

Investor Presentations: Beyond the Pitch

October 22, 2020 | Jim Jen



alphalab



alphalab gear



alphalab health

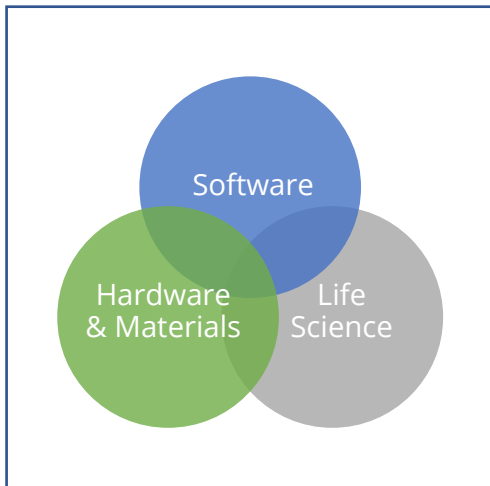
Background



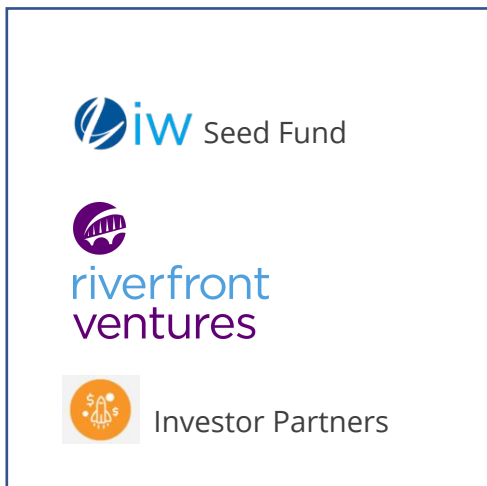
- **Innovation Works** – Chief Operating Officer, Founding MD, AlphaLab
- **Riverfront Ventures** – Managing Director
- Investments in **100+ accelerator and seed-stage cos** including
 - Wombat Security, NoWait, Shoefitr, ShowClix, mSpoke
 - JazzHR, Blastpoint, Ikos, Honeycomb
- Led **product at venture-backed** software startups in Silicon Valley

Resources, Support, & Funding for Entrepreneurs

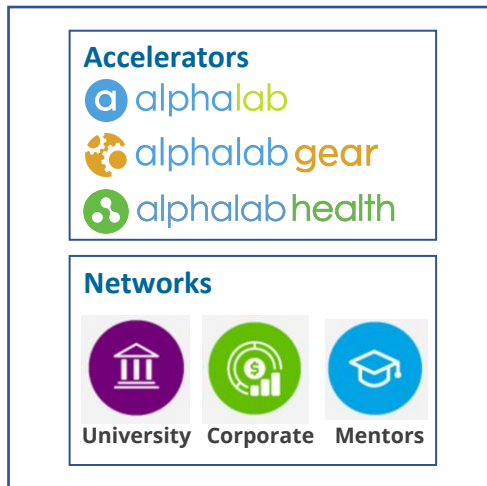
Sector Focus



Funding Across Stages



Programs and Networks



All of this supported by a world-class team at Innovation Works.

Innovation Works track record

500+ Cos

Funded since
Oct. 1999

#1 Ranked

Seed-stage investor
nationally in 2018 by
of investments

\$3.3 Billion

Annual revenue
generated by IW alumni
companies

Top Tier

Nationally-ranked
AlphaLab and
AlphaLab Gear + newly
launched AlphaLab
Health

\$2.2 Billion

Total follow-on funding
to IW companies since
1999

60+ Exits

Across a variety of
sectors

Why “Beyond the Pitch”

Goal

Provide insight into how investors evaluate your company, using the pitch framework

Some Caveats

- Not about fundraising strategy and process
- Focus on early stage presentations
- May not work with pitch competitions
- **Not your customer/sales pitch**

10-20-30 Rule

- Problem
- Your Solution
- Business Model
- Underlying Magic/Technology
- Marketing & Sales
- Competition
- Team
- Projections & Milestones
- Status & Timeline
- Summary & Call-to-Action (CTA)



*Former Chief Evangelist, Apple
Author of 13 Books, including
The Art of the Start*

“Rethinking the Standard Fundraising Deck”

Slide 1: Who are you? (Team)

Slide 2: What do you do?

Slide 3: Is it working?

Slides 4-5: Why does it matter? (Market)

Slides 6-8: Can you be the best in the world?
(product, growth, financial metrics)

Slide 9: Where are you going?

Slide 10: What do you want?

Appendix



Rob Go

NextView Ventures

Bettereveryday.vc

Oct 10, 2018

Everyone Has a Framework

Pitch Deck Examples from successful startups (2018) — Slidebean

<https://slidebean.com/blog/startups/pitch-deck-examples> ▼

Jul 2, 2018 - These are the pitch decks that made companies like Airbnb, Uber and Facebook, ... As you will see, this is a classic 10 Slide Investor Pitch Deck ...

Pitch deck outline: what to include in a startup pitch — Slidebean

<https://slidebean.com/blog/startups/pitch-deck-outline> ▼

Jul 4, 2018 - A pitch deck is the standard document used by startups to present their case to investors; it's a brief deck comprised of about 10 to 20 slides.

Guy Kawasaki - The Only 10 Slides You Need in Your Pitch

<https://guykawasaki.com/the-only-10-slides-you-need-in-your-pitch/> ▼

Oct 24, 2016 - A pitch and presentation should have ten slides, last no more than twenty ... I hope this helps you create a winning pitch deck for your startup.

30 Legendary Startup Pitch Decks and What You Can Learn From Them

<https://piktochart.com/blog/startup-pitch-decks-what-you-can-learn/> ▼

Despite the brevity of the presentations, which usually run for 10 slides or less, creating a pitch deck that wins investment is no easy task. If you've never done it ...

What is a Pitch Deck – Pitch Deck Template

<https://pitchdeck.improvepresentation.com/what-is-a-pitch-deck> ▼

Investment pitch-deck 101. A pitch deck is a brief presentation, often created using PowerPoint, Keynote or Prezi, used to provide your ... Slides of a pitch deck ...

8 Must-Have Investor Pitch Deck Slides | Cooley GO Docs

<https://www.cooleygo.com/documents/must-investor-pitch-deck-slides/> ▼

The common language of most VC pitches is the pitch deck. Here is what you should be sure to address in yours.

“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 & momentum
- Demonstrated customer value, engagement (usage, adoption, retention)
- Repeatable customer acquisition
- Viable & attractive financial economics
- 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 do 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?

Unique Product/ Enough Value

What are investors looking for?

- How well does the solution solve the 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?
- Number of customers, revenue
- How did you get those customers?
- Quantity & 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/model

Viable, Attractive Financial Economics

- Industry & business model
- Unit economics
- Gross margins
- Recurring revenues

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, & yet aggressive enough to keep up with the market realities.

Market Realities

Seek out metrics that investors are looking for at various stages

NextView Ventures example

Other resources

- Elizabeth Yin, Hustle Fund
- Founder Collective
- First Round Review

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.

	Seed Milestones	Series A Milestones
Consumer Transactional	\$250K - \$1M revenue run rate	\$5–\$10M revenue run rate
Consumer Audience	25K - 50K DAUs	500K—1M DAUs
SaaS	\$10K—\$50K MRR	\$150K MRR; 12 months of promising cohort data
Deep Tech	Strong leadership team; IP	Looks-like, works-like prototype; commercial validation



Final Thoughts

- Every investor is different
- No absolute format, not a checklist – weight components accordingly
- Key is to most effectively communicate your story
- Virtual
 - Crisp and concise even more important
 - Engaging audience is harder
 - 1/3 Rule with Time Management

Now Accepting Applications

Apply by Sunday

October 25, 2020

alphalabhealth.org/apply



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Thank you!

Jim Jen

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