Developing a Winning Pitch Deck

Dan Jenkins, BCIE Executive Board

New Venture Competition 2020

UCI Paul Merage School of Business
Beall Center for Innovation & Entrepreneurship
A BIG Thank You to Our Sponsors!

Ken and Carla Neeld
Dr. Emanuel Shaoulian

Matt Bailey
Johnson Chuang
Fiza & Mansoor Shah

Cove Fund
# KEY DATES

<table>
<thead>
<tr>
<th>DATE</th>
<th>EVENT</th>
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<tbody>
<tr>
<td>April 8th</td>
<td>How to Build a Winning Pitch Deck</td>
</tr>
<tr>
<td>April 14th</td>
<td>How to Pitch and Handle Q&amp;A</td>
</tr>
<tr>
<td>April 22nd</td>
<td>Tips &amp; Tricks for Pitching Online <em>(new!)</em></td>
</tr>
<tr>
<td>April 29th</td>
<td>Pitch Decks Due!!!</td>
</tr>
<tr>
<td>May 8th</td>
<td>Semi-Finals: Board Room Pitches</td>
</tr>
<tr>
<td>May 11th</td>
<td>Finalists Announced...</td>
</tr>
<tr>
<td>May 21st</td>
<td>Grand Finale: Ant Tank Pitches &amp; Reception</td>
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AGENDA

➔ Effective pitch deck characteristics
➔ Visual design: the bad & the good
➔ WINNING tips
➔ Pitch deck structure
➔ Summary & next steps
➔ Q&A
pitch deck primer:

➔ what? an engaging & compelling story
➔ why? to secure the next meeting w/ investors
➔ when? in preparation for fundraising
➔ how?
  ● by selling your “VISION”
  ● using key & compelling venture elements
  ● by serving it up with energy & PASSION
the “winning” format

1. **length:** 12 slides max *(including cover slide)* + **appendix**
2. **background:**
   a) white or black -- highly recommended!
   b) simple & uncluttered *(3-5 bullets; 7 max)*
3. **words:** 20 per slide *(no more than 7 words per bullet)*
4. **images/charts/stats:** YES! *(easier to absorb; use in lieu of words)*
5. **palette:** 2 contrasting colors *(e.g. blue/orange + gray/black/white)*
6. **fonts:** 30-pt min > 2 max *(sans serif + normal/bold/italic versions)*
7. **use consistent formatting throughout**

simple...clear...compelling...memorable
remember: only **10** minutes to present!

**resist the temptation to throw it all in...**
Obesity among OCED nations

3.2% of Japanese are “Obese”

<table>
<thead>
<tr>
<th>Country</th>
<th>Obesity Rate</th>
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</thead>
<tbody>
<tr>
<td>Japan</td>
<td>3.2%</td>
</tr>
<tr>
<td>France</td>
<td>9.5%</td>
</tr>
<tr>
<td>Canada</td>
<td>22.4%</td>
</tr>
<tr>
<td>Mexico</td>
<td>24.2%</td>
</tr>
<tr>
<td>USA</td>
<td>32.2%</td>
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</table>

OECD Factbook 2007

A or B
The effectiveness of presenting to bullets

- People can’t read and listen effectively at the same time.
- Audiences report that the presenter reading slides is the thing they hate most.
- Presenting to lists of bullets will put people to sleep (at best).
- Avoid ‘death by powerpoint’

keep it simple...design it for grandma 😊
less is more…

"Simplicity means the achievement of maximum effect with minimum means."

— Dr. Koichi Kawana
winning tips

1. Tell an engaging “Story”
2. Use simple, clear & concise slides
3. Be Compelling! Believable!! Realistic!!!
4. Finish in less than 10 minutes
5. Practice & prepare for Q&A
6. Never be arrogant or defensive
7. Exhibit good team dynamics
slide #1: cover slide

Intriguing & memorable...“hook them at hello”
Begin your storytelling…

**Problem**
Why do so few people garden? *

- 94% Find it interesting
- 90% (need to determine)
- 83% Have Interest
- 81% Are not cost averse
- 62% Have space
- 47% Have time
- 42% Some

*Out of 53 respondents*

- Draw a conclusion
- Cite evidence obtained by survey
- Connect; make it relatable
- Physical evidence!

**Remember when…**
- Your imagination ran wild!
- You dreamt of faraway lands!
- You created magical creatures!

Too bad they are gone forever

**the problem**
Net, net...it’s always about “better, faster, cheaper” 

- visual yet simple
- an appeal to emotions
- techie yet few words
- design it for Grandma!
- 1-2-3 simple
Realistic & substantiated – it’s not a $200 B market...
slide #5: product (optional/appendix)

Flexible, fast rich insights

1. CONTENT
2. AUDIENCE
3. PRE-SCREENING
4. IMMERSIVE TESTING
5. MEASUREMENT
6. POST-SCREENING
7. INSIGHTS & IN

A picture is truly worth 1,000 words

Flexible, fast rich insights

1. make it simple; dumb it way down
2. take away box
3. numbers guide the eye
4. flow chart

Using data science to explain the Flowchart:

- Any NFC device/tag
- Sync to pin
- Auto-track into app
- Member app
- Club portal

Sets ... reps ... weight ... range-of-motion captured automatically.
Can you make **money** – that’s what preoccupies investors!
slide #7: go-to-market strategy

How will you reach & connect with prospects/customers?

start small & focused; don’t bite off too much

how will you get in front of prospects

simply explain the selling process

CAC “cost to acquire 1 customer”

Go To Market Strategy

Direct (Brands, Platforms, Studios)

Indirect API/SDK License

Partners/VARs

Direct sales

channel partners

trade shows

go to market

Trojan horse strategy: lead with the pin

back-office accounting platform (integration complete)

heart monitor (check-in)

global fitness industry’s annual trade show

Initial focus on direct sales to large brands, scale through API integration through partners and VARs

merage.uci.edu/NVC
## financial projections

<table>
<thead>
<tr>
<th># of venues</th>
<th>0</th>
<th>10</th>
<th>25</th>
<th>71</th>
<th>154</th>
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</thead>
<tbody>
<tr>
<td>headcount</td>
<td>2</td>
<td>3</td>
<td>5</td>
<td>7</td>
<td>9</td>
</tr>
<tr>
<td>unit cost</td>
<td>0</td>
<td>0</td>
<td>9</td>
<td>5</td>
<td>5</td>
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</table>

### Pro Forma

- **Revenue**
  - CAC
  - LTV

- **Gross Profit**
  - Gross Margin
  - Operating Expenses
  - Operating Income

- **Profit & Loss**
  - Operating Margin

### Financial Model and Projections

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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Payments Processed Per Day ($mm)</td>
<td>1.1</td>
<td>1.7</td>
<td>2.3</td>
<td>3.1</td>
<td>4.5</td>
</tr>
<tr>
<td>Growth Rate</td>
<td>100%</td>
<td>60%</td>
<td>40%</td>
<td>30%</td>
<td>20%</td>
</tr>
<tr>
<td>Annual Revenue</td>
<td>$10.91M</td>
<td>$7.11M</td>
<td>$4.22M</td>
<td>$2.00M</td>
<td>$400.21M</td>
</tr>
<tr>
<td>EBITDA</td>
<td>0.33</td>
<td>0.43</td>
<td>0.20</td>
<td>0.04</td>
<td>0.48</td>
</tr>
<tr>
<td>EBITDA Margin</td>
<td>3%</td>
<td>6%</td>
<td>9%</td>
<td>11%</td>
<td>11%</td>
</tr>
<tr>
<td>EBIT</td>
<td>0.32</td>
<td>0.21</td>
<td>0.29</td>
<td>0.26</td>
<td>0.30</td>
</tr>
<tr>
<td>EBIT Margin</td>
<td>3%</td>
<td>4%</td>
<td>6%</td>
<td>7%</td>
<td>7%</td>
</tr>
</tbody>
</table>

**Assumptions**
- **Growth Rate:**
  - Investment: 20%
  - Stake: 20%
  - Hurdle Rate: 15%

**IRR of 55%**
- Sale or IPO at 2.5x 2015 Revenue

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**Use & State Realistic Assumptions**
- **High-margin Break-even**
- **Point Out Key Metrics**
- **1-5% Market Share Is Realistic**

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*Be conservative…or risk being shot down!*
There is **ALWAYS** competition...if only the “status quo”
“We’ve accomplished ‘X’ with only $$ of bootstrapping!”
"We are the right team to execute this plan!"
slide #12: “closing” slide

Why YOU? Why NOW?

- Make it compelling!
- Reinforce key messages
- Name, title, phone & email
- Usually stays on screen during Q&A

Why YOU? Why NOW?

Rehema Feleke, co-founder and CEO
funbandinc.com

seeking $750K
lean startup model
high margins
2-year breakeven
2 local pilots
utility patent pending

more fun! less worry...
Appendix examples

- Timeline: history, milestones, R&D
- Detailed value propositions
- Additional product screenshots
- Average revenue per user (ARPU)
- Pipeline of potential customers
- Detailed financials; cash flows; breakeven
- Headcount projections and hiring plan
- Partnership arrangements
- Patents & patent filings

This is where you put the “kitchen sink”
final thoughts:

➔ Decide how to tell your story most effectively
➔ Cover only key points central to your venture (put rest in appendix)
➔ FOCUS on target market’s primary problem
➔ Gaining market traction quickly is key...then iterate on feedback
➔ Great ideas are still ideas; execution is everything
➔ All that really matters is whether someone will pay you money!

FOCUS!  PRACTICE!  HAVE FUN!
Resources

Need help with market research?
Schedule an Appointment with Sara Heimann, our Innovation and Entrepreneurship Librarian! Please contact Sara to schedule an appointment at sheimann@uci.edu

Need help with your business concept or general guidance?
Schedule an Appointment with Jaune Odombrown, the ANTrepreneur Center Manager! Please contact Jaune to schedule an appointment at jaune.odombrown@uci.edu
This can be **YOU** on May 21\textsuperscript{st}!

www.merage.uci.edu/nvc

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Thank You!
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