Investor Presentations – Beyond the Pitch

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• Innovation Works - COO & Managing Director Software/AlphaLab
• Riverfront Ventures – Managing Director
• Investments in 100+ accelerator and seed-stage cos including
  • Wombat Security, NoWait, Shoefitr, ShowClix, mSpoke
  • JazzHR, Blastpoint, Ikos, Honeycomb
• Led product at venture-backed software startups in Silicon Valley
Some Initial Thoughts

- Not about fundraising strategy
- Bias toward early stage presentations
- May not work with pitch competitions
- Not your customer/sales pitch

- No absolute format
- Key is to most effectively communicate your story
10-20-30 Rule

• Problem
• Your Solution
• Business Model
• Underlying magic/technology
• Marketing and Sales
• Competition
• Team
• Projections and Milestones
• Status and Timeline
• Summary and call to action

Guy Kawasaki
Former Chief Evangelist, Apple
Author 13 Books, including The Art of the Start
Slide 1: Who are you? (Team)
#2: What do you do?
#3: Is it working?
#4-5: Why does it matter? (Market)
#6-8: Can you be the best in the world? (product, growth, financial metrics)
#9: Where are you going?
#10: What do you want?

Appendix
Everyone has a framework

“BOOM” slide
- Rightside Capital

“5 M’s”
- Draper Triangle
Including me…

- Compelling market opportunity & vision

AND

- Evidence YOU are the one to win
  - Awesome Team
  - Advanced understanding of market, customer problems
  - Unique product adding *enough* value to beat competition
  - Real traction and momentum - Demonstrated customer value, engagement (usage, adoption, retention)
  - Repeatable customer acquisition
  - Coherent funding plan
Compelling Market Opportunity and Vision

What is it?
• Unique point of view and big vision on a large and growing market

Why investors care?
• Need outsized returns potential
• Ability to change an industry
• Measures team’s ability to think big
Awesome Team

What are investors looking for?

- Unique qualifications
- Execution-to-date
- Team chemistry (in the meeting)
- Coachability
Advanced Understanding of Customer Problems

What is “advanced”? 

• Do you know the customers and problems at a detailed, segmented level?
• Can you define your initial target customers clearly enough so that they’re reachable?
• How intense a problem is this? (Vitamin or pill)
Unique Product/Enough Value

What are investors looking for?

• How well does the solution solve problem?
• Is it unique and defensible?
  • IP protection
  • Differentiation beyond just features
  • Build a moat (e.g. data, network)

• Proof: User engagement metrics, ROI (“Goodness factor”)
Real Traction, Momentum

What are investors looking at?

• How quickly are you moving?
• # customers, revenue
• How did you get those customers?
• Quantity and quality
• Growth rate, engagement
• Baseline - especially important for 2nd interaction
Repeatable Customer Acquisition

Depends on stage of company but this is needed to scale

• Similar types of customers
• Can you reach them reliably and cost-effectively?
• Repeatable process
Coherent Funding Plan

• How much are you raising?
• Where are you spending it?
• To accomplish what goals?
• In what timeframe?
• So that you can ___________ (raise next round, breakeven, get acquired)

A coherent funding plan has to be realistic, achievable and yet aggressive enough to keep up with the market realities.
Market Realities (example)

Top-Line Metrics for Raising Seed & Series A Rounds

For consumer transactional, consumer audience, SaaS, and deep tech startups, here are the top-line benchmarks that I’ve seen in the market for seed and Series A rounds. When in doubt, I’ve set the bar a bit higher, knowing that there are exceptions where companies have raised these rounds with much less traction. Consider these milestones that are closer to “in-the-bag” levels of traction.

<table>
<thead>
<tr>
<th></th>
<th>Seed Milestones</th>
<th>Series A Milestones</th>
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</thead>
<tbody>
<tr>
<td>Consumer Transactional</td>
<td>$250K - $1M revenue run rate</td>
<td>$5–$10M revenue run rate</td>
</tr>
<tr>
<td>Consumer Audience</td>
<td>25K - 50K DAUs</td>
<td>500K—1M DAUs</td>
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<tr>
<td>SaaS</td>
<td>$10K—$50K MRR</td>
<td>$150K MRR; 12 months of promising cohort data</td>
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<tr>
<td>Deep Tech</td>
<td>Strong leadership team; IP</td>
<td>Looks-like, works-like prototype; commercial validation</td>
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Thank You!

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