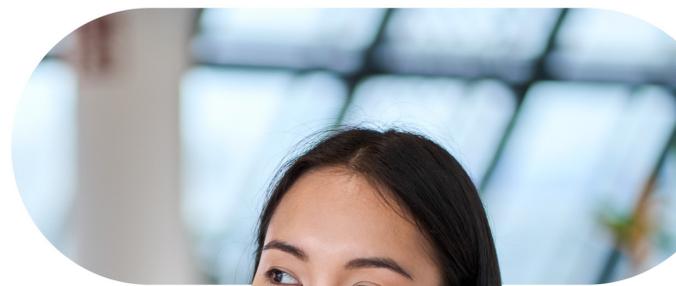● Whitepaper

Generate Pitchbooks with AI and Automation to Accelerate the Deal Process

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Introduction

Investment banking is a dynamic and high-stakes arena where staying ahead of market shifts, efficiently closing deals, and securing new business opportunities are paramount to success. For banks to thrive in this competitive sector, it's imperative to evolve their operational strategies by embracing modern technologies, enhancing productivity, and accelerating deal processes. By doing so, banks can relieve some of the pressure on junior bankers to combat the rising attrition rates and an expanding talent deficit.

Technology has been helping bankers manage processes more efficiently for decades, from excel for data management to robotic process automation (RPA) for accelerating manual tasks. As the industry continues to evolve, investment banks must leverage more modern technologies like Artificial Intelligence (AI) to stay ahead of the competition. As Kay Firth-Butterfield of the World Economic Forum states in Evident AI's Index for banks, "for traditional banks, getting AI right is an existential issue, which is why investment - in talent and R&D, as well as real-world commercial AI deployment - is soaring."

One immediate approach banks can take is accelerating the creation of pitchbooks. The process of creating these comprehensive documents is laden with challenges, including manual data entry, time-consuming market research, and the task of making the information visually compelling. Often, the workload is so intense that even highly skilled bankers find it difficult to maintain both speed and quality. The increasing demands of clients and the complexity of financial deals only exacerbate these issues, necessitating a transformation in how pitchbooks are produced.

Generative AI represents one of the most promising developments in this domain, allowing for the automatic generation of textual and visual content based on data and predefined criteria. This is not a futuristic concept; banks are already employing generative AI including internal ChatGPT's, or virtual assistants to help answer questions, summarize documents, and more. However, generative AI's capabilities go far beyond chatbots. There is an emerging potential to automatically create drafts of pitchbook sections by dynamically assembling market data, financial models, and textual analysis into a polished, client-ready presentation. This paper will delve into the practicalities of integrating AI and, more specifically, generative AI into the pitchbook creation workflow, providing a blueprint for investment banks aiming to modernize their operations.

Pitchbooks

Pitchbooks are an essential tool in the world of investment banking, serving as comprehensive presentations that provide an in-depth analysis of a client's business, often for the purpose of securing a financial deal such as an investment, merger, or acquisition. Their importance cannot be overstated; these documents lay the groundwork for client relationships, providing key decision-makers with all the necessary information to make informed judgments. A well-crafted pitchbook can be the difference between closing a multi-million-dollar deal and losing out to the competition. Key components of a pitchbook typically include Market Analysis, which offers a detailed view of the market conditions and trends; Industry Analysis, providing a comprehensive look at the industry in which the client operates; M&A Opportunities, detailing potential avenues for mergers and acquisitions; and Trading & Transaction Comps, which give a comparative analysis of similar transactions to assess valuation.

Despite their crucial role, the creation of pitchbooks is often a monumental task, requiring substantial manual effort and meticulous attention to detail. Analysts spend countless hours reading through a range of sources—from broker reports to company filings—to pull together all the information that goes into these documents. Market data must be gathered and analyzed, industry trends must be dissected, and potential M&A opportunities need to be carefully vetted and presented. Each of these elements involves laborious data collection, number crunching, and narrative crafting. The effort is often duplicated across multiple teams and for various client pitches, leading to a significant drain on resources. This time-consuming process not only limits the productivity of investment bankers but also increases the risk of errors, which can be costly in such a high-stakes environment.

How to Approach Pitchbooks with AI

The integration of AI technologies can dramatically accelerate the time-consuming tasks associated with pitchbook creation. Data collection, market analysis, and even content generation can be automated to a significant extent, slashing the time required to produce a pitchbook while maintaining or even improving quality. Sophisticated algorithms are capable of sorting through vast amounts of data to deliver actionable insights, thereby enriching the content of the pitchbook. When AI is combined with the industry expertise of investment analysts, the result is a highly impactful, data-driven presentation that can be generated more efficiently than ever before.

Generative AI may be the buzzword capturing everyone's attention, but numerous other technologies, including various machine learning (ML) methods and deterministic algorithms, offer automation capabilities. Given the need for different approaches to different use cases and data types, it's beneficial to categorize pitchbook information into three distinct data groups:

1. Financials such as trading and transaction comps, benchmarking, and modeling,

2. Market Intelligence, including company profiles, sector analysis, industry research, etc.,

3. And Corporate Information such as company overviews, tombstones, case studies, and more. only limits the productivity of investment bankers but also increases the risk of errors, which can be costly in such a high-stakes environment.

Each group of data comes from a different type of source and, therefore, needs to be handled differently. Financial data is number-based and extracted mostly from external databases and internal comps files. Market intelligence is largely text-based and gathered through several external unstructured sources: broker reports, news runs, company websites and filings, and many more. Corporate information, on the other hand, is usually stored in various formats across internal repositories.

Keep reading to learn how AI and Generative AI can be utilized for each of these types of data.

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AI Solutions to Enhance Pitchbook Creation

Financials

Data extraction, input, and calculations are essential steps for creating several key components of a pitchbook, including financial models, trading and transactional comps, and benchmarking metrics. In financial services, there is no room for error, and it is critical that these numbers are 100% accurate. Due to extensive regulations, one error can result in significant fines and reputational damage.

Many data extraction and translation processes remain tedious and highly susceptible to human error when done manually. Banks can implement deterministic machine learning algorithms and rules-based automation to accelerate these processes and mitigate human error. AI can further assist in computational elements like calculating trading and transaction comps. To do this well, you need domain knowledge and a strong understanding of the workflows.

Current generative AI techniques on their own are not the best fit for numerical data extraction due to the potential for "hallucination" or inaccurate outputs due to the model's inability to produce relevant information. However, generative AI can enhance this technology by scouring text for additional context and generating textual descriptions and analyses from these financials.

A top global investment bank addresses the challenge of gathering financials for pitchbooks with automation around the data they are already using, including our AI-powered data extraction and comps building technology. A team of financial analysts uses Spreadsmart's patented data extraction and mapping technology to pull data from unstructured sources and input it into preconfigured templates. Spreadsmart's AI is backed by a taxonomy of keywords on a global and customer level, built by understanding synonyms

aligned to every sector and language. Tagging or extraction based on taxonomy is the deterministic route and requires hard coding specific rules. Most generative AI products wouldn't be able to accomplish this tagging as it requires domain expertise.

To further automate the collection of financial data for pitchbooks, the bank combined Spreadsmart with [Compsbuilder](#) to deliver custom trading and transaction comps. By merging the expertise of professionals with AI capabilities, the bank managed to cut down the time required for collecting pitchbook financials by 70%, all while ensuring an accuracy rate of over 99%.

Now, the bank wants to add generative AI capabilities to draw analyses and create text blurbs from this financial data. This content creation will further optimize the pitchbook creation process and save bankers even more time.
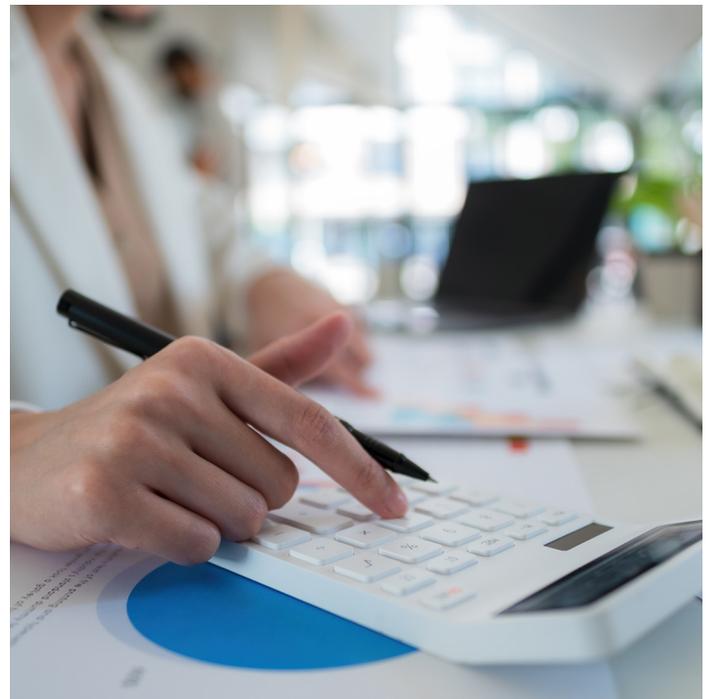
External Research

The meticulous research that underpins pitchbook creation involves compiling company profiles, market research, and industry overviews from a plethora of sources, including broker reports, company websites, regulatory filings, news runs, and specialized databases. The process is not only time-intensive but also demands expertise in sifting through the noise to identify the most relevant information. AI and automation offer a compelling solution to these challenges, capable of accelerating research tasks while providing deeper insights.

Examples of how AI and automation can enhance research:

- *Monitor company, sector, and market news by scraping the public web.*
- *Distill down the information using ML-based article classification and auto-tagging.*
- *Identify specific articles to focus on using recommendation engines.*
- *Classify the sentiment of articles using NLP (natural language processing) techniques.*
- *Summarize articles using generative AI.*
- *Generate common pitchbook components like company profiles and sector analyses using generative AI with standardized prompts.*

Many market and competitive intelligence platforms contain AI features as listed above. These platforms are commonly used by strategy and marketing teams across various industries. Investment banks have similar needs when it comes to the pitchbook creation process. A major bank we work with submits over 90,000 research requests annually. Seeing an opportunity for generative AI, we're working with this bank to augment the research process and auto-generate templatized company

and sector analyses.

A primary reason we identified generative AI as the right fit is because of its broad capabilities compared to more narrow forms of AI. Its proficiency in reasoning yields eloquent, human-like content that often sounds more polished than human-generated output. However, while creativity is a key strength, it can also be its weakness in banking. With generative AI, identical inputs can lead to diverse and creative outputs. While most of the time the output may be relevant, there are definite instances where the generated content does not make sense for a specific field or use case, which can be difficult to control.

While current generative AI models cannot guarantee 100% accuracy on their own, there are several ways to increase relevancy and consistency for bankers:

- Domain-specific data corpus – refine the data corpus from which the model is pulling answers to the query. Instead of answering from the entire web, narrow it down to a highly relevant dataset. This refined data corpus needs to be vectorized for LLMs to query it.
- Prompt library – prepare specific prompts for each standardized use case to increase output consistency.
- Fine-tuning – with most proprietary LLMs and all open-source models, engineers can change properties within the model itself to make it more specialized for a particular use case.

We are evaluating these methods to determine which are most effective for different use cases. By trialing these methods in our actual engagements with banks, we can gain a genuine understanding of which will have the most significant impact on bankers' daily tasks.

Corporate Information

Corporate information is another key part of a pitchbook. Banks need to show firms why they should choose to work with them by explaining the value they provide and highlighting their success.

This use of generative AI in this context is like the research use case, where you need data corpus, prompt libraries, and model fine-tuning to improve relevancy and consistency. Here, the data corpus is enterprise data. Prompts are built for templates like company overviews, tombstones, and case studies, among other products.

A large U.S. bank uses an accelerator called Pitchready, created by Evalueserve, to increase efficiency and consistency in slide production. Analysts use Pitchready to easily find templates, create tombstones, automate formatting, and more. The tombstone feature alone saves bankers 80% of the time normally spent on these. The bank is in the process of integrating AI into this feature to enable

automatic generation of tombstones, therefore saving even more time.

Evalueserve has also helped bankers create slides with corporate information using Publishwise. Publishwise integrates with the banks' file repositories where they store past pitchbooks, case studies, and more, enabling banks to search these internal repositories for relevant information. The platform uses semantic search techniques to improve the precision of the result and generative AI to generate high-quality drafts. Analysts can now also use generative AI features to summarize content logically from multiple knowledge assets, further accelerating pitchbook creation and enhancing the quality of insights.

Closing

The landscape of investment banking is witnessing an unprecedented transformation, primarily driven by advancements in technology. As this paper has highlighted, the integration of AI, particularly generative AI, into the pitchbook creation process can redefine efficiency, accuracy, and quality. By automating tasks that once required intensive human labor and meticulous scrutiny, banks can streamline operations, reduce human errors, and ensure consistency across the board.

However, as with all innovative applications, a nuanced approach is vital. It's crucial for investment banks to strike a balance between automation and human insight. While AI can process vast amounts of data and generate content at speeds beyond human capabilities, the industry expertise, context understanding, and strategic insight of bankers remain indispensable. The future, thus, lies in the harmonious collaboration of man and machine, where AI augments human capabilities, enabling bankers to focus on high-value tasks and strategic decision-making.

Looking ahead, as AI technologies continue to evolve and refine, investment banks that strategically integrate them will undoubtedly position themselves at the forefront of the industry. Embracing the potential of generative AI and related technologies not only future-proofs operations but also ensures that banks can consistently deliver top-tier, tailored services to their clientele, solidifying their standing in an increasingly competitive market.
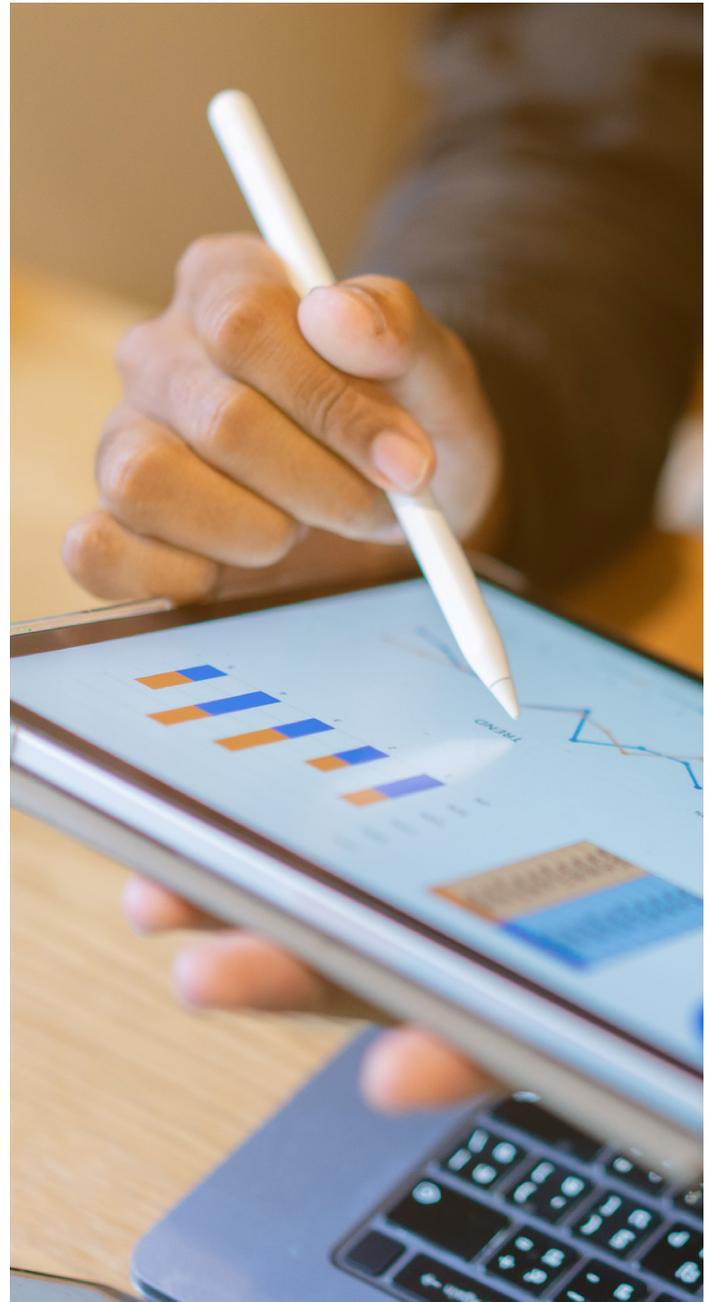
How Evalueserve Can Help

At Evalueserve, we are constantly innovating to make the deal process faster to help banks win more deals. Our proprietary platform, AIRA (AI for Research & Analytics), is a one-stop solution providing access to AI-enabled use cases, models, and algorithms, covering NLP, Computer Vision, Machine Learning and Deep Learning. By leveraging these advanced technologies, investment bankers can create more robust, informative, and compelling pitchbooks, thereby increasing their chances of finding and winning deals.

Evalueserve has a longstanding history of supporting banks in the intricate process of pitchbook creation through AI-enhanced managed service solutions. Our team comprises thousands of industry analysts who are well-equipped with state-of-the-art AI and automation tools, enabling us to deliver personalized, high-quality pitchbooks at scale.

What distinguishes us from our competitors is the synergy between our deep domain expertise in banking and our technological prowess in AI. Our dedicated AI solution practice includes a talented team of over 300 developers, engineers, and data scientists who collaborate closely with our banking experts. This multidisciplinary approach ensures that we fully understand user needs and can incorporate domain-specific methodologies into the tools and platforms we build.

For those interested in taking their pitchbook creation process to the next level and accelerating their deal cycles, we invite you to learn more about our AI solutions tailored for financial institutions. Feel free to reach out to us to explore how Evalueserve can be your partner in achieving greater efficiency and effectiveness in the fast-paced world of investment banking.

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