CREATE THE ULTIMATE INVESTOR PITCH DECK

Make Investors Fight To Fund Your Business

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NETWORK

Your investor deck is probably the single most important document you will have as part of your fundraising efforts. This deck should answer all the basic business questions that an investor will have such as; what your business model is, what problem you are trying to solve and how big is your market.

The key to building an effective investor deck is to make it compelling. Investors are inundated with hundreds, if not thousands, of investor decks each year, so your deck really needs to make them stand up and take notice.

You want this deck to get the investor so excited about the potential for him / her making lots of money, they can't wait to invest in your business.

Your investor deck, sometimes called a pitch deck, plays multiple roles during your funding process.

- Send out to interested investors as a way of introducing your company to them.
- Once you book a meeting, this can be used for your initial pitch to them.
- Upload on fundraising sites like GUST and Proseeder as part of your overall profile.
- Use on crowd funding sites, such as Start Engine and Wefunder, if you decide to go down the equity crowd funding route.

I am going to walk you, step-by-step, through the process of creating an amazing investor deck that will compel the investor to meet with you and ultimately invest in your business.

The good news is there are a standard set of slides the investor expects to see in an investor deck, so if you follow the outline and guidelines I have created in this eBook, you are going to be well on your way to getting your business funded.

Sample Investor Slides: To help guide you through the process, for each topic I have provided you a sample slide for my actual software business.

Let's get started...

Vision & Company Purpose

Your company Vision is a declarative statement that defines what your company.is all about. This statement is intended to guide, direct, motivate, and inspire everyone in your business. Since a Vision Statement represents your dream for your business, it should be far-reaching and aspirational. It should ultimately state what you want to become, and I firmly believe it should be original as well.

I recommend the Vision Statement cover the next two to five years, and it could span further depending on how long it will take you to get your business to market. The time-line of your Vision Statement depends on what you would like it to cover. It does not need to be limited to the timing of the launch of your Minimum Viable Product (MVP), also known as the "product," you will be launching first. Personally, I think it should extend beyond that. You want to make sure your Vision tells a story and want to make sure it solves a big problem.

> "Shoot for the moon, and if you miss, you'll be among the stars."
>
> -Les Brown.

I want you to create the most compelling Vision that you possibly can, because doing so is critical to investors. Here are some words that you can use to describe your Vision Statement: Revolutionary, Next-Generation, Reinvent, Create, High Quality, Innovative, Fulfill. It is best to integrate these words within your overall story; they need to mean something; they cannot just be standalone words.

Start by asking yourself a few questions about your vision.

- What do you ultimately want to do?
- Do you want to revolutionize?
- Do you want to create?
- Do you want to invent?

Next, what do you want your company to be?

- Do you want to be the best?
- The most?
- The biggest?
- The brightest?

For whom do you want to provide the service?

- Do you want to provide it to all people worldwide?
- To millions of people?
- Just women?
- Just kids?
- Just parents?

For businesses, what type of business?

- Small to medium-sized businesses?
- Large businesses?
- Enterprise businesses?

How will the world or industry be different with your idea?

And finally, why does your idea matter to the world, to the country or to your community?

These are the questions I want you to answer when you are creating your compelling vision.

Now, let me share with you some examples of Vision Statements.

- Tesla's Vision is "To accelerate the world's transition to sustainable energy." Note that there is no reference here to being a car company; instead, their ultimate vision is about sustainable energy.
- At Southwest Airlines, their goal is to become the world's most loved, most known, and most profitable airline.

Here is an example of a **Vision Slide:**

Watch a Free Video on Creating a Vision Statement

The Problem Statement

The Problem Statement gives you a chance to define what problem your product or service is solving. You need to describe the pain point of your customer, and the more pain the better. You have got to really emphasize this point, because an investor needs to be able to see what problem is out there, and it has got to be a compelling problem that you are going to solve. The key to your business's success is finding a problem and solving it.

So, here are some questions I want you to answer:

- What problem does your business solve?
- What need are you fulfilling?
- What pain point are you fixing?
- The strength of your customer's problem, pain, or need determines how likely you are to solve it, and ultimately this will lead to the business's success.

This may sound difficult, but I want you to resist talking about the solution in the problem statement. You need to focus on your customer, and what their pain point or problem is.

Let me give you some examples of businesses, and the problems that they solve.

- Disney Problem: Families with younger children are inundated with inappropriate entertainment for their kids.
- Gillette Problem: Many men shave every day, which is time-consuming and problematic due to cuts and skin irritations.
- PayPal Problem: Cumbersome and perceived unsafe financial tractions online.
- Uber Problem: Unreliable, costly, and dirty taxi services.
- Nest Problem: Outrageous electric bills wasting energy.

These are just a few great examples of problems out there that companies have solved. Now, let's give you some B to B and B to C examples with more general statements that you can apply.

Common B to B problems:

- I cannot convert customers at a reasonable cost.
- My costs are too high to be competitive.
- Renewal rates are low because my customers are not loyal.

B to C examples can include:

- Safety issues
- Difficult to use products.
- Physical pain
- No easy access to a solution
- Inconvenience

Those are just some examples of pain points, both in the B to C and B to B world.

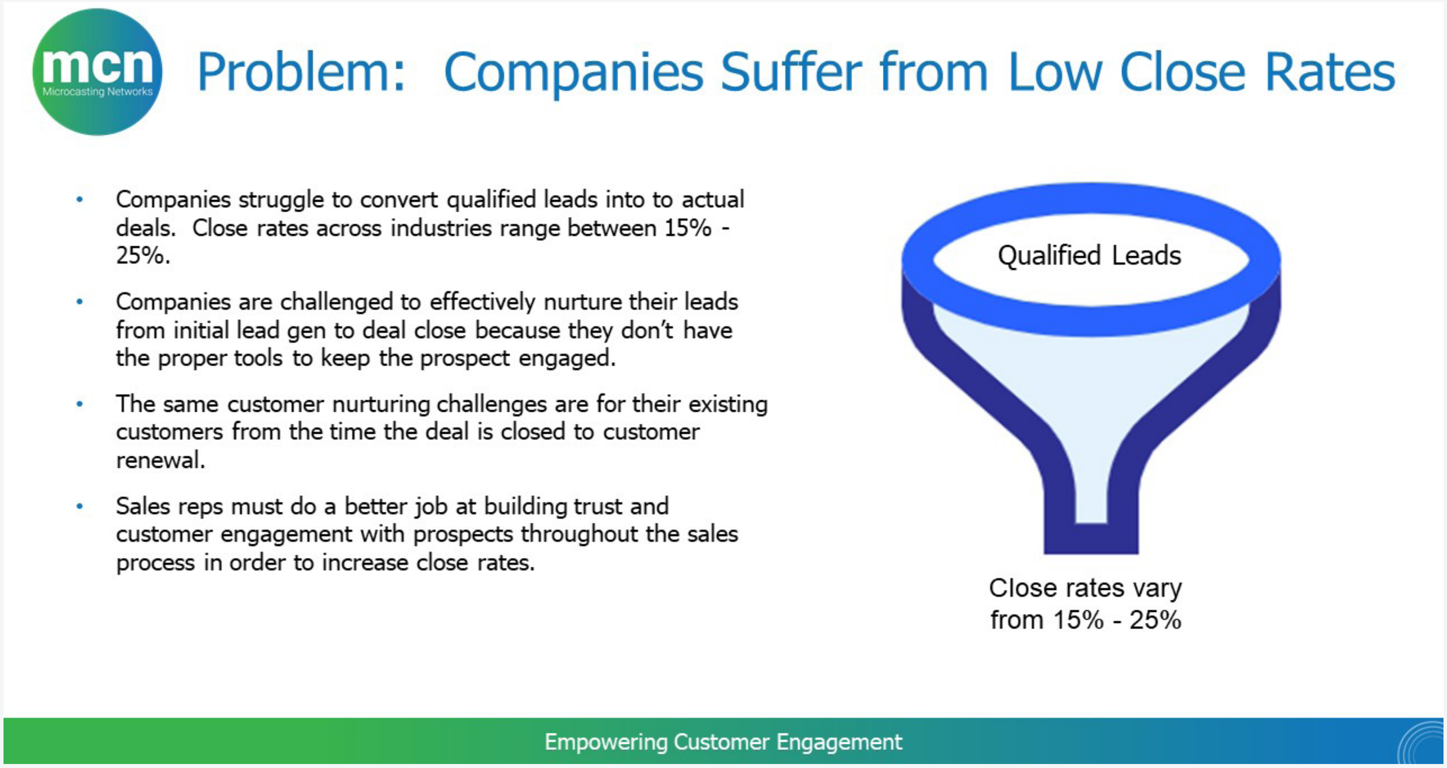
When writing a compelling Problem Statement, make sure the problems are as tangible and specific as possible because your investors need to be able to see what the problem is. If you can, make the problem as relatable to your investors as possible; the more they can associate with the problem you are articulating, the better. Make the problem and need for a solution feel urgent. The more urgent it is, the more likely it is that it is a real problem that needs a real solution, and the investors are going to feel that urgency. Make sure to focus on the customer's needs, and not your own.

Next, be sure to create an emotional connection; the more emotional the problem is, the more likely it is to resonate with the investors. You can achieve this by telling a real-life story about the problem, which helps to paint a picture and bring the issue to life.

So, let's recap! To write your Problem Statement, answer these three questions: Is the Problem Statement compelling enough? Is the problem meaningful and/or relevant to the customers? And finally, is the problem big enough or important enough to merit your business? Remember, if you are solving a problem that nobody cares about, you are not really solving a problem.

I highly recommend sharing your problem statement with friends, family, and colleagues to get their reaction and see if it resonates with them before sharing it with investors.

Here is an example of a **Problem Statement Slide:**



Watch a Free Video on Crafting a Problem Statement

Solution Statement

Now that you have defined the problem your business intends to address, it's time to connect the problem with what your company actually does and what you provide. This next phase should demonstrate your company's Value Proposition, intended to make your customer's life better. Once again, the Solution is also customer centric.

So, how does your product or service solve a pain point or address the needs and wants of your customer? That is what you want to focus on when talking about the Solution Statement. Make sure you are specifically addressing the issues that you outlined in your problem statement. Otherwise, you are going to confuse investors and they will not be able to connect your product or service with the problem. Thus, they will not be able to connect how your product or service solves the problem.

This is also your chance to introduce your product or service and officially bring it into play. I like to do this by specifying the benefits of the solution. When you articulate your solution in terms of the benefits you are providing to the customer, you are guaranteed to hit a home run.

Ask yourself: How does my customer benefit from my product or service? Benefits should always be customer focused rather than feature focused. However, many entrepreneurs make the mistake of emphasizing features and what their product does. It is not about what your product does, it is about what your customer gains from your product or service. This is your chance to show your customers how your product or service can positively impact their lives.

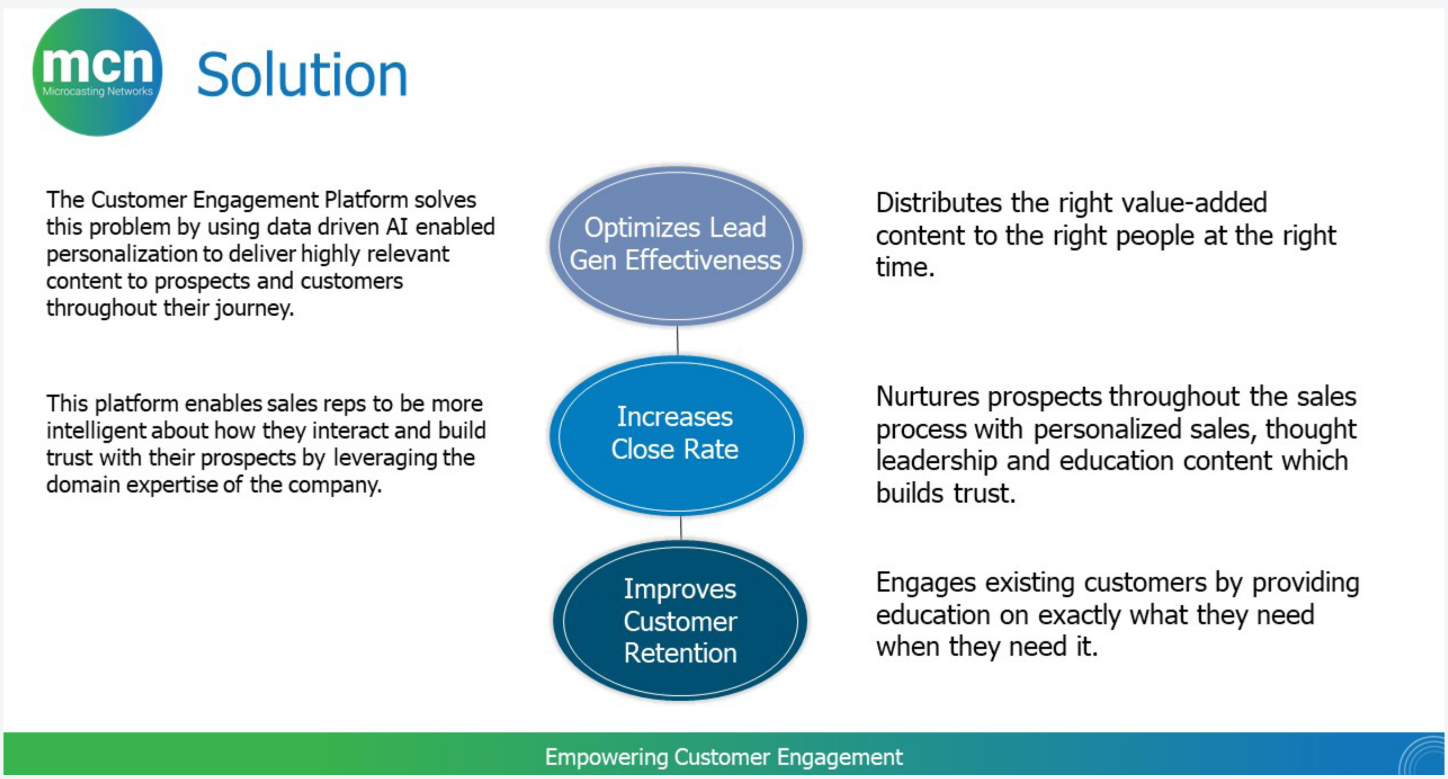
Here are some simple B to C Solution Statement examples:

- Customers are healthier by using my product.
- Customers are safer by using my service.
- Customers experience more joy and happiness by using my product.

Next up, a few B-to-B Solution Statement examples:

- Businesses can grow their revenues by using my product.
- Businesses can increase their customer retention rate by using my product.
- Businesses can be more efficient, more effective, or more profitable by using my solution.

Here is an example of a Solutions Slide:



Watch a Free Video on Crafting a Solution Statement

Target Market

Investors want to know that you have defined a Target Market for your business, and that you are not targeting everybody in the universe. Defining your Target Market as "everyone" does not work, and investors know it. They want to see that you are focused, and the more focused you can be the better. The investor is looking for you to have a Market that is big enough but can also be focused in on to create real value for a specific Target Market.

When determining your Target Market, you want to ask the following questions: Who would be most attracted to and interested in my product or service? Who would be willing to pay the price for my product or service? Who will understand and appreciate the value of the product or service that I am delivering?

You do not have to go into detail when you are talking about your Target Market, but you want to give investors a picture of who your customers are. There are two different methods for doing this. First, there is the more traditional method: describe your Target Market in terms of demographics and psychographics. These are things like their ages, their income, what their jobs are, what their hobbies are, what their likes and dislikes are, their attitude and their lifestyle.

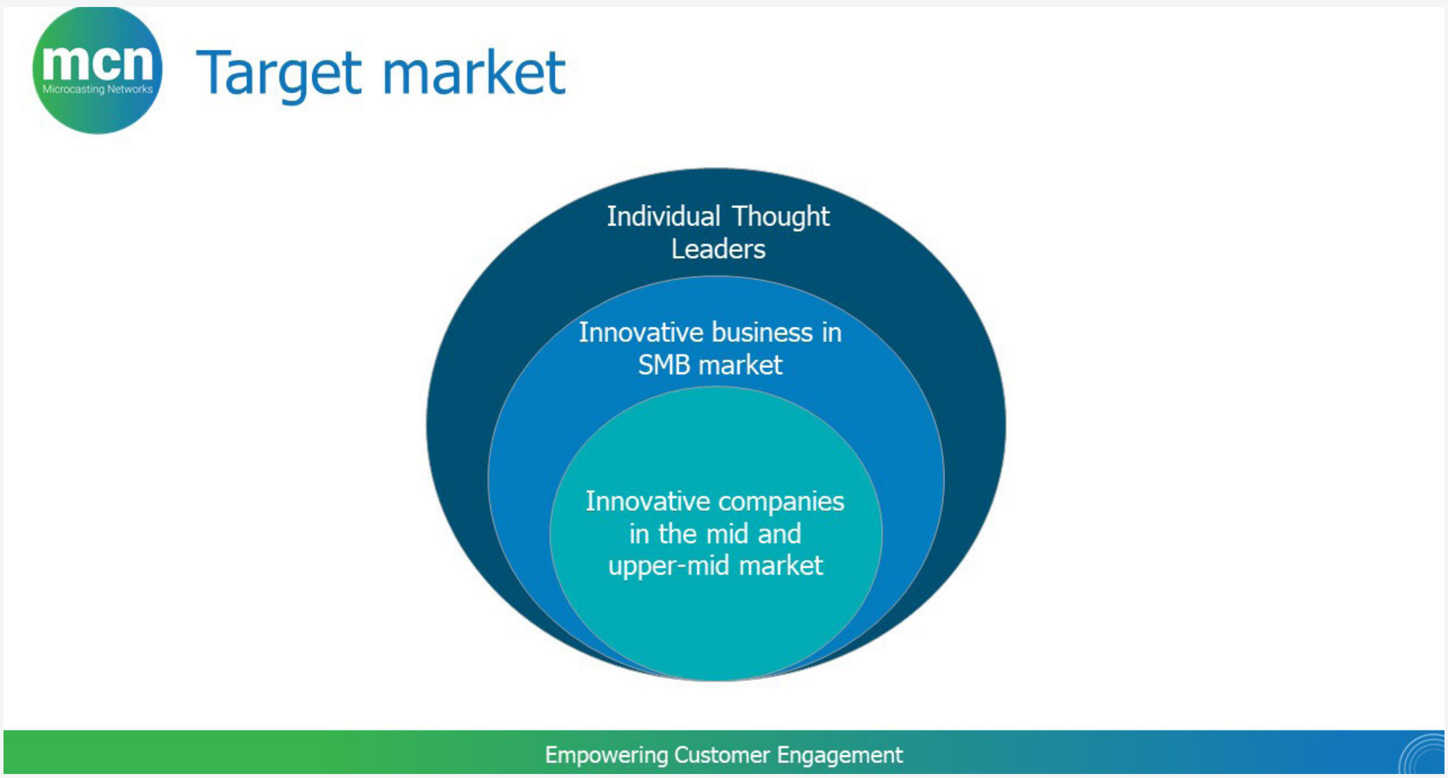
There is also the more modern approach, called "personas." In this approach, you describe your Target Market by describing the type of individual or business you'll be serving. Consider this example: Mary is 32, outgoing, and loves going to coffee with her friends each day.

I recommend that you come up with multiple personas that describe who you are attracting. This helps draw a picture of the types of people that you are going after by applying a name to them, giving them an identity, and describing them a bit. I recommend you create a maximum of four personas to keep it simple and avoid confusion.

If you are targeting businesses rather than individuals, be sure to describe the ideal business that you are targeting. In this case, it might be mid-sized businesses, small businesses, or individuals in business like solopreneurs and mompreneurs. It could be a larger business, an enterprise, or even a corporate market. You can describe your target businesses in a lot of ways and can also be focused on an industry or sub-industry.

Focus is considered a positive thing in your Target Market. You might feel like it shrinks your Market, but in fact it allows you to be even more effective. By not targeting everyone in the universe, you are also showing investors that you possess a certain crucial discipline. However, if your Target Market is narrow to the point of making your business infeasible, then you need to broaden it so that the Market you are serving is large enough. You may have to play around with this, it is all about balance here!

Here is an example of a **Target Market Slide**:



Watch a Free Video on Defining Your Target Market

Market Size

Investors want to know that the market you are serving is big enough to eventually support a big business as your company grows. Even more importantly, investors care about being able to make a return on their investment. They want a 5x return, a 7x return, a 10x return or more on the money that they invest by the time the company sells.

Always remember that your market must be big enough for investors to eventually make a nice return, that is what is going to get them excited! You have quite a bit of control in how you define your market, so you can make sure the market you define is of an appropriate size.

Investors love big markets, so it is important to give them that perception, but at the same time what you propose must be believable. You cannot have a market so big that people look at it and say, “That’s just not possible.” It is important that you state the source of your estimate so that the investor knows it is credible.

There are three types of Markets that you need to define. The largest one is called TAM, the Total Addressable Market. This represents your total potential market.

To come up with your TAM, ask the question, “Who can possibly buy my product or service?” It helps to look at things like demographics, age, education, gender, income, geography, and US or international status. For B-to-B companies, things to look at include the size of business, type of business, and the employee population. How do you find this data? I Google it, start digging through industry reports, and triangulate on the data to guesstimate.

The next market to define is your SAM, which stands for Segmented Addressable Market, is the qualified Market for your product or service. SAM is not the potential of who out there could buy your product, but instead who is qualified to buy or use your product or service.

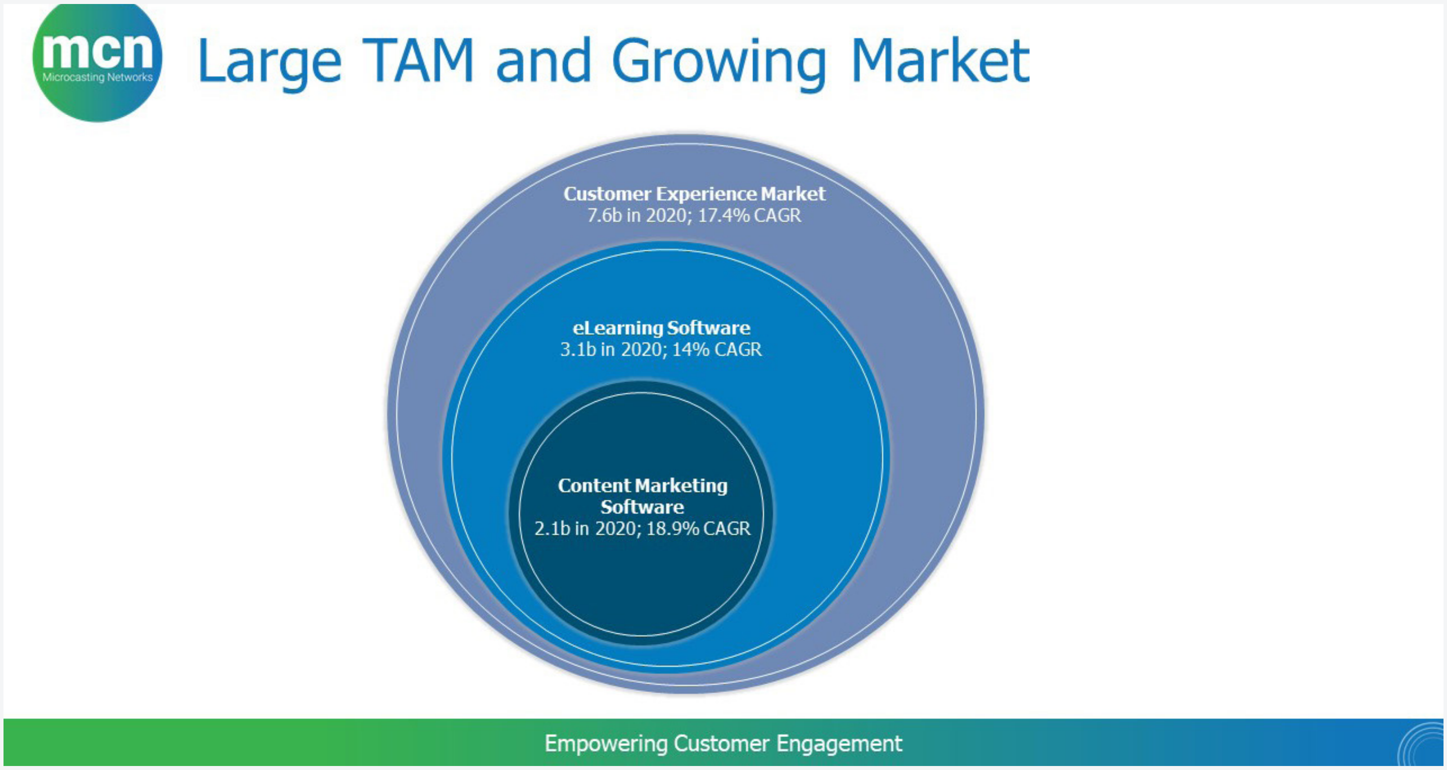
Ask the question, “Who is qualified to buy my product or service?” Here, we become more focused and narrow down our Market: What Markets can we specifically go after? Go back and look at your demographics, your geography, or types of businesses. Do not be worried about narrowing it down to too much, you likely still have plenty of market left over.

The third type of market is your SOM (Serviceable Obtainable Market), or your Core Market. This is your sweet spot, and what investors are going to focus in on as well.

Ask the question, "Who is my ideal or target customer?" This is your sweet spot, the people that are most likely to buy your products or services. Look at the same dimensions that we discussed in TAM and SAM: demographics, geography, psychographics, and Market size.

When presenting market size, I like to present this in concentric circles, your TAM being the large Circle, your SAM being the next size circle, and your SOM being the smallest circle. This is just one way to talk about your Total Addressable Market, but you can always present it as a pyramid or other visual representation as well.

Here is an example of a **Market Size Slide**:



Watch a Free Video on Defining Your Market Size

Competition

All investors are looking to see how competitive your Market really is. They want to see that there is a healthy amount of competition, because it means you don't have to establish the market from scratch. They do not want you to start from scratch because that costs a lot of money, but they also want to make sure you do not have too much competition - that might scare them away! So, it is a balancing act to be able to present competition in an effective way.

If you have competition, and they do the same thing that you do, then you might have a problem with investors. However, you can solve this by positioning yourself differently from your competition, even if your products or services are similar.

There are two different approaches to accomplishing this. First, you can list out your company's competitors. I recommend listing competitors and why you are different from them in a chart format.

The second option, and the one I like the best, is the Competitive Matrix - and investors love it too. The great thing about a Competitive Matrix is that you will always be able to define yourself as a leader in whatever Market you are in. While this is my favorite approach, it is a little bit harder to do. So, let's go over it.

The Competitive Matrix is a visual representation of how you stack up against your competitors on your two biggest strengths. These two biggest strengths enable you to define the rules of the game. This is what allows you to always position yourself as a leader. It shows the competitive landscape, and how you shape up compared to your competitors.

You are in control because you pick the strengths that best represent your business. Your strengths must be relevant to your target market, and the combination of strengths must be believable. Here are the three steps you go through when creating your Competitive Matrix: One, select the competitive strengths you are going to measure. Two, select the competitive landscape that you are going to cover. And three, evaluate and plot your competitors.

When coming up with your key strengths, I recommend you come up with 5-6 that you will eventually narrow down to two. Some examples of strengths might include quality, price, authenticity, completeness of offering, breadth of solution or product line, depth of solution or product line, expertise, service level, convenience, sophistication of technology, and ability to customize.

For the second step, I want you to pick the two most relevant strengths that, when put together, give you the best competitive positioning against your competitors.

So, you are going to pick the two most powerful strengths that will put you up and to the right on the Matrix; in other words, coming out ahead. It is critical to always be up and to the right on the Matrix. If you are not, do not present The Matrix because an investor will look at it and say, “We’re not going to be a leader? I don’t want to invest.”

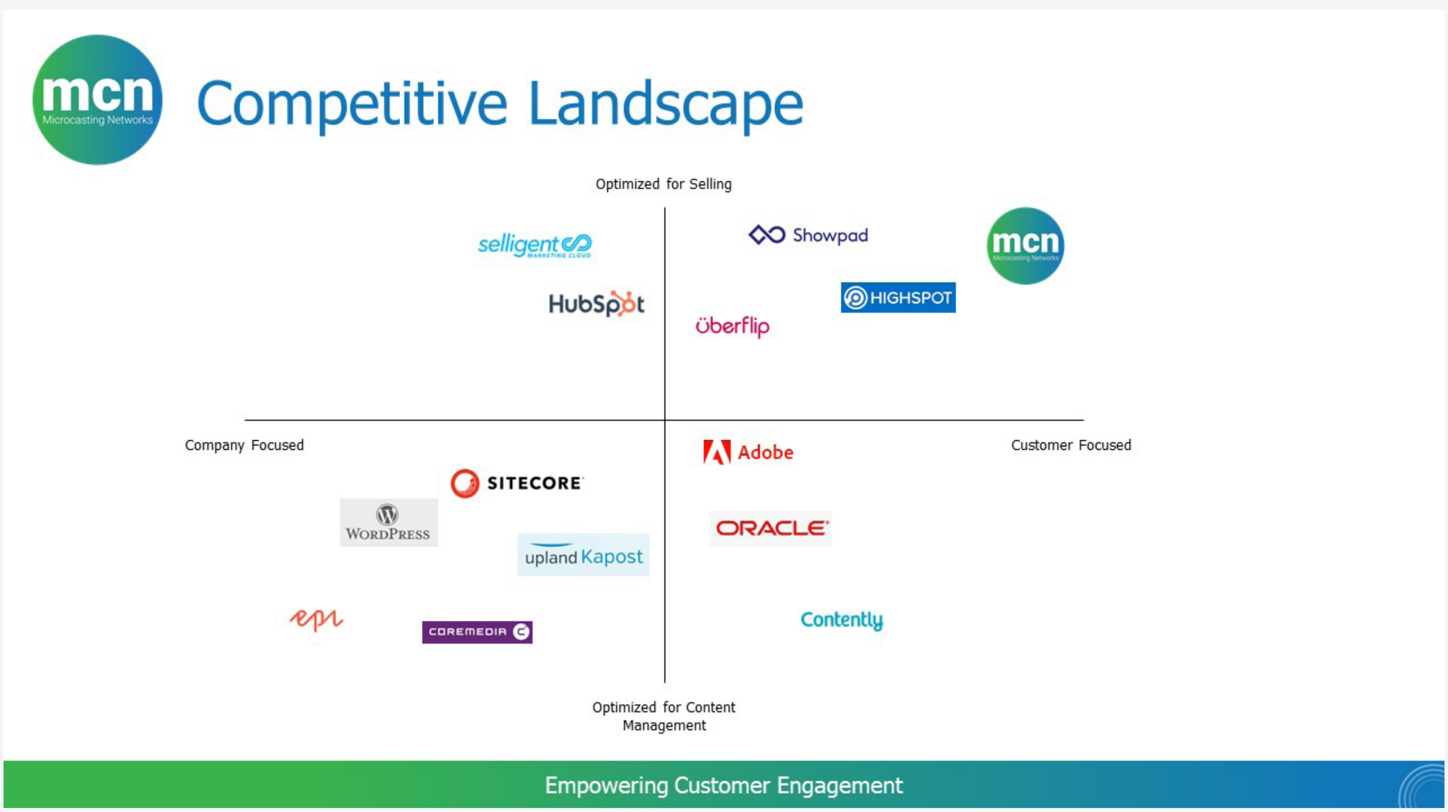
The third step is to pick seven to ten competitors that you want to plot on your Matrix. I suggest picking a wide variety of competitors that are strong in different areas. Do not just pick the weak competitors; you have got to have some competition to make it believable.

It is helpful to pick big and well-known company names if you can. When comparing yourself on the Matrix's axes against these companies in the two strengths you picked, the companies may not be strong in these categories, and that will make you look even better. Do not be afraid to have competitors!

A few words of advice: Be fair. People will see right through you if you are trying to manipulate your matrix, use your best judgment based on your industry knowledge.

Additionally, it is certainly okay to be a bit generous when you are positioning yourself. Again, you need to be positioned up and to the right. That is the most important thing that you can do!

Here is an example of a **Competitive Matrix Slide**:



Watch a Free Video on How to Create a Competitive Matrix

Product or Service

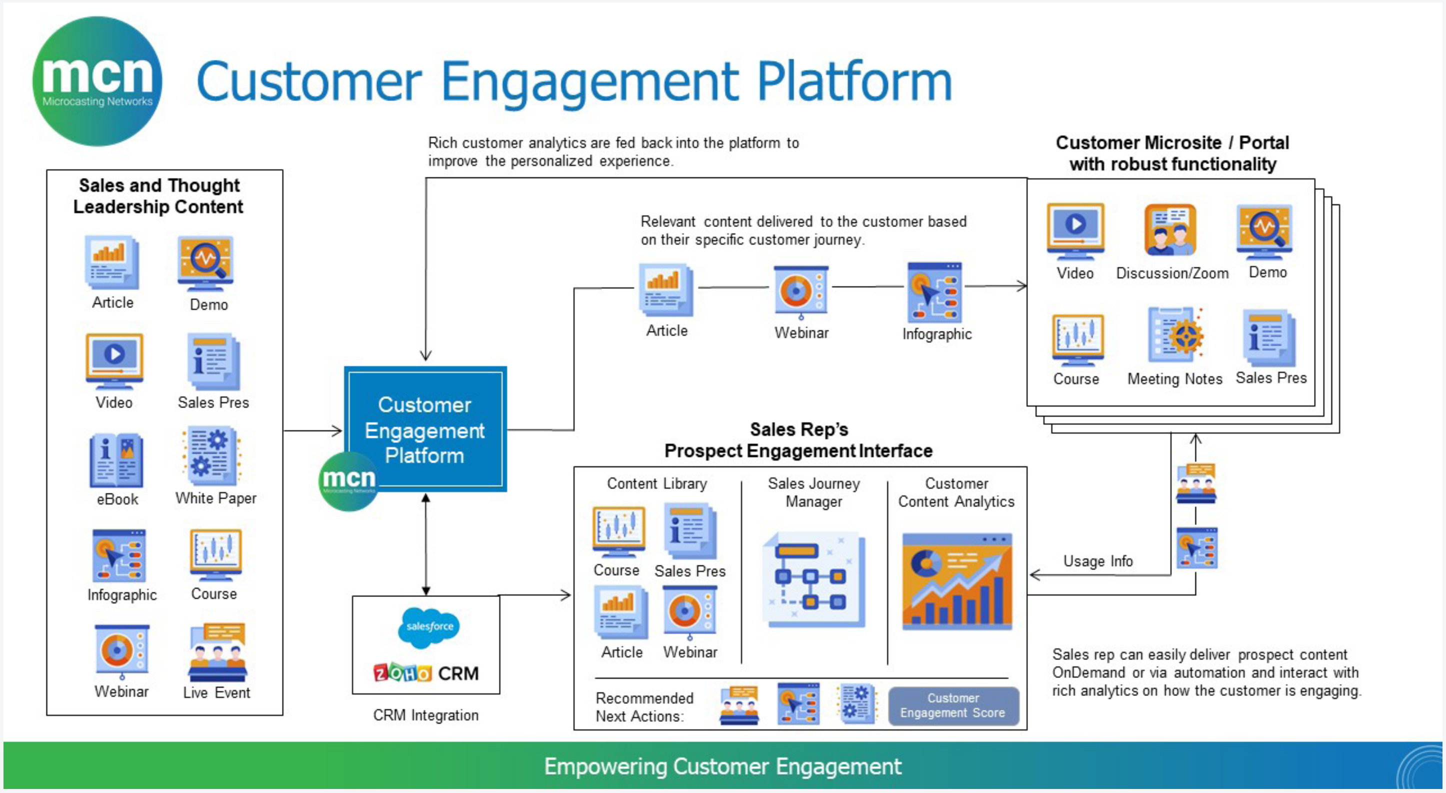
Your product is the best part of the deck in my opinion. This gives you a chance to tell investors exactly what your product or service is, and likely the part that you are going to be most excited about! If your product or service is not yet developed, I suggest that you describe your product or service Vision going out one to two years. Going out any farther with your vision makes it harder for an investor to picture what your business will look like, and investors do not want to think that they will have to wait 10 years before your product will be complete. That is not an investable business.

Alternatively, if you want to describe your idea or Minimum Viable Product (MVP) you are free to do so if that is what you feel comfortable with. However, I want you to go a bit further than just your MVP when talking about your product to get people excited.

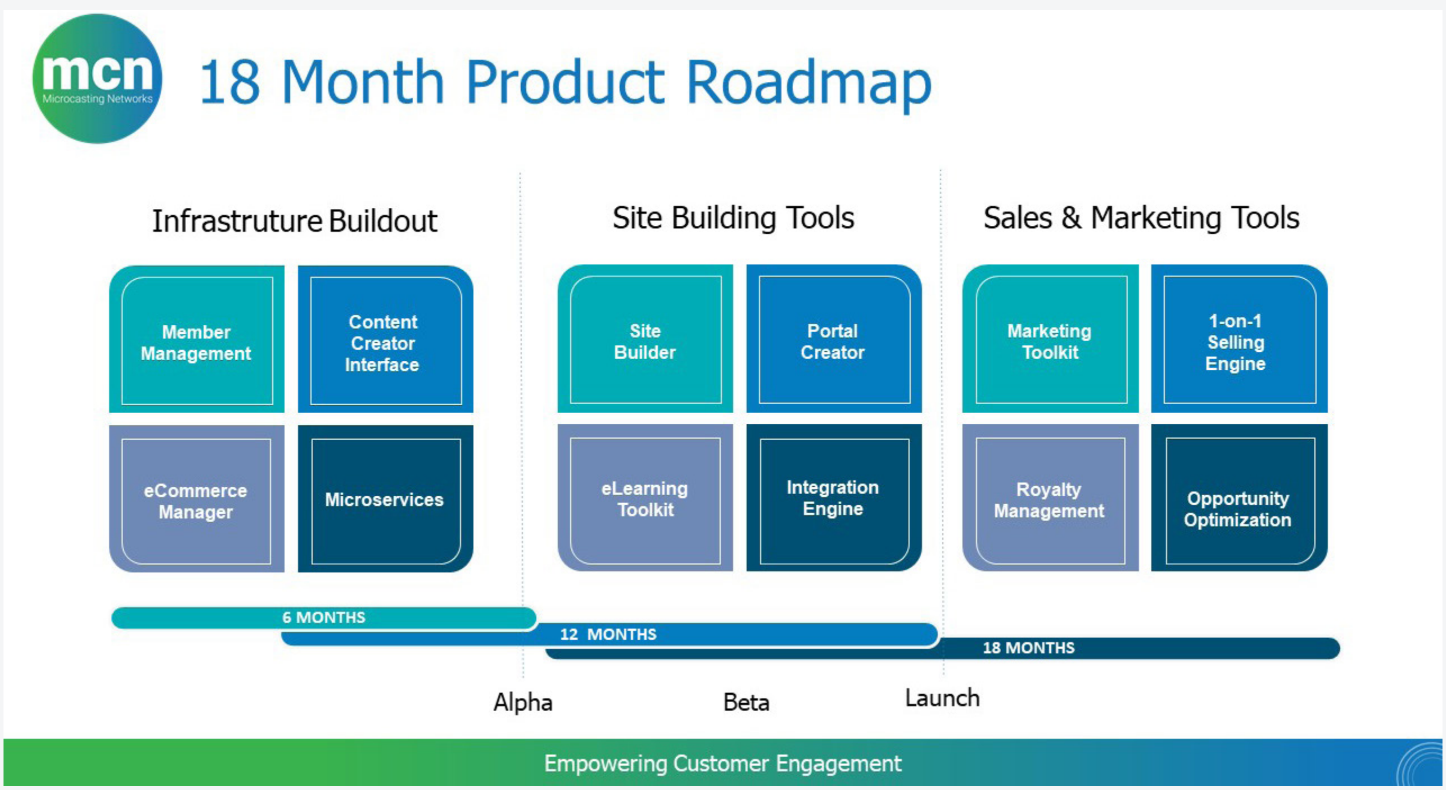
Next, I highly recommend that you include a product or service road map that goes out about 18 months. It is okay to show the parts of the product that are already completed in your diagram, but more importantly I want you to focus on what you still must develop. So, if you have got some key points components developed that need to be finished out, then you can put them on the product roadmap, but you should also go out 18 months on things that you need to develop.

Keep in mind that it is ok here to have two slides to tell your product story. Things to include on your product slides are product functionality, a list of features for your product or service, a flowchart about how it works, any IP (intellectual property) you have, maybe a day in the life, marketable slide, which may be a bit more technical, and a technical architecture if it applies to your product. Investors identify most with features and functionality or a day in the life at this level.

Here is an example of a **Product Slide**:



Here is an example of a **Product Roadmap Slide**.



Watch a Free Video on Defining Your Product or Service.

Business Model

Investors must clearly understand how your company is going to make money, and that is exactly what you will show them using your business model.

Start by describing your pricing model. This will tell them how you are going to charge your customers, not what you are going to charge your customer for that, that is in step 2. Here, you will talk about whether you are going to use a subscription model or a perpetual license, and if you are going to price based on unit or volume discounts. Maybe you are a services business, and your will price based on hourly pricing or value-based pricing. In this section, you will cover which model you are going to use.

Next, describe what your pricing will be. How much are you going to charge? What are you going to charge based on? Maybe you are going to charge based on volume, or usage, or traffic, or revenue. What measurement are you going to use?

It is a good idea to bundle things together into packages when you are doing pricing. For example, pricing package 1, 2 and 3. The easier it is for investors to understand, the more likely they will be to invest. Consider using things like a basic package, or pro package, and ultimate package, and Enterprise package, and bundle the different solutions within that.

In a second slide under business model, or included in the first slide, you can cover things such as average account size, lifetime value of the customer, your sales and distribution model or your go-to-market strategy.

These will answer such questions as: Will you be selling via direct or indirect channels, or both? If you are selling direct, will you be selling in retail, inside sales, outside sales, or directly through the web? If you are selling indirect, will you be selling through a retailer such as Amazon, using distributors, using outside reps, partners, OEM or something different? You can combine any of these to make your sales and marketing distribution model work.

If you currently have customers, include them here. Investors love to see that you have paying customers! If you do not have customers, but do have a sales pipeline that is developed, include your sales pipeline and who you could potentially sell to. Who have you already started talking to that has interest? If you have both current customers and a pipeline, even better!

Here is an example of a **Business Model Slide**:

mcn
Microcasting Networks

SaaS Business Model

- Subscription fees will be calculated based on the number of sales reps and / or success managers.
- Minimum 1-year contract on all deals
- Price breakdown:
  - X-Small $1,000 per month
  - Small $2,000 per month
  - Mid-Size $4,000 per month
  - Large $7,500 per month
  - Corporate $15,000 per month

Empowering Customer Engagement

Watch a Free Video on Creating a Profitable Pricing Strategy

Team

Understand that investors are investing in both you and the team, so really spend some time on this slide, do not just pass by it. I want you to present the founders, including yourself, co-founders if you have them, the management team, board members, and/or advisors.

If you already have an executive team built out, that is great! Make sure that you include them in the slide. I recommend a maximum of eight people on the slide. So, pick the six to eight most relevant people, and if you have only got four, that's okay too. Anything less than 4 shows that you may not have a team, so be cautious with that.

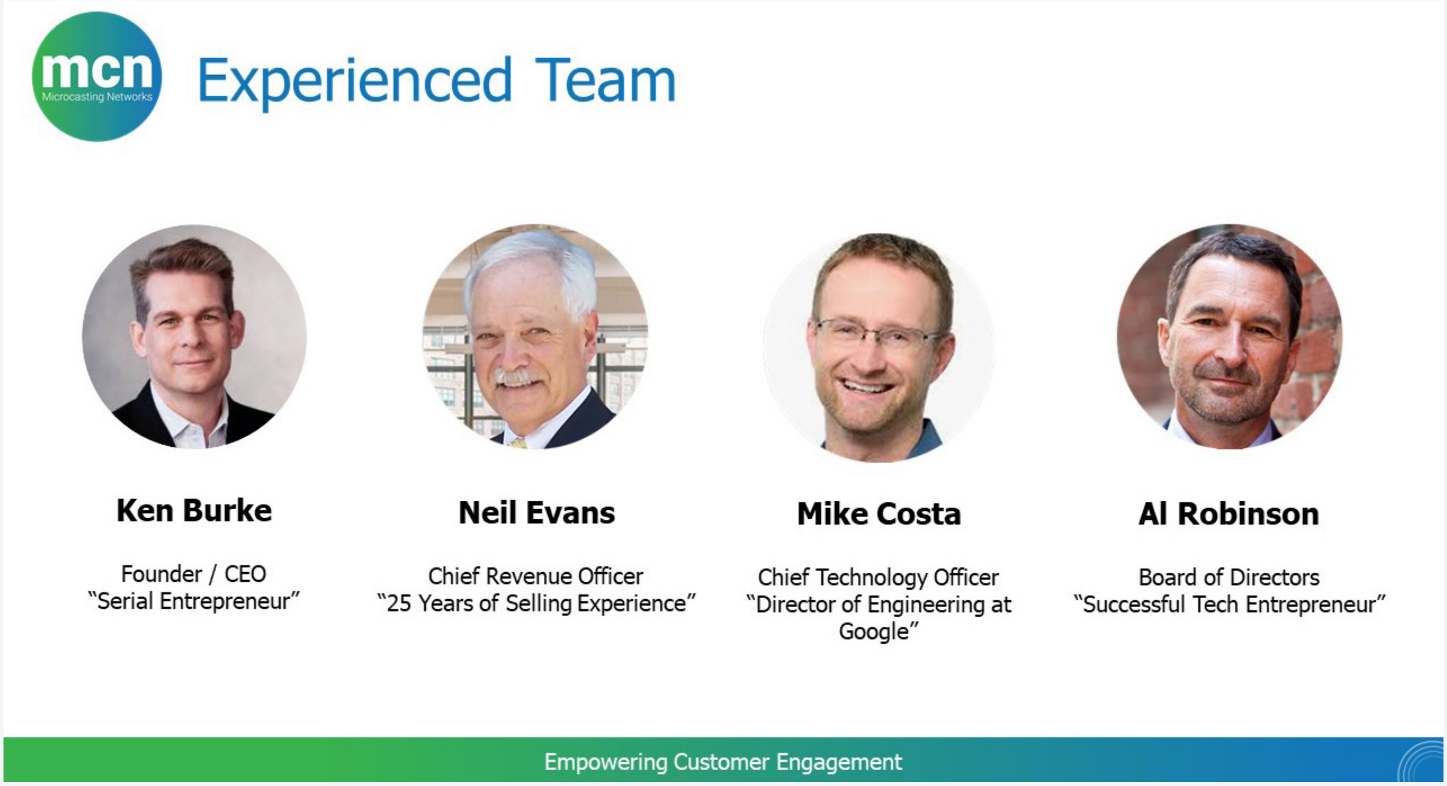
If you do not have an executive team yet, or have no team at all, you can include your outside team members like advisors, consultants, board members, and even a product lead to make it look like you have a team. You have got to make it look like you have at least four people around you, having a slide with just yourself on it would send up a red flag for investors.

Let us cover some tips on building out your team slide. Include any relevant background like past companies each member of the team has worked for, especially big name companies. Maybe you have had a couple of people working at Google or Facebook; name-dropping is okay here. Even if they were lower-level employees, it is still impressive to see that they have come from some of these big-name companies. The same is true for education. Most education is relevant, and again big-name schools carry more weight with investors.

Make sure that you include photos for each of your team members. This is especially important because it makes the team come to life and feel more real. If any team member holds any IP, patents, or inventions, or if they invented something notable, include that as well.

Additionally, anyone who has started a business or has run a business or business unit in the past carries a lot of weight with investors. So, you might want to mention that as well.

Here is an example of a **Team Slide**:



Watch a Free Video on Building Your Team

Financials

Including financials can be tricky. Investors love seeing financials, but you may not want to send your financial model out to random investors, or investors you do not know very well.

To combat this, I typically have two decks: one with financials and one without. Then I decide based on who I am sending it to whether they are going to get the financials or not. Just use your best judgment here to determine whether you trust them. Sometimes, holding back financials creates some anticipation for investors, and if he or she likes the business they might be more eager to set an initial meeting with you or a follow-up meeting to get those financials.

You want to include in financials a three-year financial forecast that is what I call believably aggressive. The financials need to be believable when a reasonable person looks at them. The financials should not be so far off the chart that it would take a miracle to achieve them, but they should also be aggressive; that is why I say believably aggressive.

Your investors want to see the potential in the business and want to believe that the business can be big, so being conservative or ultra-conservative here is not necessarily going to serve you very well.

There is a difference between what you think can happen to the business, and your operating plan where you detail what you will use to manage the business on a day-to-day basis. Clearly, your operating plan is going to be more conservative because you want to make sure you stay in business.

Next, your financial forecast must be justified. You cannot just make it up, you must be able to substantiate why the revenue is going to grow in that way. So again, this needs to be believable, and investors tend to be more interested in future financials than in past financials.

However, past financials are still particularly important because they are going to help create your valuation for your company. Plus, your past financials can also be an indicator of the future. If your past performance is not good, be certain you have a story around it that is defensible and not just made up, because investors will ask you about it!

If your financials are great, talk them up. This could be just the thing that gets you funded. Investors love to mitigate risk, so the more that you can prove that success from the past will carry over to future, the more likely they are to invest.

It is okay to include financial information from the past few years. Eventually, investors will ask for it anyway, but be careful when sending this out. One final note: you can ask potential investors to sign an NDA before they receive your investment deck, and financials. However, I want you to be prepared that not every investor will agree to sign, so it is your decision as to whetheryou are going to require an NDA.

Here is an example of a **Financial Statement Slide**:

mcn Microcasting Networks

3 Year P&L

		2021	2022	2023	2024
Revenue					
	Services Revenue	600	184,300	780,700	1,784,200
	Subscription Revenue	4,000	1,395,304	6,226,349	14,967,985
	Adjustments	-	-	-	-
	Net Revenue	4,600	1,579,604	7,007,049	16,752,185
Cost of Goods Sold					
	Cost of Goods Sold	12,360	241,580	753,320	1,644,287
	Gross Margin	(7,760)	1,338,024	6,253,729	15,107,898
	Gross Margin %	-169%	85%	89%	90%
Operating Expenses					
	G&A	61,000	418,550	628,300	634,300
	Sales & Marketing	91,625	1,088,250	2,027,167	3,126,567
	Product	765,000	883,000	1,102,000	1,242,000
	Total Operating Expenses	917,625	2,389,800	3,757,467	5,002,867
Operating Income		(925,385)	(1,051,776)	2,496,262	10,105,031
	Taxes	(185,077)	(210,355)	100,000	2,021,006
Net Profit (or Loss)		(740,308)	(841,421)	1,997,010	8,084,025
Number of Customers		3	115	550	1,306
Number of Corp Customers		3	82	261	536

Empowering Customer Engagement

Watch a Free Video on Creating a Robust Financial Plan

The EntrepreneurNOW! Network offers a complete 3-Year Financial Forecasting Model that is required any investor interested in investing in your company. **Check it out NOW!**

Use of Funds

ThiCuse some investors will want to see it. It is always a good idea to have it prepared even if you do not include it in the base deck. This is a simple slide that includes just two things: How much are you going to raise, and how are you going to use the funds?

How much you are going to raise? The first thing you want to do is to state the amount of money that you are expecting to raise as well as the type of investment. Is it a convertible note, a SAFE or a priced round?

Deciding between these investment types is a bit more involved than I will go into here, but I will say that a convertible note is typically preferred on investments less than five million dollars. On smaller investments like $500,000, one million, two million et cetera, a convertible note or SAFE is almost always preferred.

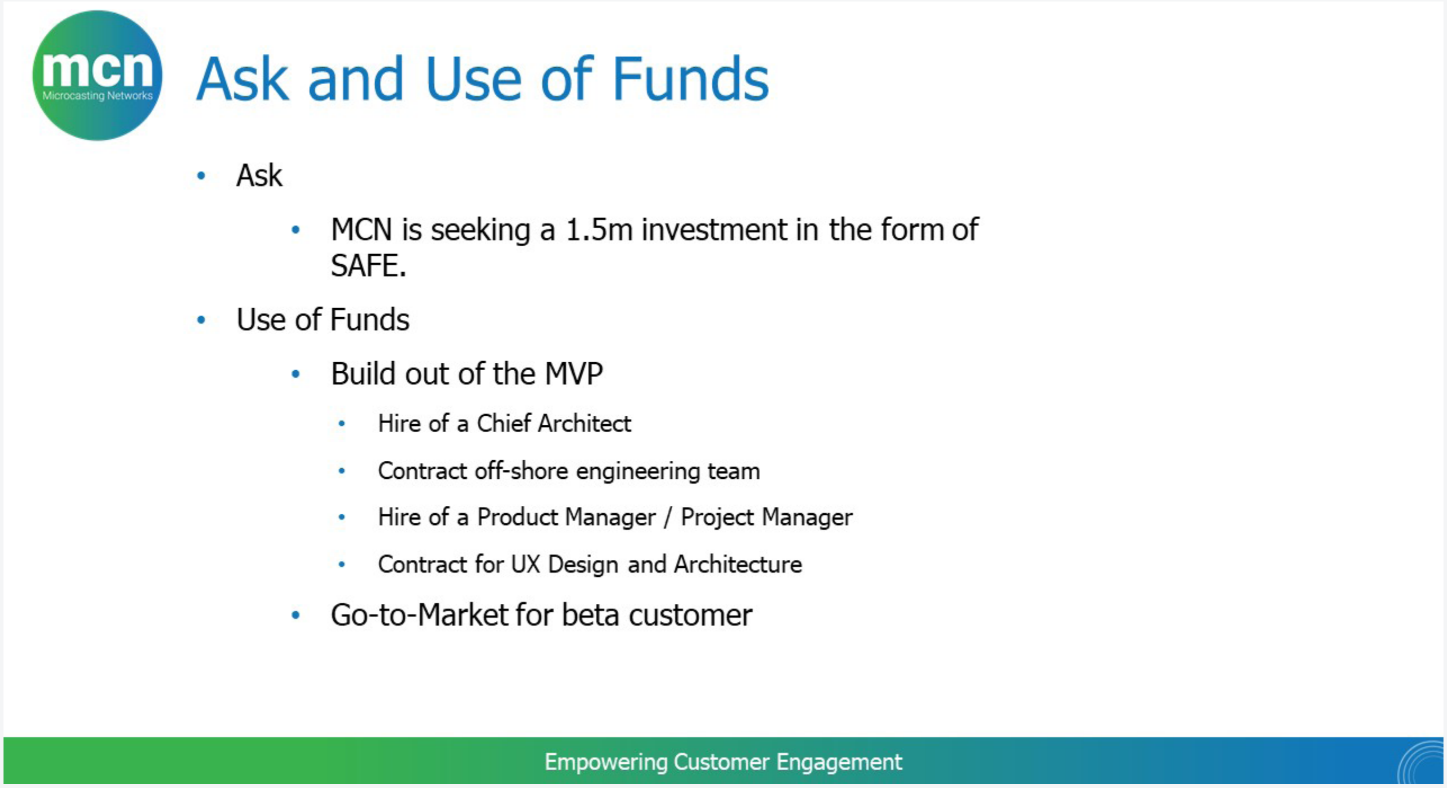
The difference between a convertible note and a SAFE is simple. A convertible note, theoretically, is a debt on the company and should be paid back. A SAFE is not required to be paid back, but both typically have the same components built into the two documents.

A price round means that you are going to raise money at a certain valuation for a certain price. I recommend that you do not include an evaluation in your investor deck. Instead, let them ask and then you can determine via your strategy as to whether you are going to tell them.

The next section on this slide describes what you are going to use the funds for. Will you use the funds for product development? Sales and marketing? Key hires? Capital expenditures? These are the four main categories.

Capital expenditures cover things like real estate and large equipment. I typically like to put either a percentage or a dollar amount of the allocation under each one of these buckets. Also, if your business does not have capital expenditures, such as a tech company, then you do not need to include it on the slide. Likewise, if you are not going to be investing anything in sales and marketing you can leave that off too. However, it is best to include the big three, product development, sales and marketing, and key hires, in your slide.

Here is an example of a **Use of Funds Slide:**



Congratulations, you have made it through building your investor deck! If you follow each one of the steps that I have outlined here and include the slides that I have suggested, you are going to have an amazing investor deck that will absolutely increase your chances of getting funded.

For more information on how to start, grow and run a successful business, visit www.entrepreneurnow.com

If you have any questions, feel free to email us at: info@entrepreneurnow.com

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