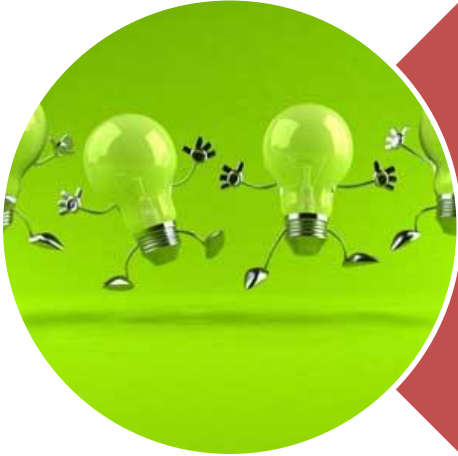




The “Best” Ever
Startup Pitch
&
How to Present to
Angels / VCs for \$

The “Best” Startup Pitch Deck



Every investor / pitch coach has their own idea of the “best” pitch deck, they’re a dime a dozen



No one ever gets it just right, as “it always depends” on how to best present YOUR company



The “Best” Startup Pitch Deck



However, there are core parts to a pitch that every investor looks for and there are common guidelines and best practices to follow



Below is my personal attempt to outline the “Best” Startup Pitch Deck, taken from:

- Aggregated Wisdom: Consolidating the “Best Pitch Decks” and advice from some of the best and brightest brains in the startup, angel, VC world
- Personal Wisdom: My years of VC experience in seeing and reviewing pitches, as well as pitching to investors as a serial entrepreneur



Aggregated Wisdom From:

- UKTI Global Entrepreneur Programme
- Praefinium Partners
- Angel List
- Khosla Ventures
- Arc Angel Fund
- Canaan Partners
- Centripetal Capital Partners
- David Rose
- Harvard Business School Angels
- New York Angels
- Reitler Law
- TechStars
- Worldwide Investor Network
- 500 Startups



The “Best” Pitch Deck Outline

- 0) Cover Slide
- 1) Elevator Pitch Slide
- 2) Team (If not impressive, move slide to after “Your Solution” to show who built it and why)
- 3) Board Members & Advisers & Future Hires (Optional, combine w/ team slide)
- 4) Market Opportunity: Define Market, Size & Target Client
- 5) Market Problem & Current Solutions
- 6) Your Solution (1-5 slides)
- 7) Traction & Awards (Optional, if none yet) (1-3 slides)
- 8) Market Fit / Competition (Optional, can be explained in slide 5 & 6)
- 9) Competitive Advantages (Optional, can be explained in slides 5 & 6)
- 10) Business Model: Key Revenue Streams
- 11) Marketing Approach & Strategy: Key Expenses / Time-Efforts
- 12) Financial Projections
- 13) Exit Strategy (Optional)
- 14) The Ask: Capital Raise / \$ Uses / Intros
- 15) Closing Slide: Questions? Contact Details

<p><u>5 Slide Deck:</u> 4, 5, 6, 2, combine: 10, 12, & 14</p> <p><u>10 Slide Deck:</u> Don't include optional slides</p> <p><u>15-30 Slide Deck:</u> Slides 1-15 + add'l slides: Market Size vs. Target Client, Your Solution (1-5), Traction (1-3), Market Fit vs. Competition, Marketing Approach vs. Business Strategy, \$ Raise vs. \$ Uses</p>



Example Add'l Slides / Appendix Slides



Timeline: History, Milestones &
Prior Funding



Detailed Value Proposition to
Clients / Users / Partners



Detailed Financials: Revenue and
expense breakdown, showing %
of total revenue / expenses



Example Add'l Slides / Appendix Slides



Average Revenue Per User
(ARPU)? Per Client Size?



Life-time Value of Customer
(Churn Rate?) vs. Cost to
Acquire Customer



Breakeven Analysis: Base-case
vs. Bare-bones case. # Clients
/ \$ Revenue needed?

Example Add'l Slides / Appendix Slides



Pipeline of potential clients, % likelihood of closing, revenue potential from pipeline



Partnership Agreements / Structures



Proprietary aspects not discussed in core deck



Example Add'l Slides / Appendix Slides



Additional Strategy Slides: Ex. Architecture, How to avoid/limit circumvention, Funnel system of business operations, Growth strategy



Capital Structure: Ownership of founders & current investors



Competitors Capital Raises / Investors



Head Count (# Employees) Projections / Key Hires Needed



Additional Screen Shots from Demo



Summary Slide: Why We'll Be Successful (Add if deck > 15 slides, otherwise too redundant)



Cover Slide

Logo / Name of
Company

Purpose of
Presentation:
“Investor
Presentation”

Date

Optional:

Logos of accelerator,
awards, publications
featuring company

Slogan

Name of Presenter /
CEO



Elevator Pitch Slide

Create a brief
one liner that
describes:

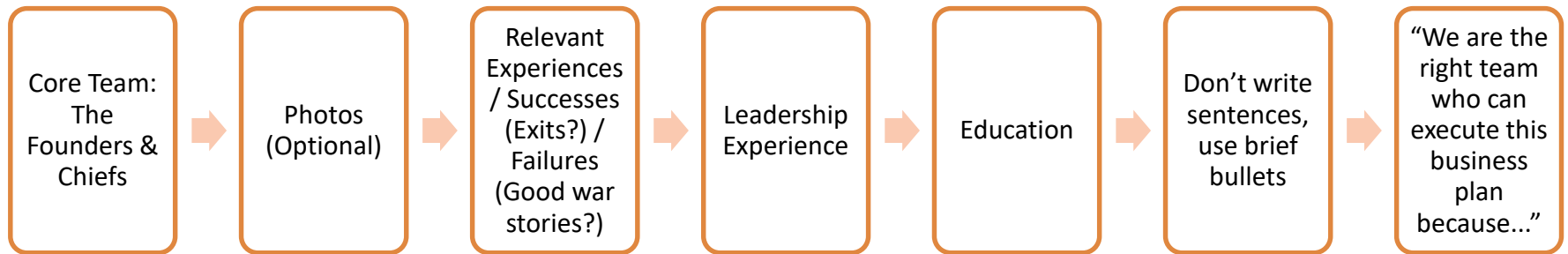
What's your vision?
Ultimate solution for
customers/users?

What is the Business?
Service? Product?

What's the core problem
(describe pain) in the
marketplace and the
solution you're
providing?



Team



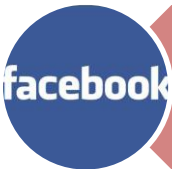
Board / Advisors / Future Hires



Board of Directors?



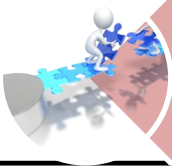
Board of Advisors?



Relevancy / Support, other than big names?



State verbally: Are they investing? Big points if “Yes”. If “No”, don’t bring it up, have a reason for why not if asked.



Reference key holes in management or operations that need to be filled (intros needed?). Few companies have the perfect team from the start, recognize that and solve it.



Market Opportunity



What is the General Market Focus?

- Name it. Size it: Units / Revenue? Growth?



What is the Total Addressable Market

- What's Your Target Market? The sub-sector of the General Market?
- Name it. Size it: Units / Revenue? Growth?



Define Target Client? Key characteristics?

- Ex. Small vs. Large businesses, independents vs. agencies, examples of ideal clients or individuals



Clients Current Needs?



Describe any important market evolutions and why we're at an inflection point now



Market Problem / Current Solutions



Big Market Problem? Big Unmet Need?



Current Solutions = Current Problems?



Clearly show the pain of the problem or convey the strong desire that is being unfilled, don't just say it



Conclusion: The market has evolved and the current solutions don't fulfill/solve the clients current BIG needs/problems. There is a BIG opportunity here!



Your Solution / Demo



Show > Tell: ~1-5 slides of your product / service



Show a live demo when presenting or show screen shots of key parts (Have screen shots within presentation prepared anyway, demo's love to fail)



Don't show a video, it can fail to play and takes away from your precious time



Tell a story: Future client or an example of current client



Show core value proposition to client



Traction / Performance / Awards



Timeline / Key
Milestones



See other people
think we're
awesome!

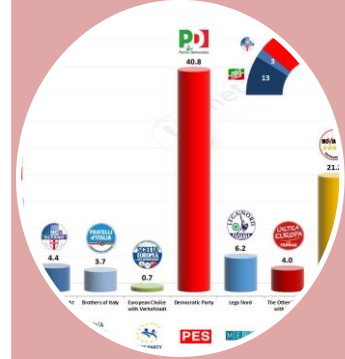
- Accelerator programs (we graduated!)
- Awards: #1 Best Startup / # 1 Best DEMO
- Lots of articles about us: TechCrunch / Forbes / CNN / FOX



We're growing fast!
We've got lots of
clients/users, some
are brand name
clients, look at our
monthly growth, and
we have a growing
pipeline that will
generate lots of \$



We're performing
amazing for clients,
look at these results!



See our key business
metrics, we're doing
great!

Market Fit / Competition



Show how you fit into the Market Landscape



Indirect Competitors vs. Direct Competitors?



Your biggest competitor is the status quo! Why will customers switch to you vs. the incumbent?



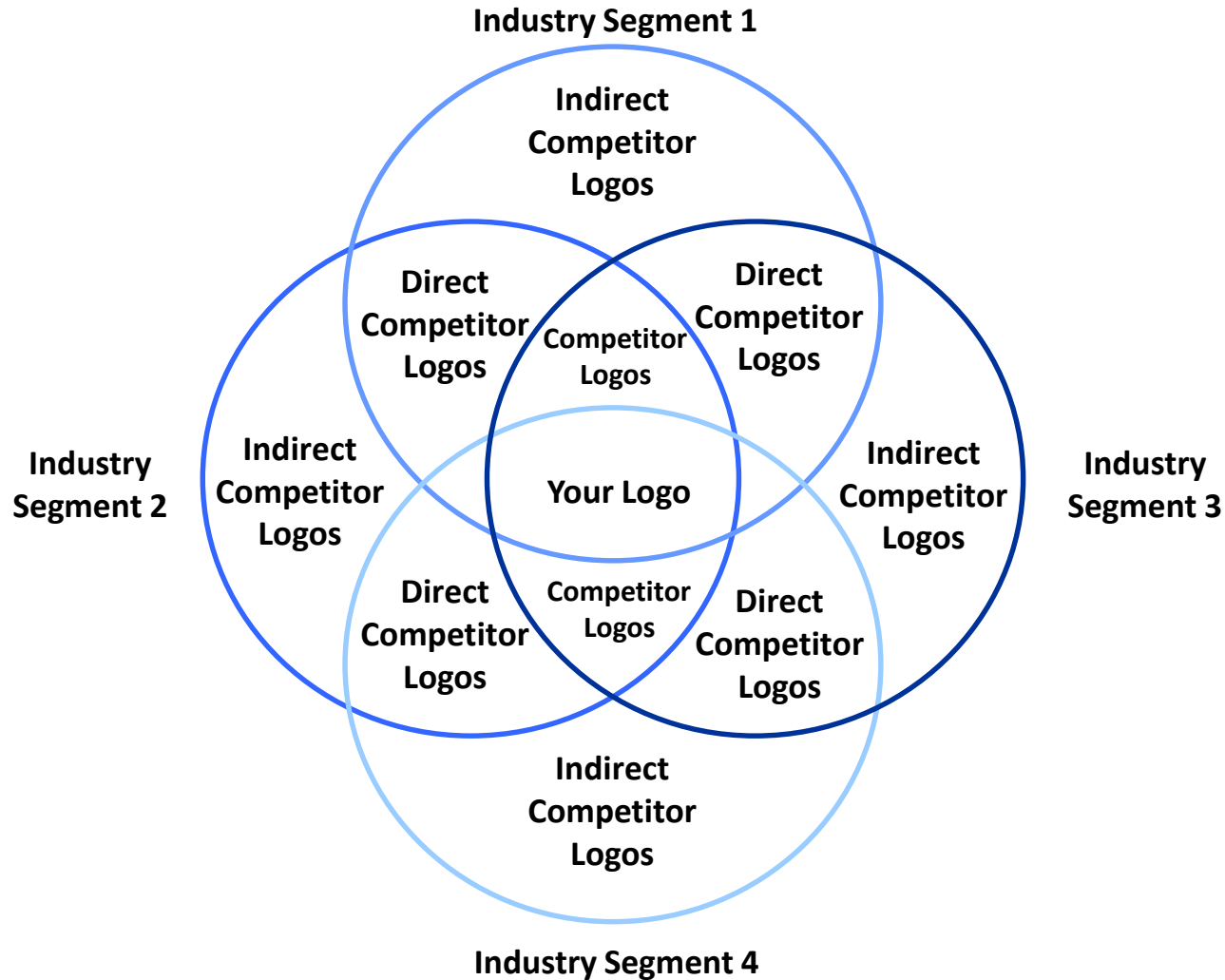
Types of Diagrams/Charts:

- Market Landscape Comparison
- Feature List Comparison

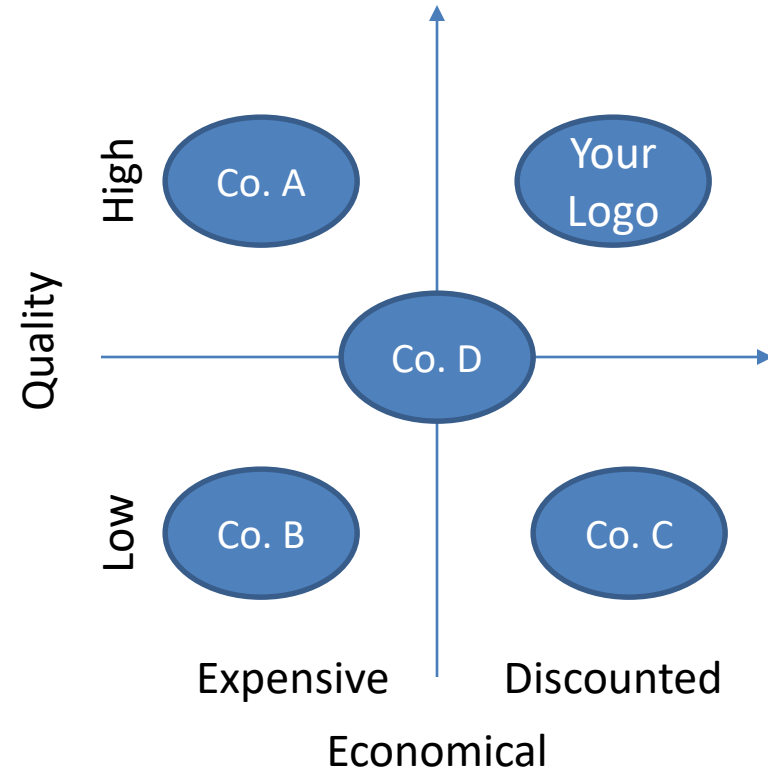
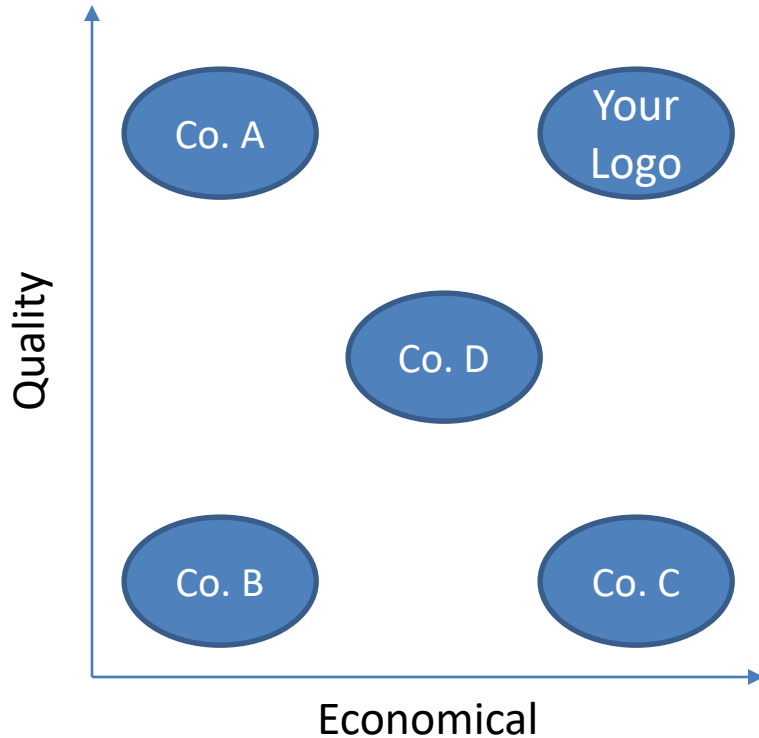


Pitch why your 10x better, not just 3x better!

Market Landscape (Example 1)



Market Landscape (Example 2)



Feature List Comparison

Company	Feature 1	Feature 2	Feature 3	Feature 4	Feature 5	Feature 6	Feature 7	Total
Your Company	✓	✓	✓	✓	✓	✓	✓	7
Competitor A	✓	✓			✓		✓	4
Competitor B		✓		✓		✓	✓	4
Competitor C		✓		✓			✓	3
Competitor D	✓		✓					2
Competitor E	✓		✓					2
Indirect Competitor A	✓		✓					2
Indirect Competitor B	✓		✓		✓			3
Indirect Competitor C	✓		✓	✓				3
Indirect Competitor D		✓				✓	✓	3
Indirect Competitor E		✓				✓	✓	3



Competitive Advantages

Current Competitive Advantages?

Sustainable Competitive Advantages?

Unfair Competitive Advantages?

Patents?

Key Relationships / Partnerships?

Barriers to Entry for New Players?

- Money, Time, Expertise, Relationships, Patents

Competitor's Competitive Advantages / Weaknesses?



Business Model

How do you make money? Key revenue streams?

Pricing? Flat fee or %? Why that rate?

Recurring Revenue Frequency?

Is there a big difference between Gross vs. Net Revenue?

High Volume vs. Low Volume Business?

Example showing basic math:

- $100 \text{ Clients} \times A \text{ Units} \times B \text{ Fee} = \$C \text{ Revenue}$
- Easy to apply multiples: 10x, 100x clients

Cash collections: Immediately? 30-90 Days?



Marketing Approach / Strategy

- Key Expenses / Time-Efforts Needed To Generate Revenue?
- Channels: How to reach / market to customers?
- Strategy: How to convert, acquire or close clients?
- Unique Strategic Relationships / Partnerships?
- Potential for leverage or scalability to grow fast economically?
- How long is sales cycle to get a client?
- Expected conversion rate to get a paid client?
- How to keep clients and build recurring sales?
- Average Cost to Acquire a Customer?
- Expected ARPU (Average Revenue Per User)?
- Life-time Value of Customer?
- Monthly burn rate, now vs. after funding?



Financial Projections



Financial Projections

High Level Financials:

Revenue,
Expenses,
EBITDA, EBITDA
Margin %

Optional: Break
out key revenue
streams or Gross
vs. Net Revenue

Optional: Break
out key expenses
(Ex. # Employees)



Exit Strategy

Acquisition: (Most likely exit option for companies)

- Name potential companies (any unique relationships with them?)
- Name types / categories of companies that could acquire you
- Why would they acquire you, how do you fit into their strategy?
- Why won't they try to build it themselves?

Financial Buyer: Will your company generate excess cash flow that could make it attractive to financial buyers to generate a return?

IPO: The least likely exit for a company, but a possibility. Often not preferred to founders or investors compared to top two choices, due to required holding period and volatility, etc.



Capital Raise / Use of Proceeds

The Ask: Capital? Intros? What's the end goal for the meeting?

Capital Raise:

- Stage / Size? Ex. Seed Round: up to \$500K, Series A: \$2-3M
- Investment Terms: Ex: Pre-Money Valuation Expectations / Range, Discount into next round?, Valuation Cap?, Dividend / Interest Rate?, Liquidation Preferences?
- Current Investors in Round: Founders, Key Angels, VCs
- Monthly Burn Rate? / How long will new \$ last (runway)?
- Prior Investment Rounds: Size? Investors? Valuation? Key Terms?



Capital Raise / Use of Proceeds

- Use of Proceeds: (Name It / \$ Amount / % of Capital Raised)
 - Sales & Marketing
 - Hire key employees
 - Founders salaries (Don't be greedy!!!)
 - Build out / further develop technology
 - File patents
 - Achieve Milestones: 1st Client? Get to Breakeven? 3x Rev Growth?



Closing Slide

- Your Logo (Big & in Middle) / Link to site
- Any Questions?
- Contact Info: Name / E-mail / Phone

After all questions have been asked by the investor, ask
“What’s the next step in the process?”

Remember:
Goal of Meeting =
Get the Next Meeting



Top Pitch Deck Guidelines

- Suggested Core Slide Deck: 15-30 slides (See “The “Best” Pitch Deck Outline”)
 - There are no correct # of slides, only key pieces that need to be covered
- Typical Deck Variations: 2 min (5 slides), 5 min (10 slides), 10-20 min (15-30 slides)
- Keep slides clean, no clutter: ~1-5 bullets/slide, ~5-10 words/bullet and big clear images
- Show, Don't Tell: Don't be cocky/braggy/hyperbolic, show AWESOME/AMAZING results!
- Show “super simple” images, graphics and diagrams (that need little to no explanation)
- Key Takeaways: Concisely summarize main points at the top or bottom of slides
- Deck should be simple / clear enough to explain itself and not need you to present it
 - When presenting have add'l info/insight to share with each slide = Your “added value”
- Check for typos / math errors or internal inconsistencies (# widgets on slide A vs. slide B)
- Consistent Formatting: Caps vs. lowercase, colors, font type, font size, spacing, etc.
- Font Type: Arial (No odd looking letters = Easy to read)
- Font Size: Only use size 20 or larger (Otherwise too hard to read from a distance)
- Don't use dashes “-” as bullets, they look negative, use other styled bullets
- Add page numbers (Bottom right of page)
- Dark backgrounds with light text colors project well (kills printer ink, but who prints?)
 - You can also use white backgrounds with black/dark color font



Before The Pitch

- Get introduced to an Angel or VC, they don't respond well to random calls/e-mails
- Review portfolio companies of Angels / VCs before sending them your investor deck
 - Investors don't invest in companies that compete directly with a portfolio company (shocking!)
 - If you send your deck to an investor with a competing portfolio company, it will be shared with them
 - If there are strategic companies in their portfolio, they can make introductions to them even if they don't invest, such as potential clients, strategic partners, future acquirers, etc.
- Review investment criteria of Angels / VCs before sending investor deck
 - Make sure you fit their industry focus (ex. Energy) or business type focus (Ex. B2B / B2C)
 - Check the size of capital they invest (\$250K? \$1M? \$3M+), the company stage (Startup/Early Stage/Growth Stage, etc.), or required financial metrics (Ex. Min of \$1M in Revenue or EBITDA)
- Review investor backgrounds to find useful overlaps or who best to speak with at fund
- Practice, Practice, Practice! Nail down flow, slide transitions, timing, clarity of concepts, key mental frameworks, stories, answers to likely questions, etc.
- Arrival: Arrive 10 minutes early to set up computer, projector, get access to Wi-Fi, etc.
- Attire: Business casual is fine, no need to wear a suit, unless you want to
- Ask investors in meeting to be introduced, provide a quick background on themselves, and the fund (you may just learn something and people love talking about themselves!)



How to Pitch

- Open by saying your name, title/role, and company name (Allows audience to get familiar with your voice before you start pitching, and it's just polite!)
 - The Quick Hook: Grab the emotional attention of the audience within the first 1 minute
 - Pitch your vision, not just what you currently have or are
 - Tell a story: Take your audience on an exciting upward journey with smooth transitions
 - Reference things people know / understand, don't make people think or question you
 - Show real validators to prove your points, supported by strong emotional validators
 - The Right Opportunity: Clearly convey a Big Market + Big Problem + The Right Solution
 - The Right Team: Qualities - Integrity, Credibility, Passion, Experienced, Knowledgeable, Skilled, Leadership, Confidence, Commitment, Visionary, Realist, Coachable, Doers
 - One Joke: Make audience laugh at least once, but don't do a comedy routine
 - <10 min presentations – Only one person presents, the CEO who can sell
 - Don't read slides or stare at projector screen! Look forward / connect with your audience
 - Don't speak too fast, people listen better when you speak slower and you sound wiser!
 - Don't use industry acronyms / terminology, or reference companies they won't know
 - Don't show a video, do show a quick DEMO or screen shots (pictures fail less often)
-



Various PDF's / 1 PPT

