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In Defense of the Deck

By Bill Gurley

7-9 minutes

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July 7, 2015: My partners and I have noticed an interesting trend over the past few years: an increase in the number of entrepreneurs who prefer to pitch us without the use of a presentation deck. On one hand, this is totally understandable. Many believe that PowerPoint decks are emblematic of the type of bureaucracy disparaged in Dilbert cartoons. Others want to appear “casual” and “conversational” and view the presentation as overly formal. But, going deck-less can be a risky move, and here is why. Investors are not solely evaluating your company’s story. *They are also evaluating your ability to convey that story.* Efficiently communicating your strategy, business model, and competitive differentiation is required for many critical things you will do as a company.



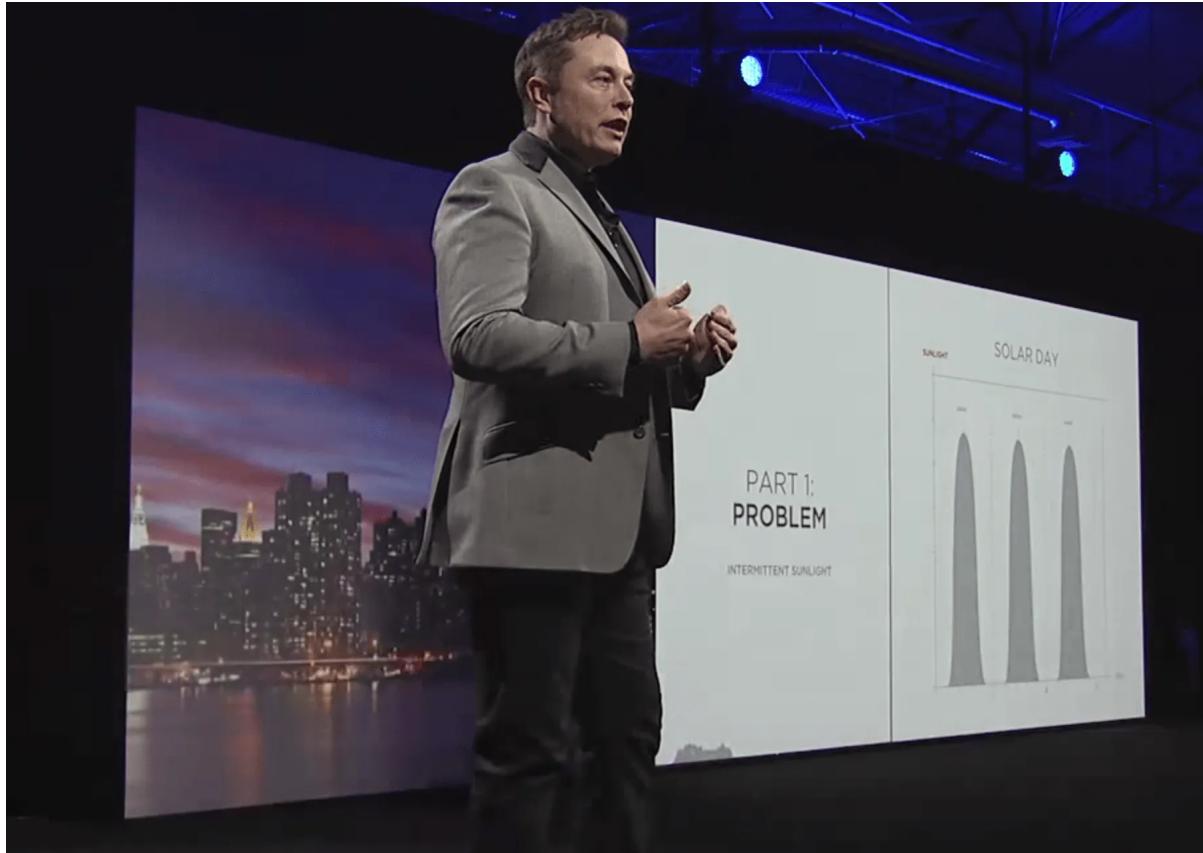
Can you raise money without a standard slide presentation? Sure. Can you have a great investor meeting that is purely conversation? Absolutely. But it is important to separate the possible from the optimal. If you are the next Google and everyone knows that you are in the driver’s seat, you should certainly do as you please. But if you are one of the thousands and thousands of startups that merely want to have an optimal fund raising process, I highly recommend that you develop a killer presentation.



Here are six reasons why good presentation decks are impactful:

1. **Importance of Narrative** – Last year I was turned on to an amazing book by [Jonathan Gottschall](#) titled *The Storytelling Animal*. Gottschall explains how storytelling plays a critical role in each and every human's life. The purpose of a presentation deck is to enable entrepreneurs to effectively tell the story of their business. In many ways it's like a structured scientific proof. You want to walk the listener through an argument as to why this is going to be an amazing business. The goal is to bring the investor to the VC equivalent of *Q.E.D.* A well-organized deck will gradually transport the listener to the desired conclusion – “this will be a great investment.” A rambling free-speech conversation is much less likely to achieve this goal.
2. **Controlling the Cadence** – When you have a single hour with investors, you want to use your time wisely and ensure that you deliver all your key points. The organized deck helps you control the tempo and guarantee that you make all your arguments, sequentially, in the time allotted. Once again, this is like a structured proof. You want your arguments to build towards a conclusion in a systematic way. For this same reason, you should also avoid jumping around in the deck (another common occurrence, especially from entrepreneurs with decks that are too large). It might seem to make sense to jump to another slide to give the investor an immediate answer, but this takes you off your game and out of the flow you intended. If the question is answered later in the deck, tell the listener you will discuss it later and postpone answering the question.
3. **Numeracy** – You will not find a single definition of “entrepreneur” that does not include the word “business.” Startups are businesses, and businesses run on numbers. Even if you are just starting your company it’s useful to have numeric analysis. It may simply be an expense analysis, or a detailed pricing model, or a TAM (total available market) analysis. If you are post launch, it might involve a viral coefficient discussion or a cohort analysis. If you are post-revenue, it should unquestionably include a financial statement and forward forecast. The one thing your presentation should not be is numberless. It’s nearly impossible to convey complex numerical arguments with only words. Charts, graphs, and tables are orders of magnitude more efficient at this task. The best entrepreneurs I have worked with are all intensely focused on the numbers.
4. **Storytelling Never Ends** – As CEO you are the company’s number one salesperson and storyteller. You will spend a large portion of your time recruiting. You will raise more money at later stages. You will do business development meetings. You will take meetings with large customers and prospects. You will need to motivate your employees, and you will (hopefully) be invited to speak at important industry conferences. It is highly unlikely you will do all those things without a structured presentation deck. One-off speeches will have less efficiency and impact. As your company’s “storyteller-in-chief,” it is important for you to be great at this technique. And it’s a skill where practice really impacts performance. So you should start practicing as soon as you possibly can. VCs believe that better storytellers make better entrepreneurs.

5. **The Process Itself Is Useful** – The process of crafting the story of your company for the first time can be a cathartic experience. As you and your co-founders start to lay out things like positioning, business model and pricing assumptions, market focus, and key recruiting priorities, you will likely find that not everyone is on the same page. Developing a presentation deck gives you a great forum to nail those things down and to ensure that everyone is working with a common purpose. You will also find that some people are more creative than others at cramming the key parts of a presentation into 20-25 slides (don't do more than 25) and delivering a very persuasive structured story for your company. The first version will not be great. Show it to your internal team, show it to a few outsiders, get feedback, and iterate. It's a process. If your team is new to this, I recommend reading *Presenting To Win: The Art of Telling Your Story* by Jerry Weissman.
6. **Be Like Steve** – Take to YouTube and do some searches for the very best entrepreneurial CEOs. Search for 'Jeff Bezos presentation,' or 'Marc Benioff presentation,' or 'Elon Musk presentation' or 'Steve Jobs presentation,' and you will see that they universally use some form of presentation deck to guide their delivery. I have also seen modern day entrepreneurial leaders like Brian Chesky and Travis Kalanick speak at investor conferences, confidently leveraging the power of a deck. If you choose to freestyle without a deck when so many of the greats make it a normal practice, you risk leaving the impression that either (a) you don't have the skills to produce a killer presentation, or (b) you are simply indifferent to why it is important. Neither is a good impression to leave with investors.



There is one situation where meeting without a presentation deck is warranted. If you have never met the potential investor and are unsure you want to share your data with this individual, then you have a very valid reason not to go through a detailed presentation. In this case, I would suggest that you make it clear up front that you view this as a “get-to-know-you” meeting and that you will not be diving deep on

the business at this time. This will avoid having mismatched expectations.



15 million iPads sold in 2010

9 months (April-December)

More than every Tablet PC ever sold

\$9.5 billion in 2010

>90% market share

Competitors flummoxed

If you are lucky enough to grow your company from Series A to Series B to Series C, and on to hundreds of millions of dollars in revenue and a successful IPO, you will need to tell your company's story in high-stakes situations over and over and over again. Because of this, venture capitalists place huge positive weight on how good you are at this skill. The great storytellers have an unfair competitive advantage. They are going to recruit better, they will be darlings in the press, they are going to raise money more easily and at higher prices, they are going to close amazing business developer partnerships, and they are going to have a strong and cohesive corporate culture. Perhaps more to the point, they are more likely to deliver a positive investment return.