

INVESTMENT PRESENTATION GUIDE

POINTS TO REMEMBER

- » Be **SIMPLE**, **CLEAR**, and **CONCISE**.
- » You have the greatest attention from your audience in the first 60 seconds. Do not waste it.
- » Ideally, one concept per slide
- » The objective of venture capitalists is to make money. Lots of money. They take big risks, have no liquidity and (sometimes) limited control. They want to be paid for taking these risks. They work for investors and get paid a percentage of the profits. They seek opportunities that can generate big returns and management teams they can partner with in pursuing these opportunities.
- » Founders and management tend to have a broader range of objectives including bringing years of work to market, making a difference, improving lives, validation, recognition, and making money.
- » Securing funding is vitally important, but not your only goal. Ideally, your investor(s) will add value through their insights, experience, and network and become partners on your mutual path to success.
- » Research prospective investors as thoroughly as possible. Try to identify what attributes they seek by reviewing their investment company portfolio. Research both the people you will meet and the firm's leadership. Much of this information is likely on their web site.
- » Pay attention to the current investment climate. Is it making investors more or less risk averse and is it causing them to emphasize attributes such as revenue generation or regulatory approval? These factors influence how you should construct your presentation and pitch.
- » Make sure to evaluate each investor session. Review the questions and points of emphasis that came up during Q&A. Apply the lessons learned whether it is as simple as modifying your slide deck or reassessing your strategy or tactics. All good ideas have legitimate reasons why they won't work. Pay attention to these concerns and don't be defensive about them. Use the feedback to modify and improve your presentation.
- » There is no perfect slide deck or exact rules of construction. You will receive conflicting advice that seems equally compelling and credible. Use the following pages as a guide, adjust accordingly, and remember that future potential investors will look at your current deck making honesty the best policy. Be wary of confirmation bias when testing your pitch. Seek people who will not hesitate to give you honest feedback. Focus your meeting efforts on the investors you most want and investors most likely to actually invest.

PRESENTATION COMPONENTS

» COVER SLIDE

Introduce who you are and why the investor should remember you.

- This is your only chance to make a first impression.
- The cover slide should have a tag line or highlight, one sentence, or phrase that captures what you want to be known for.
- Include your organization's name, logo, slogan (if you have one), and your name, title, and contact info.

» EXECUTIVE SUMMARY

Capitalize on the 60 seconds of maximum investor attention to concisely explain why you are a compelling investment opportunity.

- Start with the investment thesis - the few major points that make your investment proposition compelling.
- The goal is to heighten interest in a concise fashion and NOT to tell the whole story.
- The rest of the presentation will validate the investment thesis in a logical, supportive fashion.
- If your pitch is data-driven, you will emphasize why it is compelling.
- If your pitch is concept-driven, you will show your vision of the opportunity and how you plan to exploit it so that investors will want to participate.

» OPPORTUNITY/PROBLEM

Describe the potential to make money.

- What is the opportunity/problem that you are addressing?
- Investors regard Total Available Market (TAM) estimates as inflated and want to focus on the revenue potential of YOUR venture.
- Define the market you are targeting- incidences, procedures, etc. and the dollars spent.
- Quantify your unit opportunities, average selling price, and revenue potential.
- Reasonable unit estimates and market share assumptions will boost your credibility and keep your audience focused on your presentation rather than any unreasonable projections.

» SOLUTION

Describe the compelling elements that exploit the opportunity or solve the problem(s) above.

- What is your value proposition? What problem(s) are you solving? What opportunities are you creating? They should mirror the opportunities/problems cited above.
- Product features are NOT value propositions though they do help to deliver them.
- If possible, show actual results/data.
- Focus on the metrics that matter in driving the business and creating value.

» 24-MONTH ACTION PLAN

Explain what you need to do and identifies risks.

- What key milestones do you need to accomplish and what key value do they create?
- What is your action plan and timeline?
- What resources do you need to put in place – capital, management, technical, other?
- Identify risks and how you plan to address them. Investors will uncover them in their due diligence process.
- If you have legitimate longer term opportunities, list them at the end as exploration areas.

» BUSINESS MODEL

Explain how you can make the investor money doing the above – hopefully lots of money.

- How do you plan to generate revenue and profit? Capture value?
- What are your intended business model and commercialization plan?
- Focus on one segment and revenue stream. Lists imply that you don't know what will work, lack focus and discipline or possibly both.

» COMPETITIVE ANALYSIS

Explain why you are better and can succeed against long odds.

- What are the key success factors and metrics as defined by users and purchasers?
- How do you compare against others, preferably in a table and quantified?
- Express your competitive advantages clearly and concisely.
- Pictures, diagrams, and prototypes can effectively differentiate your product.

» FINANCIAL FORECAST AND USE OF FUNDS

Describe what you are going to do with the investor's money over what period of time.

- Funding and sources to date including significant grant or philanthropic funding.
- Amount of financing sought and planned sources.
- Planned uses should tie directly to and support milestones in the 24-Month Action Plan.

» MANAGEMENT TEAM

Explain why the investor should partner with you.

- Background of key executives, advisors and investors.

» SUMMARY SLIDE

Describe why your proposition is a compelling investment opportunity.

- Repeat the investment thesis, value proposition or few major points you want remembered.
- Leave this slide up during Q&A. Save the thank you for when you are walking out the door.

» APPENDIX

Provides structured answers and data to address likely detail questions.

- Slides should provide additional information or address significant risk factors.

FIVE BASIC PRESENTATIONS

Your goal is to have a comprehensive slide deck from which shorter versions can easily be extracted to match the presentation objectives and duration.

» 30-SECOND ELEVATOR PITCH

Opportunity, solution, competitive advantage, and compelling business model

» SEVEN SLIDE PRESENTATION

Five minutes or less

» 10-15 SLIDE PRESENTATION

10-15 minutes

» 15-30 SLIDE PRESENTATION

30 minutes

» 30-50 SLIDE PRESENTATION

30-60 minutes

OPPORTUNITY/ PROBLEM	SOLUTION	24-MONTH ACTION PLAN	BUSINESS MODEL	COMPETITIVE ANALYSIS	FINANCIAL FORECAST USE OF FUNDS	MANAGEMENT TEAM
Major Point	Major Point	Major Point	Major Point	Major Point	Major Point	Major Point
Supporting Point	Supporting Point	Supporting Point	Supporting Point	Supporting Point	Supporting Point	Supporting Point
Detail Point		Detail Point		Detail Point		
Major Point	Major Point	Major Point	Major Point	Major Point	Major Point	Major Point
Supporting Point	Supporting Point	Supporting Point	Supporting Point	Supporting Point	Supporting Point	Supporting Point
	Detail Point		Detail Point			
Major Point	Major Point	Major Point	Major Point	Major Point	Major Point	Major Point
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	Detail Point			Detail Point		
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Supporting Point	Supporting Point	Supporting Point	Supporting Point	Supporting Point	Supporting Point	Supporting Point
Detail Point					Detail Point	
Appendix	Appendix	Appendix	Appendix	Appendix	Appendix	Appendix

PRESENTATION DESIGN SUGGESTIONS

» GENERAL GUIDELINES

- Simpler is better. Present one idea or image per slide.
- Have plenty of white space or negative space.
- Date and page numbers on every slide except for the cover slide.
- Each page should have a title that is informative or descriptive - not generic.
- Insert your logo as a header or footer on every slide.
- Use your company's logo and corporate colors to create a desired "look and feel".
- Have a customized, consistent visual theme and avoid using PowerPoint templates if possible.
- If the information is confidential, make sure to state it on every slide after the cover slide.
- Send presentations in pdf format for security and to avoid formatting issues among different versions of a program. But make sure to bring your original file to the event for unexpected last minute changes.
- Use effects (shadow, glow, etc.) on types and/or images only when it's necessary.

» TEXT AND FONTS

- The fewer words and bullet points the better as the faster someone can read your slide, the quicker they will refocus on what you are saying.
- Place text and important information at the top of the slide to make it easy to see from all locations.
- Use large text (20+) and large images.
- Use the same font set throughout your entire slide presentation.
- Use no more than two complementary fonts (e.g., Arial and Arial Bold).
- Sans-serif fonts (e.g., Helvetica or Arial) are generally best for onscreen presentations.

» GRAPHICS/IMAGES

- A picture CAN BE worth a thousand words (People tend to remember images better, too.)
- Ensure colors are high-contrast. Many screens do not display perfectly accurate color.
- Avoid dark color types and/or images on dark background or light color types and/or images on light background.
- Limit transitions and animations (effects), keep them simple and subtle, and do not use them on every slide.
- Use high quality (at least 150 DPI) graphics and photographs.
- Vary your visuals among photographs, illustrations, and text to keep your audience's interest.

» DATA AND CHARTS

- Avoid including too much data
- Pie charts. Use to show percentages. Limit the slices to 4-6 and contrast the most important slice either with color or by exploding the slice.
- Vertical bar charts. Use to show changes in quantity over time. Best if you limit the bars to 4-8.

- Horizontal bar charts. Use to compare quantities.
- Line charts. Use to demonstrate trends.
- Tables. Use for side-by-side comparisons of quantitative data or features.

» AUDIO AND VIDEO

- Use only when appropriate and additive.

VIRAL (VENTURE INVESTMENT-READINESS AND AWARENESS LEVELS) PATHWAY

A common problem for entrepreneurs and investors is the lack of a common language to communicate what they are looking for. Village Capital developed the VIRAL Pathway to help entrepreneurs and investors use the same language at the onset of conversations. VIRAL helps entrepreneurs become self-aware and articulate just how ready they are for investment. It allows investors to communicate the point at which they want to invest. It's a helpful lingua franca to kick off—and sustain—entrepreneur-investor conversations. This tool can be used to assess nearly any type of product, service, process or organization and at every stage of development.

The link below explains VIRAL's origins and use and is followed by a copy of the VIRAL Pathway.

<https://abaca.app/how-it-works>

VILLAGE CAPITAL VIRAL PATHWAY™ Village Capital 2017										
Level	Name	Team	Problem and Vision	Value Prop	Product	Market	Business Model	Scale	Exit	Type of funding typically closed at this level
9	Exit in Sight	Team positioned to navigate M&A, IPO.	Global leader in stated vision.	Cited as the top solution in the industry solving this problem.	Product recognized as top in industry.	Clear line-of-sight to industry dominance.	Minimum 2x revenue growth for multiple years.	Strong unit economics for multiple customer segments.	Growth with exit.	Acquirers
8	Scaling Up	Team is recognized as market leaders in the industry	Systems-Level Change validated.	Multiple renewals with low sales effort. Customers in multiple markets love the product.	Strong customer product feedback in multiple markets.	Brand established. Hard-to-beat partnerships for distribution, marketing, and growth.	MOM revenue meets industry standard.	Growth of customer base accelerates month-on-month.	Team has turned down acquisition offer.	Close Institutional VC for Recurring Revenue + Growth
7	Hitting Product-Market Fit	C-suite as good or better than founding CEO and can stay with company through its growth and exit phases.	Impact is successfully validated.	Majority of first sales in target market are inbound.	Product is built for scale and additional offerings in progress.	Sales cycles meet or exceed industry standard.	Business model validated - Validation of strong unit economics.	Evidence of strong unit economics across multiple markets.	Team has strong relationships with multiple acquirers.	
6	Moving Beyond Early Adopters	Team has proven sales, product dev skills, and management ability to support a growing team for scale.	Sales validate impact tied to solution and grow as solution scales.	Sales beyond initial target customers. Customers love it and are referring the product to others.	Complete product with strong user experience feedback.	Supply/distribution partners see their success aligned with the company's success.	Sales begin to map to projections. Evidence of decreasing CAC with growing customer base buying at target price.	Company has cleared regulatory challenges and (if applicable) is implementing a strong IP strategy.	Team has identified specific acquirer(s) or other exit environment.	Close Institutional VC for 1st Sales, Market Expansion
5	Proving a Profitable Business Model	Team has clear sales/ops understanding and strategy.	Evidence of impact tied to solution-the company has evidence that by growing the business, company solves the problem.	Target customers love the product and want to keep using it.	Fully functional prototype with completion of product for wide commercial distribution in sight.	Team is having conversations with strategic partners to capture their market faster/cheaper than the competition.	Financial model with evidence of valid projections to reach positive unit economics.	Vision and initial evidence of positive unit economics in two markets.	Inbound interest from large strategics.	Close Round with Angel and Early VC
4	Validating an Investable Market	Team has clear understanding of how their target market operates and has strong industry contacts in this market.	The company can articulate system-level change - how this solution would transform the industry.	Evidence of differentiation through initial target customer feedback that the solution solves their problem significantly better than others in the market.	Team has clear understanding of product development costs and how to build the initial product cost-effectively.	Evidence of \$1B+ total addressable market.	Team has financial model with cost and revenue projections articulated and a strategy for hitting these projections.	Initial evidence that multiple types of customers find value in the solution or in an extension of the product that the company is well-positioned to develop.	Evidence of growth trajectory that could lead to IPO, acquisition, or self-liquidating exit.	Angel/Seed Funding Starts
3	Solidifying the Value Proposition	Team has technical ability to build fully functional product and has a clear understanding of the value chain and cost structures in their industry.	The company can articulate why they're the best ones to solve this problem.	Evidence that customers will pay the target price. For B2C - 100 customers, for B2B - 5 customers and conversations with multiple stakeholders in each.	Team has built a working prototype and a product roadmap.	Initial evidence through sales that team can capture initial target market.	Team can articulate projected costs along the value chain and target cost points to reach positive unit economics.	Clear strategy to move to multiple markets.	Initial evidence that the solution already solves the problem better than any incumbents.	Friends and Family, BootStrap Grants for R&D (Hardware)
2	Setting the Vision	Team has senior members with lived experience of the problem and/or deep understanding of their target customer's problem.	The team can solve the problem and can articulate its vision at scale - what does the world look like if they succeed?	The team has potential customers who provide evidence that solution solves key pain point - product is a painkiller, not vitamin.	Team has a basic low-fidelity prototype that solves the problem.	Team understands any regulatory hurdles to entering the market and has a strategy to overcome them.	Company can point to pricing and business models of similar products in the industry as further evidence that their revenue assumptions hold.	Initial evidence that multiple markets experience this problem.	Vision for growth has company solving a large piece of the global problem in 10 years.	
1	Establishing the Founding Team	Strong founding team - at least 2 people with differentiated skillsets.	Team has identified a specific, important, and large problem.	Team has identified their target customer - the specific type of person whose problem they are solving.	Team has ability to develop low-fidelity prototype and has freedom to operate - not blocked by other patents.	Team can clearly articulate total addressable market, the percentage they will capture, and initial target market.	Team has identified an outline of revenue model.	Team has identified multiple possible markets or customer segments and has aspiration to scale.	Team understands what an exit is and has a vision for how they will ultimately provide a return for their investors.	
		Team	Problem and Vision	Value Prop	Product	Market	Business Model	Scale	Exit	Type of funding closed at this level

ADDITIONAL MATERIALS TO REVIEW BEFORE A MEETING

GENERAL 16 ROOKIE ERRORS FOUNDERS MAKE PITCHING TO VCS — AND PASSING THE “20 MINUTE” TEST

- [Published on LinkedIn on February 17, 2017](#)
- Featured in: Entrepreneurship, VC and Private Equity
- [Jason M. Lemkin, Media giant and hyper-founder-centric SaaS-only VC](#)

Pitching VCs is like anything. You’ll get better at it over time. Later, you’ll even get great at it. Once you know how it works, it’s not even that hard to knock it out of the park. But until then, so many founders make unforced errors. Rookie errors. Here are 16 that you can easily avoid / fix right now today. Before your next pitch. If you just maybe see yourself in 1 or 2 of these points, and it's easy to change ... just maybe consider a quick tune-up:

- » **NOT STANDING (WHEN YOU PRESENT TO > 2-3 FOLKS)**
When you stand, you present better. Period. Standing turns you into the center of the audience, into the owner, the presenter. Sitting is great for a small convo, but sucks all the energy out of a 3+ person audience presentation.
- » **BEING CAGEY WITH ANSWERS**
Just answer the question. How much are you raising? Where are you in the process? Being direct (and honest) builds trust. With VCs, you want to build trust quickly, if you can.
- » **BRINGING THE WRONG PEOPLE WITH YOU**
Do not bring “consultants”. Do not bring anyone with you that isn’t part of the senior team. Period. As soon as you bring a “consultant” with you — I’m out. 100% of the time.
- » **NOT SENDING THE DECK AHEAD OF TIME**
Just send it. You are wasting both a lot of time, and an opportunity, by not letting VCs do basically homework ahead of time. Make it easy on them. And send it as a PDF. Don’t send it to me through some “service”. Build trust. Make it easy.
- » **NOT DOING AT LEAST BASIC HOMEWORK ON THE VC FIRM**
You should know their other investments in the space. VCs may be fungible, but no one wants to feel that way.
- » **SPENDING MORE THAN 2 SLIDES ON “THE INDUSTRY”**
Do not do this, unless asked. Assume VCs understand what is “happening in the cloud”. This not only is a waste of precious time ... I’ll fade away.
- » **GOING IN TOO STRONG**
If you have 2 signed term sheets, for sure, go in strong. It saves everyone time. But being too aggressive, too take-it-or-leave-it, if you don’t have options — is a big mistake. BATNA, folks.

- » **GOING IN TOO WEAK**
Telling me you could succeed “if only you could raise \$____” is just the wrong message. Winners always find a way to win. No matter how hard it is.
- » **ASKING FOR COFFEE TO “SHARE NOTES”**
Some VCs may want to do this, but I sure don’t. My job is to invest. Show me a product I want to invest in — I’m in. I already drink 4 cups a day. I don’t need a 5th.
- » **HEARING ABOUT HOW THE FOUNDERS MET IN ELEMENTARY SCHOOL**
Even if this is true, I don’t want to hear it, at least not as a part of the core pitch. That’s not a positive for me. I want to hear why the founders are amazing.
- » **NOT ANSWERING THE QUESTIONS**
If I ask a question, there’s a good reason. Some VCs like to hear themselves talk. I don’t. Just answer it. If you don’t know the answer, tell me. Don’t tell me “you’ll get to that later”. Because if you do, that may well be too late.
- » **NOT SPEAKING WITH DATA**
Always speak with data, if data is there. Even if it isn’t great. I don’t want some qualitative answer, once you have even just 10 customers.
- » **CLAIMING PILOTS, UNPAID USERS, AND ANYTHING SIMILAR ARE “CUSTOMERS”**
They aren’t. And don’t claim they are MRR/ARR. They aren’t. Be clear what is a pilot, what is paid, and what isn’t. Otherwise, this blows up on you in diligence.
- » **HIDING ANYTHING**
It will come back to bite you. Some things may be more appropriate for a second meeting, but make sure whatever top level issues there are, come up in the beginning.
- » **POOR UNDERSTANDING OF COMPETITIVE LANDSCAPE**
You have to get this right. You have to. First, always have a competition slide. Second, know it cold. Third, be respectful of any competitor larger than you. If you don’t understand the competitive landscape cold, then you don’t really understand the market — or what you are going after.
- » **NOT HAVING THE FIRST SLIDE SELL THE COMPANY**
If the first slide is the only slide you need. If it sells the whole deal ... Then your odds go up. Elevator pitches are important. So is a “1-slide” pitch. Make that first slide count. Metrics, team, product, financial goals. Put it all on Slide 1. Position the company, and answer all my questions right then and there.
- » **YOUR JOB IS TO PASS THE 20 MINUTE TEST**
- » **TO GET A VC TO WANT TO INVEST NO LATER THAN 20 MINUTES INTO THE FIRST MEETING**
Anything you do that handicaps a VC getting to a decision in less than 20 minutes dramatically harms your odds of getting funded.

APPENDIX I: BIOTECH / PHARMA INVESTOR CONSIDERATIONS

This is the lens through which investors view assets in the Therapeutic space. Keep these points in mind as you build your deck and craft your presentation.

1. What is the FDA approval path?
2. What is the competitive environment?
3. Strength of patents around the asset (composition of matter are better than method patents)?
4. How much capital will it take to bring the drug to market? To hit the next milestone?
5. Disease: Serious, life threatening? What is the true unmet need?
6. Commercial market: Creating a new market or entering an existing market?
7. Reimbursement: Difficult or easy?
8. Product rights for the IP: Global or regional?
9. Revenue model: Acute or chronic use (Ex. Business model: Long term or one time?)
10. Product margins: High or low? (Ex. Is the drug expensive to make?)
11. Selling expense: Low or high? Will you need a large sales force? (Ex. To sell to GPs, or specialty sales force?)
12. CEO/advisors/board: First rodeo or experienced?