

The Pitch Deck

Dr. Ashley J. Stevens
President



“You never get a second opportunity to make a good first impression”

Will Rogers

Three Vehicles

- ❑ Three vehicles that tell people about your wonderful idea
 - ❑ An Executive Summary
 - ❑ Written document
 - ❑ ~5 pages
 - ❑ Contains all the key points
 - ❑ Written after you've written the Business Plan
 - ❑ A Pitch Deck
 - ❑ PowerPoint slide deck
 - ❑ Designed for a one hour meeting
 - ❑ 20 minutes presentation, 40 minutes Q&A
 - ❑ An Elevator Pitch
 - ❑ 1-2 minute oral delivery
 - ❑ From the heart
 - ❑ Automatic, any place, any time

The VC Pitch – Approaching VC's

- ❑ Introductions matter
- ❑ Keep it short
- ❑ Answer questions quickly without getting defensive
- ❑ Be a good storyteller
- ❑ Avoid buzzwords
- ❑ Know the people you're pitching
- ❑ Don't forget the financial info
- ❑ Think big or don't bother
- ❑ "Stay in touch" means "No"
- ❑ Forget saving the world

The VC Pitch – 10 slides

- ❑ Problem and market need
- ❑ Solution product & technology
- ❑ Opportunity sizing
- ❑ Business model
- ❑ Competition and sustainable advantage
- ❑ Marketing, sales, and partners
- ❑ Executive team
- ❑ Financial projections
- ❑ Exit strategy
- ❑ The Ask

Title

- ❑ Organization name, address, title, contact information
- ❑ Give your elevator pitch – get their attention
 - ❑ State your current funding/need (follow on or not) and what you will accomplish with this tranche
 - ❑ Strength of the team
- ❑ You only have 30-90 seconds to get their interest and attention

Problem – Clear and Compelling

- ❑ What **market need** is addressed
 - ❑ Customer “**pain**” you are taking away?
 - ❑ How it is addressed today
 - ❑ What gaps exist
- ❑ Identify the customers with this need
- ❑ The problem is **big, growing, real** and not being well served

Solution

- ❑ Explain your product/service offering
 - ❑ How does it work?
 - ❑ **Evidence** that it does work (outcomes)
- ❑ Discuss the **uniqueness** and the **value** being created (be specific)
- ❑ What is the long-term opportunity?
(If pitching a partner, what are the synergies?)

Business Model - Partnerships

- ❑ Who are your **customers**?
 - ❑ How many ? Value proposition
- ❑ What are the **channels** to customers?
 - ❑ (If pitching a partner – how does it work)
- ❑ Organizational design
 - ❑ Where do you sit in the value chain?
- ❑ How do you make **money** ?
 - ❑ Revenue model and margins

Technology

- ❑ Explain the **secret sauce or underlying magic** – in simple terms
 - ❑ Corporate partners want a deeper dive than VCs
- ❑ Why is it **unique, differentiable, and sustainable**?
 - ❑ How is it protected?
 - ❑ Current status of IP
- ❑ Current status of the technology development and **demo results**

Marketing and Sales

- ❑ **Market:** size, growth
 - ❑ Patient profile, incidence, treatment methods
- ❑ What are your market **segments**?
 - ❑ Market entry target segment and why
 - ❑ What are your market share goals?
 - ❑ What will drive adoption?
- ❑ **How do you acquire your customers**, convince them to buy, and retain them?
 - ❑ How much does it cost? How long?
 - ❑ For biotech, what are the Reimbursement & Regulatory issues

Competition

- ❑ Overview competitive landscape – current players, potential new entrants with competing technologies, alternatives.
 - ❑ How to **position** vs. competition?
 - ❑ Note **barriers to entry**
 - ❑ How will the competition respond to your entry and growth?

Management Team

- ❑ List your team, their relevant experience and expertise
 - ❑ Board
 - ❑ Advisors
 - ❑ Current investors if any
- ❑ Recognize the gaps in your team and talk about how they will be filled.

Financial Projections

- ❑ Pro Forma Projections (5 years)
 - ❑ P&L
 - ❑ Cash Flow
 - ❑ Available as backup slides (after the final slide)
 - ❑ Balance Sheet
 - ❑ Dollars, key metrics (customers, products sold, \$ of revenue for key cost elements)
 - ❑ Bottoms up forecasts!
 - ❑ Key assumptions, e. g. sales cycles, seasonality, etc.

Current Status

- ❑ Key milestones met to date
- ❑ Future tasks and milestones – development, IP, clinical, team, etc.)
- ❑ Financing needed and uses
 - ❑ Highlight value creation and risk reduction
 - ❑ Exit strategy
 - ❑ How do they get their money back
 - ❑ When
 - ❑ Anticipated IRR

The Ask

- ❑ End with a set of next steps
 - ❑ What is it you want?
 - ❑ Site visit/demo
 - ❑ List of references for due diligence
 - ❑ MOU/Term Sheet
 - ❑ etc.

Presentation Techniques

- ❑ Focus, Focus, Focus
- ❑ Guy Kawasaki's 10/20/30 Rule:
 - ❑ 10 slides
 - ❑ 20 minutes
 - ❑ 30 point font
- ❑ A picture is worth a thousand words
 - ❑ And a video is worth a thousand pictures
- ❑ Remember you are pitching to investors, not customers
- ❑ Check the setup and who'll sit where
 - ❑ Bring hard copies as back-up
- ❑ Let the senior person do all the talking
- ❑ Lead with facts, but skip the details
- ❑ Don't forget to ask for the order

Questions You'll Be Asked

- ❑ *“Describe your business in simple terms.”*
- ❑ *“Explain your revenue streams.”*
- ❑ *“Talk me through the business Strengths, Weaknesses, Opportunities and Threats.”*
- ❑ *“Clearly define and describe your target market.”*
- ❑ *“What do you require the funding for?”*
- ❑ *“What is the most likely exit strategy for investors?”*
- ❑ *“What is your burn rate and runway today?”*
- ❑ *“How much “skin” is already in the game?”*

Questions You'll Be Asked

- ❑ *“What’s the total history of this company?”*
- ❑ *“How well do the founders get along with each other, and with the team?”*
- ❑ *“What’s in this deal for me?”*
- ❑ *“Who do you have as outside board members? ”*
- ❑ *“Who is a real customer that I can talk to?”*

Are Business Plans Dead?

- ❑ Replaced by MVP/Pivoting?
 - ❑ You'll still need one for subsequent financing rounds
- ❑ Feedback from Young Entrepreneurs Council
- ❑ Ten reasons to write a business plan
 - ❑ Clarity
 - ❑ Gain a Deep Understanding of Your Market
 - ❑ Organization
 - ❑ Practice Makes Perfect
 - ❑ Confirm the Math
 - ❑ Iron Out Possible Kinks
 - ❑ Foster Alignment
 - ❑ Hold Yourself Accountable
 - ❑ Know Your Message
 - ❑ Establish Benchmarks

The Venture Capitalist's Guide To The Perfect Business Pitch

<https://medium.com/@iskender/the-perfect-pitch-deck-designed-by-a-vc-902842ce7f38>