Pitch Structure Guide

http://fndri.com/deck

The Founder Institute (http://fi.co) reviews hundreds of pitch decks every month. This guide will provide you with several top frameworks for structuring your pitch deck. We recommend that you strictly adhere to one of these frameworks.

Pick a Pitch Framework

The narrative of your pitch is extremely important, and 90% of pre-seed startup presentations will fit into one of the following four Frameworks:

1. **Problem/Solution Framework:** Use this framework if your company solves a real problem for a customer archetype. The Problem must be backed up by customer data for you to use this framework. If you are unable to procure real customer data to back up your Problem statement, please use the Vision-Opportunity framework.

2. **Vision/Opportunity Framework:** Use this framework if your company is not solving a problem for a customer archetype or if your company is creating a new “moonshot” market. The Opportunity slide must indicate either a strong 'Why Now' statement, or, an accelerating trend that your company is taking advantage of.

3. **Team Framework:** Use this framework if your founding team consists of the top domain experts in your market. To use this format effectively, your founding team must be strong enough to force investors to pay attention to the rest of the ensuing slides.

4. **Traction Framework:** Use this framework if your company's traction and growth are higher relative to your company's stage. Prior to using this format, review the following resources: Investment Stage chart (https://fndri.com/354XZeI) and Metric by Industry chart (https://fndri.com/3p67AK3). If your company's traction does not have both a top growth rate and top traction metrics for your company's stage, do not use this framework.

Problem/ Solution Framework

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Below is a recommended slide order.

SLIDE 1: Elevator Pitch

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1. Title: N/A
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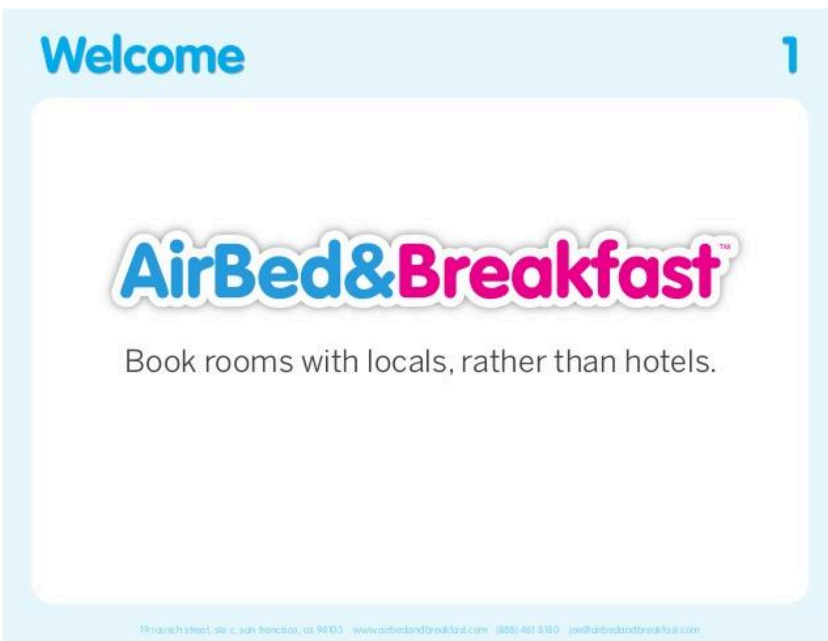
3. Website URL
4. One sentence elevator pitch (10 words max)
5. CEO First & Last Name
6. CEO Email (must be the CEO’s direct email address)
7. CEO Phone number
8. Page #

Notes:
- 1 slide only

Example:



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SLIDE 2: Problem

Components:
1. Title: Problem
2. One sentence description of the problem (10 words max)
3. 3 bullet points max with sub-description of the problem, show data to quantify the problem
    i. i.e. Limited Selection, Time Consuming
4. Page #

Notes:
- 1 slide only

Example:

Common Issues:
1. Customer Confusion: Your customer is who will actually pay for your product, so your pitch needs to be focused on them.
2. Unfocused: You are focusing on too many problems. Just focus on one.

SLIDE 3: Solution

Components:
1. Title: Solution
2. One sentence description of the solution (10 words max)

3. 3 bullet points max with sub-description of the solution that matches each bullet in the problem slide. (2 words max/bullet). Show data to quantify the solution.
    a. *i.e. if Problem Bullet is “Time Consuming”, then Solution Bullet would be “Saves Time”
4. Page #

Notes:
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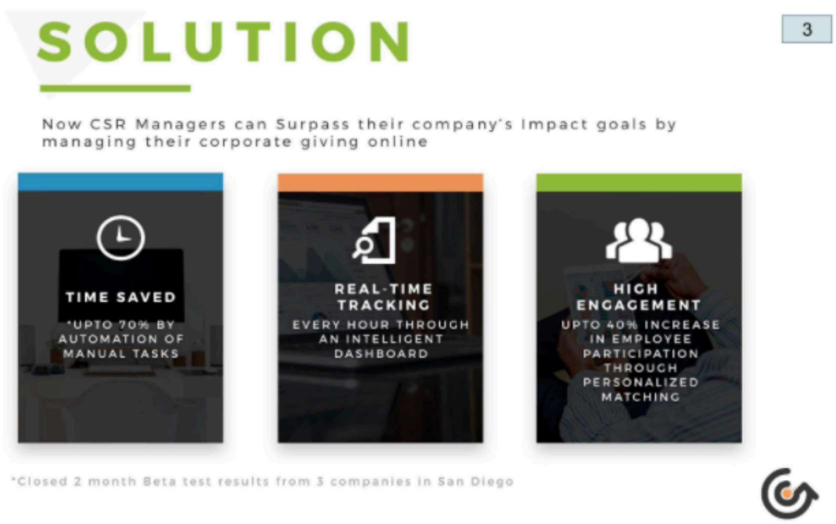
- Important: Please notice how the 3 supporting bullets in the solution slide below are mirror opposites to the previous Problem slide.

Example:



Common Issues:
1. Confusing Language: Don’t use too many superlatives, technical terms and industry jargon. Remove all the terms an average person will not understand. Your goal here is to be as clear and concise as possible, not to impress your audience with big technical words.

SLIDE 4: Product

Components:
1. Title: Product
2. Product Screenshot(s)
3. Multiple Slides (if necessary)
4. Page #

Notes:
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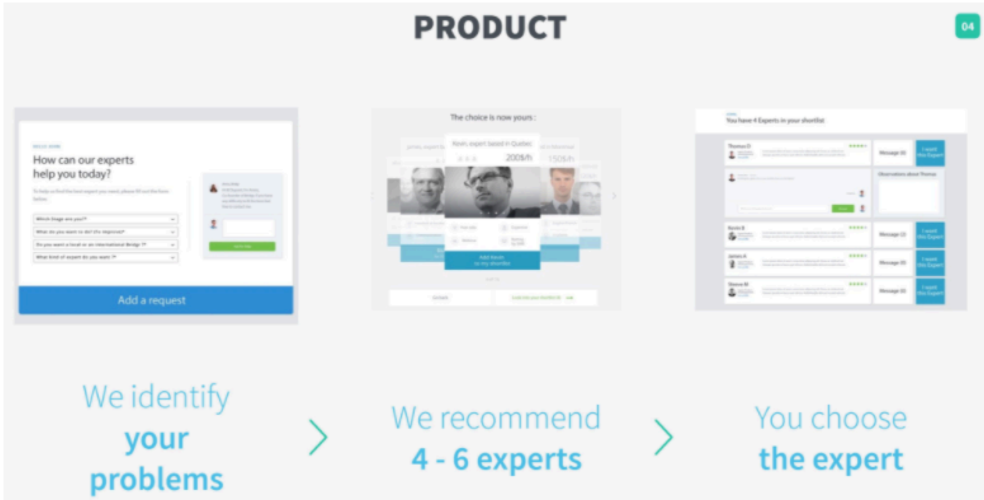
Example:



Common Issues:

1. Too Complex: narrow the focus of this slide, and make your product look as simple as possible. Focus on just the key features of your product, not all of the features.

**** NOTE: The order of slides 5, 6, 7, 8, 9 below can be rearranged to fit your particular narrative***

SLIDE 5: Traction

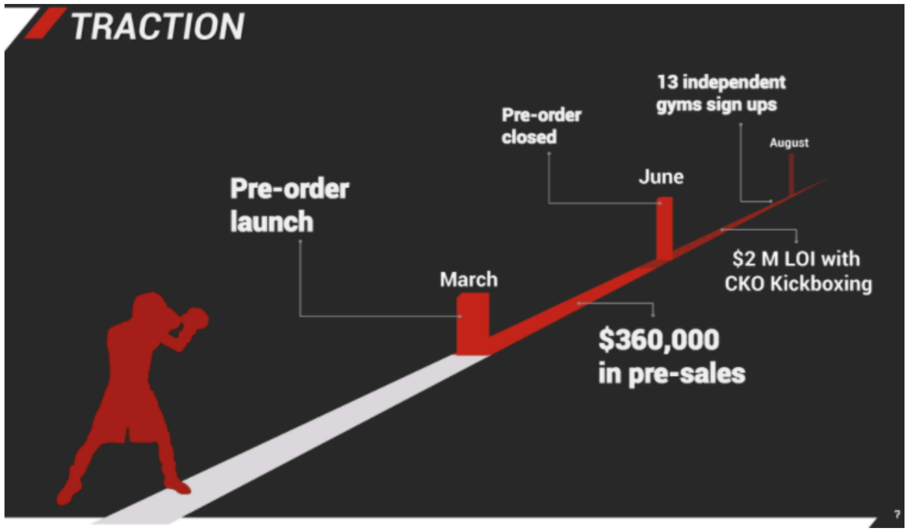
Components:

1. Title: Traction
2. Page #

Notes:

- 1 slide only
- You MUST show progress over time

Timeline Traction Slide Example:



Marketplace Traction Slide Example:

	JUNE 16	JULY 16	AUG 16	FORECAST YEAR 1
# of Manufacturers (Total per Month)	6	10	10	150
# of Experts (Total per Month)	20	50	50	1000
# of Project (Total per Month)	0	3	5	115

Common Issues:

1. Prioritize: Don't "bury the lead" here. What is the major piece of traction that investors should walk away knowing? Highlight that.
2. Other Metrics: Even if you don't have quantitative traction metrics, you can add other important business milestones in your Traction slide; such as adding key employees, closing partnerships, product development goals, etc.
3. Vanity Metrics: Don't try to present "vanity metrics" as traction.

SLIDE 6: Business Model

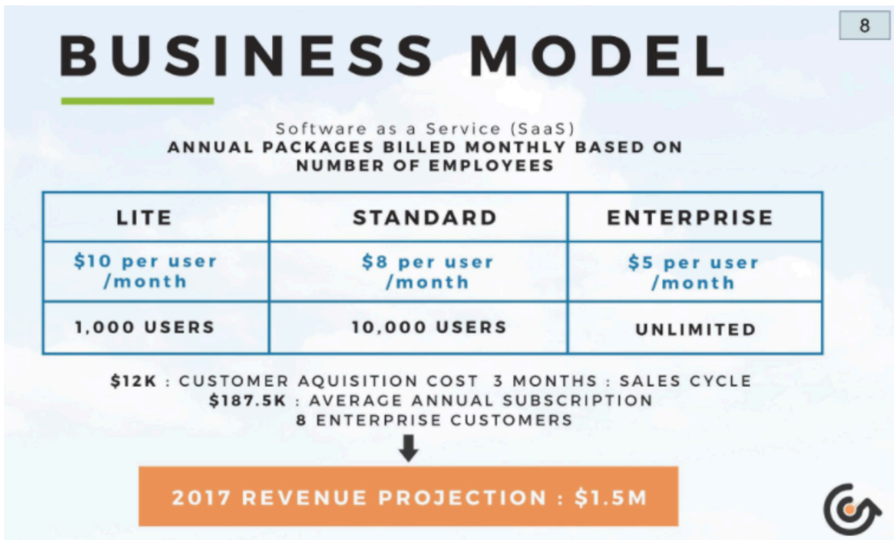
Components:

1. Title: Business Model

2. Show Customer Acquisition Cost (CAC) and Lifetime Value (LTV)
3. Page #

Notes:
- 1 slide only
- This slide is NOT for your pricing. You must show how you make money.

Example:



Common Issues:
1. Too Complex: Investors will always prefer a simple business model instead of a complex one.
2. Unfocused: Your business model is very unfocused, which makes you look like an unfocused founder. Your goal here is not to list every possible way you might make money.. your goal is to simply describe the one (or two, MAX) ways you will make the majority of your money.
3. Missing Information: The Business Model slide is not just to show your pricing. You have to show how you will generate significant revenues. Be sure to show Customer Acquisition Cost (CAC) and Lifetime Value (LTV).

SLIDE 7: Market

Components:
1. Title: Market
2. We strongly recommend that you show a “bottoms-up” analysis for your Total Addressable Market (TAM).
3. Page #

Notes:

- 1 slide only

<u>Example</u>:

<u>Common Issues</u>:

1. Format: We recommend you use the Use the TAM, SAM and SOM Framework (https://fndri.com/3lrBmXC)
2. Too Broad: Your market definition is way too broad. Be more realistic about the market you are actually in.

SLIDE 8: Competition

<u>Components</u>:

1. Title: Competition
2. You must list companies that are competitors. Do not list sectors or markets.
3. Only use a Competitive Matrix or a 2x2 Matrix
4. Page #

<u>Notes</u>:

- 1 slide only

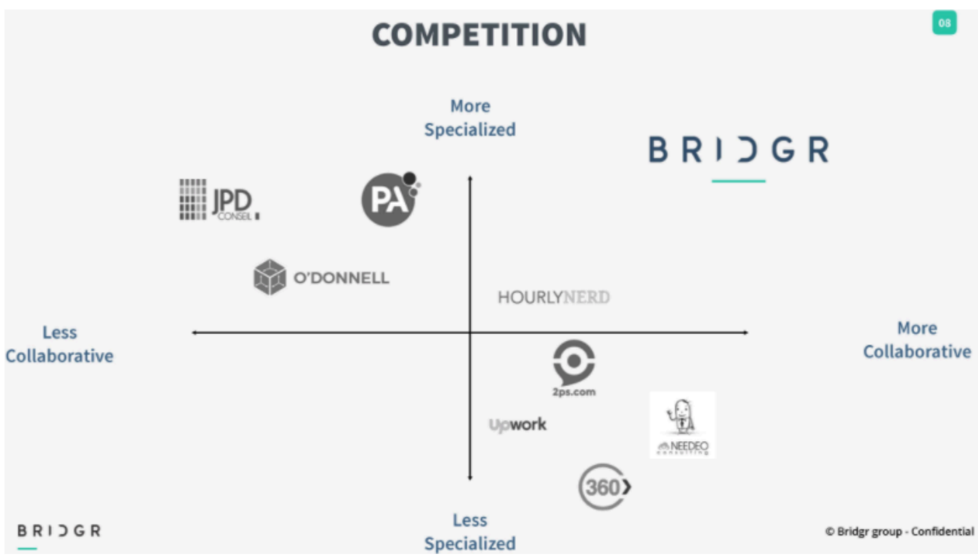
<u>Competitive Matrix Example</u>:

11

COMPETITION

COMPANY	CLOUD BASED	CHARITY MATCHING	GOAL TRACKING	AUTOMATIONS & INTEGRATION	REAL TIME REPORTING	MOBILE	SKILL MATCHING
GLIPPED	✓	✓	✓	✓	✓	✓	✓
CAUSECAST	✓			✓		✓	✓
PROFITS 4 PURPOSE				✓	✓		
CYBERGRANTS	✓			✓			✓
BRIGHTFUNDS	✓			✓	✓	✓	
BUSINESS 4 SOCIAL RESPONSIBILITY					✓	✓	✓

<u>2x2 Matrix Example</u>:



<u>Common Issues</u>:

1. Bad Competitor Choices: The competitors you are showing are not really your competitors at all.

SLIDE 9: Go To Market

<u>Components</u>:

1. Title: Go To Market
2. Show the 1 or 2 strategies that will get your company's growth to terminal velocity.

3. Page #

Notes:

- You need to answer the question, “How are you going to get a lot of customers fast?”
- 1 slide only

Example:

Common Issues:

1. Too Vague/ Too Many: Your user acquisition strategies are way too vague. Focus on a few things that are working (with metrics/ anecdotes) instead of just listing every possible tactic. When you show multiple User Acquisition strategies, it shows that you don’t know what the strategy is. Focus on one, and show data.
2. Make sure you add detail on the background of your team members.

SLIDE 10: Team

Components:

1. Title: Team
2. Photo & accomplishments of each team member
3. Page #

Notes:

- 1 slide only
- DO NOT include Advisors because investors don't care about them, unless they are truly impressive.

Example:

Common Issues:

1. No Detail: Make sure you add detail on the background of your team members.

SLIDE 11: The Ask

Components:

1. Title: Funding
2. Amount you are raising (i.e. $500,000)
3. The exact business objective(s) you will reach using this funding
    a. These metrics should align with what you will need to raise your subsequent round of funding, because good investors want to make sure their capital can get you to your next funding round.
    b. Reference http://fi.co/benchmarks for guidance. So if you are currently raising a Pre-Seed Round, then the goal of this fundraise should be to reach the benchmarks outlined for a Seed Round, and the investors need to be convinced that you have the right plan to get there.
4. Page #

Notes:

- 1 slide only
- Example business objectives: to reach $2mm ARR in 12 months; reach 1mm DAU in 2017
- DO NOT just list use of proceeds (ex. A donut chart that shows how much will go to hiring, product, marketing, etc)

Example:

Common Issues:

1. Funding Ask: Do not mention how much you have already raised, any deadline, or terms of the deal to make sure you are SEC-compliant and attract the largest range of investors. Just say “We are raising a $XXX round to achieve/ reach {your milestones}.”
2. Funding Ask Unclear: Focus on what MILESTONES the money you are raising will help you reach. Investors are less interested in how much gas you need, they are more interested in where you are trying to go. Example milestones are: reaching $1M in ARR by end of 2019; acquiring 25 customers; facilitating 1000 transactions etc.

Vision/ Opportunity Framework

Use this framework if your company is not solving a problem for a customer archetype or if your company is creating a new market. The Opportunity slide must indicate either a strong 'Why Now' statement, or, an accelerating trend that your company is taking advantage of.

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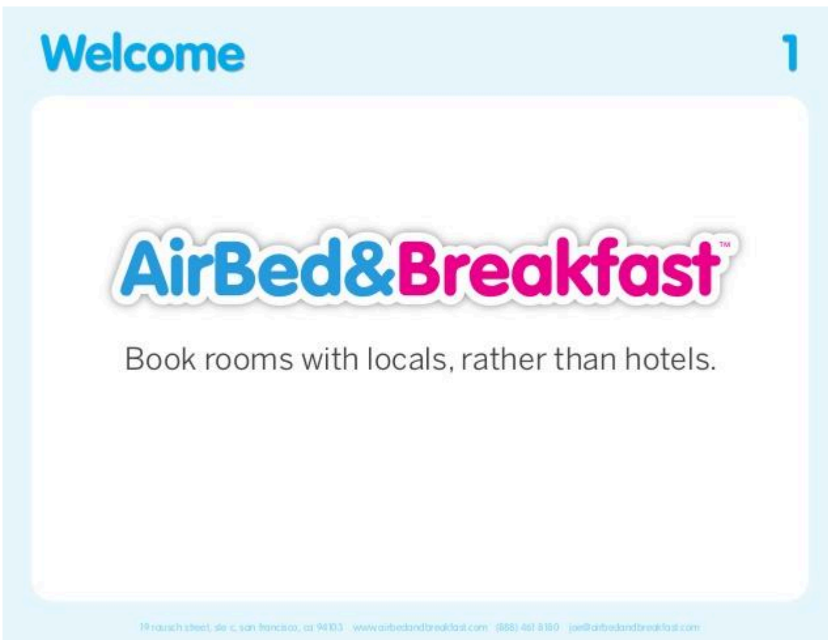

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SLIDE 2: Vision

Components:

1. Title: Vision

2. One sentence description of the vision (10 words max)
3. You must show a big vision here
4. Page #

Notes:
- 1 slide only

Example:

SLIDE 3: Opportunity

Components:
1. Title: Opportunity
2. One sentence description of the opportunity (10 words max)
3. Use data to quantify the opportunity
4. Page #

Notes:
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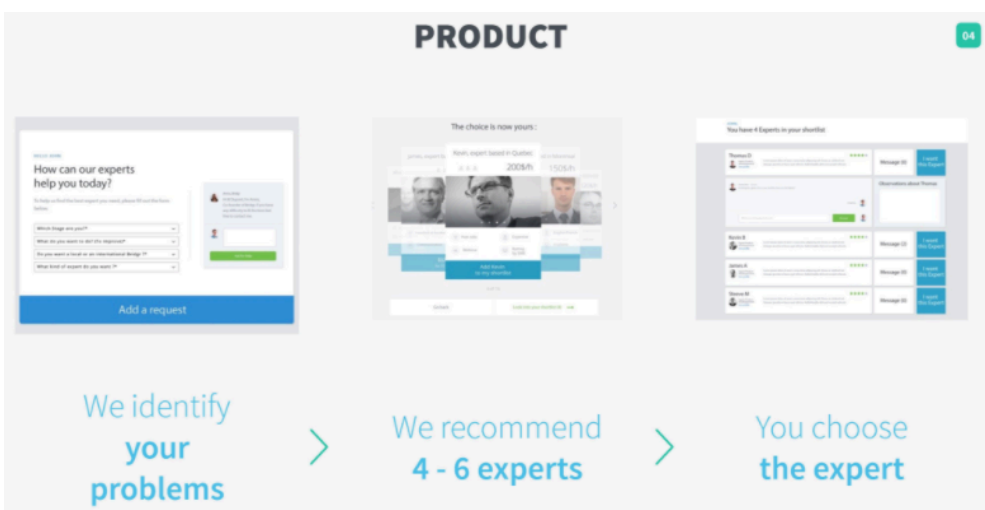

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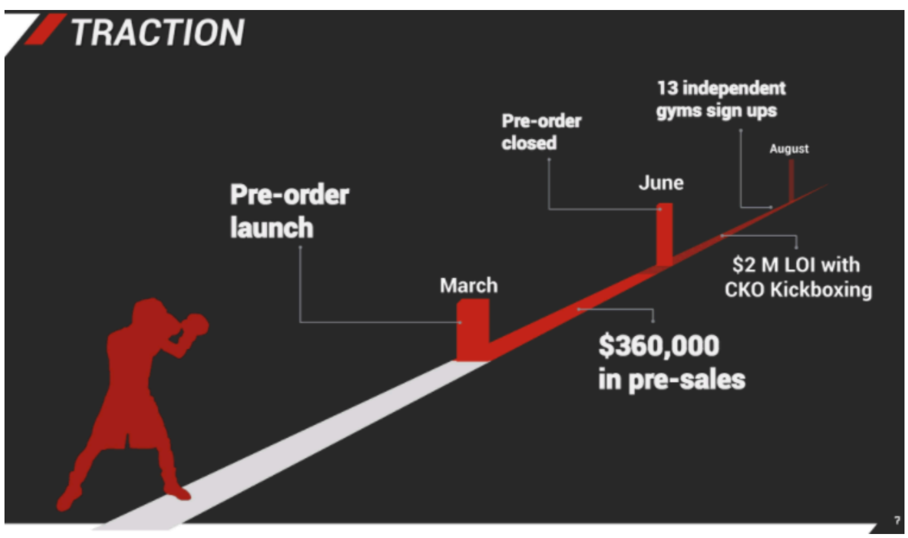

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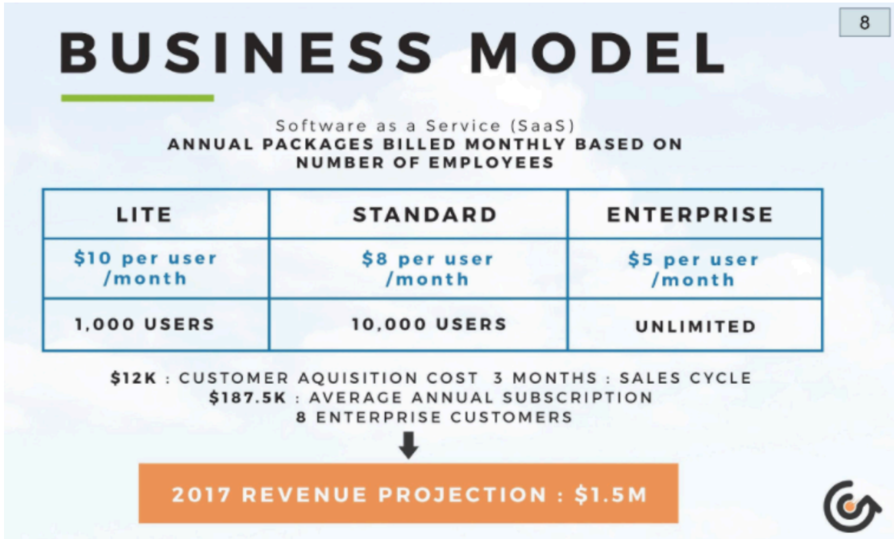

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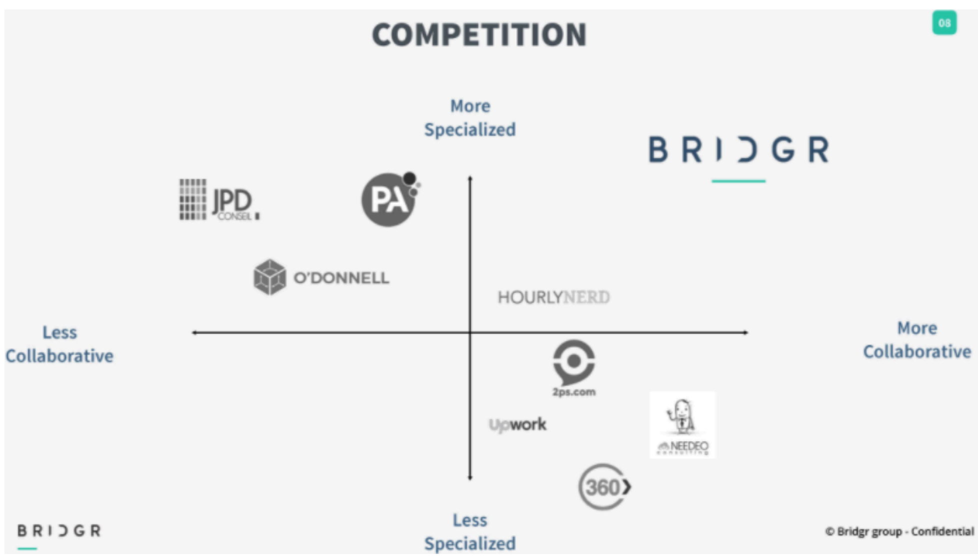

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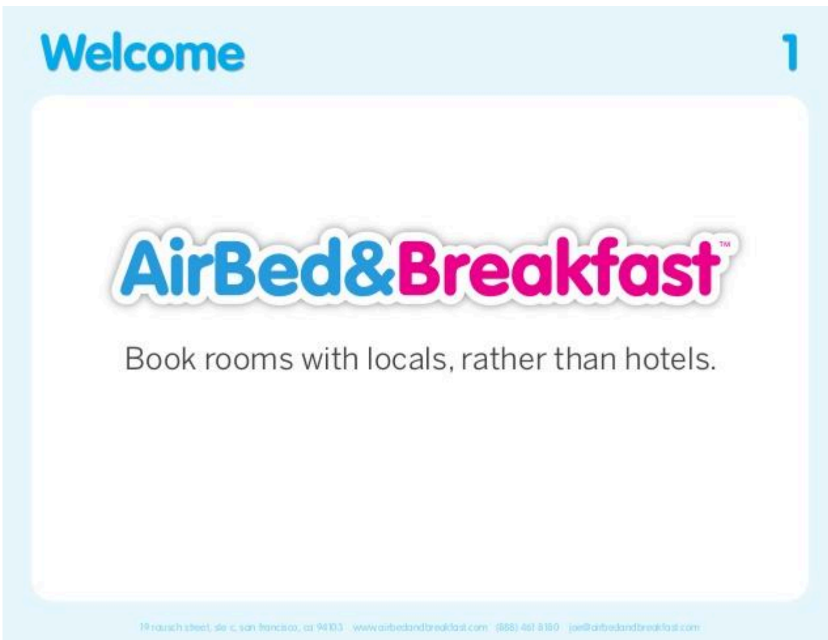

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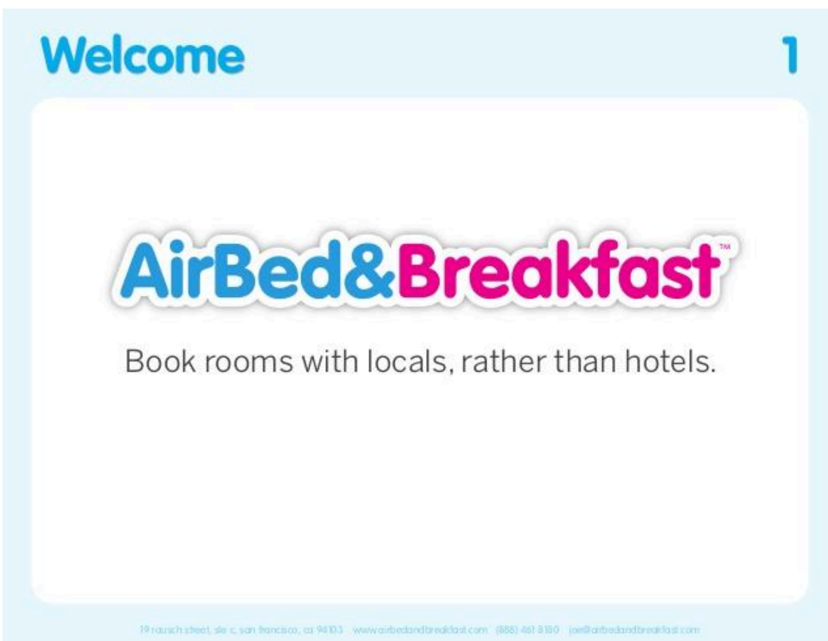

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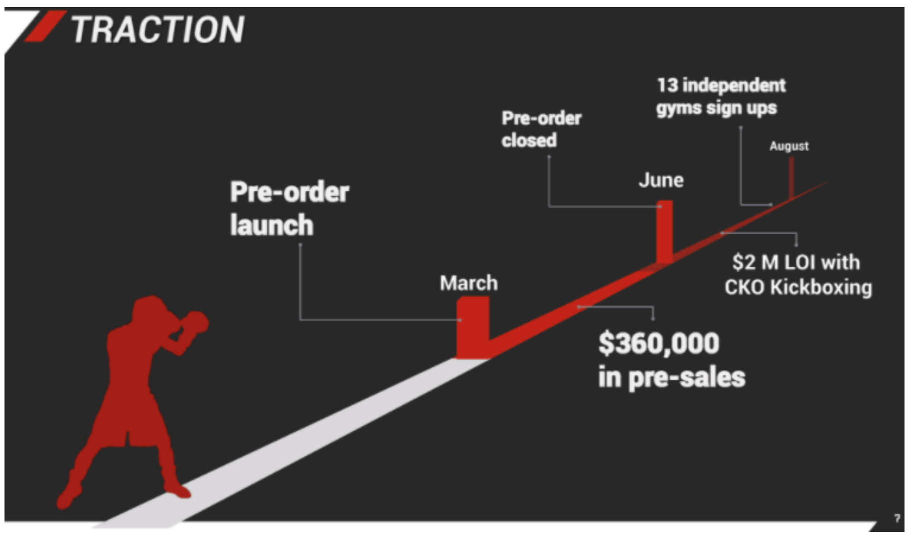

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