MARKETING STRATEGY TEMPLATE

STOLEN
From the Greatest Pitch Decks of All Time
HI, I’M MATT!

As a seed stage investor with 500 Startups, I reviewed over a thousand pitches, and backed 35 companies in Europe. But I actually started my career as a marketer in Silicon Valley (Three startups: two disasters, one exit). In 2004, I joined PayPal, and we spent 10 years helping each other grow. As a result, I’ve learned to “see through the eyes of an investor” (a very sceptical one), and think like a marketer at the same time. Two very different perspectives.

I hope this guide will help you, dear marketer, articulate a marketing strategy that makes as much sense to investors who back it as it does to the marketers who will bring it to life. And more importantly, I hope you get results!
Marketing is always an investment. Whether you’re “pitching” to get backing from a VC or your CFO, just know you’re on Shark Tank, and you need to prove that for each dollar they invest, they will get many more dollars back in return. (Yep, it’s truly that simple!)

Hence, as a “thought experiment” we’re going to start with your pitch deck and work backwards to figure out what we have to prove to investors. From there, the marketing strategy should flow.

Note: Even if you work in a big company, do this quick exercise to focus your thinking on the most important factors. You still need to “pitch” for your budget.
3 Steps in This Document:

1. Review pitch decks for inspiration & examples
2. Walk through your own thinking, “mind map” it out
3. Draft the marketing strategy “pitch” to dazzle your CFO
STEP 1
Review Unicorn Pitch Decks

4 Essential Parts of Every Winning Pitch Deck

The great pitch decks of all time (Uber, AirBnB, Moz, TransferWise, LinkedIn) aren’t long or fancy. But they each include 4 essential parts:

1. **The Problem** – Start with a specific problem people feel often.
2. **The Solution** – Show how you solve that specific problem.
3. **Distribution Channels** – Present inexpensive places to find these people, a mix of proven, and hypotheses-stage channels.
4. **Validation** – Prove you can find people who will pay you (money, time, or both) to solve their problem. Ideally this is traction. If not, at-least an experiment.
Notice in these decks, the “problems” are quite specific. Your “problem” needs to be a pain people consciously feel. For example, they hate waiting for expensive taxis in the rain, or they’re frustrated that hotels are disconnected from local culture. It should not be a problem with the world (e.g. people waste too much food. Focus on problems that consumers will pay to fix.)
THE SOLUTION

Of course your product or service needs to make the customer feel better fast. It’s good to explain your solution. But as marketers, our most important job is to make sure new customers experience that magic as quickly as possible. So make sure no matter how complicated your product is, new customers experience the “magic” moment fast!

User Benefits

- Cabs don’t guarantee pickup, can take 45 mins
- Cab aren’t as safe or clean as limos
- Car services require 1-3 hours notice
- Car services transfers average over $60 + tax

- UberCab would be faster & cheaper than a limo, but nicer & safer than a taxicab
DISTRIBUTION CHANNELS

Where are your customers when they feel this pain? And how are you going to reach them there and demonstrate the value of your offering? Ideally these are very low-cost channels, and as you’ll see from these examples, they are quite specific to the problem and the customer.

At the time AirBnB was pitching with this seed deck, “Events” were a proven channel where they’d had success. But “Craigslist” was still a hypothesis.

Uber’s “where” was a smartphone (this was 2008), but they also know exactly where the customer would be when they’ll feel the problem most acutely.
VALIDATION
Best way to convince Investors

Founders use lots of tricks to justify an investment recommendation: Success of similar companies, market data, Social proof FOMO (who else is investing). Smart investors will ignore all of that. The proven pitch decks we’re stealing from justify their recommendations with Validation.

That’s simply proof your approach will get total strangers to use and pay for your service. The sooner you can get that, the better.

VALIDATION WITH TRACTION

“Traction” can be small numbers. This slide from TransferWise’s seed deck only shows 2,000 payments in June 2013, and doesn’t even mention the number of customers. But they did that with zero marketing spend!

TransferWise Seed Deck: Quality Traction
These are all paying customers, and they’re growing 20% month-on-month. And 70% of transaction volume is from repeat customers! Their revenue is under $10,000. But that’s insanely good traction, because it proves they can acquire and retain paying customers for almost no money!

Here in LinkedIn’s Series B deck, you can see what “traction” means for a later-stage company. Even at Series B, this is not about financials, the focus is on the rate of growth, the quality of customers, and increasing levels of engagement.
VALIDATION
BEFORE YOU HAVE TRACTION

What if your startup does not yet have traction? Then you have a hypothesis. You might think it’s brilliant. It might have worked for lots of other companies. It might make perfect sense on paper. But until you execute and acquire happy customers... it is a hypothesis. And the only way to test a hypothesis is with an experiment.

That’s just where Uber was when they set out to raise their Seed round in 2008. It all made great sense on paper, but they needed to run a test: 10 cars in San Francisco.

Uber Cab Fleet
- Premium – S550 for SF Beta clients
  - 30mpg with S400 BlueHybrid (in 2010)
  - Standard – Lexus GS450h or e320– 23mpg
- Existing cab/towncar fleets get 14-16 mpg

Initial Service Area
- Central SF to Start, Manhattan soon after

Uber Seed Deck: First Pilot, 10 cars in San Francisco
What’s your Riskiest Assumption?

At this stage, your time and cash are tight. So think about your riskiest assumption: What is the main thing you need to prove? And what’s the fastest simplest possible experiment you can run to prove that thing? Speed is key: If you’re right, you can raise faster on better terms. If you’re wrong… you can move to your next hypothesis faster.

TRAVIS WAS DEAD WRONG. SO ARE YOU.

Of course we all know Uber was a massive success. But look at their initial “marketing ideas” slide. They really didn’t understand their customers. “The NetJets of Limos”? (Surely fractional private jet ownership is something we can all relate to.) But… they ran their experiment and they learned fast!

Marketing Ideas

- YellowCab is the only recognizable brand
  - Become the ubiquitous “premium” cab service
- Invite Only, referred from an existing member
- Possible slogan: The One-click cab
- The NetJets of Limos
- Cabs2.0

Uber Seed Deck: Marketing Ideas
Also, look at Uber’s potential outcomes slide. The “realistic success scenario” was $20M - $30M/year. They literally had no idea what was going to happen. And neither do you.

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<th>Potential Outcomes</th>
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<td><strong>Best-Case Scenario</strong></td>
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<td>- Becomes market leader, $1B+ in yearly revenue</td>
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<td><strong>Realistic Success Scenario</strong></td>
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<td>- Gets 5% of the top 5 US Cities</td>
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<td>- Generates 20-30M+ per year profit</td>
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<td><strong>Worst-Case Scenario</strong></td>
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<td>- Remains a 10 car, 100 client service in SF</td>
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<td>- Time-saver for San-Francisco based executives</td>
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**My Main Point:**

Until you’ve run the test... everything is just a hypothesis. And that’s why pitch decks need validation. So go run the test!
STEP 2

Map out your strategy

The questions below will help you think through how to map out your marketing strategy and pitch your answer to your potential backers.

1. The Customer and Their Problem:

What do people want to do, but cannot easily do now?

Hail a taxi in the rain? (Uber) Take payments on their website? (Stripe) Find jobs on the internet? (LinkedIn) Find information on the internet? (Google).

Be honest with yourself. What would people literally wake up in the morning and say “I sure wish it weren’t so hard to ______.” If they Google for a “how to,” what exact question would they type in?
Where, literally, do people feel this pain?

AirBnB found guests who were unhappy with hotel rooms on Craigslist. Instagram found aspiring photographers on Facebook. PayPal found frustrated sellers on eBay. Where are your customers when they feel this need most acutely? (If you solve multiple problems, start with the one people feel most acutely and most frequently.)

How are they solving that problem at the moment?

Do you have a direct competitor? What part of the problem are they failing to solve? Or are people currently cobbling together their own solutions (e.g. using a mix of Excel, Airtable, duct tape and post-it notes?) Are these “alternative solutions” adequate?
Our customers will choose us and love us because we let them:

Now describe the value you deliver to customers, using the words your customers actually use.

The best way to measure if we’re delivering that value is this one metric:

This should be a tracked user action that indicates you have delivered value to a customer. (e.g. number of payments received, number of messages sent, number of rides with at-least 4-star ratings, number of meals delivered with at-least 4-star ratings, number of new customers who purchase an item.) This metric must reflect a conscious investment of time, effort or money on the part of the customer.
Common Fears & Objections?

When people first learn about your solution, what questions or concerns do they express? This could be confusion about the offering or the price, how it fits into their workflow. They might worry that it will take a lot of time or be hard to use. Or... just a general fear of the new and uncertain, plus the pull of inertia and old habits.

Discuss these answers with your team. If you disagree about any of them... then you’re going to disagree about your marketing strategy. Settle your disagreements with evidence from customer behaviour - real valid data from your customers. If you can’t come to a consensus on the right direction, at-least agree on how you will get valid customer insight to point you in the right direction.
2. Generate Hypotheses

Where will we find these customers?
Go back to the section about “where do they feel the pain” and brainstorm some channels that will get your message to the customer as close to this point as possible.

List as many good ideas as you can come up with. Use extra paper if necessary.
How do we get their attention?

If your category is well established and widely understood (e.g. if you are a challenger bank), you need to demonstrate why you are better than well-known alternatives. If you’re offering a new or unknown service, better to start by talking about the problem, or demonstrating the results, because your customers are thinking about the problem. Rather than leading with the product, you may want to get their attention with something closer to the problem than the solution (e.g. a “Free Guide How to _____” or a quiz or workshop). List as many good ideas as you can come up with.
How do we get them to “feel the magic”?
If your service does a job well, and takes away somebody’s problem, you need them to experience that as soon as possible. Some people do this with a free trial or sample, or a “freemium” service that solves the first part of the problem. Others do it with an inexpensive starter product or a sales demo. The important thing is you need to get them there before you ask them to invest a lot of time, effort or money. List as many good ideas as you can come up with.
3. Score Your Ideas

What’s Already Working?

From the questions above (where to find them, how to get their attention, how they’ll feel the magic) list out any proven channels where you have actually had success getting customers. For each one, score them quickly (scale from 1 – 5) based on how large they can scale, and how cheaply/easily they will work at scale. Write down your biggest cheapest easiest proven channels.

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<tr>
<th>Description of Proven Acquisition Method</th>
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<th>Cost (1-5)</th>
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Best New Bets?

From the questions above (where to find them, how to get their attention, how they’ll feel the magic) pull out all your best ideas where you expect you will find more customers. Feel free to combine ideas (e.g. offer X thing in Y channel). Score each idea quickly (scale from 1 – 5) based on how large they can scale, and how cheaply/easily they will work at scale.

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Ideas to Test

Look over the previous list, and highlight all the ideas where the “size” is 4 or 5. For each of those ideas, you’ll want to design an experiment. If the “cost” is low (e.g. 1 – 2) just go ahead and test them. If the “cost” is high, you’ll need to find a way to do a quick simple experiment to prove out your key assumptions before you invest more.
4. Design Your Experiments

BIG IDEA # 1

What’s the riskiest assumption that could prevent that idea from working?

And what is the quickest, easiest way you can test that assumption?
(For example, if your idea involves SEO, try using paid search first to check the volumes and quality of the customers you’d acquire. If it involves building a new feature, try promoting the new feature through email or on your site before you build it to see if anyone clicks “buy.”)
BIG IDEA # 2

What’s the riskiest assumption that could prevent that idea from working?

And what is the quickest, easiest way you can test that assumption?
BIG IDEA # 3

What’s the riskiest assumption that could prevent that idea from working?

And what is the quickest, easiest way you can test that assumption?

Great! Last step is to write down your hypothesis and success metrics, get resources, and go run those tests!
STEP 3
Draft your Strategy Pitch

What Does “Strategy” Mean to Investors?
Many finance types have a rather thin definition of strategy, they see it as a resource allocation exercise: Given a finite amount of resources (cash, people’s time, engineering days, etc.) how can you invest them wisely? Which “bets” will reliably provide the largest, fastest payback? That’s it.

Proven Levers
(~70% of investment for a mature business, much less for a startup)
Indicate the time period of the investment, and then list up to 3 initiatives, spelling out:

- Brief description
- Cash investment required
- People needed – indicate any scarce resources such as engineering
- Total new customers you’ll commit to acquire
- Value of those customers based on historical LTV for that channel/tactic
Proven Lever #1

Description:

Data: (Previous results to substantiate the investment recommendation)

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<th>Resources Needed (Money, People)</th>
<th>New Customers</th>
<th>Known LTV</th>
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## Proven Lever #2

**Description:**

**Data:** (Previous results to substantiate the investment recommendation)

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Proven Lever #3

**Description:**

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New Bets (Hypotheses)
(30% for a mature business, up to 100% for a startup!)

IDEA #1

Hypothesis: (We believe that doing ____ will cause _____ because ______).

Riskiest Assumption

Experiment: (Therefore we will____) and we predict _____.

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IDEA #2

Hypothesis: (We believe that doing ____ will cause _____ because ______).

Riskiest Assumption

Experiment: (Therefore we will____) and we predict _____.

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IDEA #3

Hypothesis: (We believe that doing ____ will cause _____ because ______).

Riskiest Assumption

Experiment: (Therefore we will____) and we predict _____.

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DOCUMENTING YOUR STRATEGY

Ultimately you need to focus on a few big bets with high probability of success and good unit economics at scale. You can use Word, PowerPoint, Excel, smoke signals or interpretive dance. As long as you start with this:

“We are asking for ______ resources (ppl, money), so we can deliver ______ customers worth $______ by _______ (date). We’ll do that through a mix of proven levers and carefully chosen new bets.”

Specifics will vary depending on your audience and how well they already know your business. But ultimately you want to walk them through the thinking in a way that tells a story; a story that leads inevitably to your recommendations.

“HOOK” Background

Grab their attention with the market – size and intensity of the problem. If you have traction, include a brief “teaser” stat from those results.

- a. Customers – market size
- b. Customers - their pain points
- c. Traction – short “teaser” headline stat
The Solution
If your audience is not familiar with the product or service, this is a good place to share it with them, in the context of customers’ pain points.

Traction
Show your results in more detail, and highlight:

a. Low cost referral or “organic” acquisition
b. Good customer quality (retention and repeat rates)
c. What you have learned from what worked and what didn’t
d. Any experiments you have run that will justify further investment

Recommendations
The meat of the strategy, these are the recommendations you just developed:

a. Proven Investments – 70% of your ask (for mature businesses) down to zero for pre-traction startups.
b. New Bets + Experiments – 30% of your investment for a mature business, up to 100% for a pre-traction startup.
Budget & Timeline

A strategy is not a tactical execution plan, but... you are asking for a certain amount of money to achieve certain goals by a certain time, and it’s essential to summarise spending and key milestones (at a high level) on a single page.

Conclusion

Zoom back out, re-focus the room on your traction, success to-date, and the size of the opportunity. And reiterate your key asks.
**Non-Essential / Appendix Slides**

**Details on Experiments**

One slide overview of each experiment you’ve run.

**Details on Key Assumptions**

Wherever you’ve got an important assumption (market size, cost per acquisition, conversion rate, LTV, etc.), add a slide to unpack your thinking, where you got the data, what assumptions it includes, etc.

**Not Doing List**

Start-ups always have way too many ideas, and it’s important to stay focused, so it might be helpful to list out things that are tempting, or keep getting discussed but not prioritised (Too small, too hard, too risky, not focused on the core business, etc.). Share the list internally, but probably not in your fundraising pitch deck.
Realistically, 90% of startup deaths are self-inflicted, and have nothing to do with competition. But ex-consultants and MBAs love a good “competitive matrix” slide. And it is helpful to review and think about competition as it supports your recommendations and addresses investor concerns:

a. **Direct Weak Competitors** – Who obviously solve the same problems badly (e.g. Uber vs. Taxis)? This is great because it simultaneously validates the size of the market and your competitive advantages.

b. **Direct Strong Competitors** – Who is doing the job well (ideally in a different country!)? What can we learn, borrow, copy or steal from them? How do their results support our recommendations? What are their weaknesses?
c. **Non-Obvious Competitors** – Often a business is killed by some completely orthogonal change in the universe that eliminates the need for your service. (For example, with the advent of smartphones, people stopped buying portable cameras, GPS devices, maps, flashlights, and MP3 players.) It’s good to think through and acknowledge these risks very early on.

d. **Alternative Solutions** – If no obvious direct competitors, how are customers getting by currently? (e.g. AirBnB’s target customers were looking on Craigslist). Again, this can validate the size of the market and the inadequacy of current solutions.
DELIVERING YOUR PITCH

How to reason with Investors and CFOs

Investor types love financial metrics and ratios, but it’s important to shift their attention to behavioural metrics first. You all need to agree that if you can drive customer usage and loyalty, the money will eventually flow from there. Be honest with yourself about what you know, what you don’t know, the experiments you’re running, your riskiest hypothesis.

Confidence

Justified or not, investors and CFOs are often in a position of power and feel confident. But remember, you are the expert on the business and customers, and you can be more “right” than even the most confident CEO, CFO or VC if you speak credibly with the voice of the customer. Rely on customer data and first-hand insights. Anticipate and avoid conjecture by bringing first-hand customer facts to key debates.
Handling Objections

The potential investor is going to try to think of risks and problems. That’s their job, and they’re good at it. None of their fears should be a surprise to you! The best answers are:

1. “We were afraid of that too... But our customers have shown us that....”

2. “We are afraid of that too, so we’re running this experiment....”

Is that weird? A deck that shows a bunch of experiments? True, not all VCs will be comfortable with that. Best is to show results data. But “we’re running this experiment” is a lot better than mere conjecture. And it shows that you understand the risks inherent in the business model and are addressing them systematically.

Worst-case scenario they say “come back when you have the results” which is better than “no.” But ask for a commitment before you leave the room: “If we run the test and _____ happens, would you be prepared to invest _____? If not, what are your other concerns?”
Strategy gets put up on this pedestal, the elite domain of McKinsey, Harvard, Oxford and Bain. But for all those fancy (expensive) institutions... I think you get a lot of PowerPoints collecting dust.

At the end of the day, it’s really pretty straightforward: Find a way to bring lots of new customers into the business and delight them, without spending too much money.

Executing a bad plan is worse than doing nothing at all. So do this little bit of thinking up-front and you’ll massively increase your chances of success.

So that’s your 1% inspiration. Now on to the 99% perspiration. Good luck!
The best products market themselves. (Like Google and Uber) Do I really need to bother with marketing, or can I just build something amazing?

First off... Google spends over $1B per year on marketing, and Uber is reported to spend over $500M (mainly to get drivers).

If you want investment, you need to prove you can get customers. You can do that with marketing, or just by making amazing products. You just need to prove your amazing product works and gets customers – like Google and Uber did! (But please know these are the 0.01% most exceptional businesses – 99.99% of companies depend heavily on sales and marketing!)

What about “brand” stuff and above-the-line, things that are hard to measure, but can be expensive and really important.

Most early-stage companies don’t start with a significant investment in brand, as-such. However, long-term it is essential to win customer trust, and have a strong consistent way you “show up” visually, and a point of view that you “stand for” with your customers. It’s important, internally, to document this as early as possible, so that all of your actions reflect and amplify the “brand.” But I’d avoid large investments here at seed stage.
F A Q s

Later stage companies with more money to invest can absolutely conduct “experiments” with their above the line marketing, trying certain messages or channels (such as radio or outdoor) in certain geographies while staying “dark” in others. As these channels are expensive, I’d strongly recommend you do test.

What about all those fancy graphs?

Graphs are a great way to show traction increasing over time. For forecasts, the shape of the line is less important than the assumptions underlying the numbers. Make sure you are realistic about your scenarios and can defend them with sane assumptions.

What about the special finance terms like, WACC, contra revenue and depreciation?

At the end of the day, you need to be able to make more money than you spend. Start there and, no matter how many fancy buzzwords anyone uses, you have a solid marketing plan.
On the expense side, make sure you divide your spending into one-time “fixed” costs (like designing a website or paying a salary) and “variable” costs where you pay a certain amount for each customer acquired or product sold (like a cost per click or packaging), and be able to explain them to your investors and control them carefully. Beyond that, you don’t need anything fancy.