

Nine tips for an engaging investor pitch deck – an Australian perspective

By Joel Cox, Bradley Heath and Sarah Dressler

If you're looking to raise funding from prospective angel or venture capital investors, you will need to create a pitch deck. The pitch deck is a marketing tool that should make sense as a stand-alone document, but which should also support your in-person presentation when you get invited to pitch. While ideally not necessary to secure a meeting with a potential investor, the pitch deck is likely to be an investor's first impression of your company and so must be visually engaging, concise and informative. It must also follow best practice rules, which are set out below.

The aim of the pitch deck is to create a compelling synopsis of your company and an outline of your plans for success. It should sell your company to an investor, rather than sell your product or service. There is no absolute formula for a successful pitch deck; however, we recommend the following:

1. Keep it concise

A deck should be 10-12 slides at most, have plenty of "white space," have no repetition and be disciplined in the core messages it communicates. A concise deck ensures your key messages are well considered and prominent. It should also help you to refine your in-person pitch.

In Australia, it is important that Aussie startups adopt US best practice for pitch decks to maximize outcomes and there is no reason to differentiate the approach in our view.

2. Introduce your company

Your opening slide should be eye-catching and memorable. Venture capital funds receive thousands of decks a year, so grab their attention by opening with a pitch that encapsulates what your company is about. Why did you create this company? What is the mission you are seeking to execute on and why are you passionate about it?

Remember, first impressions last. At the presentation stage, the opening slide will most likely be displayed as you introduce yourself. Include on it your company's name, branding and mission statement. The mission statement is a very brief description (or catchy tag line) of your company's fundamental purpose.

3. Define the problem you are trying to solve

Before you sell your solution, you must first pitch the problem. Explain to investors the problem, why the problem exists, the impact it is having and the consequences of not solving the problem. Include infographics or simple statistics that illustrate the problem. A perspective on how the problem will be solved in 5 to 10 years' time is also very useful.

4. Explain the solution

The solution should articulate how your company will solve the problem you have just identified in the previous slide. The solution is essentially the reason your company exists and why it matters. Think about what you do and how you do it. You know your company better than anyone, so make sure you use simple and clear language. Why is your approach unique and defensible? Why are you best placed to solve the problem? Investors will also want to know the addressable market for your solution, and you should provide evidence of this. If you use statistics, do ensure they are accurate and well sourced. It is essential that you avoid misrepresentations.

5. Showcase the product/tech used to implement your solution

Use this opportunity to showcase your product/technology or business model in action via images (preferably) or a very short video (20 seconds or less), bearing in mind the way your investors are likely to view your deck. You might add a marketing quote from a reputable customer. Focus on the benefits your product/ technology generates more than the features it has.

6. Highlight your customer base

Explain who your customers are and how you are targeting them. How big is the opportunity? Maps, diagrams and headline statistics present this information well, particularly if your customers are in specific locations. You may also use this opportunity to describe your long-term approach to building a scalable business – if a network effect, channel marketing strategy or annuity revenue is involved, you should articulate why this is achievable. Be prepared to provide detailed answers to investors' questions about your business model, but do not include too much data or information on the presentation slide. Scalability is the capability of your company to cope and perform well under an increased or expanding workload. Scalable businesses generally have high margins, low support and minimal staff, so ensure you include evidence of this in your presentation, if you have it.

7. Identify your competitors

You should know your competitors intimately.

Investors need to see that you understand the market you are operating in. Be prepared to answer who your competitors are and what your competitive advantage is. Think about what differentiates you from your competitors and why you consider your company better placed for long-term success.

8. Showcase key metrics

Investors will expect to see a snapshot of your financials, focusing on revenue growth. A snapshot would include a simple chart, graph or statistics, and not detailed spread sheets. To promote your success to date, focus on the growth of your idea and company, highlighting facts such as performance milestones or the growth rate of customers who are engaging with, using or recommending your product/ technology. If your business is growing revenue 100 percent month-on-month, has lower cost of customer acquisitions or high lifetime value of customers, this de-risks the investment and will be a key attraction for venture capital funds.

Investors will also want to know how much you are seeking to raise in this round, how long that money will last (ie, how long the runway is) and what you propose the money will be spent on. Typically, you should raise funds sufficient to help you reach



ACCELERATE

your company's next value inflexion point. What milestones do you propose to hit before the next funding round?

9. Promote the team and your company's culture

Team photos are appealing. If you don't have an engaging team photo to include on the slide, ensure each team member's individual photo is current and reflects the culture of your company. Include each person's name, job title and a relevant bio that helps tell your story. Your own track record of companies previously owned/founded, and what happened to those companies, is important. Investors will value prior experience of the venture lifecycle and ultimately want to know what qualifies you to make a success of your idea.

DLA Piper is a global law firm operating through DLA Piper LLP (US) and affiliated entities. For further information please refer to www.dlapiper.com. Note past results are not guarantees of future results. Each matter is individual and will be decided on its own facts. Attorney Advertising. Copyright © 2019 DLA Piper LLP (US). All rights reserved.