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# Pitch Deck Fundamentals



## Your Startup and Small Business Guide

Your guide to a perfect  
pitch deck, produced by



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## Introduction

Creating a pitch deck that is ready for the eyes of an investor can be an intimidating task. Well, I want to help you get funded by helping you create the perfect pitch deck.

The biggest challenge by far when creating a pitch deck is keeping the word count down, but that is what separates a good pitch deck from a great pitch deck. Use some of the strategies in this eBook to contemplate what really is necessary and what doesn't help your overall story.

Now you have a template, but where do you go from there? This book was created to go over the basics of pitch decks and pitch deck design. It will cover the components of each slide, how to design with extreme efficiency, how to effectively tell your story as well as tips on pitching to investors.



## Purpose of a pitch Deck

An investor pitch deck is a visual summary used to communicate your business idea to investors. More often than not, investors are attracted to the stories behind the idea. That initial struggle that might have hindered your success, that eventually led to your solution and helped you develop a business with excellent metrics. A pitch deck is often built in the form of a PowerPoint, Keynote, or Prezi presentation.

## Deck Formats

### **Presentation Deck**

A presentation deck is the pitch deck you will use in an investor meeting. This is used to keep your audience engaged and following while you are speaking. In a presentation deck you don't want the slides to be overly wordy to the point that your audience is reading the slides instead of listening to you.

## **Reading Deck**

A reading deck is a pitch deck you intend to use to email potential investors and is built slightly different than a presentation deck. This deck will have a bit more substance and text so your message is easily conveyed. A few items to keep in mind when creating a reading deck; make sure to format it as a PDF and make sure it is mobile friendly. Studies show that 12% of the time an investor will be reading your deck on their phone.

# Elements of a Pitch Deck

## Title Slide

This is the slide that welcomes your audience, introduces the topic at hand, and is your first impression. There are a few important guidelines to remember when creating your title slide.

Keep your content to three items, the title, your company slogan, and your logo. Many entrepreneurs choose to add in their name and contact information on this page, but that can easily be saved until the end. If you are presenting your pitch deck in front of an audience of investors, you will be introducing yourself and it's important to avoid redundant data. If the pitch deck is being emailed to an investor the initial focus should be on the company, not who the founder is.





## Vision Slide

The vision slides let the audience fully understand what your company does and why it's so great. You don't want to get a third of the way through your presentation and still have the audience wondering what exactly your company does. This is why the vision slide is so important; in the simplest terms it provides a frame of reference for interpreting the data to come.

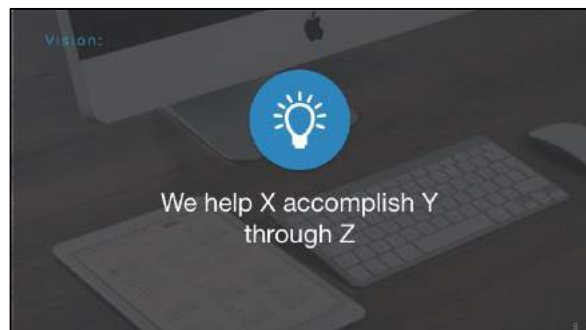
We help X accomplish Y through Z. This statement seems pretty straight forward and sounds easy to complete, but it is important to make sure it does not turn into a run on sentence. Here is a breakdown of the statement:

X is your customer

Y is the benefit you provide the customer

Z is how you provide that benefit

Now any investor can immediately understand who your customer is, what you're doing for them and how you're doing it.



## Market Opportunity Slide

This slide is often perceived as difficult but with a little research you will find the information you need. Ideally, investors would like to see you in an industry with a lot of potential but they can also smell B.S. a mile away. This slide has some flexibility; just make sure the data presented makes sense for your business.

Market size, key metric, and industry growth rate are all items that can be included on this slide. For your market size, make sure you are providing a relevant stat. A key metric can be anything related to your industry; what stat or piece of information should investors know about your industry? Again, make sure it's relevant. When determining how fast your industry is growing try comparing it to the growth rate of a similar industry to give perspective.



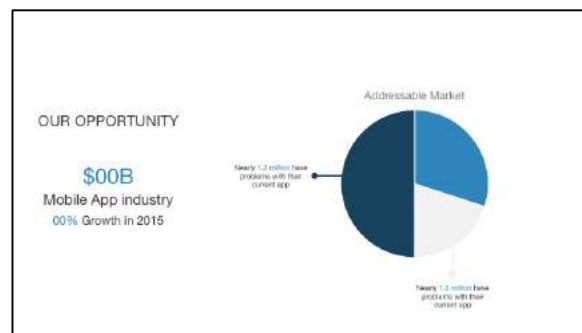
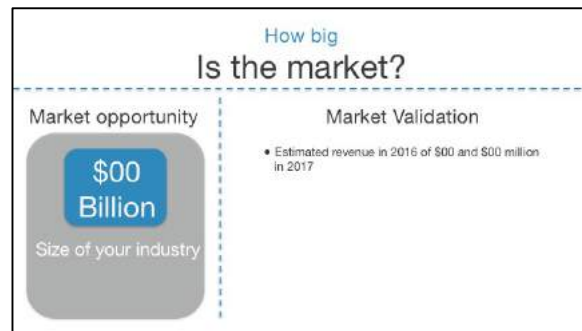
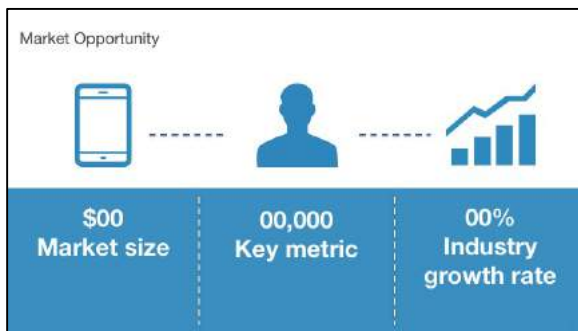
There are a few sources that can be used to obtain the market information you are looking for. First determine the NAICS industry code for the category you will be researching. NAICS stands for North American Industry Classification System; this is the system the U.S. census uses to categorize



your industry. Once you have determined what your industry code is, head to census.gov and start researching. Another resource for information is the U.S. Small Business Administration at sba.gov.

The second step in finding relevant market data is googling competitors in your industry. By doing this you can find press releases with the market size and growth rate of the industry. If your industry contains any public companies, go to finance.yahoo.com where all financials of publicly traded companies are available. There are a few companies that offer full industry analysis reports for sale. If that is something you are interested in check out Hoovers or IbisWorld.

If you are still having trouble finding the information you need, try doing a web traffic analysis to determine how much traffic your competitors are getting on their web page each day. There are many SEO tools available for tracking web traffic, a service call Alexa being one of them. The social media pages of your competitors will also give you an idea on how lively the industry is.



## Problem Slide

What problem does your company solve? This is a very important statement; this issue is the reason you started your business in the first place. You saw an issue and came up with a solution. That's the very foundation of what being an entrepreneur means.

Stating the problem is a crucial part of developing the story line of your pitch. Make it clear; the problem statement needs to be clear-cut and dry. Don't overcomplicate the issue. Make sure your audience will be able to easily move from point A (your problem) to point B (your solution).

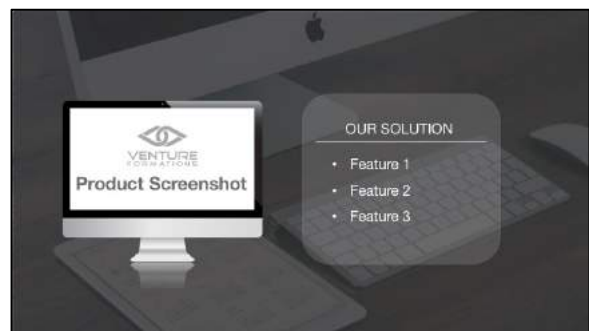
Make the problem relatable to you audience. Now you have their attention; you have identified an issue that they can somehow relate to whether it affects himself or herself or someone they know. This takes the thought process from "how many people actually have this problem?" to "I have this problem so this must affect a lot of people". You just validated your market size by making the problem statement relatable.



## Solution Slide

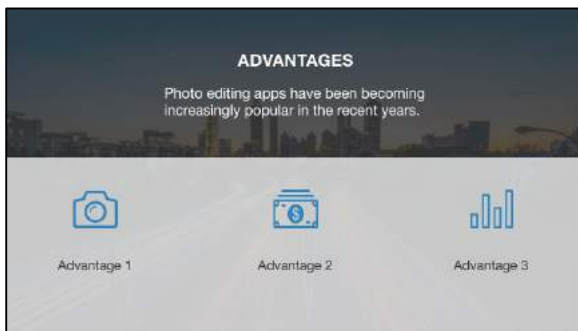
At this point in your presentation your audience should fully grasp what the problem is. They should be intrigued to find out how you will solve the problem. Now's your time to shine, show your big solution to the problem. If you have a physical product show an image of that product. If you have a web service, use a screenshot of your service.

This slide gives you the opportunity to demonstrate and show off your product. You can walk through using your services or show off the features. Remember simplicity is key; the focus is on the product.



## Advantages Slide

Now is the time to get deeper into the feature of what makes your business great; simple clear-cut reasons highlighting what makes up your product. You already gave a high level overview of your product or service on the solution slide, now is the time to let the audience see what makes your business really tick. What is so special about your business? What have you come up with that makes your business the end all be all solution?

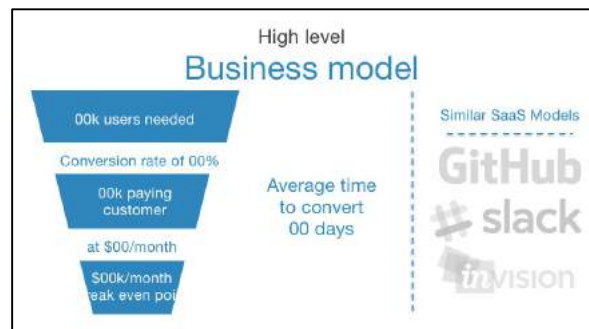
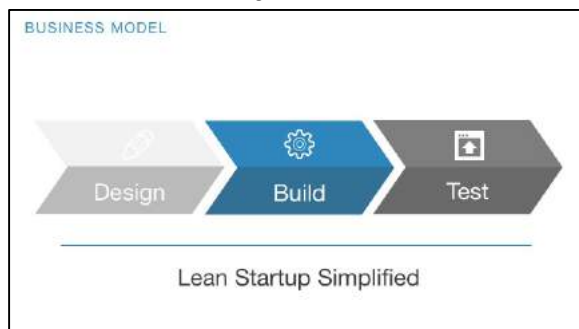


## Business Model Slide

This slide demonstrates to investors that not only do you have a great product, but you also have a logical way of monetizing it. Investors need to be able to easily understand this slide. At the end of the day this is a business, you can't just solve a problem you have to make money doing it.

Show your customer acquisition cost; the amount of money on average you need to spend to acquire one client. Using this metric shows the potential for scale. This slide should show how much revenue you will generate per customer. You don't need an exact number but you should have a good idea. How much on average does each customer spend? What do you think your most popular product or service will be, how much does that cost? These are all important items to consider when creating this slide.

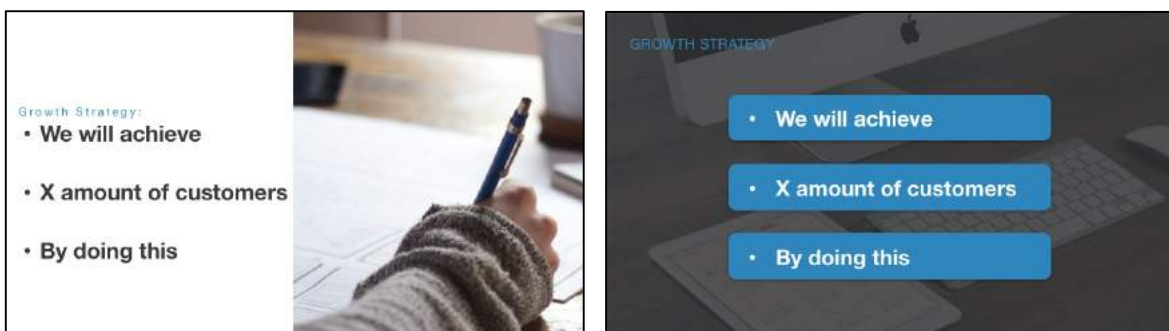
State your margin; the amount of profit from each sale. Show the path to dollars. By this I mean make it clean and simple so any investor will understand how you plan to make money. Investors are looking for something that can scale. They want to see the potential for profitable growth. In order for investors to easily understand your data in a short amount of time, use diagrams and headline statistics to visually and clearly illustrate how you intend to monetize your business.



## Growth Strategy Slide

This slide will explain how you plan to get from Point A to Point B; how you will acquire the customers you need for the success of your business. What is your marketing message? Your marketing message is what you will be saying to potential customers. What channels do you intend to use to reach your customers? Some channels include social media, radio advertising, television, interviews, sponsoring events, etc. There are a million ways to reach customers; you will just have to come up with a plan that works for you.

Make sure to state your desired outcome. You are attempting to raise funding and reach a certain number of customers in the first year, elaborate on your strategy to do so. This is also the place to talk about customer retention. After you acquire a customer how long will that customer last? How will you innovate to keep attracting new customers? To complete this slide just ask yourself, "How will we grow?"

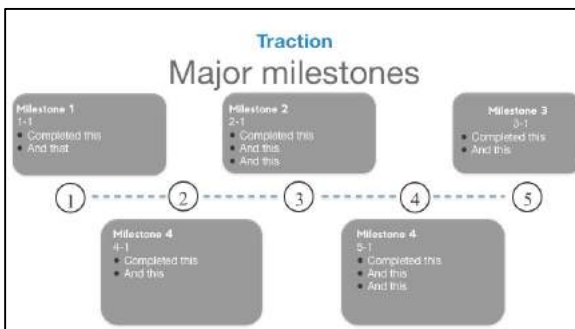




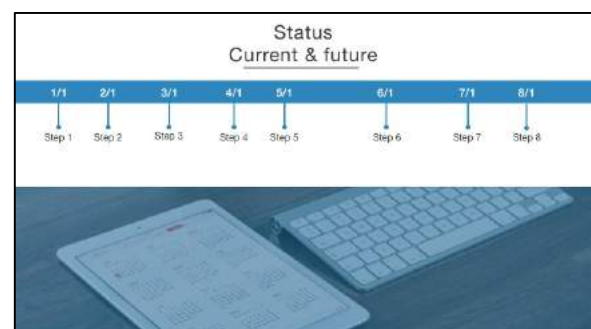
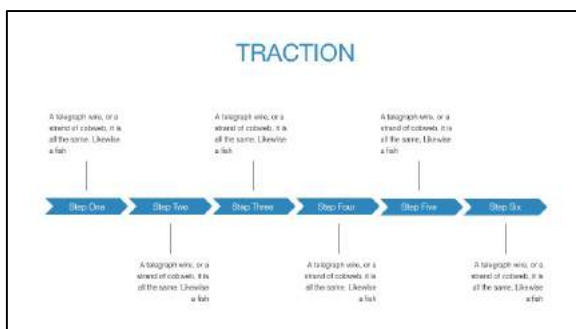
## Traction Slide

When it comes down to what really makes a startup look attractive to an investor is the amount of traction you currently have. Traction could be a number of things but often in the SaaS world the metric used is the number of users. Even if these users are only on a free plan it demonstrates that people see a need and use for your product.

This slide is a great opportunity to discuss traction and accomplishments you have already made. Have you done product testing with customers, do you already have customers, share a customer review.



However you decide to show your accomplishments to date, make sure to demonstrate that you have accomplished milestones with the current resources you have. If you are able to receive investment, be ready to explain what will be the next milestone that investment will get you to.

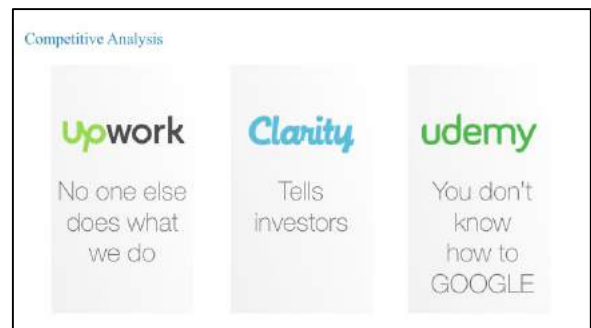
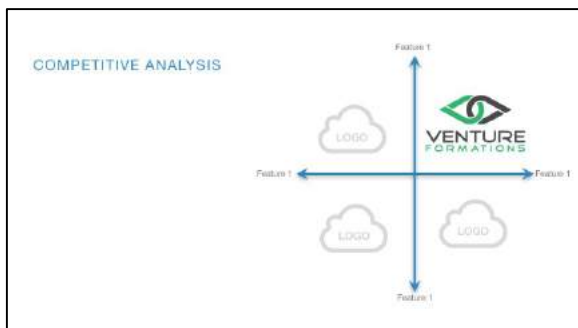


## Competitive Analysis Slide

The purpose of the competition slide is to show that the market you are in is validated and there is a demand for your product. This slide also gives you the opportunity to discuss the strengths and weaknesses of your competition and why you are a better option. Almost always, showing competition won't scare off investors.

Be careful when saying you don't have any competition or that you are the first to market. It will not make your business look better. Instead of saying you don't have competition, say that the current options available don't fully satisfy a certain customer base or they lack certain feature that you have improved upon.

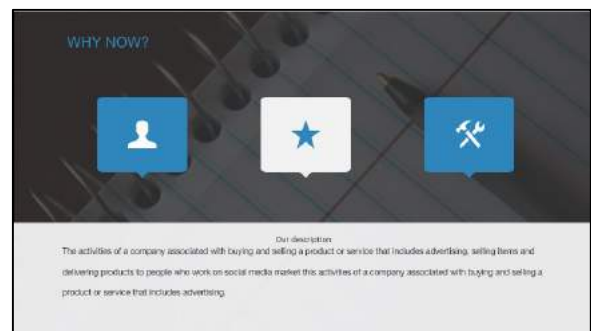
Finally, make sure you establish what differentiates your business from the competition. Do you offer a feature that sets you apart; maybe it's a pricing model? Think of this section like a SWOT analysis, which stands for Strengths, Weaknesses, Opportunities, and Threats. You are analyzing your competition not only to differentiate yourself, but also show that you understand your competition, your market, and what you can do to improve it.



## Why Now Slide

You have a great idea, but why is now the right time to implement this idea? Timing can be everything in the business world, and there are often some key pivot points in your industry that can accelerate your growth.

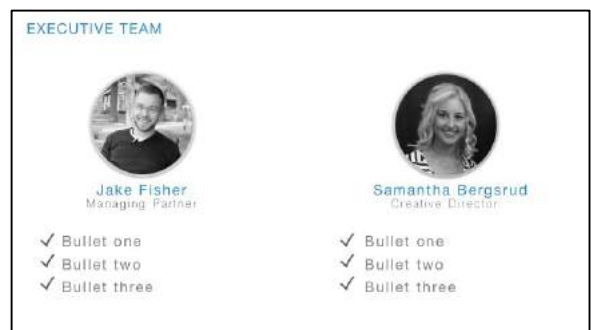
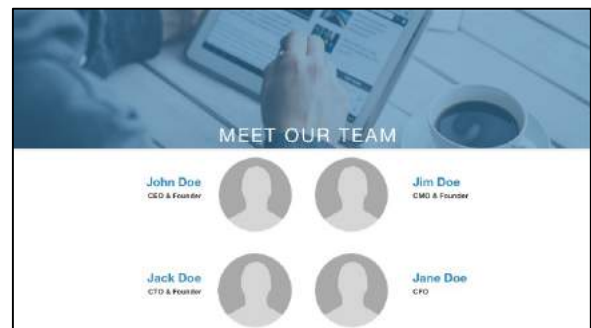
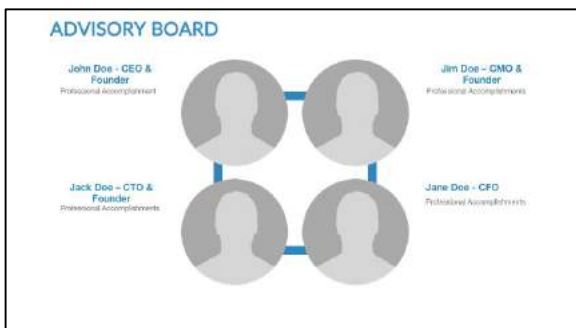
Use this slide as an opportunity to show some real facts that add substance to your overall argument. Things to highlight on this slide could be recent legislative change, major shifts in the consumption habits of your target market, or new advances in your industry.



## Team Slide

This slide allows you to show off your management team, you're putting a face to the name. Show investors you are a well-rounded team. Keep each biography short; include name, position, and a piece of experience.

Only provide relevant experience; don't list every job you have held. By relevant experience I'm talking about experience with startups or companies in your field. Other experience that would be considered relevant would be technical degrees if they are pertinent to your company. Just like many of the other slides, less is more. Don't write everything out on the slide; instead speak to your background.



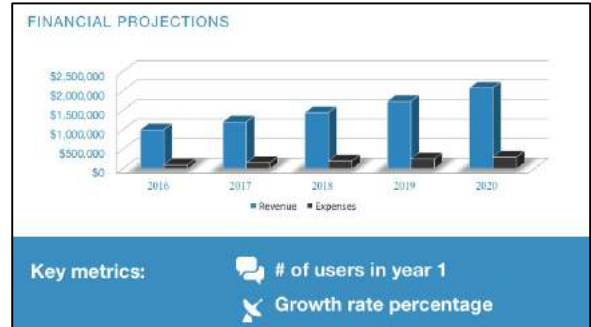
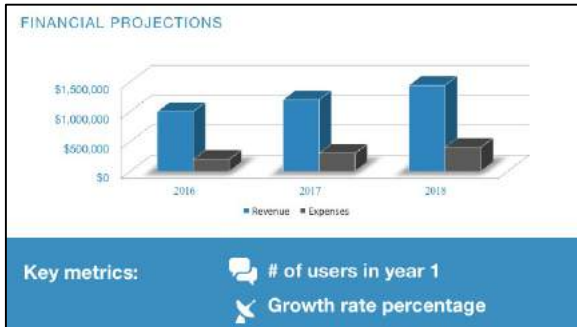
## Financials Slide

As a disclaimer I want to state that I am not a certified public accountant and I highly recommend speaking with a certified accountant or corporate lawyer before presenting financial information to potential investors. Any information in this book is for education purposes only, every businesses financial situation is different and the material here should not be taken as individual financial advice.

Make sure the numbers being presented are realistic. It's hard for a business to accurately predict what their sales will be five years out. Investors understand this but they want to see your thought process on how you will obtain financial growth. Be honest, odds are you aren't going to be the next Facebook, so don't present numbers that you will be their number one competitor by year 3.

Show potential. There is a fine line between overreaching and making sure your numbers look attractive. With that being said you still want to show numbers that demonstrate potential for business. Most investors understand this is not a liquid investment and they are in this for the long haul. Many of the big VC firms are assuming they won't see any return for upwards of 10 years so make sure you are demonstrating a path to long-term success.

Most importantly, your financial projections should correlate with your business model; double and triple check your math.



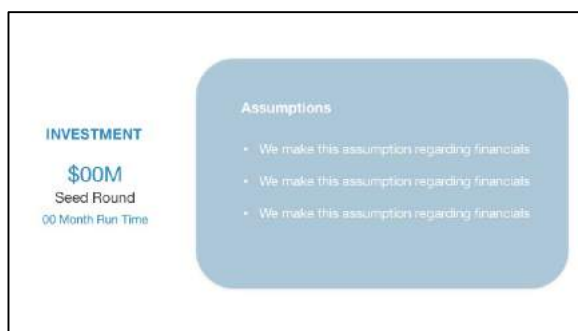


## Investment Slide

This is where you state how much you are trying to raise. This slide should be short and sweet, no confusion. At this point the question that is bound to come up is “Why do you need the money?” Make sure you can answer this question and tell investors what you are going to use it for. Whatever the reason, if someone is willing to trust you and write you a large check you better be able to explain what you will be spending it on.

Not only do you want to state how much you need, but what kind of funding you are raising. The most common options are equity funding and debt funding. Equity funding is where you give up a percentage of your company in exchange for capital. Debt funding would mean taking on capital as debt in the form of a loan that will be paid back regardless of whether the company turns a profit. If you are taking on equity funding, you should designate what round of funding this is. Typically, the first round of funding is referred to as Seed Funding, follow by Series A, Series B and so on. If you have already taken on equity investors this information is certainly pertinent to future investors.

Be prepared to answer the tough questions, financial information shouldn't be withheld from an investor. You want to start the relationship off on the right foot, as you will be dealing with this person for years to come.



INVESTMENT

\$00M  
Seed Round  
00 Month Run Time

Assumptions

- We make this assumption regarding financials
- We make this assumption regarding financials
- We make this assumption regarding financials



Investment

Capital Ask

\$00 Million

00 Months Run Time

Assumptions

- We make this assumption regarding financials
- We make this assumption regarding financials
- We make this assumption regarding financials

## Closing Slide

This slide is very simple. You will want to make sure you provide any relevant contact information so the investor is able to follow up. Include items like your website address, your email, phone number, and business address. Be reachable; make it convenient for the investor to contact you by a method they prefer. At this point in your presentation you will open it up to audience questions. Be prepared to answer anything that pertains to your business or industry.

One final item to remember, make sure you have printed copies of your pitch deck available. You don't want to get to the end of the meeting and have an eager investor wanting a hard copy and not have one prepared.





## How to Tell Your Story

Investors don't invest in products, they invest in businesses, learn how to sell your business not just your product. They say the building blocks of a movie are a beginning, a middle and an end. All movies need a protagonist or villain and a hero to come in and save the day. The same idea applies to a pitch deck.

The problem statement is your villain. You convince your audience that there is a serious problem; that big bad villain. Now is your time to shine, your big unveil. You have come up with the ultimate solution to solve the problem; this is where you become a hero.

The best analogy I can give you is think of your pitch deck like a movie trailer. When you watch a movie trailer you get a basic understanding of the plot, who the main characters are, and you are left with a bit of suspense and desire to watch the movie. A great pitch deck will leave your audience excited and wanting to learn more.

Let's go back to June 2007; flip phones were all the rage. I took a teenager 3 or 4 minutes to write a text and anyone over the age 40 a half hour. You remember having to hit those dumb keys three times just to get the letter you wanted. Everyone that used their phone for business had a blackberry, touch screens were still in their infancy, and you still needed a physical keyboard to type without a stylus.

Steve Job's is standing on a stage in Cupertino giving a keynote and says, "we have created a breakthrough communications device", he then proceeds to state a few features that make this product so revolutionary. He then presses a button on his clicker and a picture of the iPhone appears on the screen. The crowd cheers because the suspense had been built so high. This was "The Big Unveil"; the solution to the problem that affected everyone, the product that would change the way everyone looked at a phone.



## Does Pitch Deck Design Really Matter?

You only get one chance to make a first impression with your investors; you don't want them to be so turned off by your slide design that they are not able to truly see what a great business you have.

Here I will give you some pointers on the rules of slide design to make sure you are creating a visually pleasing presentation.

### **Rule of three**

The rule of three is a reminder not to use more than three ideas or concepts on a single slide. If you are giving your audience more than three concepts at one time, you are likely overloading them with information and their level of comprehension will significantly diminish.

## **Logo placement**

Place your logo on every slide. Doing so brings brand awareness. By having your logo on each slide, it functions as a constant branding element to remember your company by.

## **The 30-point font rule**

The well-known entrepreneur and investor, Guy Kawasaki, made this rule popular. NEVER have text on a slide that is less than 30-point font. If your text doesn't fit on the slide at a 30-point font, you simply have too much text for one slide. The other methodology to the 30-point font rule is that you want to ensure every member of your audience is able to easily read the text on a slide. You run the risk of your text being unreadable with anything less than a 30-point font. Kawasaki says, take the oldest person that might be in the audience and divide their age by two; this number is the minimum font size you should use. If you're pitching your idea and the older gentleman in the back of the room with all the money can't read your slide, you might be S.O.L.

## **A.D.D. slides**

A.D.D. slides are a concept I have come up with to keep your audience focused and their minds from wandering. Everyone has experienced a presentation where it's Friday afternoon, the conference room is too hot, and all you can think about is what you're going to be doing this weekend with the perfect weather.



Sound familiar? The odds are stacked against the presenter. He's going through his bland pitch, running through the main points and talking about concept one, two and three. With each passing slide, the minds of the audience drift more and more toward their weekend plans.

Then, BOOM!

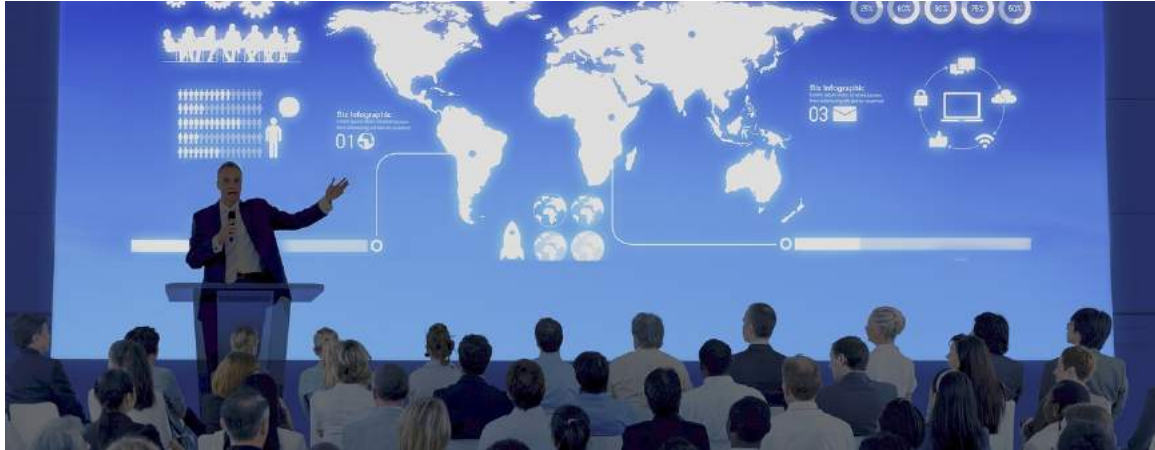
You hit them with an A.D.D slide. A slide that is designed drastically different, breaking up the monotony of your template. Not only does this change recapture the attention of your audience, but it's also a great way to emphasize a key concept. This is the presentation equivalent to a teacher slapping a ruler on your desk when you're dozing off. You sit up straight in your chair and start paying attention. The same thing happens to your audience when they see your A.D.D slide; they are refocused on the presentation. Now don't go overboard with this concept, the intention isn't to create an obnoxious slide. The idea is to break up the monotony of the template.

## **Point of emphasis**

Be aware of the point of emphasis on a slide. When the slide first appears, where is your eye drawn? Use this concept to make sure you are emphasizing key points and not taking away from them.

## **Simplicity**

At the end of the day, simplicity is king. Make sure your pitch deck is an aid, not a distraction. The audience should be focused on the speaker, not distracted from the speaker by the slides.



## Practicing Your Presentation

Having an effective presentation that really captivates the attention of your investors can be the difference between getting funding or not. If you are unprepared, rely too much on a script, or read directly from the slides; you're in for trouble. In order to have a successful presentation, you must communicate with your audience. Rehearsing beforehand will give you a chance to perfect your delivery, allowing you to really communicate with your audience.

The following are some of the best techniques that should be used when practicing your pitch:

### **Practice your pitch out loud**

It's important that you do more than just mentally rehearse your speech while lying in bed the night before or while driving to give your presentation.

While practicing this way has some benefit, it's not ideal. The thoughts we have are not exactly eloquent words that should be used when presenting. By only mentally going over your speech, you might find that during your presentation you stumble over your words or lose your train of thought.

The best solution to avoid an awkward situation is to rehearse out loud. Practicing out loud will also help reveal if there are any mistakes or missing content in the presentation.

### **Rehearse in a similar situation**

This technique involves finding a situation similar to the one you will be presenting in and practicing your presentation there. Find an empty conference room and gather some co-workers or friends and present to them. This can be difficult in some situations, but can provide a lot of benefit. Doing so can help with nervousness during the actual presentation. Practicing this way can also make it feel like you have already given the presentation, as it provides experience. When you are prepared to face your audience, you will appear more confident.

Using this rehearsal technique can also give you some insight on what the audience's reaction might be, allowing you to modify your presentation if necessary. Rehearsing will definitely not dissipate the anxiety completely, but it will prepare you for the actual presentation and give you the tools you need to successfully tackle it.

## **Use a mirror**

Practice your presentation while standing in front of a mirror. You may feel silly, but it is an excellent technique. Practicing in front of a mirror allows you to see firsthand how you conduct yourself while presenting. This gives you the opportunity to assess your body language and make changes.

Body language plays a huge role in how well the presentation is conducted. Presenting yourself in a professional manner is vital to the success of your presentation. Most importantly, this technique allows you to both hear and see your delivery style, giving you the chance to rectify any mistakes before presenting.

## **Record the speech**

Record yourself giving a practice run of the presentation with your cell phone. You might dislike listening to yourself through a recording but trust me; this technique is helpful. If you find yourself bored while listening to the speech, your audience will likely have a similar reaction; so make it interesting!

When listening to a recorded speech, you are able to easily hear mistakes or find gaps where content is missing. The recording will also give you the opportunity to listen and assess your delivery style and make adjustments if necessary.

## **Practice the whole speech**

Rehearse the whole speech from beginning to end. You might think that you always practice the entire thing, but often times when using any of the above-mentioned practices, one tends to stop as soon as they encounter a mistake. Doing so renders the rehearsal and breaks the flow.

This can become a problem during the actual presentation, as you may end up stopping at the same points while presenting as you did while practicing. By running through the entire presentation from beginning to end, this can be avoided.

It's important to be prepared in all aspects of life, including being well prepared for a startup pitch. My best advice is to rehearse, rehearse, rehearse.

# Would you like a professional designer to build your deck?

Contact [sales@ventureformations.com](mailto:sales@ventureformations.com) to request a quote



**VENTURE**  
FORMATIONS



# Useful Resources

## Fonts

<https://www.fontsquirrel.com/>

<http://www.ffonts.net/>

## Stock Photos

<https://unsplash.com/>

<https://www.pexels.com/>

<https://pixabay.com/>

## Icons

<http://www.flaticon.com/>