How to Think Like an Investor When Preparing Your Pitch Deck

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Startups are no longer confined to their local markets for fundraising. In the last decade, global venture capital (VC) investment in the startup ecosystem surged from $347 billion in 2010 across 31,623 deals to $671 billion in 2021 across 38,644 deals.

Startups are looking for more than just cold monetary transactions to fuel their growth and global exposure.

Today, successful startup fundraising boils down to one single most important thing: the pitch deck. It’s still the golden ticket for startups to secure both local and global VC funding. However, there are strategic differences between these two.

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The differences between the investment strategies of local and global VC firms

Local VC firms usually invest close to home, often within their own country. This is usually because they know their local market well, including its trends and regulatory nuances. Moreover, they often invest based on personal

connections and grasp local culture and business habits well. This helps them pick and support startups that fit well in their region.

Local VC firms typically invest in newer startups but in well-known markets. They're also a bit more careful with their investments, building trust and checking everything before investing.

As their name suggests, global VC firms invest all over the world. They're open to investing in startups from different countries, giving them a wider view and spreading their risks. Usually, they have a mix of investments in different areas and industries. And they're especially interested in new tech and business ideas that can change industries.

They mostly invest in startups that have already shown some success and focus on newer markets. They're willing to take more risks and generally quicker in making decisions. While they, too, check everything before investing, they are more likely to invest if they feel there is an excellent opportunity.

So, it's fair to say there are some basic differences in their investment perspectives. That's why your pitch deck must be more than just a presentation for securing global VC funding and exposure.

Let's dig deeper into the stats.

1. Techcrunch analyzed that VC investors are spending 24% less time evaluating pitch decks in 2022 than in 2021.
2. According to Infobrandz's recent research paper, global startup funding astonishingly crashed down from $42 billion in 2021 to $25 billion in 2022, 40.5% less than in 2021, as investors were looking for more risk-averse investment opportunities.
3. A recent industry research report published by AstelVentures highlights that you have to capture

investors’ attention in the first 30 seconds or first 2 to 3 slides of your pitch deck presentation else you risk losing them for the rest of the presentation.

Factually, it’s getting tougher to win global investment, and your pitch deck can turn it around.

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Proven pitch deck trends

Let’s now study the trends and understand the investors’ perspective here. After all, investors see hundreds, if not thousands, of pitch decks each year. So, finding what sets the successful ones apart is crucial so you can learn what investors look for and optimize your pitch deck accordingly.

First, visual content plays an increasingly crucial role in a pitch deck. This is because it helps to simplify complex information, making it easier for investors to understand your business model, market opportunity, and growth strategy. A well-designed pitch deck can make a lasting impression, helping you stand out in a sea of startups. Investors also want to see that you’ve identified a significant problem and have a unique solution that is different and better than what’s currently available, as this directly affects your sales. Moreover, investors are looking for businesses that can scale over time. They want to see a large and growing market for your product or service to ensure long-term returns.

Most importantly, they want to know how you will make money. This is a key question investors want answered to see a clear and viable business model that shows potential for high returns. But one key factor is as important as the numbers and aesthetics – a factor often missed in pitches. Yes, I’m talking about the human factor!

Investors invest in people as much as they invest in their business ideas. They want to see a passionate, capable team with the skills and experience to execute the business plan. After all, it’s often the grit and determination of the team that makes all the difference when a business faces challenges in a volatile market.

How to craft a pitch deck in 2023

Now that we understand what investors are looking for, how do we craft a pitch deck that ticks all the boxes?

Here are the essential elements of a Pitch Deck:

1. **Storytelling and design** – A successful pitch deck tells a compelling story about your business idea and team. It uses visual content to engage the audience, create an emotional connection, and make the business idea come alive. The pitch deck’s design should be professional, clean, and on-brand.
2. **Data and validation** – Investors want proof. Include data that validates your market opportunity, business model, and growth projections. This could be in the form of market research, customer testimonials, or key performance indicators that are presented aesthetically.
3. **Call to action** – End your pitch deck with a catchy and convincing call to action. What do you want investors to do next? Whether scheduling a follow-up meeting or investing in your startup, make sure it’s clear and compelling.

Understanding the investor’s perspective is key to crafting a successful pitch deck, as the future of global fundraising is likely to be even more interconnected and competitive. Further, startups that can adapt to the evolving funding landscape, leverage technology, and align to the multi-cultural nature of the business will be well-positioned to stand out in the international arena.

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