The art of PowerPoint communication

How to build presentations for consulting

October 2015
The PPT presentations of the big three consultancies all abide to the same principle – The Pyramid Principle

Chinese consumers have become the top luxury nationality in 2012

Multinational companies have high aspirations for growth in emerging markets

Source: Bain & Company; McKinsey & Company; Boston Consulting Group
This presentation aims to distill the principles of Barbara Minto’s bestseller book in to concrete instructions for your PPT presentations.

**The Storyline**
How to frame the story and present it in the most compelling way

**The Argument**
How to build the argument with the pyramid principle

**The Structure**
How to structure the slides for optimal communication

Source: The Pyramid Principle
One story can have many versions – the way you frame it should match with the kind of response you wish to get from the audience.

**Why a storyline?**
A compelling storyline serves to grab the attention of the audience.

**How to craft your story?**
Use a storyboard sketch to lay out your storyline slide by slide.

**Your goal**
Present ideas and arguments so they can be comprehended:
1. With least mental effort
2. In the least amount of time

**You**
- Total immersion in the problem
- Lots of ideas and facts to share
- Specific needs from the audience
  - Buy-in
  - Feedback
  - Data
  - Information

**Audience**
- Busy and distracted
- Might not know the issue in detail
- Are new to the facts and ideas
- Don’t know where you’re going
- May be skeptical

- Use a blackboard or blank paper
- Brainstorm what slides you will need to effectively communicate your story
- Arrange the slides chronologically
- For each slide sketch the main ideas
- Ready, set, go! Build the slides!

*Source: Driving Strategic Impact*
The key objective of the presentation is to communicate your recommendations and conclusions effectively.

Structure your writing so that if the audience leaves any time, they will still get the most important points.

**The tagline**
If you only had 15 seconds, how would you communicate your recommendation.

**The executive summary**
If the audience only sees one page, how would you communicate your recommendation.

**The pack**
The story that communicates your recommendation by simple charts and illustrations.

**The appendix**
The place for details and back-up; data, calculations, process clarifications etc.

In business communication you usually want to start with the conclusion first, and then present your supporting arguments.

**DO’S**
- Tell about your journey – regardless of how much effort you put in to it!
- Communicate the key conclusions and recommendations
- Cut your deck down to the minimum needed to tell your story
- Show simple graphs and illustrations to support your arguments

**DON’T’S**
- Show detailed analyses and complicated models – save them for the appendix

Source: IES Development Limited
Consultants typically start with the resolution first, and then build out the story with the situation and complication.

**Situation, Complication, and Resolution (SCR)**

**Situation**
- A recognized and stable situation that the audience agrees with!
  - Technology advancements has enabled touch screens, mobile internet, high resolution etc.

**Complication**
- Raises a question or a change to the status quo!
  - The consumers show a latent need for a cellphone with more capabilities

**Resolution**
- The response that will capture, alleviate, resolve etc. the complication!
  - Introduce smartphone that enables the consumer to have one device for all purposes

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You can change the sequence of SCR depending on the structure of your communication.

**Situation → Complication → Resolution**
- The classic structure; starting relaxed, adding stress but then calm things down again at the end.

**Complication → Situation → Resolution**
- The no-nonsense approach. If you do not have time to read the whole story, you get the answer in the first paragraph/on the first slide.

**Complication → Situation → Resolution**
- The alarming start that creates a sense of urgency that something ought to be solved.
Exercise 1: Imagine that you have completed the project described below, and have to prepare a PPT to present to the company’s busy CEO to whom this is new information. Sketch your storyline incl. executive summary, slides and proposed appendixes!

**Situation**
Garbage&Co is a Chilean company that focuses on transportation of dumpsters from the household to the local landfill sites. It works under government contract, and places large dumpsters around Chile that is then filled with household waste by the citizens. Garbage&Co routinely picks up the dumpsters and delivers them to the landfill sites to be emptied before they are returned back to the citizens to filled again.

**Complication**
Your consultancy have been hired to help formulate a market entry strategy into the private moving/relocation industry in Chile. Chile is a very long a slender country, and moving is often a costly affair due to the long distances. The current long-distance moving market is highly fragmented, and it is mostly served by small local moving companies that charges high prices (300,000 pesos) to pack, collect and move stuff between cities located further than 100 km apart.

Garbage&Co is looking to use containers similar to their current dumpsters (to avoid refitting of trucks), by placing them close to the customer, who can then pack his/her stuff in the container themselves before it is picked up and relocate to the new location.

**Resolution**
There is an estimated 200,000 yearly moves in Chile above 100 km distance. You’re confident that Garbage&Co can capture half of the market resulting in 10 Billion pesos of profit per year (200,000/2 moves per year x 100,000 pesos in estimated profit/move).

How do you best present this golden opportunity at the upcoming meeting with the busy CEO and his board members?
Exercise 1: Sketch your storyline incl. executive summary, slides and proposed appendixes!
Use a piece of paper and divide it into 6/8 squares, then sketch one slide per square
The pyramid principle is a tool that helps to get the point across most effectively.

Q&A:
The arguments below must answer:
- What?
- Why?
- How?

Key takeaway

MECE
Mutually Exclusive Collectively Exhaustive

Main Argument 1

Sub Argument 1.1

Data

Group like ideas

Sub Argument 1.2

Data

Order ideas logically within each group

Main Argument 2

Sub Argument 2.1

Data

Main Argument 3

Sub Argument 3.1

Data

Sub Argument 3.2

Data

So What?
Each header should synthesize the grouped arguments below.

Source: The Pyramid Principle; Driving Strategic Impact
The pyramid principle helps to structure the communication by grouping like ideas and synthesizing with group header(s).

Group the ideas in a MECE structure, and order the ideas in each group logically.

<table>
<thead>
<tr>
<th>Ungrouped</th>
<th>Grouped</th>
</tr>
</thead>
<tbody>
<tr>
<td>Milk</td>
<td>Dairy products</td>
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<tr>
<td>Melons</td>
<td>Edibles</td>
</tr>
<tr>
<td>Butter</td>
<td>Fruits</td>
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<td>Cheese</td>
<td>Grapes</td>
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<tr>
<td>Eggs</td>
<td>Apples</td>
</tr>
<tr>
<td>Grapes</td>
<td>Melons</td>
</tr>
</tbody>
</table>

Ask “so what” to each of the groups, instead of just summarizing what we already know.

Summary

- There are tanks at the Polish border
  - French tanks are at the Polish Border
  - German tanks are at the Polish Border
  - Russian tanks are at the Polish Border

Synthesis (So what?)

Poland is about to be invaded

- French tanks are at the Polish Border
- German tanks are at the Polish Border
- Russian tanks are at the Polish Border

*Inductive arguments are far more used in presentations than deductive arguments*

Source: The Pyramid Principle
Each slide is build as a pyramid, with the key takeaway at the top supported by the main arguments below.

Key takeaway:

There is a large untapped demand for Trader Joe’s in Canada.

Why?

1. There is good business in reselling imported Trader Joe’s goods in Canada.
   - Pirate Joe’s is running a business on importing and reselling Trader Joe’s goods.
   - The business is presumably profitable, though the COGS would be higher than that achieved for a regular TJs.

2. Trader Joe’s experiences by far the most “request for TJs” outside of US from Canada.
   - People can request a Trader Joe’s for their city online at Traderjoes.com.
   - Canada is by far the most suggested foreign country to locate a new Trader Joe’s.

3. TJs “Requesters” put high value on product assortment and organic food, less on proximity.
   - Would you shop a Joe’s – if it had a TJs in your neighborhood?
   - Rank Importance (1-5):
     - Product assortment: 3.5, 1.0, 2.3
     - Store proximity: 3.4, 5.0, 4.0
     - Healthy/organic foods: 3.3, 3.0, 2.5
     - Low prices: 2.8, 4.0, 4.0
     - Shopping experience: 1.9, 2.0, 2.3

How?

So what?

* According to Trader Joe’s HQ customer relations in Monrovia, California
* Phone Conversation with Trader Joe’s HQ; Customer Survey; Piratejoes.ca; Team ELC analysis

Source: The Pyramid Principle; Team ELC, Yale Case Competition
Exercise 2: Below are two examples of communication. Take each of the examples and use the pyramid principle to make the communication clear and structured!

Dear Shirley,
Remember last Saturday afternoon when I was playing in the park with my boyfriend and you came over, and he told me that when my back was turned, you kissed him?

And also, on Sunday when you came to my house and my Mom made you a tuna fish salad for lunch and you said: “Yech! That’s the worst salad I ever ate!”?

And yesterday, when my cat brushed against your leg, you kicked her and threatened to sic your dog “Monster” on her?

Well, for all of these reasons, I hate you, and I no longer want to be your friend.

Lucy

I was in Zurich last week, you know what a conservative city Zurich is - and we went out to lunch at an outdoor restaurant. Do you know that within 15 minutes I must have seen 15 people with either a beard or a moustache.

And you know if you walk around any New York office you can rarely find even one person who doesn't have sideburns or a moustache.

And of course facial hair has been part of the London scene for the last 10 years.
Exercise 2: Use this kind of structuring in your everyday life to get the point across. (Email, instructions, arguments etc.)

Dear Shirley,

I HATE you. Here are my reasons:

1. You stole my boyfriend.
2. You insulted my mother.
3. You scared my cat.

You know it's incredible to me the degree to which facial hair has become such an accepted part of business life.

- In Zurich,
- in New York,
- and of course, London.

Facial hair is an accepted part of business life around the world.

In Zürich you see at least 15 people with facial hair within 15 min.

It is rare to find business people in New York without sideburns and moustaches.

Facial hair has been part of the scene in London for at least 10 years.

Source: The Pyramid Principle
The key to building good slides can be expressed in a simple set of guidelines

1. Key message in header – not a generic title like “Market Size”

2. Have supporting arguments below the header – make a clear division between different ideas

3. Highlight key points (e.g. use of a circle, bold font, enlarged font size etc.)

4. Leave a small margin around your slide – i.e. Don’t go all the way to the edge

5. Build an evident flow in your slides from left to right – e.g. by use of arrows, pointers etc.

6. Use simple and neat illustrations to support your arguments (pictures, arrows, illustrations etc.)

7. Support your graphs with a logical conclusion, and remember to include units

8. Have a visual tracker that highlights which part of the agenda that is presented, and where you are

9. Keep a consistent color code and font type/size, and keep the same theme throughout

10. Adjust the size of the font to your presentation – *min. 12 pt. for printed and min. 14 for presenting*

11. Include notes and sources with small text in the bottom of the slide

12. Ensure that everything is aligned (top, bottom, left, right)
There are three main arguments underpinning the hypothesis that there is a need for a Trader Joe’s in Canada:

1. **There is good business in reselling imported Trader Joe’s goods in Canada**
   - Pirate Joe’s is running a business on importing and reselling Trader Joe’s goods.
   - The business is presumably profitable, though the COGS would be higher than that achieved for a regular TJ’s.

2. **Trader Joe’s experiences by far the most “request for TJs” outside of US from Canada**
   - People can request a Trader Joe’s for their city online at Traderjoes.com.
   - Canada is by far the most suggested foreign country to locate a new Trader Joe’s.

3. **TJs “Requesters” put high value on product assortment and organic food, less on proximity**
   - 

   ![Map of requests by foreign country](image)

   

   * According to Trader Joe’s HQ customer relations in Monrovia, California
   3]Source: Phone Conversation with Trader Joe’s HQ; Customer Survey; Piratejoes.ca; Team ELC analysis

**Highlighted Key Points**

- Would you shop at Trader Joe’s – if it had a store in your neighbourhood?
  - Rank Importance (1-5)
  - Product assortment
    - Yes: 3.5, No: 1.0, 2.3
  - Store proximity
    - Yes: 3.4, No: 5.0, 4.0
  - Healthy/organic foods
    - Yes: 3.3, No: 3.0, 2.5
  - Low prices
    - Yes: 2.8, No: 4.0, 4.0
  - Shopping experience
    - Yes: 1.9, No: 2.0, 2.3

**Additional Instructions**

- Include simple and neat illustrations to support your arguments (pictures, arrows, illustrations etc.).
- Leave a small margin around your slide.
- Build an evident flow in your slides from left to right – e.g. by use of arrows, pointers etc.
Trader Joe’s should target Vancouver and Montreal by extending the reach of its current distribution centers in the US. This will save investment for extra hubs until the market is proven successful.

Trader Joe’s can expect a positive free cash flow starting in Year 3 (2017)

Sensitivity Analysis on Sales per Sq.ft and Discount Rate indicates that the business plan is robust and profitable in all likely scenarios.

NPV of the project amounts to $141 million

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Team ELC
Graphs are more than pie-charts and scatterplots

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Project scheduling
Three simple tips to help speed up the construction of PowerPoint slides

1. Use static guides for alignment
2. Include these in your toolbar
3. Save and reuse your slides

- Align and distribute
- Same height/width
- Group
- Flip
- Adjust objects