

Investor Presentations: Beyond the Pitch

November 3, 2021 | Jim Jen



alphalab



alphalab gear



alphalab health

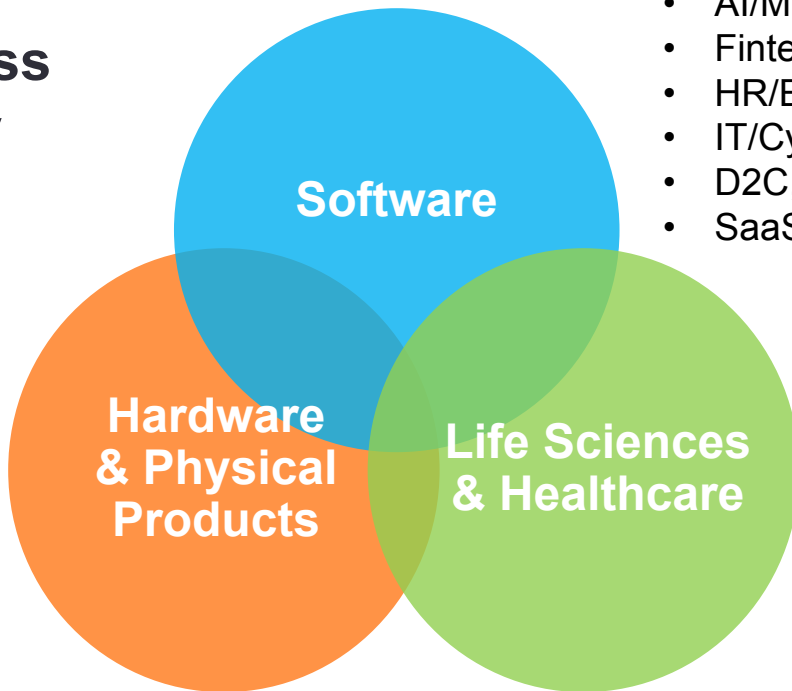
Background



- **Innovation Works** – Chief Operating Officer, Founding MD, AlphaLab
- **Riverfront Ventures** – Managing Director
- Investments in **200+ accelerator and seed-stage cos** including
 - Wombat Security, NoWait, Shoefitr, ShowClix, mSpoke, JazzHR
 - Blastpoint, Civic Science, Gridwise, Honeycomb Credit, Ikos, Subtl Beauty, Symmetric Health, The Zebra, Trialspark
- Led **product at venture-backed** software startups in Silicon Valley

We invest across key technology sectors

- Robotics
- Industrial IoT/Sensors
- Advanced Materials & Technologies
- Cleantech/Energy
- Consumer Products



- AI/ML/Data
- Fintech
- HR/Edtech
- IT/Cyber
- D2C, Consumer
- SaaS (Industry-specific)

- Therapeutics/Drug Discovery
- Diagnostics
- Medical Devices
- HIT

Helping companies get to the Next Stage!

Accelerator Funding



Seed Funding



Growth Funding



Community – Fellow entrepreneurs to share knowledge, offer support

Networks – Mentors, Investors, Corporates, Community Partners

Expertise – Product/manufacturing, Sales/marketing, Talent, Fundraising, etc.

Supported by an experienced Innovation Works team across all disciplines

A Track Record of Results

5th Ranked

Early-stage investor
in the U.S. in 2020 via
Pitchbook

\$6.7 Million

Invested by IW in
companies in 2020

\$110+ Million

Invested by IW in
companies since 1999

\$3+ Billion

Total follow-on funding
to IW companies since
1999

Top Tier

Nationally Ranked
Accelerators

60+ Exits

Across IW's portfolio

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)



Guy Kawasaki

*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

My framework

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

My framework

Compelling market opportunity & vision

AND

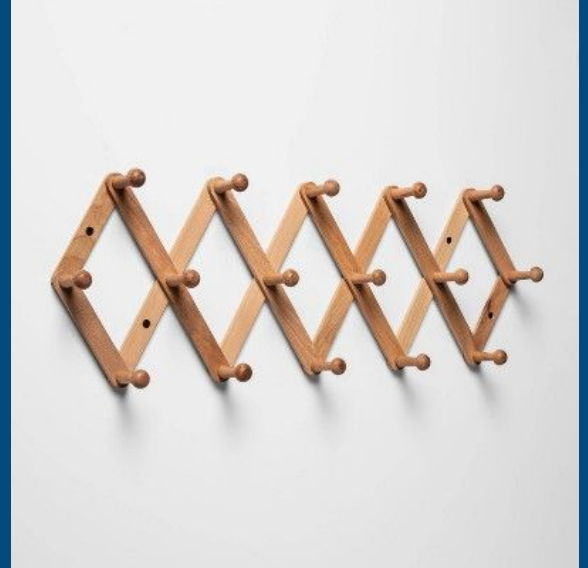
Evidence you are the one to win

- 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

(BETA) new analogy...



VS.



Awesome Team

What are investors looking for?

- Unique qualifications
- “Founder-market” fit
- 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?

- Number of customers, revenue
- Quantity & quality
- How did you get those customers?
- 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

Resources

- **Elizabeth Yin, Hustle Fund**
- Founder Collective
- First Round Review
- NextView Ventures
- VC Twitter

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

Thank You!

Twitter: @jimcjen
Email: jjjen@innovationworks.org



alphalab



alphalab gear



alphalab health