

How to create an effective pitch deck

A presentation that entrepreneurs create while looking for a round of funding from investors is known as a pitch deck. Pitch decks typically have no more than 19 slides.

Investors spend, on average, 3 minutes and 44 seconds on each pitch deck, according to research by DocSend. According to their analysis, which examined 200 pitch decks, investors spent the most time looking at the financials, team, and competition-related slides.

So, for an effective pitch deck that grabs attention, these are the main slides you should include in your presentation: the Problem, the Solution, the Market(s), the Product, Traction, the Team, Competition(s), Financials, the Amount being raised.

Problem

You should be able to describe the market need you are serving on the slide describing the issue. People should be able to relate to this dilemma as being painful, and investors should have no trouble comprehending it.

Additionally, you should only be solving one issue, rather than multiple. To address a recognized problem, you must come across as someone who is committed and persistent.

Solution

The answer must be succinct and crystal clear. Your solution needs to be scalable, especially if you're a software startup. The capacity of a system to raise its overall output under an increased load when resources are added is known as scalability. Investors essentially want to see this. A business they can invest in to accelerate the wheel's rotation

It also makes sense to explain why the solution makes sense at this time. As you may already be aware, timing is key in business, and being at the correct historical moment is what matters most. The major reason for a startup's failure can be that it entered the market too soon



or too late.

Avoid saying things like "you are the only one doing this, you are the leader," etc.

Market

Keep in mind that a market with less than \$1 billion in annual revenue may not be all that appealing to a company investor. This is mostly due to the fact that these investors are looking for investment possibilities that might yield a 10x return over the course of 5 to 7 years.

Ultimate investors, and particularly institutional investors, search for businesses that have the ability to fundamentally alter how consumers engage with a market, in addition to transforming or disrupting their industry.

Graph the market's historical growth and projected future growth on this slide so that investors may estimate the probable gain and return on investment. Ensure that your references come from scientific papers.

Product

Showing screenshots of your product in

use is the main focus of this slide. You might want to add a description of the product itself and a few quotes from some of your current customers expressing how much they adore your product to make it even more impactful.

Traction

This slide needs to demonstrate the company's month-over-month growth (e.g. revenue, metrics, etc). The famous hockey stick that investors demand to see on every pitch deck they review can be included on this slide.

Consider avoiding this slide if you are at a very early stage or if your growth is not particularly interesting.

Team

One of the most significant slides in any pitch deck is likely the team. The investor is interested in finding out who is in charge and what makes them so special in terms of carrying out the mission and vision. Be aware that at least 100 other people have had the same thought as you. Due to this, 10% of execution comes from ideas, and 90% comes from planning.

The leadership team's members should only be briefly described on the team slide for the best results (ideally co-founders). List the two or three accomplishments of each member in bullet points. Ideally, they would be connected to the business that is looking for funding.

Competition

A diagram of the competitors you have operating in your market is a good idea to show the investor how you compare to them and how your value proposition performs. You want to stand out from the competition so that the person looking at the slide understands what makes your business so special.

Financials

Typically, you want to aim for projections that are out for at least three years.

Although projections are a gamble when working with startups, they do give you a good idea of where the company is going and what might happen. It also gives the investor a good idea of how well-grounded the company's management is.

Additionally, you should have your financials prepared in Excel format because investors might ask to see them after looking over your pitch deck. You do not need to go into great detail about the deck because of this. You only need to offer a summary.

Amount being raised

Don't mention the exact amount you are raising. Consider setting a range between \$3 million and \$5 million, for instance, if your goal is to raise \$5 million. Companies are restricted in the amount of money they can invest, so if you include \$5 million in your pitch deck but the company is only allowed to invest up to \$3 million, they are likely to reject it. You also include these companies by including the range from \$3 million to \$5 million on the raise amount. Since you want to appeal to as many potential targets as possible, use ranges rather than precise amounts.