

Article for Module 6

How VCs can Build Killer Pitch Decks to Attract Potential Investors

How VCs can Build Killer Pitch Decks to Attract Potential Investors

Author: Susana Garcia-Robles. **Source:** Taken from [Crunchbase](#).

August 19, 2021

As someone who has been building the venture capital industry in Latin America since 1999, what is happening right now in the region feels very rewarding.

The resilience shown during the pandemic is finally paying off, as the astounding funding numbers of the first half of 2021 begin to come out: LAVCA shows that companies raised approximately \$6.2 billion in VC investments in the first half of the year, a 51 percent increase over the total invested in 2020. Compared to the last half-year, the increase was 138 percent. The need for more local VC funds providing a continuum of financing rounds is clear, but are these funds finding it hard to attract sizable investment?

When I began my venture capital career, the VC world was all about internet exuberance and presenting million-dollar deals written on napkins that closed in a few days. As we all know, that didn't last. Those of us who are still working in venture capital learned several lessons from the dot-com bubble and its crash by October 2002.

I've analyzed thousands of pitches throughout my career and invested in close to 100 different VC funds, mostly in LatAm, and since 2020 in other regions including Africa, India and Southeast Asia.

Managing a venture capital fund requires ongoing fundraising. Whether pitching limited partners or informally meeting potential investors, it's crucial to have a killer pitch deck.

CREATING THE PERFECT PITCH DECK

When courting investors, your deck needs to sell not only the fund but also the market. Putting together the right deck takes time and constant revisions: after every conversation with a potential investor, revise your pitch deck to add clarity and address points of confusion.

Consider developing multiple decks for initial conversations and in-depth presentations of the fund. Clearly convey your message from the very first slide and remain laser-focused on your objective.

Everyone loves a good story. Focus on creating a deck that tells your story succinctly and effectively.

THE INTRODUCTION

Every story begins by introducing its main characters. Similarly, the first section of your deck needs to introduce the team and your investment strategy. Help LPs understand what your fund does, the team's background, and how these two are related.

What you do

The first challenge is to distill your entire pitch deck into one perfect sentence, avoiding business jargon and focusing on clarity. For example, "We invest in emerging education technology startups." Next, offer a high-level look at your firm. Include your investment thesis in a clear and compelling narrative. Make the investor see themselves as an essential component of the story.

Who you are

Selling your fund requires establishing trust and credibility with potential investors. Therefore, your deck should highlight your history and differentiators. What makes your fund different from others? What is unique about you today, and what will be unique about your firm in the future? Do you have an exceptional thesis in your space? Do you have access to an incredible network? How do you define success for the fund? Answering these questions with clarity and focus ensures your deck stands out from the pack.

Next, share your personal history and that of your co-founders. What is your background? What makes you uniquely qualified to manage these investments?

Highlighting your differentiators is key. Ultimately, this section should focus on building curiosity so the investor wants to continue moving through the deck.

TURNINGS POINTS AND THE WAY FORWARD

This section should explain what your firm does and why you are confident the fund will see great wins in your specific market. It should be data, logo and detail heavy.

Remember that whitespace is also essential. You want to provide the right amount of information without overwhelming the potential investor. The facts and information density should change in this section depending on the type of deck (introductory or in-depth)

Track record and metrics

Show the investor you are qualified and have a history of success. Only include data from investments you are directly accountable for—don't include deals where you were just an adviser, didn't take part in the final decisions, or didn't lead the transaction from beginning to end. Metrics should include providing an infographic where appropriate—drilling down to the critical numbers using minimal words and multiple visuals. For example, if your fund has a high internal rate of return, let that number stand by itself.

Educate the investor

When investors are considering emerging markets, you may need to educate them on the market. Show them that you know the market's specific challenges and opportunities while providing context for investment and opportunity. They may not be fully aware of all the intricacies in an emerging market, so share valuable and credible third-party sources to create awareness about the market and opportunity. These details not only help them better understand why they should invest, but it provides additional credibility for your team.

Sample investments

Show investors where their money goes. Highlight a few companies from past funds or show them a robust pipeline. Share what they do and how they fit into your investment theses.

Investment criteria

Make it very clear what you're looking to invest in and the growth potential. If you're looking to reach \$1 billion+ in the next few years, let them know. If your fund is looking to secure deals that can get a 10x, be clear. If you invest in several verticals, show them why you chose those and not others. Highlight the stages you invest in, the instruments you use: Are you an equity-only fund, a venture-debt fund, or a mezzanine fund with a blended approach? Show the investor your fund's strategy and how it plays into the investment thesis.

Target raise

Specify exactly what you're looking for from the investor. Be clear and identify the jurisdiction and currency. Potential investors are sometimes cautious about investing in emerging markets, so provide them with content and assurance. Is your fund a local regulated fund? What are the implications for foreign investors? Show the investor you can anticipate and answer their questions. If an investor asks a question you haven't addressed, consider adding that to your next deck revision.

THE BELLS AND WHISTLES

The final section of your deck is a chance to provide additional details and context that otherwise didn't fit earlier. For example, share how your fund's investments will impact the world.

Convey macro opportunity

Show how the investment will make a difference in providing access to services and products needed by millions. Explain how the companies your fund invests in delivers these elements.

Last step: create FOMO

Pitching to a potential investor should provoke "fear of missing out" on a great investment opportunity. Once you've established credibility and opportunity, hook the potential investor by highlighting the peers already moving into the market. Show the richness of activity in the region with logos of existing investors.