HOW TO CREATE AN IDEAL STARTUP PITCH DECK

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Getting Started

Investing in startups at early stages is a risky business and hence in order to influence the thoughts of an investor to invest in your startup idea, it is crucial to create an attractive pitch deck, as it creates the very first impression in the mind of an investor, regarding the entire business model, idea, purpose and future projections.

But, What is a pitch deck?

The pitch deck is a presentation that entrepreneurs put together when seeking a round of financing from investors. It is a shorter version of a business plan which presents key figures to potential investors. The investor pitch deck is usually used during face-to-face and online meetings with potential investors, customers, and partners.

There are generally two versions of a pitch deck. One version will be with a lot of text and information which will be shared with people via email generally known as an Information Memorandum. The other version will be the pitch deck that entrepreneurs present to investors in person with more visuals. Having more visuals will contribute to having investors have better idea of the product.

There are many ways to successfully create a pitch deck but as per the norms followed in the startup industry, an entrepreneur needs to convey the business model in maximum 19-20 slides. An investor on an average spends around 3 minutes on a pitch deck to make a decision whether to invest or not, and in this way scrutinizes hundreds of pitch decks in a day. So, it becomes crucial that those 3 minutes are sufficient for a pitch deck in terms of content, theme, color combination, attractiveness to catch an investor's eye.

A pitch deck should be compelling, clear and simple and easy to act upon. It should be well structured, consistent and the theme of the slides should match well with color scheming of the product, taking 6 colors from the color pallet for the entire pitch deck. This helps the pitch deck look more professional and color coordinated. Including info graphics, using isometric images and visuals make slides look engaging.

Now below is what slides your pitch deck should comprise of:

COVER PAGE:

It is crucial that a startup absolutely nails its investor pitch deck and articulates a compelling and interesting story and the cover page of the pitch deck is the first step towards engaging the investor and making him a part of your startup story. The first page should perfectly provide an overview of the company and the industry it does belong to.

PROBLEM:

This slide should highlight the painful problem that people can relate to. It is advisable not to include the problem and solution that the startup is providing through its product, in the same slide.

An investor will invest in a particular startup if:
- He can relate to the problem being highlighted and have experienced the same.
- He feels that there is clear sense of ROI down the line for them.
- Given their professional expertise, they can understand it.

If an investor can check those boxes. High chances of fundraise.

SOLUTION:

This slide should bring in the solution for the problems presented in the pitch deck. The solution should be clear and precise. For an investor to invest in your startup, it is crucial for an entrepreneur to ensure that the solution makes sense as to the timing when the business is being introduced. Being too early or too late can lead to failures. Scalability is also a factor that an investor wants to look into to ensure that they can invest in order to have the wheel turn much faster.

BUSINESS MODEL:

You can highlight your business functioning and include how your business model is much efficient and better in terms of processing and returns as compared to your competitors. How you will generate money, focus on that part.

MARKET:

Highlighting market penetration, market size, market snapshot,etc or the industry in which the startup is being introduced also plays a major role in an investor's decision to invest. An investor would be less interested in a small size industry as they ideally expect 5x returns in next 5-7 years and hence look for a startup that will not only transform or disrupt their industry but have the potential to fundamentally reshape the way consumers interact with a market.

COMPETITORS:

An investor usually spends a few seconds on this slide and hence this slide could include direct/indirect competitors on the basis of funding, scale, price, user base or valuation (depending on discretion).

It becomes really crucial for an entrepreneur to show how his startup is unique from the other already established companies.

PRODUCT:

This slide is very crucial for Startups to showcase what they have build so far. Advisable to put screenshots of the products that you are offering. This slide becomes crucial especially for technical companies and they can make it look even more powerful by including customer reviews about your product.

REQUIRED INVESTMENT:

Do include this slide to explain your requirement and usage of funds. It is preferred to put the required amount in a certain range rather than quoting a direct figure.

FINANCIALS (5 year projection):

Every investor wants to invest for a long term horizon. You should project your monthly/quarterly/yearly projections of financial statements (Income Statement, Balance Sheet, Cash Flow Statement). These projections should ideally be for next 5 years.

A traction slide can also be included showing month over month growth. But it is advisable for early stage startups not to include as it is difficult to accurately assess the growth.

Only 58 percent of successful decks have a financials slide, yet this is the slide investors view first and most!

TEAM SLIDE:

This is one of the most important slide for an investor to look apart from financials and market as it helps to know who is driving the business and are there right people on the right seat capable of taking the business forward. Unfortunately when you are investing in a first time founder you are also investing in that individual's education and all the mistakes he or she will make during the early days. This is always part of the journey and there is no way to go around it.

The most common way of making this slide is including the details of the cofounders or other people at the top positions (depends solely on one's discretion) and highlighting their two-three key achievements. This slide should be included at the last as it creates a more profound impact if investors get to know the business first and then the business makers.

An additional slide with established corporate partners and customers can also create a profound impact on the investor. Also, including social media like Linkedin profile details when you are having significant followers is also something you can look upto while mentioning your contact details.

At last, If you are serious about your pitch deck it is not a bad idea to ask someone with a high-level understanding of sales psychology to take a look at your deck. A couple of tweaks to images, placement, and words could make a multi-million dollar difference.

For help in preparing a pitch deck. You may write at info@nucleusadvisors.in

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Team Nucleus is comprised of people from Big4s and reputed consulting firms with combined experience of 30+ years.

Team is distinguished by their functional and technical expertise combined with their hands-on experience, thereby ensuring that our clients receive the most professional service.

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