CREATE A DAMN GOOD STARTUP INVESTOR PITCH

Step by step guide to create, design and deliver a compelling investor pitch

VIVEK SINGH
What is this e-book about?

You have done the hard work and built a good startup. You now have to build an investor pitch that will showcase your startup as a good investment opportunity. This e-book will help you do that. You will learn the following:

- What are the hurdles in your way of securing funding?
- How do investors (Angels and VCs) evaluate your pitch?
- How to create content for your pitch?
- How to design professional slides?
- How to deliver your pitch with confidence and impress your investors?

How to get the most out of this e-book?

I have written this e-book in a sequential manner and that’s how you should be reading it. Build your pitch as you go. At the end of each chapter there are activities. To get the most of this e-book, I encourage you to complete the activities.

For your reference, there is a short summary at the end of each chapter and a comprehensive summary at the end of the book.
About the Author

- I am Vivek Singh, a presentation designer and marketing consultant
- MBA from India's top college; IIM Ahmedabad
- 12 years of sales and marketing experience
- I mentor startups. Resident mentor for ET Power of Ideas 2016, India’s largest startup hunt and mentor to CIIE’s Food and Agri-business startups

LinkedIn  Twitter  Email  Blog

About my design firm ‘Jazz Factory’

Jazz Factory is a presentation design and consulting firm. We specialize in B2B sales presentations and investor pitches for startups. We develop awesome content and design professional slides.

www.jazzFactory.in
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>CHAPTERS</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>5</td>
</tr>
<tr>
<td>Step 1: Understand yourself</td>
<td>10</td>
</tr>
<tr>
<td>Step 2: Understand your investor</td>
<td>29</td>
</tr>
<tr>
<td>Step 3: Create compelling content</td>
<td>35</td>
</tr>
<tr>
<td>Step 4: Design professional slides</td>
<td>57</td>
</tr>
<tr>
<td>Step 5: Test your pitch</td>
<td>78</td>
</tr>
<tr>
<td>Step 6: Deliver your pitch with confidence</td>
<td>82</td>
</tr>
<tr>
<td>Bonus Tip: Common mistakes startups make while pitching</td>
<td>91</td>
</tr>
<tr>
<td>What next?</td>
<td>104</td>
</tr>
</tbody>
</table>

© Copyright 2016. All rights reserved.
These are exciting times for a startup

Startups are coming up everywhere in the world. Young companies are taking on big problems and disrupting established markets. What is fueling this growth is the vision of the entrepreneur and the availability of capital. VCs and Angels have come forward to supply the much needed money and expertise.

But raising funds has its own challenges. As funding has grown, so has the need for it. New technology and availability of money has propelled lots of talented people to quit their 9 to 5 jobs and turn entrepreneurs. Students fresh out of college are not far behind.

This has created a small problem. Demand for capital is much more than supply of capital. VCs and Angels cannot fund everyone. Lots of funding is taking place everyday, but there are lot more startups which are coming up everyday too. Since demand is more than supply, some startups will miss out on this capital and that’s the sad part of this exciting story.
“In a single year, the classic general partner in a venture firm is exposed to around 5,000 pitches; decides to look more closely at 600 to 800 of them; and ends up doing between 0 and 2 deals.”

Reid Hoffman
Founder, LinkedIn
The odds are becoming tougher

While top VC firms in Silicon Valley are being pitched 5,000 times a year, even the smaller firms in countries like India and Australia are getting pitched 500 to 1,000 times a year. And that’s a lot.

Even though capital is available, too many startups are chasing it. Hence the supplier of funds are not only evaluating you as a startup, they are also comparing you to other startups that they can potentially fund. And these others might not even be from the same industry.

What do you do in this circumstance? You need to stand out. And how do you stand out from other startups and secure funding? By making a compelling pitch to your investors. Compelling enough that your investor understands you, believes you, and remembers what you said. And you have to do this within the allotted time.
Follow this 6-STEP approach

You will make a compelling pitch and stand out from other startups by developing your pitch through this proven 6-STEP approach.

1. Understand yourself
2. Understand your investor
3. Create compelling content
4. Design professional slides
5. Test your pitch
6. Deliver your pitch with confidence

We will go through these steps one by one. Each step is a chapter in this e-book. Before we start the first chapter, let me share with you the essence of this approach.
The essence of this 6-STEP approach

Even before you think about what to say and begin making slides in a software you need to understand yourself and your investor. What do you want to achieve from this pitch? What are the hurdles in your way? What are the challenges facing your investor? What does he want to see in your pitch? We will tackle these in STEPS 1 and 2.

You will develop your content (your message) in STEP 3. In STEP 4 you will convert your content into professional slides. Then in STEP 5 you will test your pitch by presenting it to your friends and finally in STEP 6 you will rehearse this pitch so that you can deliver it with poise and passion.
STEP 1

UNDERSTAND YOURSELF
What do you want to achieve from this pitch?

You want to get funded. That’s the reason you are meeting the investor. But when you are pitching to him for the first time, ‘getting funded’ is not really the immediate objective.

Funding takes a long time. Sometimes it takes weeks and sometimes months. The investor will meet you and your team multiple times and ask you all sorts of questions. He will also involve his team and conduct due diligence on your business and books of accounts.

Then what is the objective of your first pitch? It is to land your next meeting with the investor. To qualify to Round 2.

The numbers shared by Reid Hoffman give us a perspective. Of the 5,000 startups that a VC firm meets, at max. 800 qualify to Round 2. That’s a disqualification rate of 84%.

Your objective is to qualify to Round 2 and nothing else.
How will you qualify to Round 2?

You need to excite the investor by telling him a part of your story. You will present your business case (why he should give you the money you are asking) in brief. Just enough to get him hooked and asking for more.

Your first pitch is very similar to a movie trailer. In 2 minutes the movie producer shares parts of the bigger plot and excites you to go and watch the entire movie of 100 minutes. If the trailer is bad, it is very likely that you will skip the movie. The same holds true for your pitch.
What should go into your pitch?

A typical investor pitch lasts 20 minutes. At demo days you are given only 5 to 10 minutes. Never more. You will talk about the most exciting and most remarkable parts of your business which will include things like:

- Problem you are solving
- Your solution and how it is unique
- Size of the opportunity
- You have the team that can realize the potential of this business
- Your achievements so far and projections

We will cover this in-depth in STEP 3 where I share the comprehensive investor pitch template.
What are the hurdles in your way to Round 2?

Other than trying to stand out from other startups who are seeking funding, you are also facing 5 challenges as you pitch to investors.

1. How to pitch within the allotted time?
2. How to retain investor attention throughout the pitch?
3. How to get investor to understand your business quickly?
4. How to get investor to believe everything you say?
5. How to get investor to remember the important stuff?

How do you cross these hurdles standing in your way? The next few pages have the answers.
1. How to pitch within the allotted time?

If your investor gives you one hour, you should target presenting for 20 minutes and discussing for the remaining time. On demo days you will only have 5 to 10 minutes. How will you ensure you do not exceed this time limit and yet make a compelling pitch?

You will limit the things you want to say and practice your pitch till you fit it within the allotted time. You need to rehearse your pitch along with a stopwatch and do it at least ten times before you can go in front of the investors confidently. With every rehearsal you will need to tweak your pitch so that it fits.
2. How to retain investor attention throughout the pitch?

Your investor is very busy and will not be giving your pitch as much attention as you deserve. You will not have their undivided attention for the 10 or 20 minutes you present. Your investors are like any other senior corporate executive and have a busy work life. They might have an important meeting tomorrow which will force them to check emails often. These work pressures will distract them from paying complete attention to your pitch.

This graph shows you that as a presenter you have maximum attention from your audience at the start. From there on it keeps dipping before rising slightly at the end. The investor is not paying attention to everything you are saying during the pitch.

Source: Aaref Hilaly, Partner at Sequoia Capital
How do you deal with this strange situation? By recognizing that you don’t have undivided attention and making your pitch more exciting. Here are a few strategies I have successfully deployed in the past.

**START WITH A BANG**
Share the most important stuff at the start when you have maximum attention. What’s the most remarkable thing about your business? What are the best reasons to invest in your company?

**USE A ‘DID YOU KNOW’ SLIDE?**
This is a good attention grabber which you can use to share interesting insights about your company. I made this for my client, an online real estate startup: *DID YOU KNOW? XY.com is present in 100 cities and we are present in only 10. Yet our monthly revenues are more than XY.com.* XY.com was well-known in investor circles. This slide placed this startup into the same league with just one DID YOU KNOW slide.

**TELL A STORY**
It can be a personal story (why you started this business or what keeps you motivated). It could also be a customer story (what problem was a particular customer facing, how she discovered your service and what difference has it made to her life). Stories grab attention because they are more interesting.
Here is an example of a slide which fails to grab attention. That’s because it has a lot of text and the main message gets buried in it. Let it shine through.

### Market Opportunity

- 2 billion smartphones are there in the world
- 45% smartphone users do not use any antivirus (Source: XYZ report 2016)
- Huge potential for antivirus software makers

Here is the same slide modified to grab the attention of the investor. The large 45% grabs the attention, the 45 dots show how big this market really is. The rest of the content is spoken by the presenter.
3. How to get investor to understand your business quickly?

Startups are mostly into new businesses. I was once mentoring a startup which was into European re-insurance business. The founder’s main problem was that no investor understood his business and hence he never landed a Round 2 meeting with them.

I remember my first meeting. I asked him to start the session by pitching to me in 10 minutes. He talked for 10 minutes and at the end of it my understanding about his business was ZILCH. A big zero. I spent the next 50 minutes asking him questions which helped me understand his business totally. We finally created a 60 second video to do the job. If you are in any such complex business, the best way to simplify your business is to pitch to a friend or stranger or a professional mentor like me and seek feedback.
Here is a slide which fails to communicate the message quickly.

Here is the same slide made in two different ways. The first one uses color and a better headline and the second one convey the same message with a picture and a large 46% with a good headline. These two are clearer than the first.
Here is one more example. This slide talks about Gango's (name changed) core business idea. People love games and want to lose weight. Gango marries the two and makes it easier to lose weight. You also get rewarded for weight loss.

<table>
<thead>
<tr>
<th>What is Gango?</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ People love games</td>
</tr>
<tr>
<td>▪ People want to lose weight, but lose motivation very soon</td>
</tr>
<tr>
<td>▪ Gango helps its users lose weight. They compete with each other and try to lose the most weight. Everyone pools in money and the biggest losers wins all!</td>
</tr>
<tr>
<td>▪ We make weight loss fun</td>
</tr>
</tbody>
</table>

The same message has been conveyed through a Venn diagram to make it clearer. This slide will be understood quickly. Visual expression of the idea always trumps over lots of text.
Here are a few ways in which you can ensure your business will be understood by your investor (and everybody else).

**GIVE A DEMO**
Instead of TELLING the audience what your product does, SHOW a demo. Product startups should always show the product (or a prototype).

**ASSUME YOUR INVESTOR IS 18 YEARS OLD**
This one assumption will force you to simplify your pitch dramatically.

**EXAMPLE AND ANALOGY**
Providing concrete examples enhances understanding. Analogy works best while explaining new concepts. You link the new to the old (something the investor already knows). My movie trailer example in STEP 1 was an analogy to make you get my point quickly.

**PITCH TO A FRIEND**
This is the best way to check if your investor will understand your business and your pitch. Pitch to a friend or stranger and seek feedback. Be like the European re-insurance guy 😊
4. How to get the investor to believe everything you say?

Credibility matters a lot. According to Vinod Khosla, ace investor and Founder of Khosla Ventures, partners at a VC firm discuss whether they can trust the founder. Because startup founders are asking for a lot of money and the investment is risky, these concerns are valid and you need to address this in your pitch.

“Do we believe this person? Are they trying to hide the facts?”
You can boost the credibility of your pitch through the following methods.

**PITCH TO A DEVIL'S ADVOCATE**
Present to a friend / mentor and ask her to play the Devil's Advocate. Let her ask you tough questions for every claim you make.

**MENTION SOURCE OF DATA**
Wherever you mention data, add the source. It could be an internal estimate or from a report.

**MAINTAIN DATA CONSISTENCY**
Data mismatch across slides hurts your credibility badly. Double check.

**ADD TESTIMONIALS AND PICTURES**
Research shows that if you want to be credible, you should accompany your statements with photos. Put real client photos. Instead of claiming you cut costs by 38% for clients, show it with a testimonial.

**SHARE THE NUMBERS BEHIND YOUR NUMBERS**
Be prepared to share all the assumptions behind your financial plan and projections. Keep a neat excel sheet ready with printouts.
5. How to get the investor to remember the important stuff?

Your investor is exposed to one or two pitches every day and will not remember most of what you have pitched after 48 hours. He will remember only 3 things that might have caught his attention because they were new or remarkable. It could be your unique idea or amazing traction.

Here are a few tips to help your investor remember the important stuff:

LIMIT THE THINGS YOU WANT HIM TO REMEMBER
Share 3 remarkable things about your business. The more you say, the less he will remember.

TELL A STORY
It could be a personal story or a customer story. Stories will not only get their attention but also be remembered long after he has forgotten your numbers.

TEST YOUR PITCH
Pitch to a stranger or a friend and ask what do they remember immediately after you are done. Call them again after 24 hours. What do they remember now? Testing is so important that I have written a chapter on it (refer STEP 5).
Here is a slide which states the problem that farmers are facing. Because it is full of text it fails to get attention and scores low on memorability.

**Farmer’s Problem**

- Farmer is suffering due to increase in wages and lower productivity
- Wages have increased 45% in between 2013 and 2015 (Source: Agroma International Report 2015)
- Up to 40% crop loss every year
- Farmers shifting from essential food crops to more lucrative cash crops

The slide at the bottom takes a different approach. The presenter talks about one farmer. Through Samson's story the investors get to know of all the problems faced by farmers. A real story is much more memorable and the investors will remember it for a long time. It has more emotional appeal too.
The objective of your first pitch is to get a second meeting with the investor. In order to do this, you need to excite the investor by sharing a part of your story. Your aim is to stand out from all other pitches that the investor is exposed to.

There are five hurdles in your way: Lack of time, lack of attention, making investors understand, making your pitch more credible and increasing the memorability of your pitch. Here are ways to overcome the challenges:

- Telling a story will get attention and increase recall
- Practicing your pitch will help you finish in time
- Saying 3 key things about your business with proper emphasis will help the investor remember
- Presenting to a devil's advocate will make your pitch more credible
- Pitching to a friend will help you simplify and check memorability
1. What story will you tell the investor? One could be a personal story on how you discovered the opportunity and one could be a customer story

2. List down 3 good DID YOU KNOW trivia for your startup

3. Plan your demo. What features will you showcase? Will it be LIVE or will it have screenshots or will it be a pre-recorded demo?

4. If you could only say 3 things in your pitch, what would that be?
STEP 2

UNDERSTAND YOUR INVESTOR
What is your investor’s problem?

If you thought only your odds were bad, think again. If a VC or an Angel invests in 10 startups, here is what is the outcome.

- 50%: 5 of them are going to sink completely. The entire investment will be wiped out.
- 20%: 2 startups will give back what was invested, nothing more.
- 20%: 2 will give back 2x-3x. A million dollars invested will become 2-3 millions.
- 10%: Only 1 out of 10 will bring home 10x returns for the investor.

Source: ‘Hacking the Startup Investor Pitch’ by Francisco S Homem De Mello
What is your investor’s objective when he sees your pitch?

Give the low success rate of his investments, your investor is very cautious. In this situation, while evaluating your pitch, he is looking for one and only one thing. Will your startup give him a 10x return in the next 5-7 years. Will you be that outlier?

When you pitch, you have to showcase your startup as a remarkable investment. An outlier. Something that can give 10x return for your investor.
How does an investor EVALUATE your pitch?

Your investor expects a 10x return from your startup. Startups which usually deliver such high returns share common traits.

---

**LARGE MARKET**

Investors prefer startups which are going after a large addressable market. A large market allows scope to pivot (change course) midway and yet come out successful.

---

**A-GRADE TEAM**

Do you have a team which can realize the potential of this business? Investors look for domain experience, past history of execution and complimentary skills. Can your team mitigate the potential risks facing your company?

---

**POSITIVE TRACTION**

“Traction trumps everything” believes Buffer’s co-founder Joel Gascoigne. If you have good traction, it means your customers are loving your solution. This is a positive sign.

---

**SOUND BUSINESS MODEL**

How will you make money? How will you acquire customers? Is your business asset-light (like Uber’s because they own no cars). How easily scalable is your business? Are you adding customers by burning too much cash?

---

**SUSTAINABLE COMPETITIVE ADVANTAGE**

You will attract competition today or tomorrow. How will you stay ahead? Do you have entry barriers? How will you face price pressures and fend off me-too products?
Investment in a startup is extremely risky hence your potential investor is going to be very cautious. He expects to make a very large return from his investment and is looking for a company which will give him that. Here is what he will look out for:

- Are you chasing a large enough market?
- Do you have the team (or can you build a team) to realize the potential of your business?
- Do you have good traction? That would mean you are moving in the right direction
- How sound is your business model?
- How protected will you be from competition? Do you have a sustainable advantage?
ACTIVITY

1. Your startup definitely has the potential to give good returns to your investor. How will you showcase that you can offer an exponential return to your investor?

2. Write down 3 reasons why a potential investor might not invest in your startup. Now prepare counter-arguments to defend your case.

3. Your investor will worry about competition. List down all possible competitors of your company and plot it on a grid or create a list of features and prepare a comparison table.
STEP 3

CREATE COMPELLING CONTENT
In STEP 3, you will create the content of your pitch. This is where you decide what will you actually tell the investor. Through my years of experience of building compelling presentations, I have developed a phased approach for creating good content.

<table>
<thead>
<tr>
<th>Phase A</th>
<th>Write down everything you want to say</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase B</td>
<td>Refer to the Comprehensive Investor Template to add missing items</td>
</tr>
<tr>
<td>Phase C</td>
<td>Develop reasons to invest and defend reasons not to invest.</td>
</tr>
<tr>
<td>Phase D</td>
<td>Edit your content and collate your pitch</td>
</tr>
<tr>
<td>Phase E</td>
<td>Arrange your content in a logical flow</td>
</tr>
</tbody>
</table>
Phase A: Write down everything you want to say

Imagine you are at your favorite coffee shop and you meet your friend Rita. You haven’t met in 10 years. After the usual hello, you tell her that you are working on your investor pitch.

She gets excited and says, “I want to know more. Tell me everything about your startup and why you need funding?”

Go to a whiteboard and write down (in brief) the answer to Rita’s question. You don’t have to write complete sentences, bullet points will suffice.
You have no time constraint. Tell her everything you want to say. **If there were a patient investor with unlimited time what all will you tell him?**

If you have a co-founder, ask him to join you as you talk to Rita. There is no need for a logical flow right now. Just feel free and share everything.

You might wonder, why write things down?

Because an investor pitch has lots of content and you have a lot to share. Founders usually forget many things. Writing also helps in getting every key team member on the same page. Once everyone can see the pitch in front of them, they are more likely to understand, discuss and eventually agree.

*Pro Tip: If you work out of different locations, replace whiteboard with Google Docs / MS Word*
Phase B: Refer to the Comprehensive Investor Pitch Template

You would have said a lot of stuff to Rita already. What problem are you solving? Who is your customer? What is your solution? How is it better than what your customer is doing currently? and so on.

It is time to add to this already long list. Refer to the Investor Pitch Template I have put together and see if you have missed covering something. Talk about that as well.

<table>
<thead>
<tr>
<th></th>
<th>Company overview</th>
<th>11</th>
<th>Team</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Why are you doing this business?</td>
<td>12</td>
<td>Traction / Validation</td>
</tr>
<tr>
<td>3</td>
<td>Quick facts about company</td>
<td>13</td>
<td>Milestones</td>
</tr>
<tr>
<td>4</td>
<td>Market opportunity</td>
<td>14</td>
<td>Financials</td>
</tr>
<tr>
<td>5</td>
<td>Problem</td>
<td>15</td>
<td>Funding</td>
</tr>
<tr>
<td>6</td>
<td>Target customer</td>
<td>16</td>
<td>Risks</td>
</tr>
<tr>
<td>7</td>
<td>Solution</td>
<td>17</td>
<td>Exit strategy</td>
</tr>
<tr>
<td>8</td>
<td>How is your solution better?</td>
<td>18</td>
<td>Why is now a good time to chase this opportunity?</td>
</tr>
<tr>
<td>9</td>
<td>Competition</td>
<td>19</td>
<td>Product demo</td>
</tr>
<tr>
<td>10</td>
<td>Go-to-market strategy (How will you acquire customers?)</td>
<td>20</td>
<td>Business model (How will you make money?)</td>
</tr>
</tbody>
</table>
The Investor Pitch Template contains 20 things that you can possibly tell your investor.

The following slides share what could be said under each of the 20 headings. You need not say all of this. Customize it to your need.
1. **Company overview**
   - Company logo
   - Company name and location
   - What do you do? “We sell software”
   - Describe your company in one line

2. **Why are you doing this business?**
   - How did you chance upon the idea?
   - What motivates you to keep going?
   - What is your vision?

   *The Why you do is more powerful than the What*

3. **Quick facts about company**
   - When did you start?
   - Number of employees
   - Funding so far, funding needed
   - Target market, traction, key metrics, plans
   - Key customers, partners (drop big names, if any)
   - Geographical presence – state, city, country

4. **Market opportunity**
   - How large is the market? Growing at? Growth drivers?
   - Describe the overall market and any niche that you are after?

   *Do a bottoms up calculation of market size. Share Total Available Market, Serviceable Available Market and Serviceable Obtainable Market*

5. **Problem**
   - What problem are you solving?
   - Is the problem worth solving?
| 6. Target customer | Who is your ideal customer?  
|                    | Is she aware of the pain? Is she seeking a remedy?  
|                    | Will she be willing to pay for it?  
|                    | Name existing clients, if not name 5 ideal clients you are targeting (for B2B business) |
| 7. Solution        | What is your solution?  
|                    | How does your product / service help the customer?  
|                    | Can you quantify the benefit? |
| 8. How is your solution better? | Is your solution better than what the customer is using right now?  
|                    | How does it differ from competition?  
|                    | Is your difference sustainable in future?  
|                    | What is your secret sauce? (IP, patent, special tech) |
|                    | *Tell them why your customer will buy from you* |
| 9. Competition     | Who is your direct and indirect competitor?  
|                    | How does the competitive landscape look like? (map)  
|                    | What are the entry barriers that will prevent a flood of competition once you are successful?  
|                    | Do you have any key partnerships which will help? |
| 10. Go-to-market strategy | How will you acquire customers?  
|                    | At what cost? What is their lifetime value?  
|                    | What is your distribution strategy?  
|                    | How will customers purchase you and make payment?  
<p>|                    | How did you acquire the existing customers? (if any) |</p>
<table>
<thead>
<tr>
<th>11. Team</th>
<th>Do you have domain expertise, past track-record of execution and complimentary skills? Talk about achievements of key team Are there any gaps to be filled in key roles?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><em>Do not show them team’s CV. Talk relevant achievements.</em></td>
</tr>
<tr>
<td>12. Traction / Validation</td>
<td>How is your traction? Is there a positive momentum? Do you have paying clients? Raving customers? Repeat clientele? Conversion rates? Downloads? If no traction, is there proof of concept?</td>
</tr>
<tr>
<td>13. Milestones</td>
<td>What are the important milestones in your journey? What are the upcoming milestones? (3 months, 6 months, 1 year). Place any good PR here.</td>
</tr>
<tr>
<td>14. Financials</td>
<td>What have you achieved and what have you spent so far? Are you running a lean setup? What are the assumptions behind your 18 month projections?</td>
</tr>
<tr>
<td></td>
<td><em>Do not go too in-depth if you are an early stage startup with no or low revenues</em></td>
</tr>
<tr>
<td>15. Funding</td>
<td>How much have you raised so far? From whom? Who owns how much in the company? How much do you need? Why that much, not more? What will you deliver in 12 months, if you get funding?</td>
</tr>
</tbody>
</table>

---

JAZZ FACTORY.IN 43
16. Risks of your business

What are the major risks of your business? (Legal, government policy, entry of a big player, price wars, cash burn)

How will you mitigate these risks?

What is your Plan B if things do not go as per plan?

17. Exit strategy for investor

How does this investor exit after 5-7 years?

*Worry about it only during later stages of funding, when you seek very large funds*

18. Why is now a good time to chase this opportunity?

What macro trends are going to help you?

Are you early to market or is this the right time to chase this market?

19. Product Demo

How does your product / service work?

Show a LIVE demo or a recorded video or screenshots or prototype

20. Business Model

How do you make money?

Are there multiple business models?

What is the economics for one unit sold?

What is your pricing strategy?

Will the costs come down as sales increase?

*If your business model is similar to a well known startup, talk about that*
Company one-liner: Describing your company in one sentence

It is important to be able to describe your company in one line. The usual tip for this is to say, “We are the Uber for X” or some such thing. Famous author, entrepreneur and venture capitalist Peter Thiel gives a new perspective on how to coin these one-liners.

“The standard format is stringing together a few well-known products and services that you sort of resemble: “We are Instagram meets TaskRabbit meets Craigslist.” You should reject the standard format. It works well in Hollywood, where people like reductive mashups and yearn from familiarity. It works less well in Silicon Valley. Your market is different. If you are just x+y, chances are you can be easily replicated – or at least, that’s how it will seem. That should make most good VCs run away. Just make an affirmative statement about what you do and why it’s important. SpaceX has a great elevator pitch: “Launch costs haven’t come down in decades. We slash them by 90%. The market is $XXbn.” (Contrast this with: “We’re NASA meets Toyota!”)

Some companies’ elevator pitches will be similarly straightforward. “We cured pancreatic cancer in monkeys. We need cash for Phase II trials; if this works, it’s a $10 billion market annually.” Even if yours isn’t quite as simple as that, you still need to make it simple. The equation form of a good short pitch would be problem + solution = money. Get this down, because VCs are floating around everywhere and you never know when or where you’ll be pitching.”
Phase C: Reasons to invest and reasons not to invest

Your investor pitch contains various reasons to invest. It is now time to focus on the top 3 reasons and make them more compelling.

While choosing your main reasons to invest, bear in mind what we learnt in STEP 2 (How investors evaluate your pitch?) - Size of opportunity, good team, traction, business model and competitive advantage.

Bear also in mind the overall climate of the economy. There are times when investors are betting on a company even though there are no revenues. At other times the same investors start seeking traction and revenues. How is the climate right now?
Understand the broader financing climate. In 2004, investors regained interest in the consumer internet again. Friendster raised a big round in 2003; MySpace started gaining traction. But with so many investors still licking their wounds from the dot-com bust, many focused on proven business models, such as advertising or e-commerce. As a result, we knew that our pitch would need to steer into investors’ biggest concern: the lack of revenue.

Reid Hoffman
Founder, LinkedIn
Pitching in August 2004
List down top 3 reasons why your investor might not give you money?

This was one of the ACTIVITIES you had to do after STEP 2. If you have not done so, do it now.

In order to come up with these reasons seek help from your friend Rita, your mentors or advisors. The reasons could be many.

- Risks of the business
- Lack of revenues?
- High cash burn rate?
- Low entry barriers which will allow competition to intensify

Once you arrive at the Top 3 objections, prepare your defense against these. Make a backup slide for this when you start designing slides. By doing this exercise you are sending a powerful message to investors – that you have thought through.
Phase D: Collate and Edit your pitch

It is now time to collate and combine stuff. Start removing things that you cannot not tell the investor because of lack of time. Wipe it off from the whiteboard.

Answering these questions will help you edit further.

- **What cannot be removed at any cost?** Retain everything that is the core of your business case (refer to STEP 2: How does an investor evaluate your pitch?)

- **What are the strongest and weakest arguments?** Retain the strong ones and wipe off the weaker ones

- **What is the most remarkable information about your company?** Retain it

Wipe off the less important stuff from the whiteboard and focus on what remains.
By now you will have some 10 to 15 things to talk about. Start clubbing these under different headings (or buckets). We saw 20 such buckets in the Investor Pitch Template. Problem. Solution. Opportunity, etc. In your case you might only talk about 15 buckets.

Some of your content will be a sub-header or a supporting argument for your main header. You might have made a chart to prove a claim. Start pulling these together.

Example: Assume your startup sells grocery online. Your main header (bucket) is large market opportunity. You have also written somewhere that there are 40 million homes in the 10 cities you are present in. You have referred to a report somewhere. You will now bring all these sub-points, supporting data and arguments and put it the main header or bucket called opportunity.

Your final whiteboard will start looking like the sample on the next page.
This is a dummy whiteboard. Your whiteboard will be far more cluttered with a lot more content on it. You will have your main headers, points under each header, tables, charts, numbers, examples and stories.
Phase D: Get the flow right

Now is the time to get your pitch flowing nicely. The best way to do that – is to stand up and deliver the talk as if you are actually presenting to your investors.

What happens when you practice like this? You will be able to figure out where is the flow not right and be able to fix it easily. Whenever you feel, “That does not sound right?” stop and fix the flow. Your content is in front of you. All you have to do is arrange it in a more compelling manner.

Draw lines on the whiteboard to indicate how things will flow.
The arrow indicates the flow between buckets. Once you read out this pitch out loud, you might want to change your flow. Go ahead with a flow that makes most logical sense to you. Just ensure you follow the tips on the next page.
Tips for a logical flow

- **Start with the most remarkable thing about your business.** Earn their attention early on.

- **There is no right and wrong sequence** after that. Do what makes sense to your startup and brings out the points in a logical manner.

- **Most decks start with a Company Overview slide.** It will cover the following:
  - Company name and logo
  - One line description of your company
  - Presenter name and contact details

- **Company Snapshot** slide sets the context. If you plan to have this slide, have it early on. Here you will cover: when did you start operations, how many people work in the company, what stage is your company in today, your traction, funding so far and funding requirement. All of this will be in very brief. On one slide.

- **Share a story early on** (possibly after overview and through the story talk about the market, problem and your solution)

- **End with a powerful slide** which summarizes the whole pitch. Talk about the 3 things you want them to remember and the 3 reasons to invest in your company. A good summary will reinforce the key messages.
Get your key team together and start writing down everything you want to say about your company on the whiteboard. Refer to the Comprehensive Investor Pitch Template and add more points on your whiteboard. Write down reasons to invest and reasons not to invest. Build supporting arguments for the former and build good defense against the latter. Start editing. Remove things that you cannot say, because of time constraint. Remove things that are not that important. Decide your 10 to 15 buckets (main headers). Combine sub-points and supporting arguments under each bucket. Now practice the pitch once and arrange these buckets in order.

By the end of this step, you will have your key headings (buckets) along with sub-headings and supporting data ready and arranged in a nice flow.
1. Write down everything you want to say as bullet points on the whiteboard.

2. Write down 3 main reasons to invest in your company. Have a few supporting arguments for these.

3. Edit your content by wiping things off the whiteboard. Combine sub-points and supporting data under each bucket.

4. Practice this pitch once to figure out the flow. Draw lines on the whiteboard to indicate flow of the pitch.
STEP 4

DESIGN PROFESSIONAL SLIDES
In STEPS 1 and 2 you have understood your challenges, goals and what your investor is looking for. In STEP 3 you wrote down what you want to say on a whiteboard along with the sub-points and supporting arguments. You also fine tuned the flow. Now is the time to convert your ideas into slides.

**Place your main message as your slide title**

In the last step, you placed all your content in 10 to 15 buckets (problem, solution, opportunity, etc.). Now you will decide what your main message is for each bucket and put it as your slide title. Instead of calling it PROBLEM, you will state what the problem actually is. I have given examples in the next page.

When the slide comes up, your investor can simply read the title and understand what you are talking about. Even if he reads nothing else, your job is done. This is a good practice for in person presentations and a great practice when you email your deck. By simply reading the slide titles your investor will understand the complete presentation in a logical manner even when you are not around to explain.
Let us see how this is done. Here is an example of a before and after slide. This is the before slide.

**SATELLITE COMPARISON** says nothing to your investor. You don’t want him to read the slide and figure it out. Now look at the slide below. The title has been changed to **96% LOWER DATA COST**. This is a powerful message that you would like to drive home.

Source: Vinod Khosla, *Pitch the way VCs think*
Here is another example. This is the before slide.

By reading the title **DIABETES PROBLEM** your investor will not understand anything unless he reads everything on the slide. Now look at the slide below. **PANDEMIC DIABETES GROWTH; MASSIVE $560B SPEND TODAY!** does a better job. It states the problem, and that it is growing and how large the market is.

Source: Vinod Khosla, *Pitch the way VCs think*
Here is one more example from a startup called HigherMe (Y Combinator). The slide title ‘HigherMe uses data and video to find better employees faster’ is good.

It does not make a statement. It does not read ‘Benefits of HigherMe’. It tells you what the benefit actually is (which is the main message).
Elements that support your main message

You have decided the slide titles of each slide. The title is your main message. You now need to decide what supporting elements you need to place on this slide. These elements will either support the main message by giving an example or clarify it or amplify it. You can put any of the following elements:

- Diagram
- Data (table, charts and graphs)
- Shocking statistic (data point that has shock value)
- Images (single image / collage) or Icons
- Quotation
- Text

We will now see some example of good slide design which have these elements.
EXAMPLES OF PROFESSIONAL SLIDES
[making good slides will help you stand out]
5 Essential Elements that Lead to Success

- Ideas
- Team
- Business Model
- Funding
- Timing

**PRESENTER**  Bill Gross at TED

**DESIGN ELEMENT USED**  Icons

**LESSON**  Instead of putting 5 bullet points which everyone will do, use 5 icons. You can download free icons at [iconfinder.com](http://iconfinder.com) or [iconmonstr.com](http://iconmonstr.com). You can even buy premium icons at [iconfinder](http://iconfinder).
Top 5 Factors in Success Across More Than 200 Companies

<table>
<thead>
<tr>
<th>Factor</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Timing</td>
<td>42%</td>
</tr>
<tr>
<td>Team / Execution</td>
<td>32%</td>
</tr>
<tr>
<td>Idea “Truth” Outlier</td>
<td>28%</td>
</tr>
<tr>
<td>Business Model</td>
<td>24%</td>
</tr>
<tr>
<td>Funding</td>
<td>14%</td>
</tr>
</tbody>
</table>

**PRESENTER**  
Bill Gross at TED

**DESIGN ELEMENT USED**  
Icons + Bar Charts (minimalistic look)

**LESSON**  
The icons on the left make the words faster to grasp. The faster your investor can grasp your slide, the better it is.

The chart on the right is devoid of the legend, axis and all the fluff. This clean chart looks more elegant and professional.
PRESENTER
Victor Hwang (LIQUIDITY) at TechCrunch Disrupt

DESIGN ELEMENT USED
Image

LESSON
Large images create a big impact. A carefully chosen full screen image amplifies your point.

This was the first slide used by Victor. His company sells water purifier and he starts with this bold image of a bacteria. This makes his start extremely catchy.

Large images are ideal when you share a story. It makes your message appeal to emotions too. Using images to explain the customer problem helps the investor SEE the problem.
**PRESENTER**  
Victor Hwang (LIQUIDITY) at TechCrunch Disrupt

**DESIGN ELEMENT USED**  
Shocking Statistic

**LESSON**  
One large number draws attention. The audience realizes it is important and leans in to hear more. Use it to show good traction, conversion numbers or market size.

Victor used this number to stress on the fact that drinking water has to be 99.9999% pure and his filter delivers this ridiculously high standard of purity. But how? That's what the investor is thinking and he wants to know more... Victor has earned their attention.
It's the invisible stuff that kills you.

**PRESENTER**
Victor Hwang (LIQUIDITY) at TechCrunch Disrupt

**DESIGN ELEMENT USED**
Plain text on dark background

**LESSON**
Instead of saying too many things, you can simply put your main message on the slide and talk. This way the focus is on you and slides help you take the story forward without any distraction.
<table>
<thead>
<tr>
<th>PRESENTER</th>
<th>Victor Hwang (LIQUIDITY) at TechCrunch Disrupt</th>
</tr>
</thead>
<tbody>
<tr>
<td>DESIGN ELEMENT USED</td>
<td>Grayscale logos</td>
</tr>
<tr>
<td>LESSON</td>
<td>There is a new trend of showing logos in grayscale. If you have too many logos, usually the colors fight for attention and make the slide very busy. Converting all of them to grayscale (by just a click in PowerPoint) makes it more elegant.</td>
</tr>
</tbody>
</table>
### PRESENTER
David Arnoux (TWOODO) at Startup Bootcamp

### DESIGN ELEMENT USED
Large pie chart

### LESSON
This is a bold style of presenting. Put one large chart and talk about it.

David is using this slide to talk about his competitor Yammer. Yammer is big but still has only 1% market share.

David then goes onto to say that Yammer users also love TWOODO.
**PRESENTER**  
Timo Kauppila (Catchbox) at Summer of Startups 2012

**DESIGN ELEMENT USED**  
Large image

**LESSON**  
This startup makes throwable microphones. He is using a large image of a microphone to emphasize that microphones haven't really changed in many decades.

Using large images make a good impression and aids your storytelling. You can download free images from sites like [pixabay](https://pixabay.com). This is the best free website I have come across in years.
**PRESENTER**  
Bobby Lo (Vurb) at TechCrunch Disrupt

**DESIGN ELEMENT USED**  
Icons

**LESSON**  
Icons and full screen images are the two most common slide design styles prevalent today. Convert bullets to icons and see the impact.

Notice the subtle use of colors and fonts. The existing trend is of using [flat colors](#) and thin professional fonts makes a great impression.

*Tip: Always use [sans-serif fonts](#) for presentations and serif fonts for printed word documents.*
What’s **wrong** with Chicago?

The chart above highlights Chicago and **wrong** in red. That forms a connection and gets the message across quickly. The usual chart (shown below) does not create the same impact.

**PRESENTER**
Slide designed by me for a client

**DESIGN ELEMENT USED**
Chart (one bar and one word highlighted)

**LESSON**
The chart above highlights Chicago and **wrong** in red. That forms a connection and gets the message across quickly. The usual chart (shown below) does not create the same impact.
Guidelines for designing slides

ONE SLIDE, ONE MESSAGE
Communicate one key message on a slide. You can speak about sub-points which support the main message. Never talk two different things on the same slide.

USE IMAGES TO SUPPORT OR AMPLIFY YOUR MESSAGE
Images enhance message retention and make your pitch more compelling. Use large images, collages and icons. Avoid slides with lots of text.

USE LARGE AND LEGIBLE FONTS
Don’t go below size 24 while presenting in conference rooms and 30 for large rooms. Stick to sans-serif fonts which are easy to read on a screen. Download fonts like Montserrat, Oxygen, Raleway or Open Sans from Google Fonts for free.

USE SIMPLE BACKGROUND COLORS
Good slides have single color backgrounds. Use can use a color from your brand or stick to the usual black or white.

BE CONSISTENT ACROSS THE SLIDE DECK
Your design style should not only be simple but also consistent across the presentation. Choose the same font type, size and color for header. Choose one color to highlight something important. Notice that in this entire e-book I have only used one color for headers.
You will need two presentations

- One presentation to email to investors, and
- One presentation to deliver in person

The presentation that is emailed will have many more words. You will have to explain everything through writing since you cannot present this deck in person. For example, all charts will have a takeaway, proper legend and axes. Once you have made your in person deck add explanation on each slide to ensure the slides tell the whole story even without you being there.

Email a PDF

Convert your presentation from PowerPoint / Keynote to PDF. This will drastically reduce its file size making it very easy to share. If you use special fonts, PDF will ensure it does not get distorted when opened on a different system.
- Put your main message as your slide title

- Make your slide title powerful by communicating a message. Do not make a statement. Be descriptive.

- Icons are the easiest way to replace bullet points (which are completely out of fashion). Avoid bullet points at all costs.

- Use full screen images while narrating a story or an anecdote

- Go minimalistic with your charts, tables and graphs. Remove grid lines and make your charts bigger and bolder. Avoid using too many colors. Highlight the main message using a different color.

- Use large and legible fonts

- Stick to simple background colors

- Create two versions of your deck; one for in person and one for email.
1. Create slides. Convert your ideas from the whiteboard to slides in a software. Make your slides visual and use less text on each slide.
STEP 5

TEST YOUR PITCH
No software is shipped without proper testing and you will not break the rule with your pitch. To test your pitch, you have to present it to a friend or a complete stranger. Someone who does not know anything about your company. You can even pitch it to a professional mentor (someone like me).

Present your pitch in 20 minutes (or whatever time that has been allotted to you). Once you are done, ask the friend / stranger to answer the following questions:

- What does my company do?
- What is the problem I am solving and what is my solution?
- Who is my customer?
- How large is the market and how will I make money?
- Do you think my team has the capability to make the most of this opportunity?
- What did you like about my pitch? Tell me 3 things
- What are your concerns around my business? Tell me 3 things
These 7 questions are enough to tell you where the gaps are. You might be surprised to see that your friend would have forgotten half the things you said during the pitch. That’s what makes this test so valuable. Improve your pitch with the feedback you received.

Now find one more friend to test it on. If you have consulted two people and fine tuned your pitch, you are ready with a killer pitch. Why? Because your competition, other startups that are in the fray, would never make the effort of testing their pitch. Your hard work will pay off.
1. Find a friend or a professional mentor who does not know anything about your business and pitch to them. Check on the following:
   - What do they remember?
   - What did they like the most?
   - What are their concerns about your business?
   - Have they understood your business?
STEP 6

DELIVER YOUR PITCH WITH CONFIDENCE
“There are only two types of speakers in the world. 1. The nervous and 2. Liars.”

Mark Twain
Here are a few quick tips to help you deliver your pitch with confidence and stand out from countless others.

**Rehearse your presentation**

Stage fright or the nervousness before a presentation is quite common and if you have never spoken before it could be a tough one to handle. The good part is everyone is nervous before a presentation. Even the pros!

The best way to tackle nervousness is to practice. Practice your pitch 9 times and make your first pitch your 10th. Once you know your content inside out and have gotten used to the flow of ideas, your fear will come down. Rehearsal does not however mean you prepare a script and memorize. Keep it natural.

Practice the same way you will deliver your pitch. Stand up, put your slides on and talk. Remember to time yourself.
Never read your slides

Dave Paradi conducts a survey every year and asks people “What annoys you most in a presentation?” The number one response year after year is the same. People are annoyed when the speaker reads the slides to them. It is not your job to read out the slides. Your job is to share a message.

Do not keep looking back at your slides

Looking back at the slides and not making eye contact is also quite annoying as an audience. You will not be able to establish a good connect with your investor if you keep looking back. One way to hack this - keep your laptop in front of you. Your slides are projected behind you and your laptop is facing you. You can now view the slides on your laptop once in a while.

Use a wireless remote

Whether you are presenting on a Demo Day or presenting to investors in their conference room, a wireless presenter always comes in handy. It will help you change slides easily. No more rushing to the laptop or asking your co-founder ‘next slide please’.
Keep the lights ON

Keep the lights ON while presenting in a conference room. Keeping the room lights on helps the audience to see you and connect with you. You are there to ‘sell yourself’ and establish a rapport with the investor. You want them to keep looking at you. Another disadvantage of keeping lights off is that people tend to doze off (especially post-lunch).

Carry a handout

It is good if you carry handouts which have your pitch in a word format. Carry a two page document which has your company information, investment pitch. Highlight the reasons to invest and provide financials in the appendix. Never print your slides and give as handouts. They will not be enough when you are not around.
Prepare for tough questions

On every slide ask yourself, “What can the investor ask?” Now prepare for the answers along with your team. If need be, create back up slides for these answers. This will send a positive message to your investors that you have thought through, worked hard and come prepared.

While answering tough questions, being candid helps. Instead of answering on the fly you can say, “I will come back to you on that.” Make sure you do come back the next day.

“You can afford to be candid about what you haven't figured out yet... If you're a hacker and you're presenting to experienced investors, they're probably better at detecting bullshit than you are at producing it.”

Paul Graham
Founder, Y Combinator
Examples of confident delivery

There are enough presentations on the internet to get inspired from. You can watch popular TED talks. I have given here 3 links of investor pitches from TechCrunch Disrupt.

CLICK on the images to watch the talk.
- Rehearse your presentation to remember your content and flow of slides. With practice your nervousness will come down. Do not write down and memorize the script. This way you will sound natural when you deliver the pitch to investors.

- Use a wireless presenter to change slides.

- Never read your slides.

- Avoid looking back at the screen. Keep a laptop in front of you if need be.

- Carry a good handout to leave behind.

- Prepare for tough questions.
1. Rehearse your pitch 10 times before you present for the first time.

2. Prepare a good handout (a word document) which you will leave behind.
BONUS TIP

COMMON MISTAKES STARTUPS MAKE WHILE PITCHING
“As per research firm Gartner our market size is $20 billion yearly”

It is not good to only quote Gartner or some other agency while backing up your market size calculation. You did not start this business because you read Gartner’s report. So why quote them now. You may quote Gartner but you will also have to do the market size calculation bottoms up.

If you own a laundry startup in California, start with how many homes are there in the city and how many times they need this service. But you are not going to capture the entire market. If you have 5 machines and they run at say 100% capacity all days of the month, how many customers will you serve and how much money will you make. This kind of calculation shows you really understand your business. Here is another example of a bottoms up projection:

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Worldwide widget shipments</td>
<td>450</td>
<td>525</td>
<td>600</td>
<td>675</td>
</tr>
<tr>
<td>Installed base of widgets</td>
<td>1,300</td>
<td>1,565</td>
<td>1,852</td>
<td>2,157</td>
</tr>
<tr>
<td>Widgets with expansion port shipped</td>
<td>70</td>
<td>140</td>
<td>250</td>
<td>375</td>
</tr>
<tr>
<td>Widgets with semi-link shipped phones</td>
<td>70</td>
<td>196</td>
<td>407</td>
<td>700</td>
</tr>
<tr>
<td>% that can be updated</td>
<td>10%</td>
<td>15%</td>
<td>20%</td>
<td>25%</td>
</tr>
<tr>
<td>Number of updates per year</td>
<td>1</td>
<td>1.5</td>
<td>2</td>
<td>2.5</td>
</tr>
<tr>
<td>Price/update</td>
<td>$5.00</td>
<td>$5.00</td>
<td>$4.00</td>
<td>$3.50</td>
</tr>
<tr>
<td>Annual Opportunity</td>
<td>$35</td>
<td>$221</td>
<td>$651</td>
<td>$1,532</td>
</tr>
</tbody>
</table>

Source: Vinod Khosla, *Pitch the way VCs think*
“We have no competition”

This is the most common mistake founders make. Somehow many founders overlook competition because they understand their industry well and do not consider many companies as direct competitors. Your investor does not see it this way. So be careful about naming competitors; all of them.

“Our KJMs are growing fast”

What is KJM? Avoid using industry jargon and buzzwords. Using jargon does not make you look smart. It will actually confuse the investor. Aim for clarity over everything else.

“Our best-in-class team has made this world-class product”

Avoid superlatives at all cost. By not using such superlatives you will stand out from 99% other startups and come across as more mature and genuine.

“Nobody has come to me and put on a slide - We don’t have best-of-breed team. Investors look past that. Show, don’t tell.”

Vinod Khosla
Founder, Khosla Ventures
Slides full of text and bullets

Your investor will not read everything on your slide. Have as few words as possible. Use the words to support the argument you make orally. The only pitch where you can have more words is the one sent by email. The pitch deck you present in person should be clutter free.

Not rehearsing before the pitch

You will not be able to finish your pitch in time and make a great impression if you do not rehearse like crazy. I recommend practicing at least 10 times before any meeting. The aim is to get fluent with the presentation and not to cram the script.

Horses for courses

All the co founders need not talk during the pitch. It will only complicate matters. The cofounder who is most confident should present and seek help from others when defending tough questions.

If more than one person is attending the pitch, you should decide the role of each person. Who will answer questions on which topic? The CEO might be knowledgeable about the business aspect and the CTO will take care of the tech and product questions. Play to your strengths and back each other up.
Ignoring the risks

99% of the investor pitches never talk about the risks of the business. What can cause the failure of your business or what can severely hurt the chances of your success? These answers do not come to the mind easily for an optimistic entrepreneur. This is where you need to consult your mentors and advisors.

Be ready to talk about the risks because your investors are thinking about it. You can even bring it up proactively if you are confident of your answers. Talk about how you wish to mitigate these risks. This is one of the best tactics to stand out from competition. Remember that standing out has been the theme throughout the e-book because you are competing against other startups in the race for funding. Your investor hears many pitches in a week and makes one deal in the year. Make sure you are the chosen one.
“All we need is just 1% of this large billion dollar market”

Avoid making such claims because your business is not that easy and you know that. This claim will only raise a red flag in the minds of the investors. Instead of 1% share talk about how you wish to reach your revenue target. What are the key drivers? Reveal your strategy.

Utilization of funds and what it will help you achieve

It is surprising how many startups miss this completely. Lots of startups never state why they need the money and how will get used up in the coming 12-18 months. If you have asked for USD 1 million you need to tell the investor how it will be spent? How long will it last and what milestones will it help you achieve.

“We have a perfect team”

More often than not, at an early stage your team will not be perfect. You will be missing a key hire. Be open about it. Your investors like honesty and might even help you hire the right person.
Not preparing for the tough questions

On every slide, ask yourself, “What will the investor ask?” Make a list of all these questions and have an answer ready for each of them. For some of the questions you will need a slide. Keep that in the appendix as a backup slide. Show it if the questions comes up. This will look great to an investor and they will think highly of you. It shows you have thought through everything.

Inconsistency of data across slides

Errors like these are unintended but reduce your credibility dramatically. Ensure all numbers match across all slides. Explanations like “that number was gross and this number is net” will not help your cause.

Looking at the slides while presenting

While pitching, you have to look at the audience all the time. If there is a need to look at the slides, keep a laptop in front of you and peek into it every once in awhile.
Team slide is simply a CV

There is a big mismatch here. The number one reason to invest for most investors is the quality of the team. Yet, the amount of information that you actually share on the team slide is very less. Your investor has these questions and you have to answer them well. a) Is this a great team? b) Are there any gaps to be filled? c) What makes this team capable of executing and realizing the potential of the business? d) What have these guys achieved in the past? e) Do they have domain expertise?

No passion and enthusiasm

While presenting, be the person you are when you are off stage. You have to have the same passion and enthusiasm with which you narrate your story to a friend and hire her into your team. Talk like you are making a conversation. Retain your personal style and remain enthusiastic throughout.
‘Thank You’ slide at the end

Instead of the simple Thank You, use this slide to put down your company one-liner and main reasons to invest. This slide will remain there as long as the questions and answers are taking place. It is a good way to remind the investor of the main reasons to invest. No one does this. Stand out and make a mark.
Before you begin working on your content, understand yourself and your investor

The objective of your first pitch is to get a second meeting with the investor. Your aim should be to excite the investor by sharing a part of your story. Since the investor is exposed to so many pitches, try to stand out by making a compelling pitch.

Tell a story to get their attention. Practice your pitch to finish it within time. Say 3 key things about your business. The more you say, the less the investor will remember.

Investment in a startup is extremely risky and that makes them very cautious. They expect to make very large return from their investment hence they look for a company which can grow exponentially in the next 5 to 7 years. Companies which do grow at this rate are always chasing a large opportunity and have a great team which can execute. They also have an edge over competition.

Create compelling content

Get your team together and start writing down everything you want to say about your company on a whiteboard. Refer to the Comprehensive Investor Pitch Template as well. Write down reasons to invest and reasons not to invest. Build supporting arguments for the former and build good defense against the latter.
Start editing now. Remove things that you cannot say, because of time constraint. Remove things which are not that important. Decide on your 10 to 15 buckets (main headers). Put a few points in appendix to be presented if need be. Combine sub-points and supporting arguments under each bucket. Now practice the pitch once and arrange these buckets in order.

Create professional slides

Put your main message as your slide title. Make your slide title powerful by communicating a message. Do not make a statement. Be descriptive. Use icons to replace bullet points. Use full screen images while narrating a story or an anecdote.

Remove grid lines from your charts and make your charts bigger and bolder. Use large and legible fonts. Create two versions of your deck; one for in person and one for email.

Test your pitch

Find a friend who is not well aware about your business. Pitch to her and seek feedback. Has she understood the business? What are the 3 things she likes and what are her top 3 concerns around your business?
Deliver your pitch with confidence

Rehearse your presentation to remember your content and flow of slides. With practice your nervousness will come down. Do not write down and memorize the script. You want to sound natural when you deliver the pitch to investors.

Use a wireless presenter to change slides. Never read your slides and avoid looking back at the screen. Carry a good handout to leave behind and prepare for tough and obvious questions.
WHAT NEXT?
You will improve with every pitch you make. Do ask investors for feedback after your meeting is over. Most investors will freely share their concerns around your business and things that they liked. Some of them might say a NO but will ask you to keep in touch. If they are concerned about traction, you can come back to them after 6 months and pitch again. Remain in touch and keep informing them of any major update about your business.

Wish you all the best for your pitch. We have come to the end of this e-book and I would love to hear your feedback and questions. What do you want to know more about?

**SHARE YOUR DECK WITH ME OR ASK A QUESTION**

- **FOR FEEDBACK / QUESTIONS / TO HIRE MY SERVICES**
  
  vivek@jazzfactory.in

- **KNOW MORE ABOUT MY COMPANY**
  
  www.JazzFactory.in

- **CHECK OUT MY BLOG**
  
  blog.jazzfactory.in
“There are always three speeches, for every one you actually gave. The one you practiced, the one you gave, and the one you wish you gave.”

Dale Carnegie
References & Links

1. Reid Hoffman's article: http://reidhoffman.org/linkedin-pitch-to-greylock/
5. Research suggests that if you want to be credible, you should accompany your statements with photos http://www.neurosciencemarketing.com/blog/articles/persuade-with-pictures.htm
6. HigherMe: https://www.youtube.com/watch?v=RwmixbasDfU
8. Liquidity: https://www.youtube.com/watch?v=wEGEQkGTgGc
10. Twoodo: https://www.youtube.com/watch?v=XS3kxO2-3rE
11. CatchBox: https://www.youtube.com/watch?v=BY1PydG5SVg
12. Vurb: https://www.youtube.com/watch?v=vYdnmkBNEUY
CREATE A DAMN GOOD
STARTUP INVESTOR PITCH

VIVEK SINGH
@viveksinghJF
www.JazzFactory.in  vivek@jazzfactory.in