NEW ZEALAND
TRADE & ENTERPRISE
Te Taurapa Tūhono

In partnership with:

PitchDeckCoach

Pitch deck guidance

GUIDANCE NOTES WITH EXAMPLES

Introduction

A well-structured pitch deck is the fastest, easiest way for you to explain your business to investors. It is a visual summary of your business plan and the related investment opportunity.

- Investors are looking for an opportunity to invest early in a new business with the potential for significant return on investment and a high chance of success.
- Key factors that investors consider when assessing your pitch deck:
  - Have you demonstrated a consistent track record of delivering growth?
  - Have you built a compelling product with sustainable competitive advantages?
  - Are you addressing a large, growing market?
  - Can you articulate your vision and growth strategy clearly and concisely?
  - Are your financial forecasts ambitious but accurate?
  - Do you have a talented, experienced and focused team to build a successful business with sustainable growth?
  - Are you clear about what external investment is required and how it will be spent?
- Key learnings from Harvard Business School's study of 200 Series Seed and Series A rounds completed by US companies:
  - Keep your pitch deck to 20 pages or fewer.
  - Spend time creating and designing your deck. In particular, make sure your team slide and financials slide look great, as these are likely to be your most viewed slides.
  - Viewers studied the average successful pitch deck for 3 minutes 44 seconds and 12% did this using their mobile phones. This highlights the importance of delivering clear and concise messages on each slide.

Source: Pitch Deck Coach, Harvard Business School, DocSend

Types of investor collateral

The focus of this template is the pitch deck, which is a 15–20 slide confidential document designed to be sent to qualified potential investors. This can be a 'One-to-Many' or a 'One-to-One' format.

Content light ⟷ **Content heavy**

Information Flyer

- A non-confidential 'teaser' document that provides an overview the business and of the capital-raising process.
- The flyer is sent to potential investors to invite them to participate in the process.

One-to-Many Pitch Deck

- A confidential document (typically, 10-15 slides) that provides information about the business.
- Designed for your management to present to a crowd (e.g. NZTE showcase, angel events, accelerator/incubator, demo days).
- Qualified potential investors are selected to attend NZTE showcases or management presentations.
- This document is a simplified, more visual version of the One-to-One pitch deck.

One-To-One Pitch Deck

- A confidential document (typically, 15-20 pages or slides) that provides information about the business.
- Designed to be a stand-alone document that is sent to qualified potential investors to be read.
- A more detailed version of the One-to Many pitch deck (which is highly visual as it is spoken to).

Information Memorandum (IM)

- A confidential document (typically, 20+ pages or slides) that provides information about the business.
- Designed to be a stand-alone document that is sent to qualified potential investors to be read.
- This document is the most content heavy and provides a detailed insight into the business.
- Most of the companies NZTE works with prefer to use pitch decks as opposed to IMs.

Notes: Throughout the guidance notes we have provided example slides for reference. These should be tailored to suit your company.
Visuals should be increased, and text decreased for One-to-Many presentations. For a One-to-One there needs to be enough detail that the document can stand alone.

Recommended pitch deck structure

NZTE's recommended pitch deck structure is consistent with the observed structure from Harvard Business School's study of 200 US companies' Series Seed/A rounds and Sequoia's recommended order.

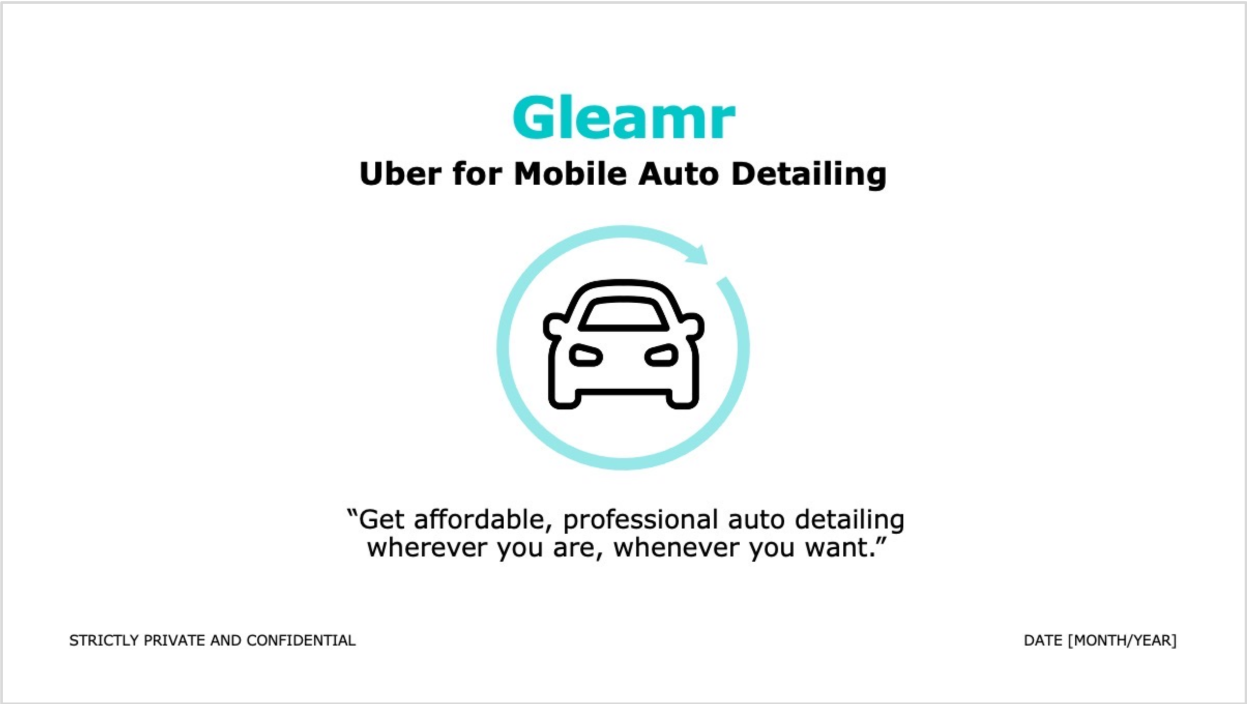
NZTE/Pitch Deck Coach's recommended order:	Observed order from a study of 200 US companies' Series Seed/A rounds:	Sequoia's recommended order:
Front cover (business idea/vision)	Front cover	Front cover
Problem	Problem	Problem
Solution	Solution	Solution
Product	Why now	Why now
Market opportunity	Market opportunity	Market opportunity
Competition	Product	Competition
Business model	Team	Product
Channels/Go-to-market/Customers/Case study (you choose)	Business model	Business model
Growth plan	Competition	Team
Traction/financials	Financials	Financials
Team		
The ask		

Source: Pitch Deck Coach, Harvard Business School, DocSend
NZTE recommended slides also includes three optional slides: investment highlights slide, demo/video slide and a milestones slide.

Front cover

Announce your business idea and/or vision to investors.

- Catch the investors' attention with a compelling image and announce your business idea and/or vision in one simple declarative statement.
- You want investors to understand what your company does at the beginning and entice them to hear more.
- New Zealand and international examples of the idea/vision statement include:
  - "Book rooms with locals, rather than hotels." – AirBnB
  - "Helping people learn to play musical instruments, by making practise fun, and making it a habit." – Melodics
  - "Wine maturation, redefined." – Wine Grenade
- We also suggest including:
  - Date of preparation (month and year[1])
  - Company logo
  - Strictly private and confidential.

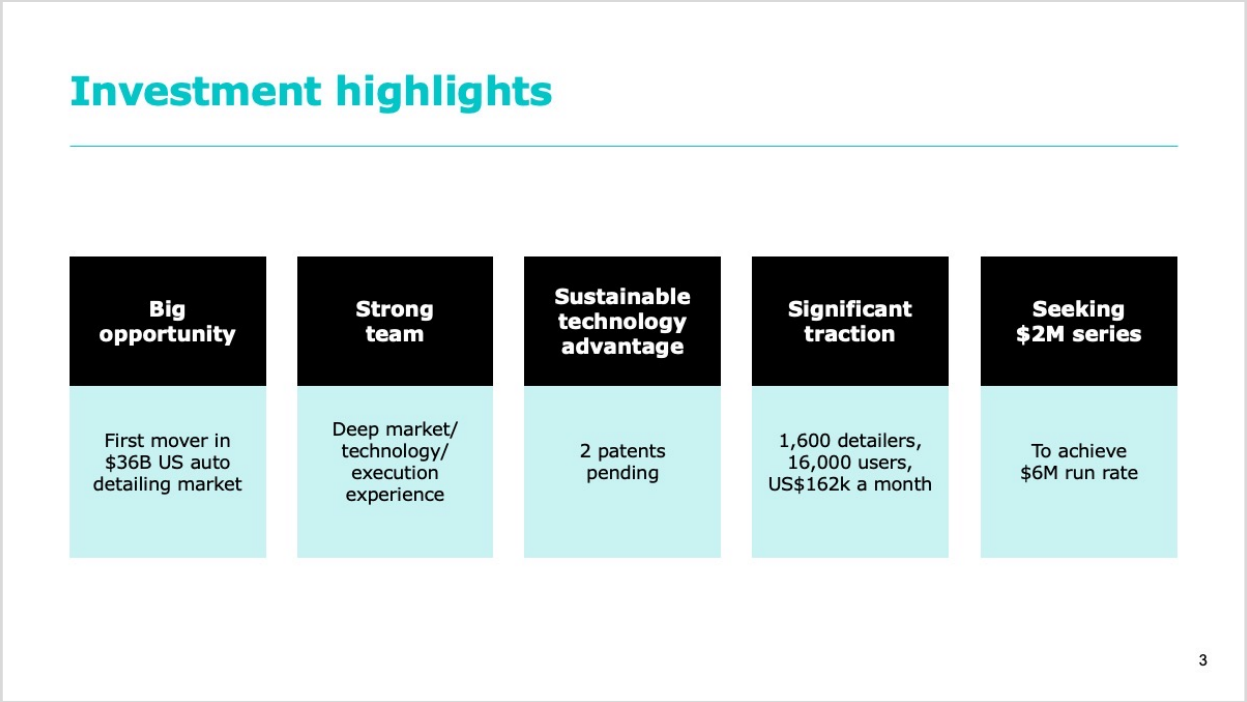


Source: Pitch Deck Coach, Piktochart, various New Zealand and international companies' pitch decks.
[1] The date should be updated each time it is presented/sent to an investor. Investors may be put off by old-dated Pitch Decks.

Investment highlights (optional)

This is a teaser for what's to follow in the pitch.

- Summarise your investment highlights. This is your chance to introduce the 5-6 key messages of your pitch deck.
- If you have any traction, make sure you highlight it here. Traction provides instant validation of your business and credibility of your team.
- If your founder/team is particularly strong, highlight it here and provide detail of why this is the case.
- We suggest using this slide for the One-to-One pitch deck but removing it for the One-to-Many pitch deck.

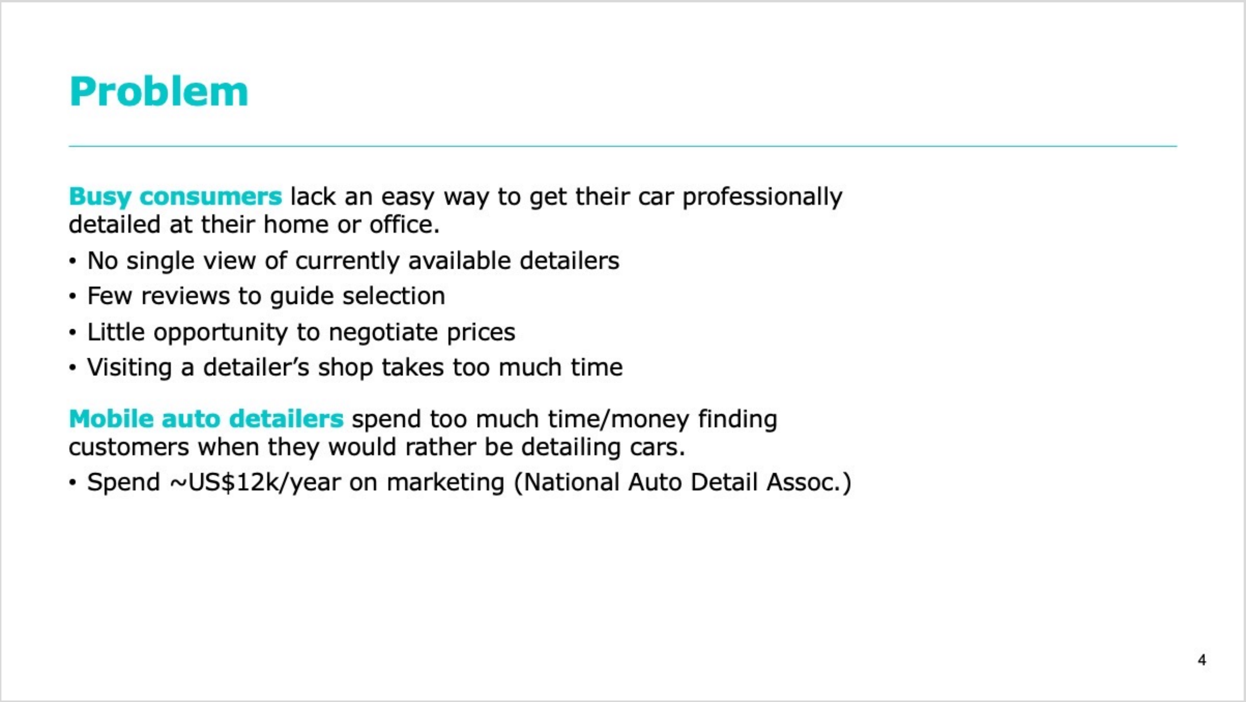


Source: Pitch Deck Coach, various New Zealand and international companies' pitch decks

Problem

Explain the problem you solve or the unmet need you address in simple terms that any investor can understand.

- Describe the problem you solve, who you solve it for, and why your target customers are frustrated with current solutions.
- An effective way to communicate the problem is through story, which allows potential investors to visualise/personalise the issue. Providing numbers can also help potential investors understand the magnitude of the problem.
- Local and international examples of the problem description include:
  - "There is no effective, trusted way for professionals to find and transact with each other online" – LinkedIn
  - "$22 million worth of gold goes to waste every year in New Zealand." – Mint Innovation
  - "No easy way exists to book a room with a local." – AirBnB
- The Problem slide is the setup for your Solution slide and, later, your Competition slide.

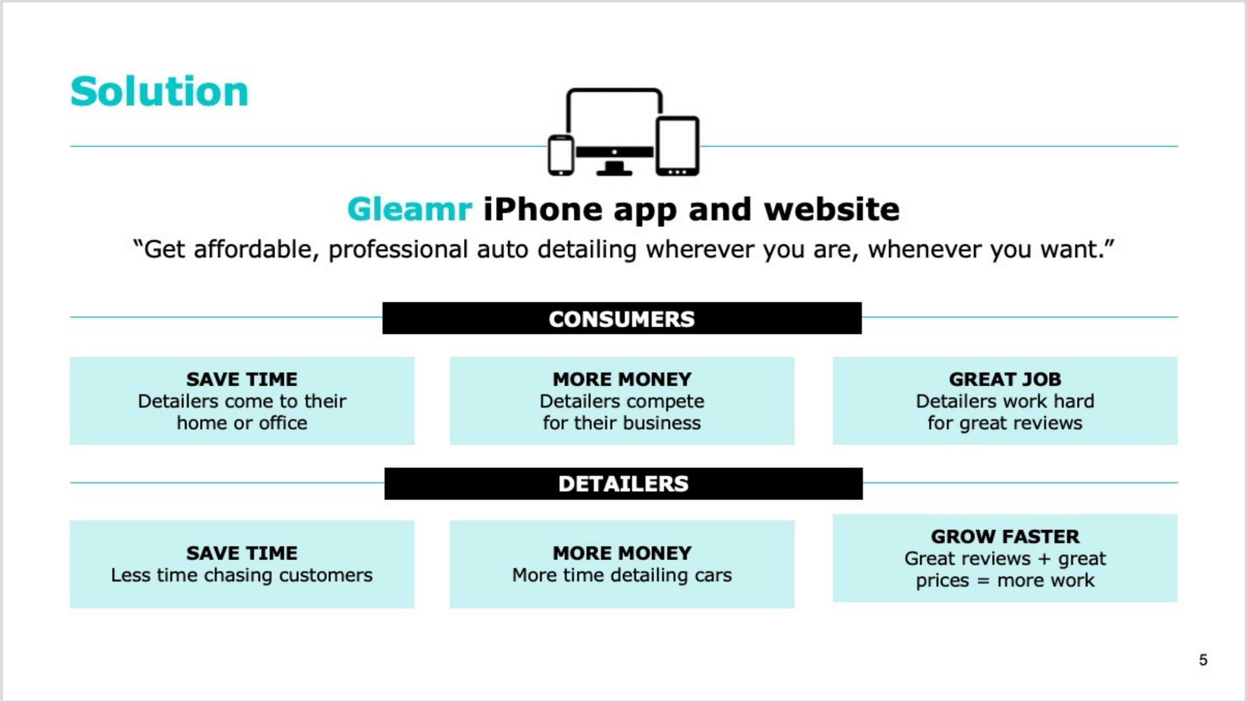


Source: Pitch Deck Coach, various New Zealand and international companies' pitch decks

Solution

Describe your solution and
how you solve the problem.

- Questions that you should address:
  - What is your solution and how does it solve the problem?
  - What are the major benefits of your solution for each of your target customers and users?
- Do not focus on product features here, these should be presented in your Product slide.
- Explain why your solution is superior to current solutions. If current solutions are slow, expensive and difficult to use then what is your solution? Hopefully faster, less expensive and easier to use.
- International examples of the solution description include:
  - "A web platform where users can rent out their space to host travellers to: save money, make money, and share culture." – AirBnB
  - "YouTube provides a community that connects users to videos, users to users, and videos to videos." – YouTube
- It's all about hooking your audience. You need to describe your business using as few words as possible. Imagine telling a 7-year-old what your business is about.

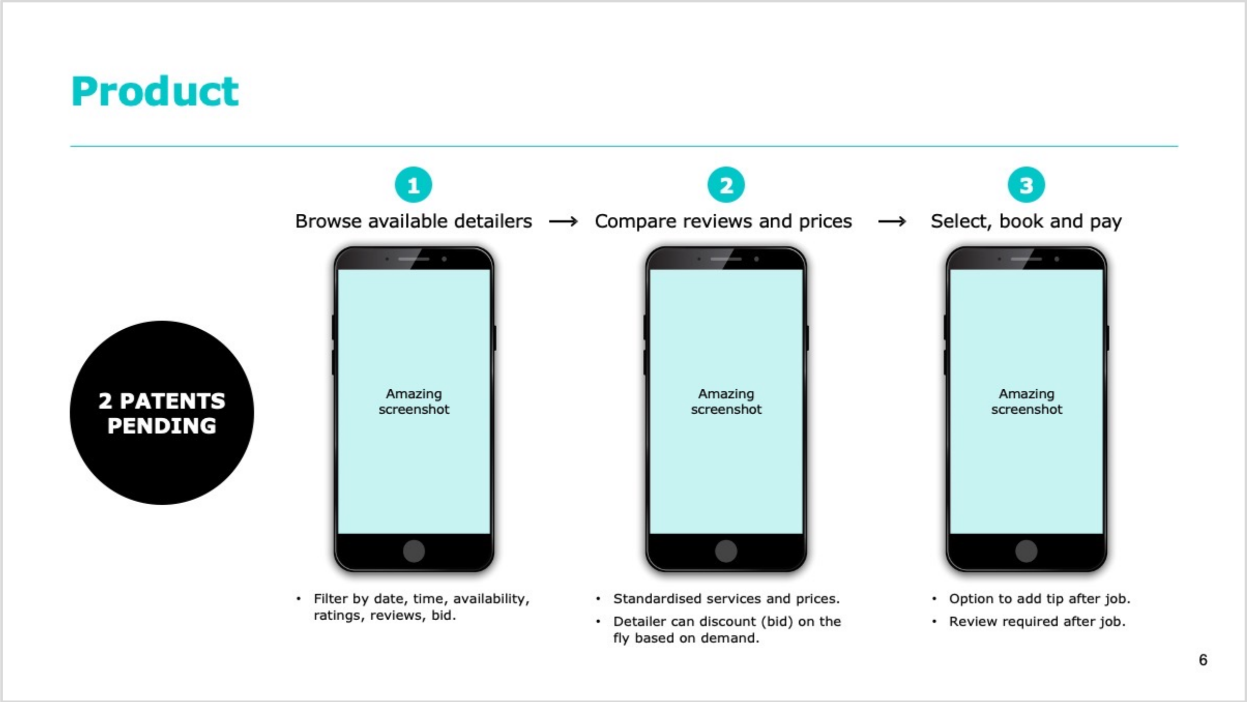


Source: Pitch Deck Coach, Piktochart, various New Zealand and international companies' pitch decks.

Product

Show what your product/service is and how it works.

- This is your chance to highlight the key features of your product/service and show it in action.
- If you have multiple products/services, be sure to focus solely on your core offering – you don't want to confuse the audience this early on.

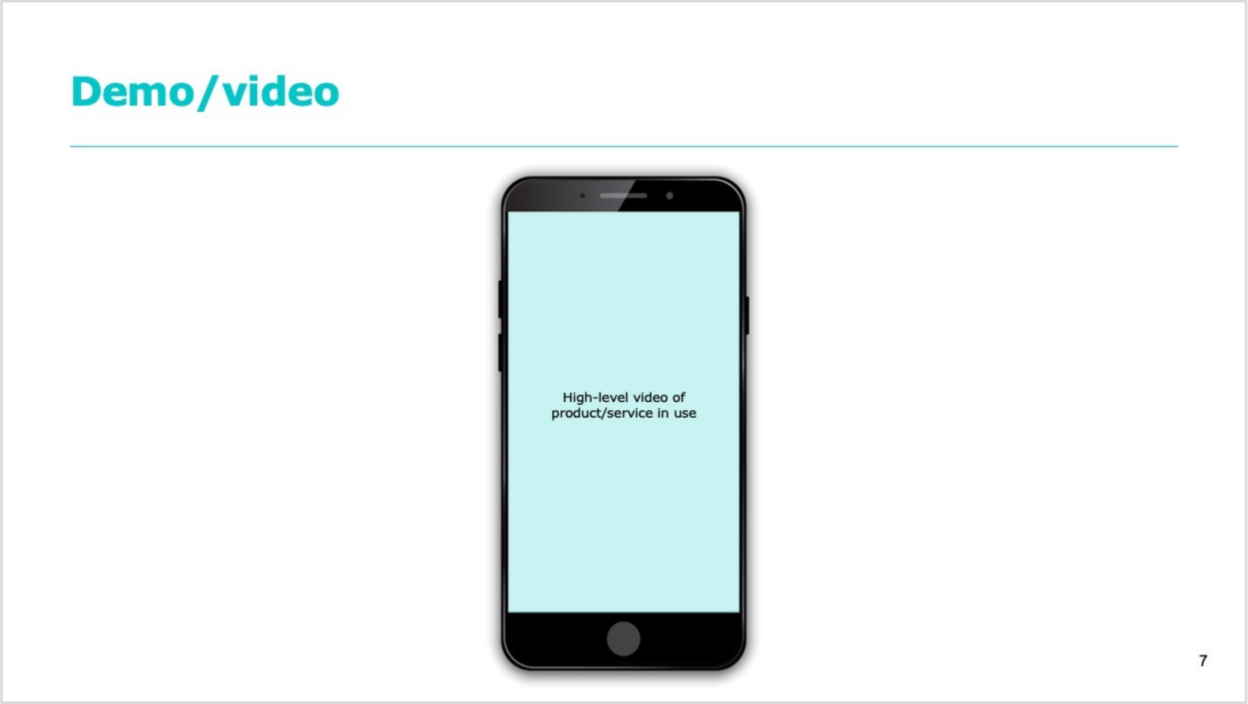


Source: Pitch Deck Coach.

Demo/video (optional)

Show what your product/service is and how it works in a video.

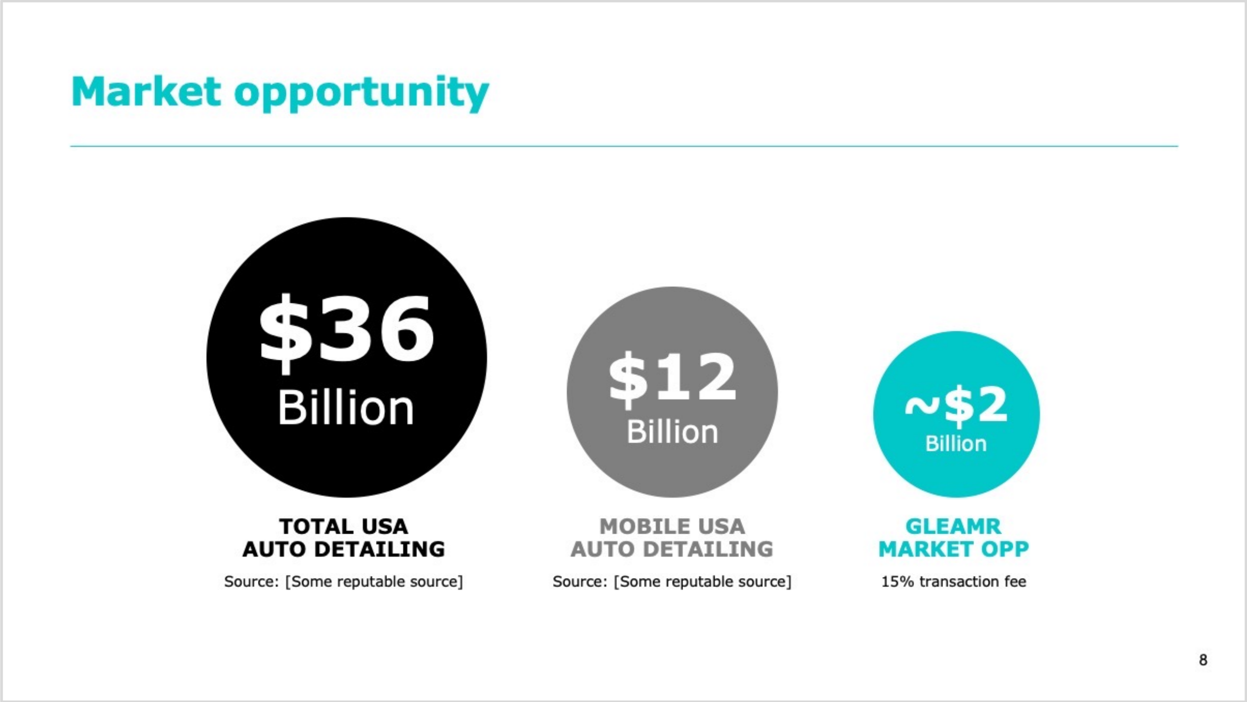
- We suggest incorporating a brief video that shows your product/service to bring it to life for potential investors for a One-to-Many pitch.
- Be careful with a video in a One-to-One format as investors opening on email or phone may have difficulty watching. Often better to use photos/screenshots.



Market opportunity

Estimate the total market opportunity for your product/service and forecast market growth.

- Present the overall market opportunity size, i.e. the revenue opportunity that is available to your product/service if 100% market share was achieved.
- The goal is to derive the most granular, accurate market size possible, which requires careful consideration and analysis of:
  - The market verticals/sub-sectors that you operate in.
  - The geographies (at a city or country level) that you operate in or expect to enter during the forecast period.
- Key considerations relating to verticals/sub-sectors include your business model (B2C, B2B, B2G) and position in the supply chain (raw materials, manufacturer, distribution, wholesale, retail).
- Key information to present here is the size of the market ($), forecast market growth (%), and major players by revenue ($) or market share (%).
  - Investors prefer to invest in markets that are growing versus markets that are stagnant or shrinking.
- It's important that you can explain the rationale for your numbers and that your market numbers and growth prospects are well researched and backed up with qualified, third-party data.

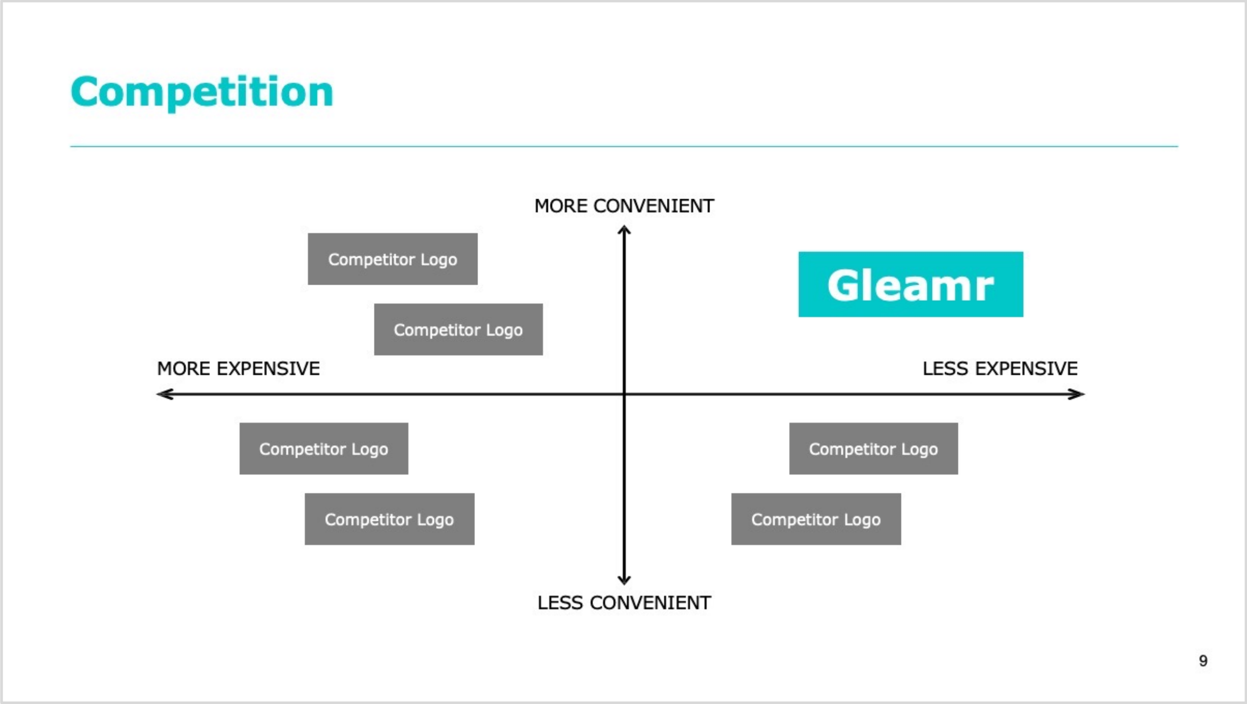


Source: Pitch Deck Coach, Lloyds Development Capital.

Competition

Compare your company to your close competitors using value attributes to highlight your competitive advantage.

- Your Competition slide is your chance to demonstrate your understanding of your competitors and the competitive advantages/points of differentiation of your product/service.
- Once you have selected your close competitors, you will need to agree on the most appropriate value attributes to use for comparison.
- There are various ways you can present this analysis. We suggest using a value grid (2x2 matrix) and showing your company's position on the value grid relative to selected close competitors using the two most important value attributes.
- Do not make the mistake of saying you have no competitors:
  - If you are pioneering a new technology, your competition may be the old manual method currently being used (e.g., Uber vs. taxi).
  - You can lose credibility fast. A market with no competitors can suggest to investors that you do not understand your market, your market does not exist, or your market is too small to be worth pursuing.

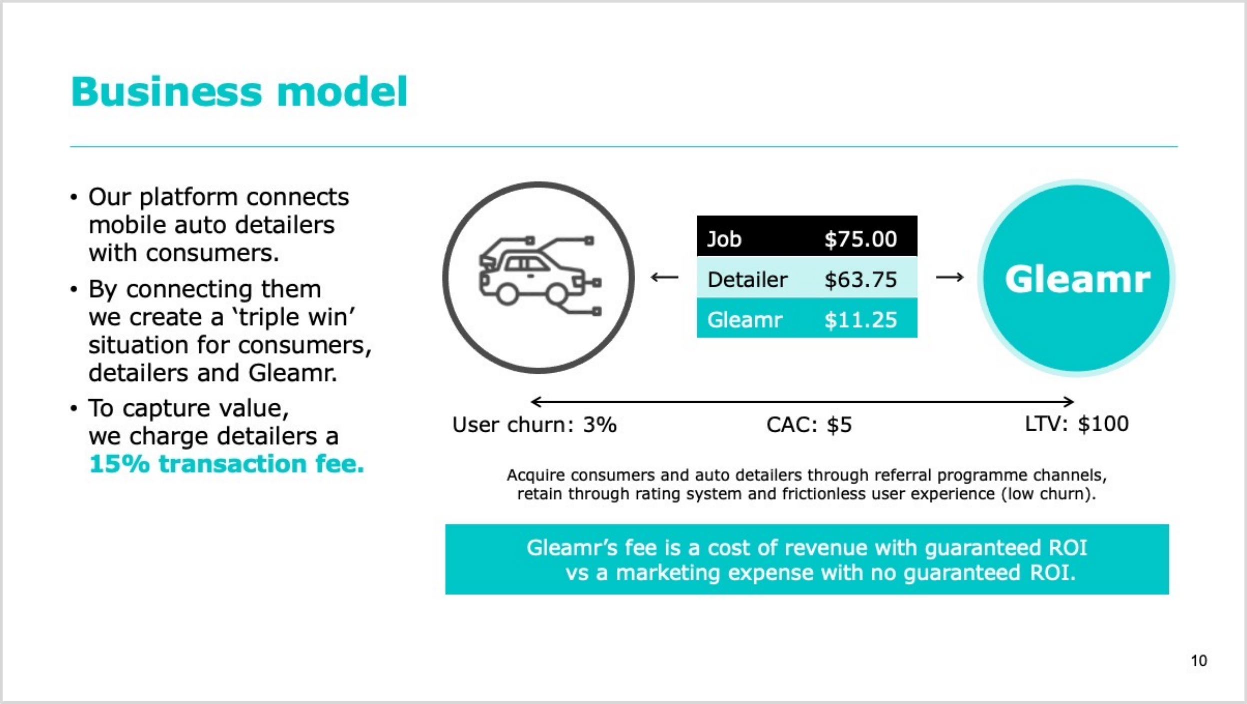


Source: Pitch Deck Coach.

Business model

Detail how you intend to charge customers and make a profit.

- A business model is a holistic description of how a company intends to make a profit, including how it creates, delivers and captures value:
  - Creation: How does your product create value for customers? Describe how the product/service you offer is worth more to customers than it costs to produce.
  - Delivery: How will you deliver your product to customers? How will customers become aware of your company (marketing etc.)?
  - Capture: How does your company capture part of the value it creates for customers? This will depend on the competitive pricing environment and the value split between you and your customers.
- Your Solution and Product slide should cover value creation so the focus here is how your company will deliver your product/service and capture value.
- Investors are trying to understand the monetisation of the service or product. You need to show not only the revenue equation but also the key elements on the cost side, so they can get an understanding of the business at a glance.

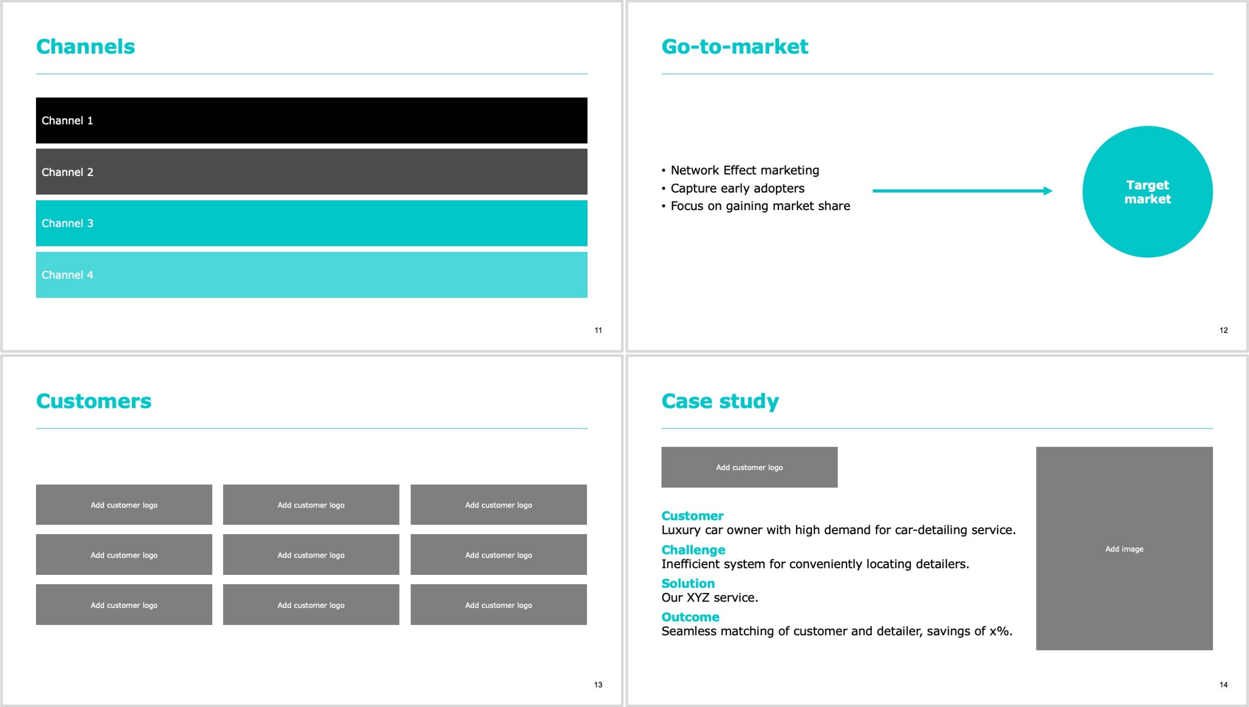


Source: Pitch Deck Coach.

Channels/Go-to-market/Customers/Case study

Choose the slide/s that best fit into your pitch deck.

- Choose the slide/s that best fit with your company and pitch deck:
  - Does your company have a strong go-to-market plan?
  - Do you have a set of highly regarded customers already on board?
  - Do you have interesting channels that may require explanation?
  - Do you have a very appealing case study that shows off your company’s success through a real-life example?

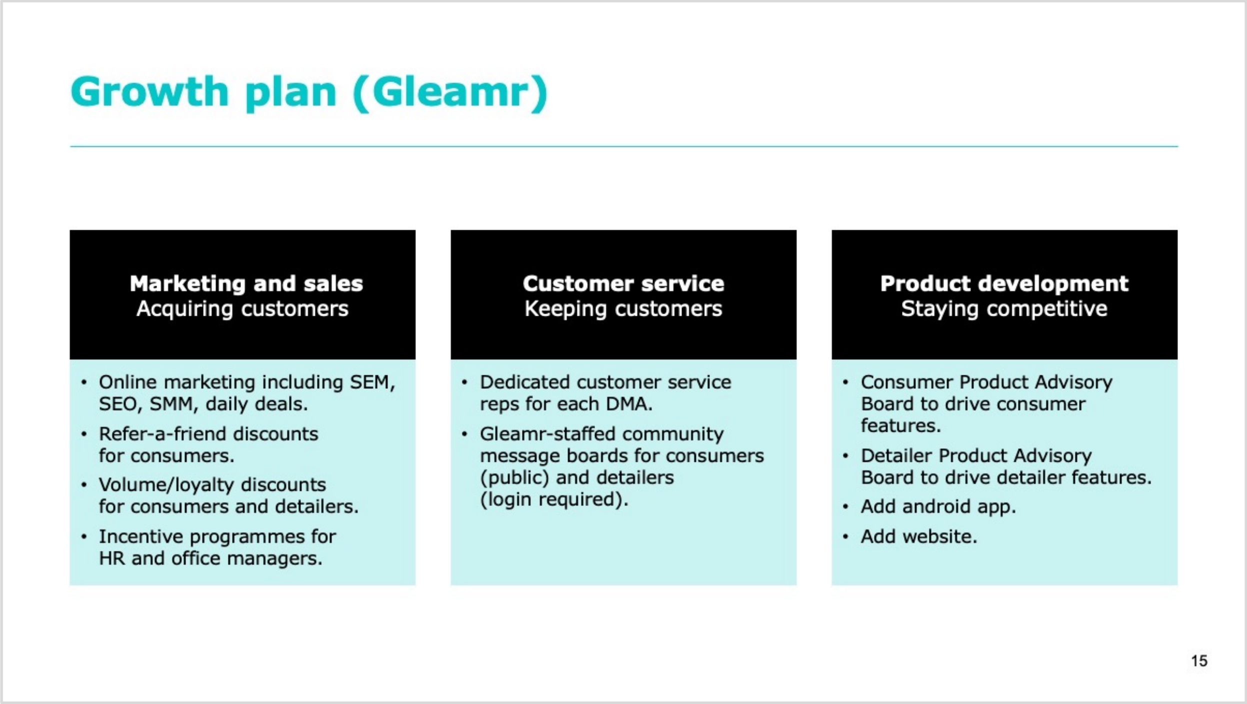


Source: Pitch Deck Coach.

Growth plan

Articulate a clear plan to achieve strong growth over the next 3-5 years.

- Explain how you plan to scale your business.
- Investors want to be convinced that you know how to transform a competitive product for a large, growing market into a substantial, sustainable business. Any successful business executes well on these three operational activities:
  - Marketing and sales: How does your sales and marketing team create awareness and generate demand for your product to acquire new customers?
  - Customer service: How does your product development team keep enhancing and extending your solution so that it remains competitive?
  - Product development: How does your customer service team keep your existing customers happy so you don't lose them to your competitors?

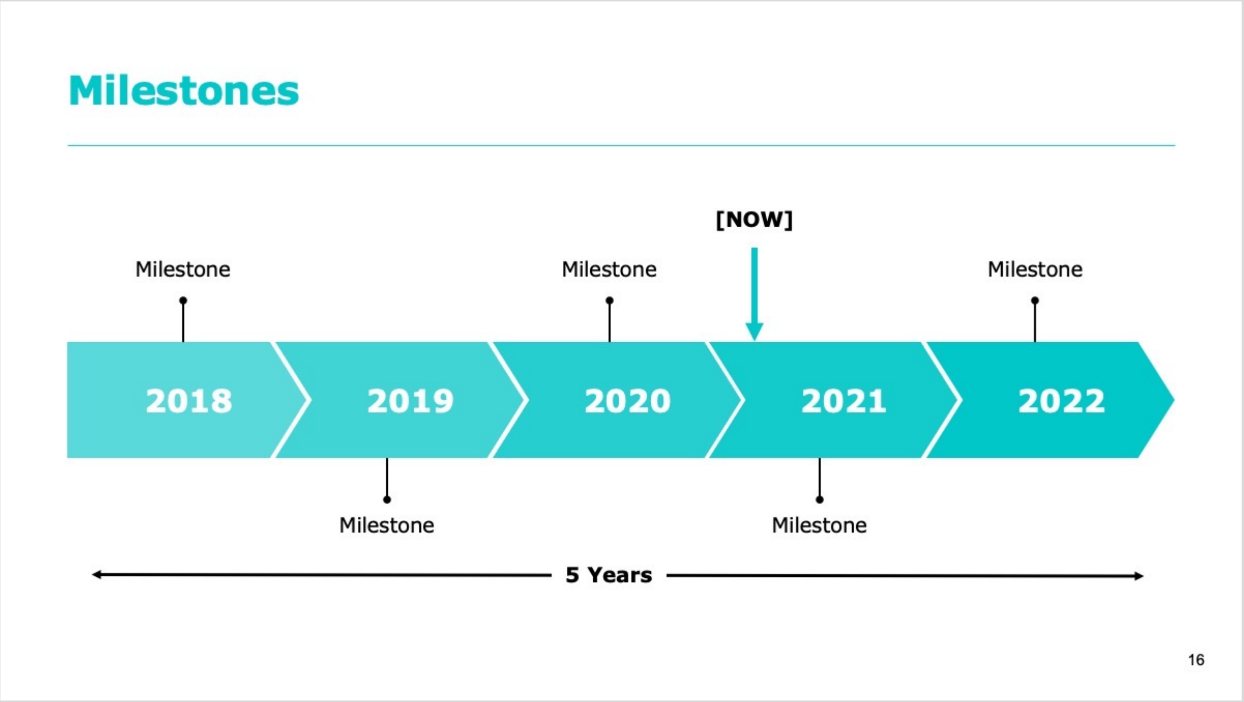


Source: Pitch Deck Coach, Lloyds Development Capital.

Milestones (optional)

Demonstrate your consistent track record of achieving growth (such as users, revenue or milestones).

- Investors will look for a consistent track record of delivering growth in order to provide a level of comfort that the business and management team can deliver future growth.
  - If you have acquired customers, it shows there must be a market for your product, you must have a competitive product, and you must have demonstrated enough operational expertise to successfully market and sell your product to at least some of the customers in your market.
- Relevant metrics can differ by company and industry. Some examples include:
  - Revenue metrics such as monthly recurring revenue, average revenue per user, monthly churn rate.
  - Earnings and cash flow metrics.
  - SaaS metrics such as customer acquisition costs, lifetime value of customer, total number of paying customers, monthly active users.
- Stuart Miller, founder of supply chain technology firm ByBox, which raised £37.5m of equity from LDC in 2016, says: “Don’t worry if the actual numbers are small as long as they are rising. What matters is that the trend is upwards. Sales growth is the evidence [investors] are looking for.”

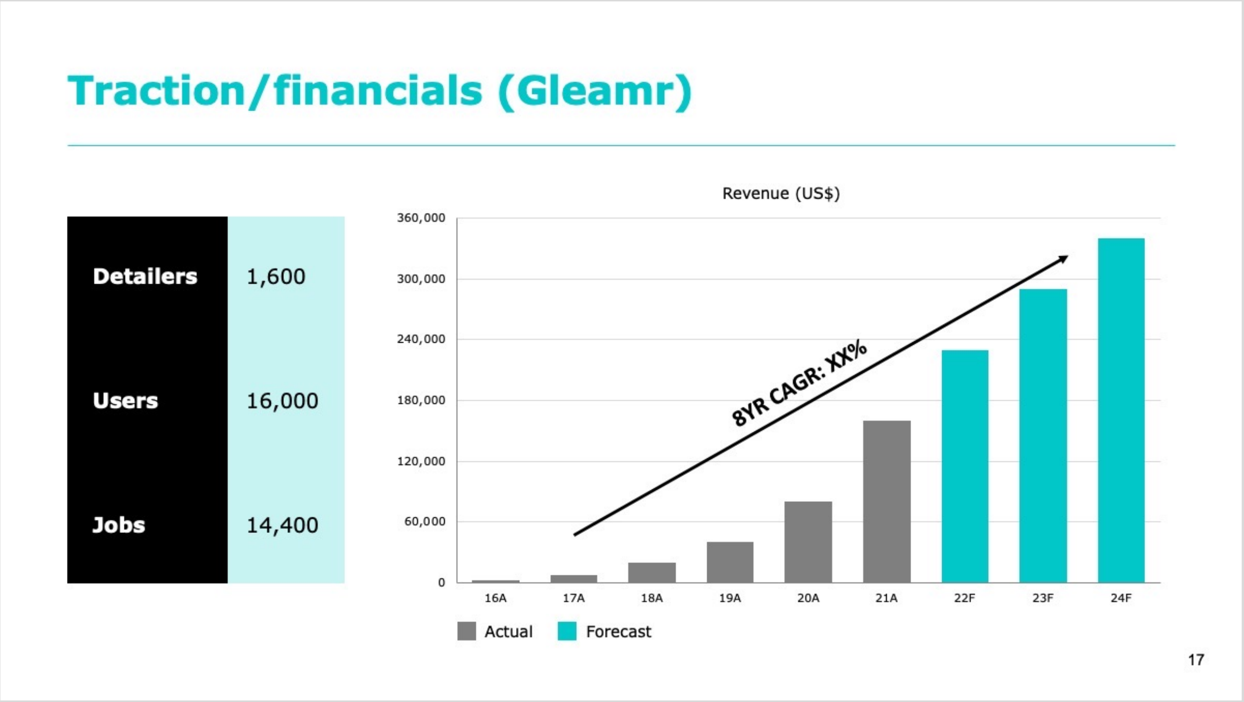


Source: Pitch Deck Coach, Lloyds Development Capital.

Traction/financials

Present summary historical and forecast financial information from your financial model.

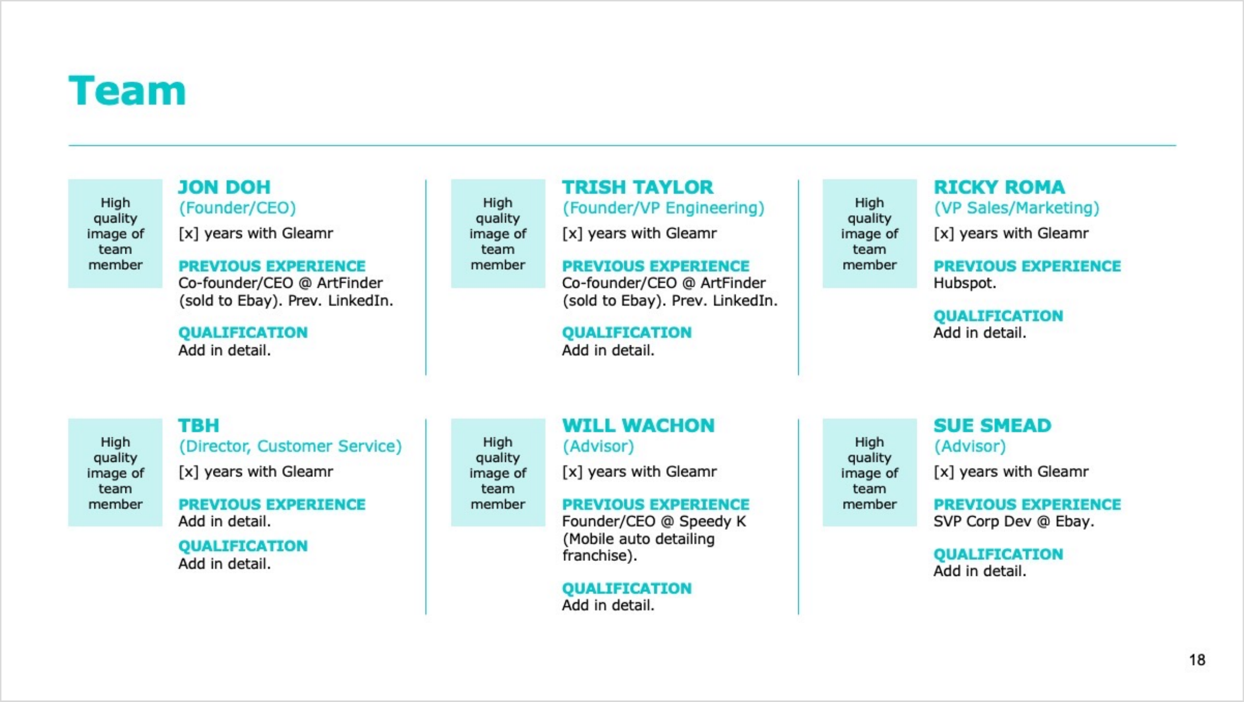
- Financial forecasts should be ambitious but achievable, based on the track record of your business and the scale of the opportunity ahead.
- You should have a strong understanding of the assumptions used to generate your forecasts, such as your revenue drivers and the amount of money you will spend on key operations e.g. marketing, sales, product development, and customer service. Forecasts should also directly relate to your Growth Plan slide.
- Suggestions relating to presenting financial information:
  - Provide 3 years of forecast data.
  - Use graphs and/or tables to present the information in an easy-to-read format.
  - Include earnings, margins and growth percentages to save investors having to do the calculations in their head.



Team

Highlight that your team has the experience and expertise to deliver your forecast growth and create a stronger business.

- Information we suggest to include:
  - Number of years with your company.
  - Previous work experience in similar start-ups, technology, or markets.
  - Education/qualification.
- It's important to use high quality photos and a consistent format.
- Note: creating an advisory board is a simple way to add industry expertise to your team.

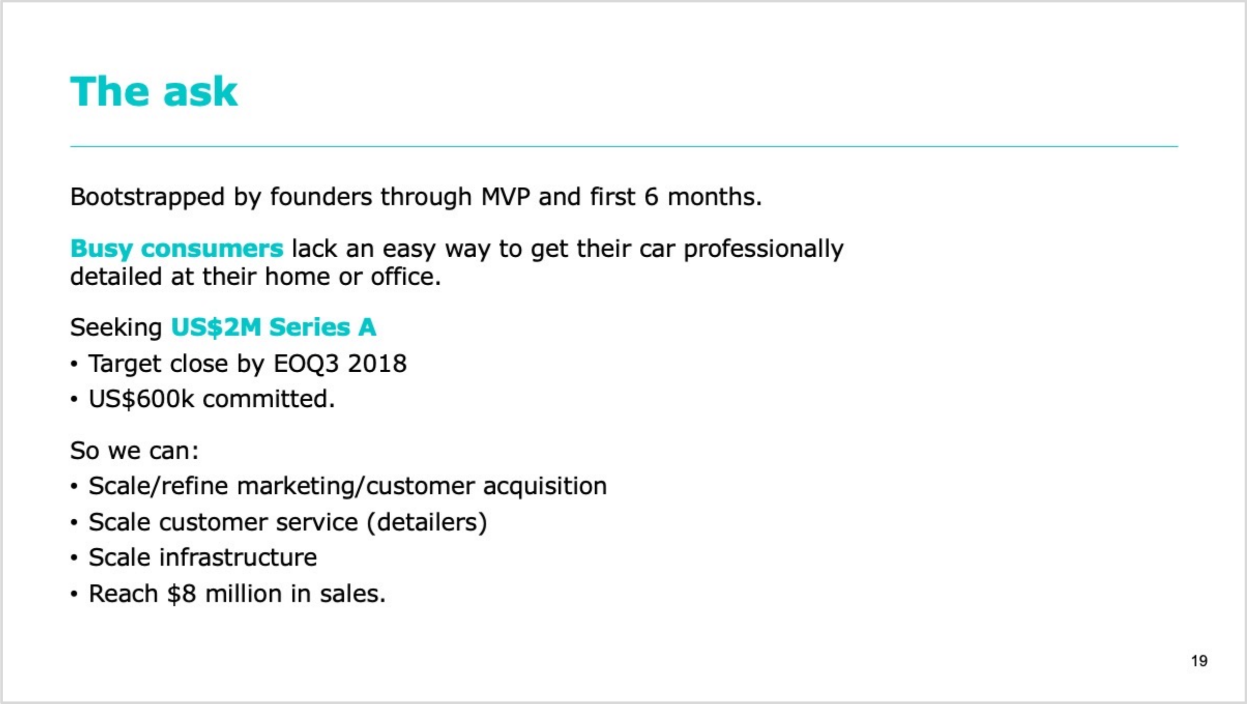


Source: Pitch Deck Coach, DocSend, LDC.

The ask

Provide details of the investment opportunity, including the amount shareholders are seeking to raise and the uses of funds.

- This is your opportunity to provide details of your capital raising, which should tie back to your financial model and growth strategy. We suggest including:
  - The dollar amount you are seeking to raise.
  - The uses of funds raised.
  - Your pre-money valuation (optional).
- Investors want to see that you have a clear plan for how you will use the funds. Focus on mapping out frequent but meaningful milestones that demonstrate how you'll achieve real progress.

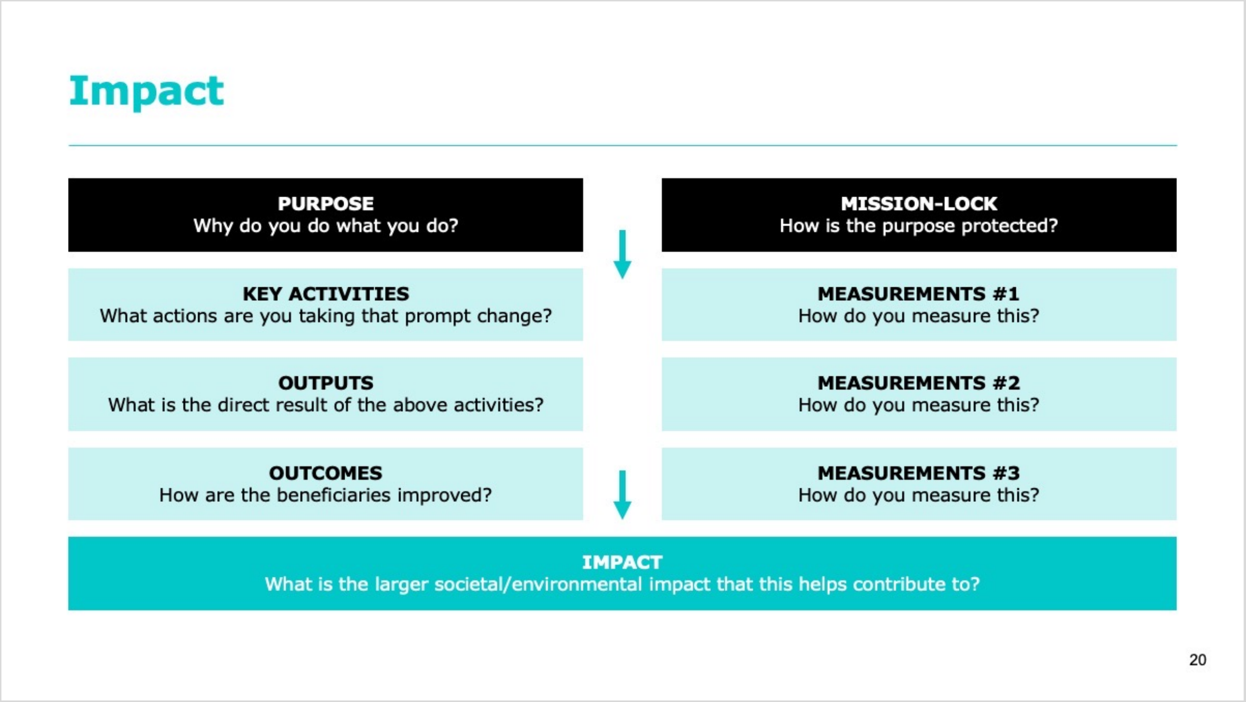


Source: Pitch Deck Coach, Lloyds Development Capital.

Impact (optional)

If you are raising capital from impact investors you will need to clearly articulate and quantify your impact.

- Impact investments are those made with the intention of generating positive, measurable social and environmental impact alongside a financial return.
- Impact investments will typically be underpinned by the United Nations Sustainable Development Goals. They look to address the world's most pressing challenges.
- Impact investors will want you to clearly articulate and quantify your impact. The goal is to derive an accurate snapshot of the impact you are delivering.
- Use the impact model to start measuring your activities, outputs and outcomes and how they flow through to your desired impact.
- It's important that you can explain the rationale for your numbers and that they are backed by robust data.
- Key questions investors will consider when assessing your impact:
  - Is the founder impact focused?
  - Is impact embedded in the business model?
  - Will this idea transform the status quo towards a fundamentally better outcome for society and our planet?



Source: Pitch Deck Coach, Lloyds Development Capital.

Commonly asked questions from investors

You should be prepared to answer the following questions from potential investors after they have reviewed your pitch deck. It’s also useful to consider these as you create your pitch deck.

- Why are you unique in the market?
- Why is your solution needed now?
- How and when is your company going to scale to a size that an investor in this round could get a 10 (or even 20)x return on?
- Other than capital, what are your top 2 or 3 limitations to achieving scale?
- How do you plan to mitigate these limitations?
- What is your company’s plan for dealing with disruptive technologies?
- Who are your top three competitors and how do you differentiate yourself from them?
  How will you maintain or advance this in the face of global competition?
- Where do you personally want to be in 5 years’ time?
- Why are you the right person (at the moment) to invest in? Are you the right person to lead this company to international scale?
- With regards to the next key market for expansion, how will you get traction and who will you leverage off to do so?
- Are you ready for an investor who will drive you hard to achieve top and bottom-line milestones?

Source: NZTE.

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