

Building a Pitch Deck

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● Vision



Entrepreneurs need a quick way to convince others of the value of their new ventures. They want to create confidence and “buy-in.”

A Pitch is typically for investors, but could be for potential co-workers, strategic suppliers, customers, and others.

It is telling the key parts of the venture and team in a very concise and persuasive way. This guide helps new entrepreneurs to develop their way, their own “Pitch.”

Sell. Don't Tell.



A Pitch is to *sell* the venture to investors and others who need reasons to believe that it is a good idea and the entrepreneur can make it work.

It is not just a summary of the Business Plan or a description of the venture.

Emphasize special, remarkable, different aspects of the venture and team!

- What is a Pitch?



The “Pitch deck”-- a set of slides in a Powerpoint file for the audience to read-ahead, for the entrepreneur to speak from, or to leave-behind.

The “Pitch”– an oral presentation, using the slides, to sell the venture to the audience.

What Does a Pitch Look Like?



They vary in content, format, order, time. They can be one-minute “elevator pitches” or extend to ten minutes or more.

“Average entrepreneur pitch: 38 slides. Average VC attention span/cranial capacity: 10 slides. Do the math.” Garage.com

My baseline: “Pitch Deck” of 10 slides. “Pitch” of seven minutes.

What Does a Pitch Look Like?



OnMyBlock pitch at the USD V2 Student Entrepreneurship Pitch Competition, 2013 (start at 41:30)

<http://sharktankclips.com/season-3-episode-9-tower-paddle-boards/>

Bitcasa pitch at Techcrunch Disrupt Startup Battlefield, 2011

What the Pitch Should Say

- In about what order



- Lead
- Product/service (and DVD questions)
- Addressable Market (and Example and Proof of Concept)
- Conversion
- Development
- Operations
- Management Team
- Ask and Uses
- Summary

● Lead



Introduces the Pitch.

Names of the venture, entrepreneur, and management team.

A compelling “headline” of the Pitch. Why the audience should listen!

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● Product/Service



Briefly describe the key technical, physical parts of the product/service.

Briefly describe the key parts of the product / service that create value for the customer.

Use the DVD questions (next slide), and explain why you have competitive advantage.

• DVD Questions



Test your competitive advantage by answering three questions:

Value - Why will customers buy your product/service (what problem are you solving)?

Differentiation - Why will they buy it from you (not a competitor)?

Durability – How long before your competitive advantage erodes from change in 1) customer preference, 2) competition/imitation, 3) technology obsolescence, 4) regulation

● Addressable Market



Describe your actual potential customers. Answer some or all in your slide.
(See Addressable Market example slide.)

- How many customers will really buy your product/service?
- On what timeline?
- How much will they pay?
- How many buys per week, month,...?

(See Proof-of-Concept slide.)

- How much will it cost to get a new customer?
- How will you use social media to get and keep customers?
- How will use your customer data?

● Addressable Market



Example: To start a premium ice-cream store in Solana Beach California, the market is better described as people willing to pay US\$6.00 for scoop who live within 10-minute driving distance of the planned location. It could be estimated with a survey of people in the area.

Rather than data like, US ice-cream makers produced 726 million gallons in 2011. The U.S. dairy industry produced approximately 20 quarts per capita in 2010. Then applying some estimated percent to the national market size.

● Proof of Concept



The stronger the evidence that customers will buy the product, the more convincing the Pitch.

Sustained revenues are great proof. Some revenues are very good. Commitments, surveys, testimonials can be good too. Prototype, detailed plans, etc., are OK, but not as strong.

An MVP (minimum viable product) has the fewest features that allow a market test. It is to get proof of concept as soon as possible, even without all of the potential features.

● Conversion



How will your customers pay (by the unit, subscription, membership, page views, time, etc.)?

How will you collect (cash, credit card, auto-pay, ...)?

● Operations



How will you build your product (in-house, out-sourced maker or service provider, ...)?

How will you get the ingredients, components,... you need?

How will you present it to your customers (website, app, storefront, ...)?

How will you get it to your customers (in-person, drop-ship, storefront, app , website ...)?

• Management Team



Who are the first employees? Brief biographies:

- What is their experience with the product, technology, the market?
- What experience in start-ups?
- What training, education, that might help the venture?

Who are the advisors? What credibility do they have?

● Ask and Uses



How much funding has been raised so far? How are the current expenses being paid?

How much funding is being asked now?

What is it to be used for?

- What will the funds be spent on?
- What tasks will it help complete?
- On what timeline?

(Don't say what equity or other value in return is planned at this stage.)

● Summary



If there is time and need, repeat the special aspects of the venture. Remind the audience of reasons why it is a credible venture with strong likelihood of success. Sell again.

Thank them.

Ask for questions, if appropriate.

• More Sources



Dr. Mike Lawless, USD Entrepreneurship

https://www.youtube.com/watch?v=383FI_S_bCw&list=PLTJ3IHBdQI6IODdfUE1Fyw1ywDFu8KSyP

Garage.com

<http://www.garage.com/resources/perfectingpitch.shtml>

Center for Entrepreneurial Leadership

http://www.slideshare.net/arey_abhishek/guide-to-a-good-venture-pitch

• Last Thoughts



Pitches and Pitch Decks can be diverse in content, length, order, detail, presentation style,...

Entrepreneurs should find their own ways to pitch.

Still, investors and others generally look for the kinds of information outlined in this presentation.