business Model slide.

10. Financial Overview – Keep this simple and high level with a top line 3-5 year projection. You don't even have to put in the years just label them as Year 1, Year 2, etc., post-funding.

You should show the two or three key metrics that drive revenues, expenses and growth, such as customers, unit sales, new products, expansion sales, new markets. You don't really need to show the



expenses as they're derived from revenues and how much cash you have. Identify when you expect to breakeven and when you expect to be profitable, if it's in that time frame.

Identify the investment made to date, especially your own investment. Investors want to know if the founder & management have put their own money into the company.

The most important thing to convey on this slide is that you really understand the economics and evolution of a growing, dynamic company, and that your vision is grounded in an understanding of practical reality. Your financials should tell your story in numbers as clearly as you are telling your story in words. Investors are not focused on the precision of your numbers; they're focused on the coherence and integrity of your thought process.

11. Capital Request/Use of Proceeds – In order to support your ambitious plans you've just laid out you need to ask for investment. This is the "Ask", the moment that your entire deck has been building up to.

By now the investors should understand why your company is a good investment opportunity and they are wondering how much capital you need to make this happen. You want to answer:

- How much capital do you need for further validation of your business model?
- What is your runway and what is your burn?
- Why do you want to raise capital? What will you do with it?

Investors want to know what you will achieve with their money. Talk in terms of milestones. These milestones should tie to the key metrics in your financial projections, and they should provide a clear, crisp picture of your product introduction and market expansion roadmap. Make sure you include your key achievements to date to provide credibility to your planned milestones.

On this slide you should outline how you plan to take in funding—how big each round will be, and the timing of each—and map the funding against your key near-term and medium-term milestones.

In essence, this is your operating plan for the funds you are raising. Do not spend time presenting a "use of funds" table. Investors want to see measures of accomplishment, not measures of activity. And they want to know that you are asking for the right amount of money to get the company to a meaningful milestone.

12. Team – Explain to the investors why you are the best team to execute this vision.

Key objective: Investors should be confident that there is a good credible core group of talent that believe in the company and can execute the next set of milestones. One of those milestones may be filling out the team, and so it is important to convey that the initial team knows how to attract great talent, as well as having great domain skills. If there is a gap in the team, address it explicitly, before investors have to ask about it.



- Who is on your team and what are their relevant skills and experiences
- Where did you meet your co-founders and what have you done in the past together to show that you can work well together?
- Who are your advisors and why are their experiences relevant to the problem you are solving?

Add in logos of the companies your team has worked for. They don't need to be specific to any one person, but put them in a collage at the bottom. You want to convey that your team has experience.

13. **Summary/Vision** – This is where you put your contact information and summarize your pitch. But this slide is almost always wasted.

The Vision should be communicated in your title slide and at the very end to remind investors WHY they should care.

Most entrepreneurs just put up three or four dot points about how wonderful their investment opportunity is. Generally the words are the same words that investors hear from scores of other entrepreneurs, such as, “We have a huge opportunity, and we will be the winners!”

Your key objective on this slide is to solidify the core value proposition of your company in words that are memorable and unique to your company. If a potential investor looking at your deck has to give a short description of your company to his partners, these are the words you want used. This is a good place to reinforce your tagline, or mantra—the short phrase that captures the essence of your message to investors.

Remember, at the early-stage, investors are investing in the likelihood that you are the right team to solve this problem.

- What is your vision?
- Why are you driven to achieve this vision?

The best solution to creating your summary slide is to imagine that this is the only slide you will ever be able to present. If you had to do your whole pitch in one slide (with 30 point font), this is that slide.