

# WINNING INVESTORS WITH YOUR PITCH DECK AND PRESENTATION



June 7, 2016

- **Why am I here?**
- Why bother raising money?
- From whom should I raise?
- What do VCs look for?
- What does the perfect pitch look like?
- What should I do next?



## *Venture Capitalist since 1994*

### *General Partner, Flybridge (2002-present)*

- Focus on enterprise technology, with a particular emphasis on developer-driven companies and cloud infrastructure
- On the Board of companies such as MongoDB, Digital Lumens, Nasuni
- Formerly on the Board of Firebase, Stackdriver, PatientKeeper and others

### *General Partner, Greylock (1994-2002)*

### *Stanford BA, Harvard MBA*

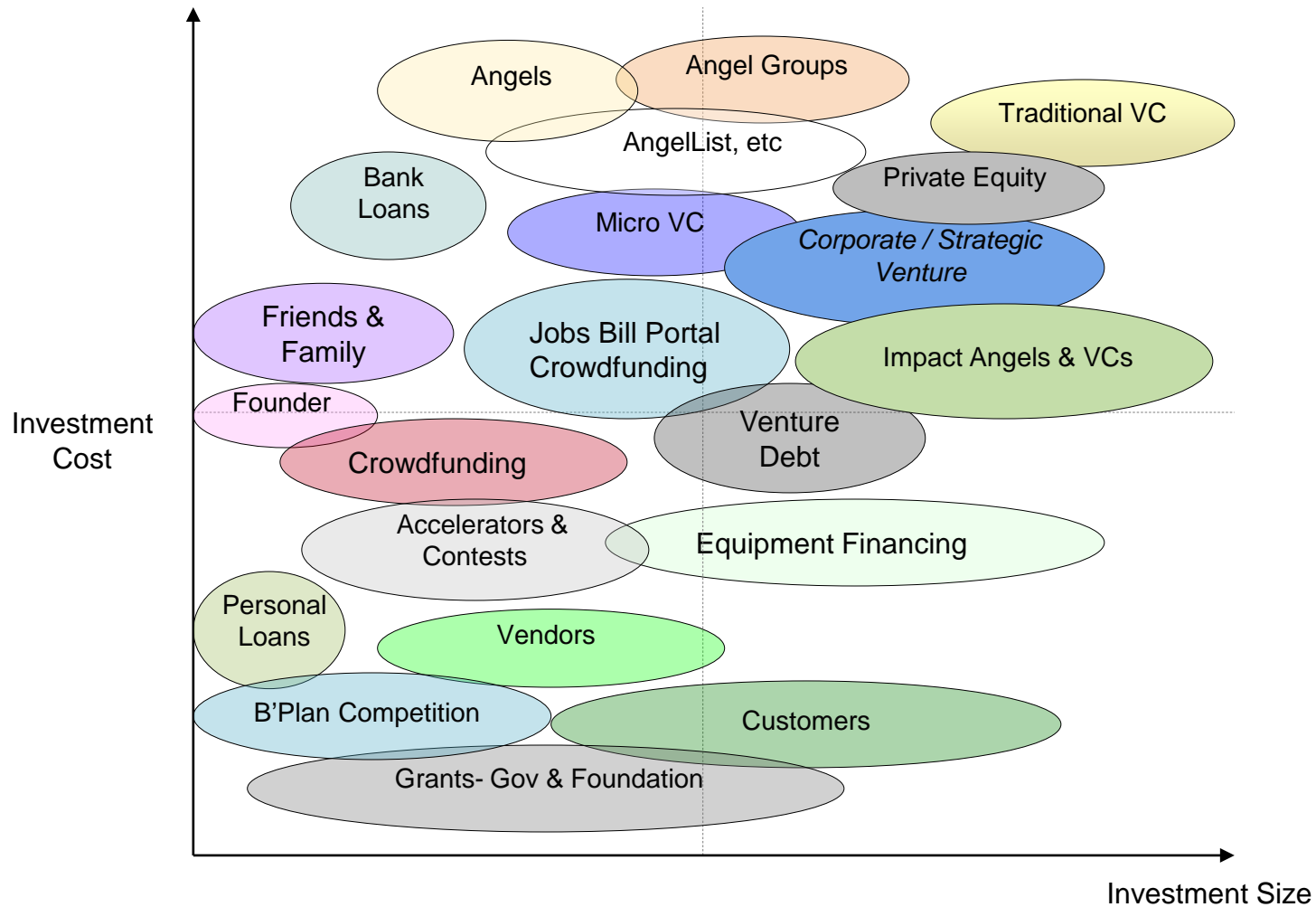
### *Contact information*

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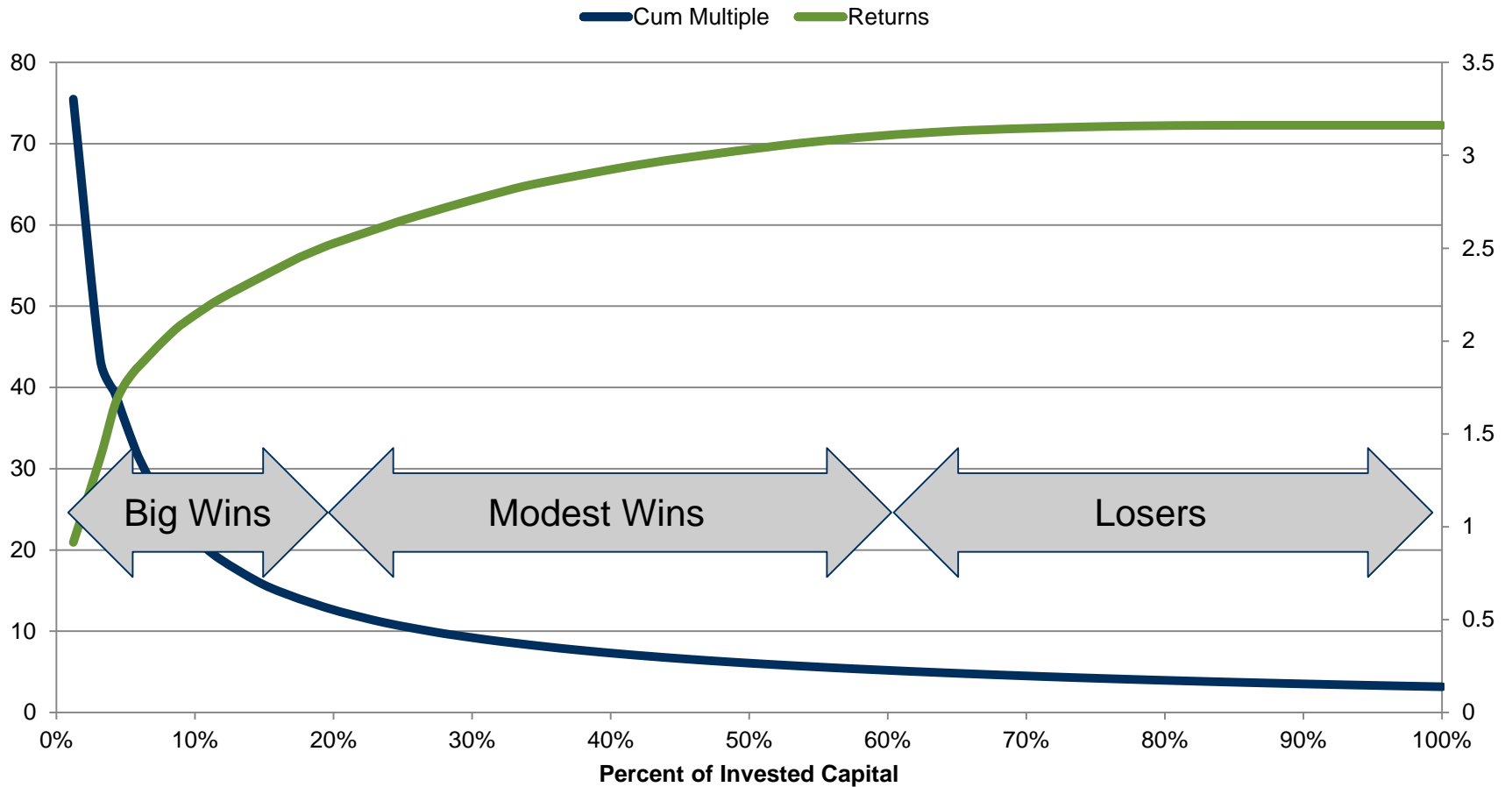
- Hire super-talented people
- Scale company to the next-level
- Develop product quickly (before a competitor)
- Survival (food/housing/clothing/beer)
- (Most) companies are very expensive to build
- The business is very risky
- Even big risk-takers need *some* security

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- Because they have no other choice
  - Two people and a dog with a dream (usually the people) and the need for more money than “alternative” sources can or are willing to provide
- Because they want to
  - *Deep pockets*: Additional funding for follow-on rounds, high risk tolerance
  - *Value-add*: Domain experience, industry contacts, strategic planning
  - *Experience*: VCs have “seen the movie” before and can help avoid pitfalls
  - *Swing Big*: VC’s don’t invest in niches, they invest in transformative ideas that can build large companies





**VC Firms and Funds are Defined by the Big Wins**  
**This “Power Law” Defines Every Decision We Make**

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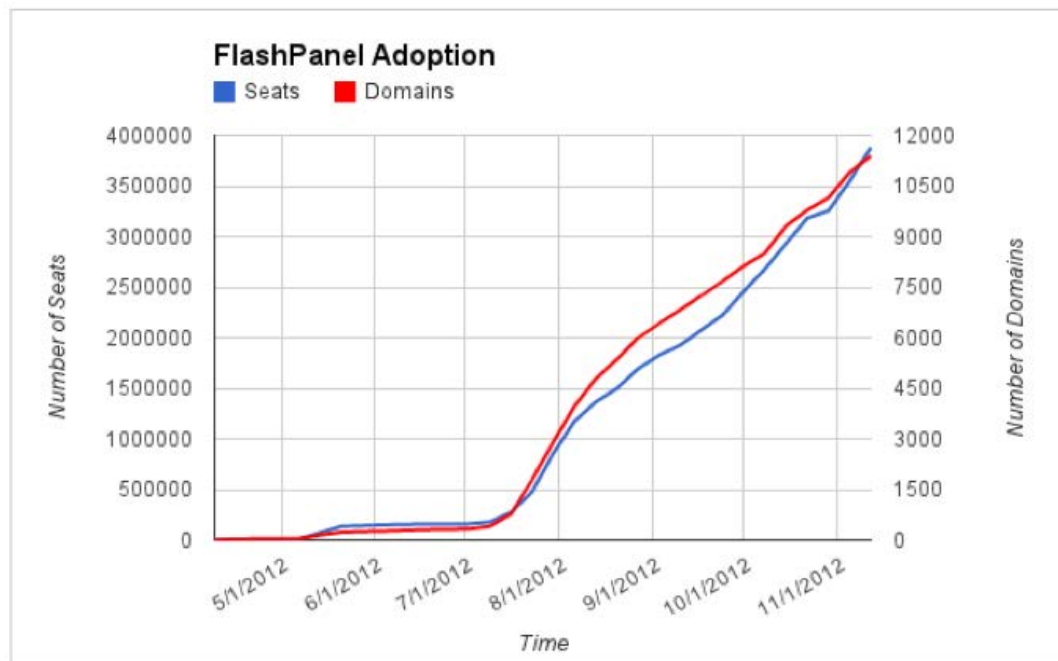
- A great pitch is the key to an investor's wallet
  - You'll never get one without the other
- Every pitch is different but there are a handful of things really effective pitches do:
  - Establish excitement about the team
  - Sell the vision
  - Outline the market opportunity
  - Show metrics
  - Outline financing goals
  - Address the challenges

- We back people and want to help them win and stay with the company until we all ride off into the sunset
- Teams need not be complete or experienced, but
- Founders / managers **MUST** exude confidence to succeed
- Traits we look for:
  - Command of the business / sector / ecosystem
  - Concise articulation of the value proposition
  - Evidence that homework has been done
  - Confidence without arrogance (swagger with backup)
  - “Pied Piper” ability to recruit & retain a great team, advisors, partners
  - Interpersonal chemistry

- The most important thing to do when pitching an investor is to sell the vision for the company being built
  - Share your excitement and conviction
  - Get us excited about what you are doing
- Do this by
  - Telling a story: the best presentations tell a coherent story that engage the audience and venture pitches are no different
  - Selling yourself: Why are you the right team to tackle this particular business problem
- Leave us wanting more
  - (Almost) No VC investor is going to write a check after 1 meeting
  - The goal of your pitch should be to get the investor wanting to spend more time with you to “turn over another card”

- Behind team, the market is the most critical aspect evaluated
  - Venture investors look for large opportunities
    - Market sizes in excess of \$500M
    - Business revenue potentials of \$100M+
    - We do this because we need to see a way to make 5-10x our money on any given investment
  - Also look for practical go-to-market strategies
    - Basecamps on Mt. Everest
- The presentation should clearly articulate the size of the market being addressed and how you will capture that opportunity to build a big business
  - Hard to do when you are creating a market that doesn't yet exist

- Demonstrating traction goes a long way with venture investors
  - There are thousands of risks to any startups and VCs like to eliminate as many as possible before investing
  - Data is a great way to demonstrate risk reduction
  - Be sure to tie the metrics to the business (ie, why they are important)
- A good example from a recently funded company:



- Be explicit on how much money is being raised and why
  - Clearly describe what significant business milestones will be hit during the requested financing round
    - There should be logic behind the amount of money you are raising
    - Fund towards value creating milestones
  - Describe how much more capital will be needed over time and how that additional capital will be used
- Typical nomenclature, sizes and goals:

Seed	Series A	Series B	Series C (+)
\$250k - \$2M	\$2M - \$7M	\$7M - \$20M+	\$30M+
Product/user fit	Business model	Scale	World domination



- Every business faces challenges; be upfront in addressing yours. Talk about:
  - The risks and how you will address them
  - The competition and why you will outperform them
  - You're not fooling anyone by not including it in the presentation
- The worst thing you can do is pretend no challenges exist
  - It means that either you don't know you will face challenges or you are foolish enough to think you won't hit any
  - Significantly reduces credibility in the investor's mind

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- Start with the team
  - Highlight key management and relevant background
- Then hit the problem you're addressing
  - Write it for a 5th grader – pretend like your audience knows nothing about the problem you are hitting
- Talk to the market opportunity
  - Make the case for how solving the problem can make a lot of money
- Speak to your solution
  - How will your business attack the problem to capture the market opportunity
- Talk product
  - Tell the audience where you are, what you've built
  - Hit relevant metrics and describe why they help mitigate risks
  - Talk about the competitive landscape
- Financials
  - Show the financial plan (3 years out), the amount of money you are raising and where that money gets you to

- Do...
  - Your homework before you email, call or meet
    - Make sure the firm is a fit with your business
  - Get an overview from the firm
    - Get to know how they operate, their focus, how they like to invest
  - Be comfortable saying “I don’t know”
    - Honesty is best policy; making up stuff loses credibility
  - Cite sources where you can
    - If you’re sizing the market, tell us where the numbers you’re getting come from or how you generated them
  - Be open to feedback and dialogue
    - It’s a conversation, not a lecture
    - We’ll want to pressure test assumptions and see how you think
  - Be crisp and on point
    - If you can’t show good summarization skills when raising money, how will you handle customers, partners, employees?

- Don't...
  - Include an exit slide
    - VCs are in it to build large companies; explaining your strategy to build and flip makes us worry we're not aligned
  - Manage time poorly
    - You probably have an hour with an investor; if you BS about the Yankees for 20 minutes and then spend 20 minutes telling your life story, we'll only have 20 minutes to actually discuss the business
  - Read every word of your presentation
    - This isn't a screen test – hit highlights, not each word; we can read
    - Be flexible and go where the conversation takes you
  - Make your presentation too abstract to understand without you in the room
    - Materials will likely be shared internally with the VC team and if they can't follow without your voiceover it doesn't do much good
  - Exaggerate, name drop, or otherwise

Stage

Location

Sector

Business  
Model

Investment  
Thesis

Social /  
Trust Filter

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- Treat fundraising like a sales process – build a pipeline, work people through the pipeline, build up to crescendo
- VCs get distracted – typically only pursue 2-3 high priority new investment opportunities at any given time
- Stay connected, top of mind, build a sense of momentum
- Need to sell the individual “champion”, then the help them sell the partnership
- Address objections with specific data
  - Make the investment case for them
  - Give them tools/materials to share with their partners



- Customers / partners
  - Team
  - Technology
  - Business model
  - Market size / analysts
- ➔ As with sales, package up the information, make it easy on the VC (references, financial models, detailed market size analysis, etc. in an easily digestible form)

- Pitch

- [www.pitchenvy.com](http://www.pitchenvy.com)
- [www.bestpitchdecks.com](http://www.bestpitchdecks.com)
- Guy Kawasaki: 10 slides / 20 minutes / 30 point font  
[http://guykawasaki.com/the\\_102030\\_rule/](http://guykawasaki.com/the_102030_rule/)
- NextView [www.nextviewventures.com/blog/free-startup-pitch-decks-template/](http://www.nextviewventures.com/blog/free-startup-pitch-decks-template/)
- [www.mjsskok.com/resource/getting-behind-perfect-pitch](http://www.mjsskok.com/resource/getting-behind-perfect-pitch)

- Legal

- Foley & Lardner <https://www.foley.com>
- Goodwin Proctor [www.foundersworkbench.com](http://www.foundersworkbench.com)
- Techstars [www.techstars.com/docs](http://www.techstars.com/docs)
- [www.seriesseed.com](http://www.seriesseed.com)

- General

- [www.soulmix.com/remix/619](http://www.soulmix.com/remix/619)
- [www.robkornblum.com](http://www.robkornblum.com)