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A brutally simple investment pitch guide

Sources: Elysian Fields clients

Plus, 500 startups, YC, Alexander Jarvis, Hiten Shah, Marie Prokepets, Foundrs group, Ascension Ventures,
James Church, A16Z, Union Sq Ventures, Founders Forum,
Guy Kawasaki, Brad Field, Alejandro Cremades and more

Our experience



Martin Bailie

Entrepreneur running internet businesses since 1998.

Raised VC, two exits, two failures. Marketing consultant to global brands.

Lean product development, ran a global innovation lab and now business strategy coach.

Sales and VC investment strategy for Series A and B tech startups.

[Facebook](#)

[Linkedin](#)



Fergus Hay

Global brand management experience Asia, Europe, USA.

Investor, CEO, Chairman and Board member of several digital businesses.

Advisor to VC funds, including Lakestar in Europe

[Linkedin](#)

Clients

soul machines

Builder.ai
everyday phenomenal

openpay

Uber

foodpanda

CoGo
CONNECTING GOOD

GETTRANSFER
TRANSFERS ANYWHERE

1% ONEFOOTBALL

E•F

VC partners

LAKE
STAR

blue
horizon

RYSE
Asset Management

blue lion
global.

Corporate experience

Coca-Cola

Unilever

BRITISH AIRWAYS

BASF
We create chemistry

IBM



“As a founder, If you haven’t done customer research, you are a fool.

If you invest in a business which hasn’t done customer research, you are a bigger fool.”

Dharmash Mistry

Partner at Balderton/Lakestar/Blue Lion



- Rapid Growth
- Other Defensibilities
- Network Effects
- Good Company Name
- Business (Not Product)
- Competitive Opening
- High LTV
- Low CAC
- Channel Partnerships
- Reputable Investors
- Team in One Place
- Scalable Acquisition
- Good Unit Economics
- Paying Customers
- Customer Retention
- Active Users
- Customer Waitlist
- Ability to Build Product
- Expert Advisors
- Fresh, Good Idea
- Great Team
- Big Market
- Customer Need

50% of VC deliverables are related to customers and customer insight

Early stage:

How to build something customers want and how to attract them

Later stage:

How to profitably market to customers at scale

Powerful marketing is a significant factor for raising capital



"We invested in Revolut because their CAC was sub \$1 vs \$20+ that competitors such as Monzo, N26 and Chime were achieving"

Manu Gupte

Founder of Blue Lion, ex-founding partner of Lakestar

A brutally simple investment pitch guide

Pitch basics

Your pitch's three killer points

PROBLEM

SOLUTION INSIGHTS

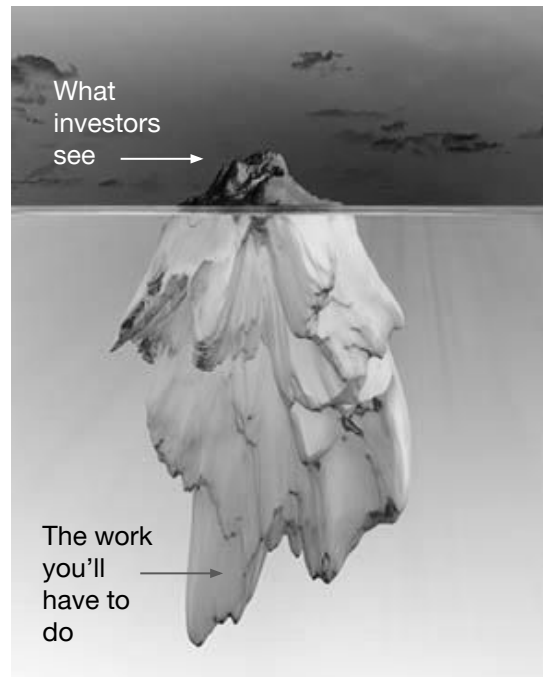
EVIDENCE

Each slide is the tip of an iceberg

Each slide hides a pile of work to validate business assumptions, reduce a story to a handful of messages and collect detailed evidence supporting everything claimed.

To achieve a 'Hell Yes!' from an investor, all risks have to be understood *then* mitigated.

So your job is to do the work to remove perceived risks, one by one with tonnes of evidence.



Create clarity and credibility

We've worked with Pre-Seed, Seed, Series A and Series B tech businesses for over 20 years. We sit on Boards, are investors and work closely with VCs.

We've found these two factors dramatically affect pitching success:

- ✓ The **clarity** of an offer, their value, the investment opportunity and uniqueness.
- ✓ The **credibility** of insights, traction, execution and the team.

The Position & Pitch programme helps founders deliver on these two critical areas.

How to create clarity

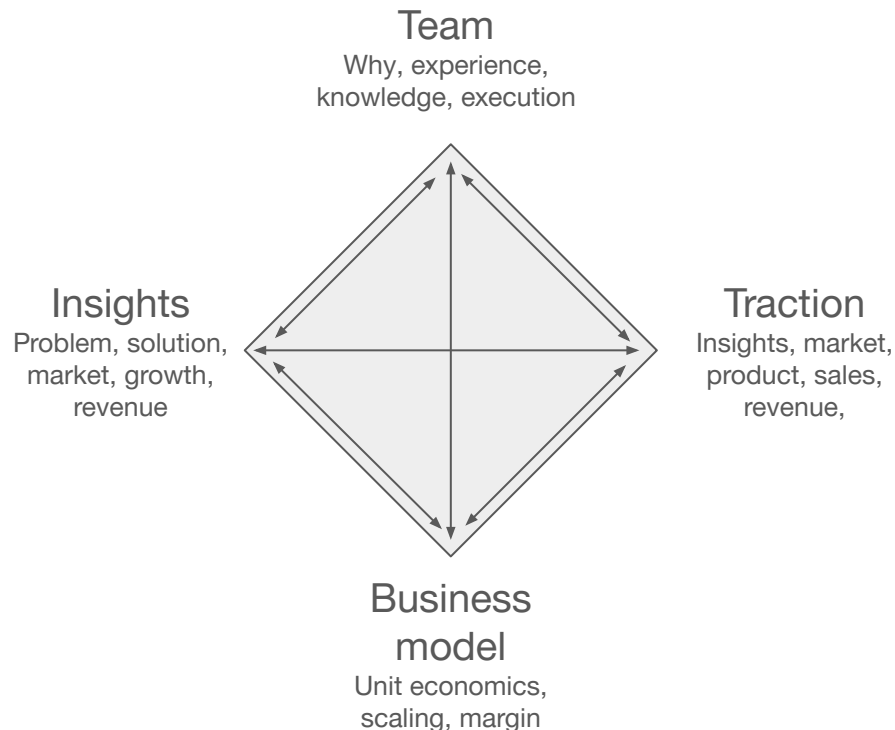
- ✓ Deliver your **value proposition** upfront and *then* the story behind it
- ✓ Use one **idea** per slide
- ✓ No **jargon**
- ✓ Do the work to **refine and reduce** your message to your core value
- ✓ Know your **position** in the market and how the market is changing
- ✓ Know the strengths of **competitors** and how you'll mitigate them
- ✓ Create your own category: **a space away from competition**
- ✓ Know your **critical messages** and stick to them
- ✓ **Practice** on everyone for clarity (not business validation!)

How to engineer credibility

Investors have to say ‘No’ most of the time. For a ‘Yes’, they need to feel the offer is credible (to believe, trust and feel it’s plausible).

Position & Pitch’s proprietary model for helping founders engineer a successful sales and investment involves our Credibility Design Framework.

Action in any area of the framework delivers credibility, affecting all other areas. Over time this creates a virtuous chain of credibility through accumulated evidence.



How to gather evidence

Create a straight line logic

All assumptions should be tested.

Risky, business critical assumptions validated first. Use the Customer Development process.

Ideally, it should be easy to see the logic in a straight line:

.....▶
Risky Assumption > Hypothesis > Test > Discoveries > Further Hypotheses Repeat

“We believe [this outcome] will be achieved if [these users] attain [a benefit] with [this solution/feature/idea].”

The Business Model Canvas is a tool for visualising and then organising assumption testing.

You don't want an investor to point out unvalidated risky assumptions that can sink your business.

You want to have all risky assumptions thoroughly tested with quality data as evidence

Key questions your pitch needs to answer

- What's the big **problem** I'm solving for?
- What's my solution, and what makes it **special** and compelling?
- Do I have customer **validation**?
- What do I think the **unit economics** would be?
- How much cash would I need to hit my **milestones**?
- **KPIs:** Over the next 12 months with X amount of cash, what are the three things that I could tell the investor at the end of the 12 months that say, "You successfully invested your money"?

What investors would LOVE to see

- ✓ You're attacking a **large painful problem** that matters to enough people.
- ✓ You've a team with relevant **experience** and/or **exits**.
- ✓ You're discovering a solution through rigorous **testing**.
- ✓ You've double-digit month on month **growth**.
- ✓ Your traction is a result of focus, a passion for the problem and testing.
- ✓ You're obsessed with metrics and lowering CAC.
- ✓ Your timing is great - the right tech trends are converging for buyer need.
- ✓ You've invented **great IP** that delivers a 10x improvement - a transformation for a niche customer and a disruption to an industry.
- ✓ Best of all your approach is **defensible** - be it code, a process or network effects.

Know what you want from the funding round

	Friends and Family/ Pre-seed	Seed	Series A
Your evidence	Idea, proof of concept	Paying customers	Established user base and recurring revenue
Investment used for	Finance prototypes, market testing	Finance market-ready product, scale marketing, optimise customer quality	Finance scaling within chosen market (hopefully no pivots) Investors: Venture funds, larger Angels, crowdfunding
Investors	Family/friends, Small ticket Angels	Angels, Family Office, Seed Venture funds	Venture funds
Raise	\$50-\$500k max	\$500k-\$3m	\$2-20m
Valuation	\$1m valuation	\$3m-\$10m	\$10-\$20m
Equity sold	Up to 15%	15-20%	20%

Rules of the game

DO

1. Have a passion for a difficult problem. Hard problems might be hard to solve but when they are, they create a big business.
2. Have ambition to make a fast growing businesses.
3. Be obsessive with metrics and discovery. You're discovering the killer solution, not building it.
4. Seek VCs and Angels as partners and be open to coaching.

DON'T

1. Ask for validation of your idea. Investors don't know, only the market does.
2. Ask for too much cash. There are common rules of thumb for each stage. If in doubt, work backwards from the dilution you're happy with and the money you really need to hit the next milestone.
3. Ask for money. You're selling an investment opportunity so it's a fair value exchange.
4. Waffle. Know your three big points to get across and share them first.

TITLE

Value proposition

Awards, accolades, testimonial

PROBLEM & TRENDS

What

Who is experiencing what and why?

Share your insights into a frequently experienced, painful, large scale problem.

Or, you're tapping into social, tech or economic trends. Ideally, a growing trend with people using workarounds or willing to pay to fix it. An emerging issue that's getting hot.

Choose 'a slipstream'.

Why

Problems in fast growth markets, large revenue potential and monopoly potential provide the unicorn returns needed for VC funds.

Takeout

"This problem is massive and these people have a unique take on it"

OPPORTUNITY

What

The gap you've found.

Describe the growing nature of the problem and how the trends are creating a new opportunity. Show where incumbents are failing to solve the problem

The gap = the space that emerges if problem could be solved

Why

Investors are looking for Founder-Market Fit eg. founders who obsess about the problem and can see a new world where the problem is solved

VC Takeout

"I can see an exciting opportunity in trying to solve this problem!"

SOLUTION

What

Simple Value Proposition:

We do **X** for **Y** with our new **Z** to deliver a 10x **benefit**

Why

Ideally your offer must be transformational, solving the problem with a 10x benefit in order to maximise investment upside.

Takeout

“I totally see value in what you do”

UNDERLYING MAGIC

What

Your unique insights and your IP.
Created through your deep expertise and validated
with constant testing.

Why

Investors will seek plenty of evidence of your
competitive advantage, and signs of your ability to
scale.

VC Takeout

“I trust you have some unique IP here”

MARKET SIZE

What

How many are feeling the problem and can buy your solution?

Honestly analysed top down & bottom up, and niches within, both now and how it may change with your insight.

Your target niche will change with your business approach. Add contributing trends in social behaviour, technology and spend (economics).

Why

Most market capture projections are BS. So be clear who you're going after, complete with insights into why.

VC Takeout

“They really understand their market and can see a way to grow it and/or own it”

DEMO

What

How we have solved the problem in a defensible way delivering 10x the value vs the old way.

Easy, visual walk through of *how* your solution solves the problem described delivering 10x value vs the market/incumbents

Why

Audience must be able to see that the solution is 10x better.

This is less academic, more gut - they'll want to feel the suitability of this approach

VC Takeout

“Wow, what a simple solution to this problem!”

YOUR TEAM

What

Deep sector and startup experience.
Expertise that makes team 'rock stars' in the industry they are in
Personable, coachable, smart.
At least one Hustler and Hacker.

Why

It takes founders 4 attempts (on average) to get a good business.
Relevant sector experience provides deep insight unavailable to those outside the industry.

Takeout

"I trust this team to execute and know how to solve this problem"

WHY YOU & WHY NOW

What

Why now (trends) summary

Why you (experience, passion, vision, traction)

Why

Investors would rather a B plan with an A team, than vice versa.

You're discovering a solution to a problem so investors want people they can trust.

Takeout

"These guys are motivated and know how to succeed"

UNIT ECONOMICS

What

1. Business model

“We sell direct to consumers”

“We sell a licence to our software”

Show how you make more profit from a customer than the total cost of acquiring them.

2. Unit economics

Show that you can deliver sustainable (preferably organic) growth.

[How to calculate unit economics](#)

Why

“If the company has the metrics, they get funded.” This is an investment opportunity, not Product Hunt. So only validated business growth metrics are relevant.

VC Takeout

“This is a sensible, scalable business. I understand how it works.”

TRACTION

What

Describe progress in solving the problem scalably.

List your critical risks and assumptions.

Then list the tests, learning and milestones you've delivered to either unique insights, remove or mitigate the risks, or to validate assumptions.

What we've learnt / mistakes made

What we're doing to learn the right stuff to make this work

Why

Show how you've validated risky assumptions consistently and made steady progress each month

Takeout

"I can trust them to work this out."

COMPETITIVE STRATEGY

What

Will you get users to switch or are you creating a new market?

Who are the competitors, what do they do, how much are they worth and what do you offer specifically that will get users to switch/grow the market/attract new users into the market?

Which strategy will you choose and how will you win?

Are you a David (against Goliath)?

Are you an Expert (in a niche you can dominate?)

E • F Are you a Pioneer (in a brand new space?)

Why

If the Market slide covers the size and nature of the opportunity, your Competitive Strategy covers how you will gain market share by gaining users.

Takeout

“They understand the challenges and have a plan to gain significant market share.”

GO TO MARKET

What

Can you create a flywheel of growth with customer recommendation delivering a low CAC?

Provide a realistic plan for managed growth based on tests and market experience.

Why

Many businesses fail at distribution and conversion. Show tests of the assumptions behind your growth. Include insight into the psychology and behaviour change governing your planned success.

Takeout

“I can see how they are engineering growth month on month”

FORECASTS

What

Monthly growth, based on the discovery process paying off.

Everyone forecasts hockey stick graphs so be wary and work off planned testing phases.

Don't use graphs which are cumulative unless noted as such. It's misleading.

Why

Try to base data off previous testing to provide trust that a) you know your numbers and b) this is a business that can grow.

Takeout

"OK, I can see this *could* be a big business...one day!"

MILESTONES & FUNDING

What

What you want to achieve, by when,
with what capital

Share how fundraising will deliver more
competitive advantage based on scaling existing
tests and your process delivering traction.

Product roadmap.

Why

Build trust in execution with a steady, tested and
realistic plan with achievable milestones. Be clear
about the funding needed for each milestone.

Takeout

“They’ll be prudent, methodical and responsible
with my cash”

Good luck!

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