

SIDE VI. THE PITCH DECK

Introduction:

Having a strong ‘pitch’ to investors is crucial to receiving funding and support. Without a good pitch, your business will find it difficult – or impossible – to find support from banks, venture capitalists, or other lenders. In this Side, you will find guidance on how to not only create a pitch, but how to identify the style that works for you and your business, and the components of a pitch that investors look for.

In this Chapter:

- A) The Template Pitch Deck
- B) Pitch Deck vs. Business Plan
- C) Pitch Types
- D) Communicating Using the SUCCES Framework

The Goal of this Side:

This guide will help put together the essentials of a pitch deck for investors. You may find that many of the previous sides have essentially developed the information you will be presenting in this segment, and as such, we will now be learning how to properly put it all together and tell your story effectively.

By the end of Side III, you will have...

- Composed a summary of the 10 essential components that tell your business story
- Created a 10-slide pitch deck for investor presentations

A) THE TEMPLATE PITCH DECK

To pitch your business idea to potential investors, it is recommended that only 10 slides are used, and that you limit your presentation time to no longer than 15 minutes. Your pitch is similar to an audition – you are looking to show the potential for your business, paying attention to your audience and time allotted.

The 10 slides your pitch deck should include are:

1. Company Name
2. Problem/Opportunity (this is called the ‘hook’)
3. Value Proposition
4. Underlying magic (your internal value that will make you successful)
5. Business Model
6. Go-To-Market Plan



B) PITCH DECK vs. BUSINESS PLAN

A pitch deck is extremely different from a business plan. In the table below, we can review these differences. Notice how some of the aspects within the business plan will be used within the pitch deck.

| PITCH DECK | BUSINESS PLAN |
|-------------------------------|-------------------------------|
| Anecdote | Data |
| Big-Picture | Granular |
| Emotional | Rational |
| Visual/Oral | Written |
| Highly Dynamic | Less dynamic |
| Short (10 slides, 15 min MAX) | Long (20-plus pages, written) |
| Used in early meetings | Used for due diligence |

C) PITCH TYPES (cont.)

It is important to realize that your investment pitch is essentially a story about your company. Stories should be powerful, entertaining and emotional – stay away from being a boring informational lecture. Telling your story gives you the opportunity to demonstrate why you are so passionate about your business, and why it will be profitable and make a true difference to your identified problem. Investors tend to invest in three different things:

- 1) your team
- 2) your product/service, or
- 3) the opportunity you present

In some scenarios, you may need to explain your solution before you explain the market opportunity; or if you are in a crowded space, you may need to explain why you are different than everyone else early in the presentation. In this scenario, having a clear example may be effective in explaining your pitch to investors effectively. You can also use pictures as stand-alone images to help get your message across, or alternatively – have a product demo. However, be aware of the time demos takes (they will consume your 15-minute presentation quickly) and have a backup plan if something goes wrong during your demo.



C) PITCH TYPES

There are many ‘types’ of presenters who give investment presentations. Using the examples below, figure out which one you are, and set that type of tone when making and presenting your deck. Alternatively, you can also watch presentations online to find a presenter you like, figure out what they are doing to make you enjoy their talk.

The Disrupter

- This presenter relies on technology to pave the way

The Founder

- Comes with a great backstory of why the business was started, and for what reason

The Dream Team

- If you have a fantastic, talented team, this may be the style you begin with

The Detective

- Big data presenter, you are able to simplify an extremely complex idea for your audience

The Emancipator

- Like Robin Hood, your company exists to liberate customers from difficult tasks

The Perfect World

- If you are helping save the world through technology, your audience will want to know how – make sure you can back up your ideas.



D) COMMUNICATING USING THE SUCCES FRAMEWORK

Using the concepts outlined in the 'SUCCES' model when you are communicating will help ensure what you are saying is effective. The model and its associated concepts are excerpts from the book *Made to Stick: Why Some Ideas Survive and Others Die*:

Simple

- Be simple, and find the core of your ideas. 'Finding the core' means stripping an idea down to its most critical essence. Make it easy to see and understand. Having an image can easily and visually portray what you are trying to get across.

Unexpected

- The most basic way to get someone's attention is to break a pattern. Humans adapt incredibly quickly to consistent patterns, so if you want your communication to stand out, having an unexpected image or opening will entice your audience to listen. This technique is called the 'hook'.

Concrete

- Abstraction makes it difficult to understand and remember an idea. Additionally this makes it harder to coordinate our activities with others as they may interpret the abstraction in different ways. Concreteness helps us avoid these problems.

Credible

- Make sure what you are saying is believable; having logos of partners helps provide credibility, and ensures you are shown to be 'supportable'.

Emotion

- Connect with your audience emotionally to demonstrate importance. This does not mean you need to be a 'tearjerker', but rather ensure your objective is to make people care about your cause.

Story

- Using a story will make your idea stick. Stories help encourage mental stimulation to help the listener remember the overall picture or understand a concept.

For a summary of the book mentioned above, see:

- EngineerGuy.com (2007). Summary of *Made to Stick: Why Some Ideas Survive and Others Die* [Webpage].



Other Tips

when producing a Pitch Deck

- **10-20-30 rule:**
 - o 10 Slides, 20 minutes, 30 font size.
- **7 lines rule:**
 - o Research has shown slides with more than seven lines of text are too crowded.
- **Clarity:**
 - o When creating your slides, ask yourself: what are the key points I want my audience to remember? Then focus on one single concept or take away message per slide.
- **Practice:**
 - o You should be committing the same amount of time practicing your presentation as making the actual deck. Make sure you continuously practice – in front of investors. You (often) only get one chance!
- **Get introduced:**
 - o If you haven't met everyone in the room, make sure everyone is introduced beforehand. Bring business cards!
- **Power Stance:**
 - o Before your presentation, posing a 'power stance' is proven to give presenters higher confidence and better presentations.
- **Pictures**
 - o Are worth a thousand words; use them wisely, and only when appropriate.



Exercise 6.1 – What is your Business Story?

Using the information you have developed throughout this Guide, compose a summary of the ten most essential components of your business you require to tell your story.

Exercise 6.2 – Create your Pitch Deck

Now that you know what is important to your story, create your own pitch deck that you will use for investor presentations. Remember to include the following aspects within the deck:

1. Company Name
2. Problem/Opportunity (called the hook)
3. Value Proposition
4. Underlying Magic
5. Business Model
6. Go-to-Market Plan
7. Competitive Analysis
8. Management Team
9. Financial projections, key metrics
10. Current State, accomplishments, timeline, use of funds



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