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Startup Pitch Guide

Communicating your innovative solution to secure capital for growth

As you navigate the early-stage funding landscape, you'll realize quickly that pitching your startup in one form or another is a primary, full-time part of the job.

While the length, tone and elevation of your pitch will vary depending on the setting—ie. One-on-one with a VC or angel investor, or head-to-head in a pitch competition—nailing a consistent and complete narrative is a huge part of building the necessary gravity around your business that you'll need to achieve growth.

Of course, not every founder is a natural pitch person. But you don't need experience in sales or public speaking to convey the passion for your product or service to worthy investors. If your business case is solid, and your belief in what you're doing is genuine, you already have the key ingredients to start building a compelling pitch.

In this guide, we'll outline what goes into nailing down a pitch deck and startup narrative that you can confidently take to potential investors to help give your company the momentum it deserves.

Preparing Your Pitch

Before you pitch....

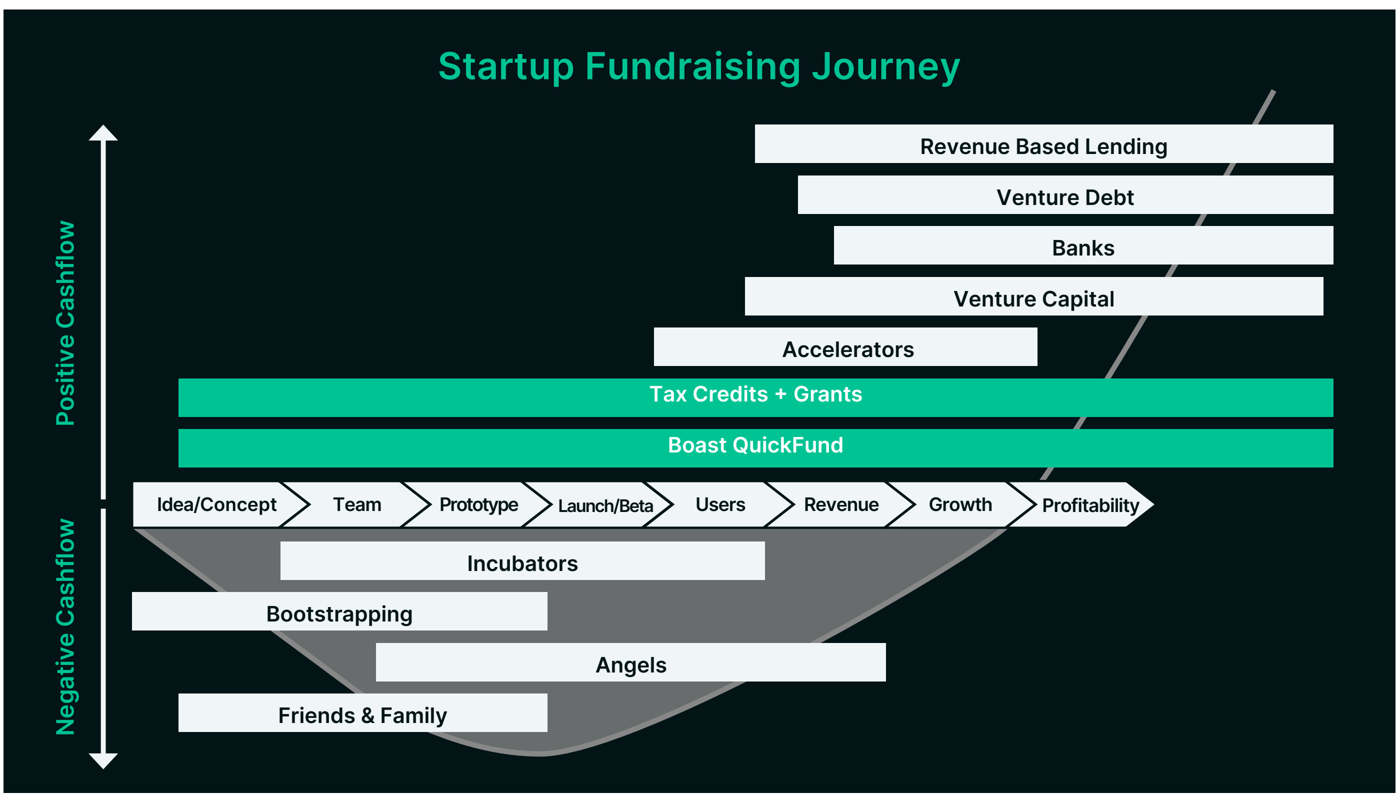
Know WHY you're pitching

For starters, have a clear vision of why you're pitching in the first place—and who you're pitching to.

In most scenarios, funding for growth is the table stakes of a pitch. But it's important to bear in mind what you get on top of a cash infusion when you seek investment partners.

Do your homework to understand what options are out there for funding and what will make sense based on both the nature of your product, and also how much stake in the business you're willing to share going forward.

Understand and accept that NOT ALL business are VC-backable. However, it does not mean you have no other sources of capital. Some angel investors would invest in different types of businesses, and there are also non-dilutive funding sources. The diagram below and this guide will help you navigate non-dilutive funding.



Know WHO you're pitching to

As you'll see in this rough map, different funding options become available as you mature—and while no business is going to follow this path exactly, it's important to know how to pitch different types of funders.

For instance, a bank or venture debt will not be evaluating your company in the same way as a VC. The latter focuses on potential (in the early stages) whereas the former will dive deeper into your cash flow and unit of economics. Learn how to tell the stories in your numbers, be it your TAM/SAM/SOM, your CAC/LTV or unit of economics. This is a good guide to do that.

Dilutive vs. Non-Dilutive funding

At any stage of the startup lifecycle, you'll encounter opportunities for Dilutive funding—that is, cash in exchange for equity in the business—and non-dilutive funding, which allows you to access capital without handing over any stake in the startup.

We recommend that before you embark on dilutive funding sources, you explore and tap into every available non-dilutive opportunity that may be a fit for your company. This includes:

- Grants
- Loans
- Tax Credits
- Revenue-based Financing

Sources of Non-Dilutive Funding

	Stage	Amount	Format
Futurepreneur	Early	$20-40K	Loan
IRAP	Early - Mid	$50K - $250K	Grant
CMF	Early Late	$50K - $1M	Loan
IDMTC	All	17.5% - of R&D	Tax Credit
SR&ED	All	64% - of R&D	Tax Credit
MITACS	Mid - Late	50% of human capital	Grant
BCIP	Mid - Late	$250K - $1M	Contract
SDTC	Late	$250K - $2M	Grant
Supercluster	All	Varies	Co-investment

When to Access

	Prototype	Production	Commercialization
Futurepreneur	Yes	Yes	Yes
IRAP	Yes		
CMF	Yes	Yes	Yes
IDMTC	Retroactive	Retroactive	Retroactive
SR&ED	Retroactive	Retroactive	Retroactive
MITACS	Yes	Yes	Yes
BCIP		Yes	
SDTC	Yes	Yes	
Supercluster	Yes	Yes	Yes

Know your ASK...

It bears noting that Dilutive and Non-dilutive funding options aren't mutually exclusive, and it often makes sense to seek both to extend your runway and achieve growth.

What it really boils down to is knowing the math behind your ask to understand what makes sense for you.

For example, don't just say you need $100,000 for marketing. Show how the funds are going to be used to achieve what outcome. You can also tie performance and milestones to hiring, i.e. when as a founder I manage to get X in revenue dollars, I will hire my first sales person. This shows mindfulness and thoughtful planning on how you plan to grow the company.

Although some tactics are tried-and-true, there are new realities of funding a startup in the current market landscape that you'll need to bear in mind as you look for the best investment partners for your business. This includes having your own discretion around investors, and seeking funding sources that share your mission and vision.

START by considering the stage of your business, and knowing what resources you'll need to reach your next milestone in the startup Lifecycle.

PRO TIP: *Whatever you think it costs to reach your next stage in the life cycle, it's likely double!*

When you're crafting your ASK, it's best to:

- Aim for 24-month runway (18 to get you to the next stage, and additional 6 as buffer to raise the next round)
- Ask for less than you think you need (shows you are invested and aware of risks)
- Have a clear plan for the money that you can demonstrate

It's likely also necessary to have financial and profitability projections handy as these are what determine, to a considerable extent, what is required to reach the next milestone, as well as the size and timing of the round of fundraising.

Another thing to consider would be the company's valuation and the percentage of equity being offered in exchange for the investment, especially if this is a priced round.

Remember: *You'll likely want these investors to be with you for the long haul. While you don't have to show all of your cards in your pitch deck, you do want to have every detail lined up in your back pocket for the conversations that follow.*

Putting the Pitch Together

Once you have this vision locked in, it's time to actually start mapping out your narrative and compiling a pitch deck that you can take to investors.

Know your business

Aim to communicate where you fit in your market, first and foremost.

While product-market-fit is one thing, investment-startup-fit also needs to align. If there's misalignment in this relationship with your investors from the jump, their money will only get you so far, as their advice on succeeding in your market may not apply to your business or be valuable.

If you're courting an investor that focuses on AI, but you're an Oceantech, for instance, that investor won't necessarily know the pace or realities of your market.

TL;DR: You need to do your own vetting in-kind to ensure you'll be happy with the relationship for the long-term.

Consider your audience

What many investors want to see is that you have ambitions and a plan to scale for the long-run. To that end, they also want to see that you have customers who love your products, and who also want to pay for the products. That is what will ultimately get investors in your corner.

Additionally, you want to present to investor:

- A convincing "why now"
- That you're obsessed / all in on the idea
- Why your company is going to be the category leader / Differentiation

When it comes to actually pulling together your pitch deck, we recommend following the template offered by Y Combinator, as that's the gold standard industry-wide.

Y COMBINATOR PITCH DECK TEMPLATE →

Another rough model you can follow when mapping your pitch deck encompasses the following:

Company Overview	4-6 bullet points summarizing what's to come, including: The problem, where you are located, your founding team's bona fides, and any traction to date.
Mission/Vision	Summarize your "goal" for the business.
Team	Often the BIGGEST consideration for investors; identify past experience and sell your founding team by highlighting accomplishments.
Problem	Define size and scope of the problem you're looking to solve, as well as your target customers and WHY resolution is important.
Solution	Why is your solution to the problem better than others in market?
Product	Using VISUALS (not just bulleted text), demonstrate why customers will love your product, key differentiators and use cases, and what's on the roadmap to continue driving value.
Market Opportunity	Define the size and value of your market (include hard $$$).
Customers	If you have customers that love your products, feature their logos as proof points.
Technology	Explain why your technology is superior to the competition, how you plan to continue driving differentiation, and any intellectual property rights you already own.
Competition	Zero in on who your competitors are, what makes your product superior (ie. key differentiators).
Traction	Brag and show off your bona fides; any adoption figures, awards, partnerships or growth metrics that show your company is a can't-miss investment.
Business Model	Explain how your business makes money and define: pricing model, the long-term value of a customer, the customer acquisition channels and costs.
The Marketing Plan	Don't backburner this! Define your key marketing channels, early successes, your preliminary customer acquisition costs, and the projected lifetime value of a customer.
Financials	If you can, compile the following: • 3- to 5-year financial projections • Unit economics • Burn rate • ARR • Total revenue and expenses • EBITDA
The Ask	Clearly outline how much funding you'll need, how long you think the financing will last, and what major milestones you think you will be able to reach with this investment in hand.

Still, there are key considerations that need to be woven into your actual presentation that will make-or-break your odds of scoring investment. After all, a slide deck can only communicate so much—investors are buying into your team and your passion, which must shine through.

Presenting Your Pitch

While you can follow Y Combinator's lead in ensuring that your pitch deck is complete, your actual presentation should follow a tight timeline, delivering enough clarity around your mission and vision to impress without "showing all your cards," so to speak.

That's because you'll want investors to have questions following your presentation, giving you the chance to dazzle and impress them further with all of the go-to-market details you've kept in your back pocket.

A rough outline of your pitch deck presentation should mirror the following:

Elevator pitch

30-60 seconds

Clearly define the business

Capture attention

Business

~3-5 minutes

Team

Problem & solution

Business model (how do you make money / how will they make money)

Competition and market opportunity

Your ask

How much money you are asking for

How you intend to use it

Investor ROI

Prepare for common questions

If your pitch deck covers the basics, the follow-up questions from would-be investors should be fairly specific to your company. That's to say that you should expect curve balls, rather than a generic line of questioning.

The follow-up questions will also be contingent on where you are in the startup lifecycle.

- **For early-stage businesses**, potential investors will likely drill down on how their money will translate to growth. To have a satisfactory answer on this front, you'll likely need to have a preexisting customer and sales funnel that's already working and just needs gas (or cash) to start accelerating.
- In that same vein, you'll also need to advocate for your founding team and instill confidence that you have the skills in place you'll need for the long haul. If you don't have technical founders to help execute product development, for instance, you should expect to get drilled on how to fill that gap down the road.

  OF NOTE: *This may be an opportunity to appeal to equity investors who can help you round out your team given their experience in your field, stage of growth, or industry.*
- You should also expect to define your "moat"; that is, how you intend to make your product or service defensible once the market is flooded or your offering has matured.

Post Pitch Procedure

While you can follow Y Combinator's lead in ensuring that your pitch deck is complete, your actual presentation should follow a tight timeline, delivering enough clarity around your mission and vision to impress without "showing all your cards," so to speak.

After the pitch, there are really two outcomes: You either find an investor who works, or you don't.

You got the outcome you wanted, now what?

Put your plan in motion! If an investor has literally bought into your pitch, it's time to put gas in that tank and accelerate.

You didn't get the outcome you wanted, now what?

If you did everything you could to craft a compelling pitch and don't win over an investor, you have a few different options.

For starters, you might have been pitching the wrong kind of investor in the first place. If you're in a pitch competition, for instance, and find that the majority of the competing pitches are in a different industry, you may simply be barking up the wrong tree. In this case, take the advice you get from experts in this exercise with a grain of salt. Investors who don't invest in companies like yours were never going to give you money in the first place.

If that's not the case and you've failed to win over investors squarely within your demographic, ask questions, take their advice, and adjust your strategy.

Ask: can I keep you updated on our future milestones?
Specifically: what milestones would you like to see for when we come back?

When you're turned down, you may at first think that these investors "just don't get it." However, it's less likely that you're ineffective at communicating and more likely that your business case is weak. If that's the case, no amount of talking or rewording is going to change that.

On the flip side, If you have undeniable traction and can demonstrate healthy growth metrics, your pitch and deck can look like garbage and still get money.

It's all about presenting a full, well-rounded picture of your innovation that sells tha business as effectively as you'd like to ultimately sell your product.

To learn more about funding innovation to unlock growth, **talk to the experts at Boast** today, who have unmatched experience helping founders tap into non-dilutive funding to fuel their product runway.

To tap into more community resources, tailored coaching, and expert advice to help grow your business in Atlantic Canada, contact the Volta team today.

At Volta, we are dedicated to helping startups in Atlantic Canada take the risks needed to build incredibly valuable companies. We believe that every startup has the potential to make a positive impact on the world, and our mission is to help them drastically improve their odds of doing just that. We provide a range of services to our resident startups, including access to experienced advisors, a comprehensive performance framework, and a suite of tools and resources to help them grow their businesses.