

The Life Science Executive's FUNDRAISING MANIFESTO

**BEST PRACTICES FOR IDENTIFYING CAPITAL
IN THE BIOTECH AND MEDTECH ARENAS**

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**LIFE SCIENCE
NATION**

Connecting Products, Services & Capital

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Leveraging Cloud Infrastructure to Manage an Outbound Campaign

At this point, you probably have a solid grasp of the importance of delivering your branding and messaging to the right audience. Fortunately, there are a range of tools out there to help you do this effectively. In this chapter I will be discussing some methods you can use to regularly touch base with a large group of qualified investors and how you can utilize cloud-based tools to carry out an effective campaign and manage your progress.

Cloud Infrastructure

Before cloud computing became ubiquitous, networks, servers, storage, applications, and other computing resources had to be managed and set up in-house by a start-up company. This was complex and unwieldy for businesses to contend with, costing them an enormous amount of money and resources. Now, rather than having to manage all of those computing resources on their own, companies can rely on software, applications, and infrastructure that is housed in the cloud and shared

by multiple users. This has had a tremendous impact on the bottom line for companies, especially start-ups, as it has drastically reduced costs and increased efficiency.

Cloud-based applications such as Salesforce.com can provide you with a fabulous automated list as well as task-management capability for a small monthly fee. Email applications such as iContact are a necessary tool for your outbound partnering campaigns, and you get a lot of compelling reporting for a low-cost monthly fee that will provide insight into who is clicking and interacting with your emails and outbound marketing. Newsletters, blogging, and white papers are another excellent way to reach out to targets to either start or continue a dialogue with multiple potential investors. These cloud apps have created an affordable, easy-to-use campaign management infrastructure that simply didn't exist a few years ago (see Figure 8.1.). These applications are the picks and shovels that can reach the gold the entrepreneur is trying to mine.

A scientist knows that every procedure requires a specific instrument, and if there's a more accurate or cheaper tool available, that's the way to go! We will now cover the various tools available for the key areas of task and list management, content management, and email campaign management.

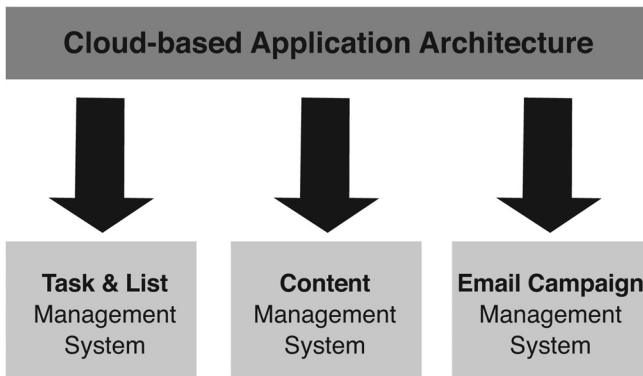


FIGURE 8.1: *Cloud-based application architecture*

Task and List Management

A task and list management system is vital for organizing your communications. I've been shocked to learn that most fundraising executives use convoluted Excel spreadsheets to manage their contact directory, often resorting to a system of multicolored rows, columns, and abbreviations in an attempt to organize their contacts and conversations. This sort of rudimentary solution quickly spirals out of control as your list of prospects grows, and it's almost impossible to coordinate data if it's being used by several different people. One key advantage of using a task and list management system (TLMS) is that it centralizes those isolated bits of data spread across your staff and organization, allowing everyone to use the same system to manage information. This lets you use fewer resources to manage your internal information and streamlines your whole fundraising campaign by enabling you to classify and prioritize your list of prospects and share these priorities among all staff.

Choosing the Right System

There are many TLMS options on the market, and it is important that you choose the one that's right for you. First, make sure to ask whether the TLMS is cloud based; this will ensure that you can access your information from any device that connects to the Internet. This can be vital for sharing data within your organization or for communicating with prospects during a fundraising road show. Secondly, make sure that the system is customizable both in its layout and in the manner in which the profiles are configured, so you can tailor it in the way most suitable for use in your campaign.

The system should cost between \$5 and \$20 per month per user; it's not a major expense in your fundraising campaign. Salesforce is one of the most popular TLMS options. Although Salesforce has various pricing tiers, their most basic offering (Salesforce Contact Manager edition) should be sufficient for most fundraising executives and is priced at \$5 per month per user.

Setting Up Your Profile

Once you purchase a license to use Salesforce, the next step is to customize the system to include the fields you need in your choice of layout. There are some fields that absolutely should be included:

- **Date of Last Email (Date Field):** This should be filled in every time you send an email to a prospect. This will enable you to know the last time you reached out to a prospect.
- **Follow-up Date (Date Field):** This field will tell you the next time you need to follow up with a prospect. By sorting your prospects based on this field, you can track who you should follow up with on any given date.
- **Date of Last Voice Mail (Date Field):** This should be filled in every time you leave a voice mail with a prospect.
- **Status of Lead (Pick List Field):** By qualifying accounts based on the criteria above, you will be able to prioritize your to-do list. I recommend the following categories: Not a Fit, Lead, Cold, Hot, In Play, and Current Investor.
- **Notes:** This is where you can track any significant details from previous conversations. Keeping these notes logged in a central location helps in juggling multiple investor dialogues.

Content Management

A content management system allows you to present content on your website in a user-friendly format. Content can be posted, edited, and deleted via the user interface, providing you with complete control over the process. Some solutions also streamline your site's search engine optimization (SEO) by allowing you to tag your individual pieces of content with relevant keywords; this can make your site more prominent in search engine results. A content management system helps you get your content out there and provides easy access to readers who want to learn more.

WordPress is widely considered to be the gold standard for online content management in the business world; famous names using the platform

include CNN, Time, TED Talks, and UPS, and the list goes on. There are many other options, but WordPress has a strong reputation and consistently delivers a high-quality experience, which explains why many big companies put their faith in the tool.

A content management system should also offer easy-to-integrate widgets that will help you engage with users. You can include the ability for users to register for your newsletter or RSS feed, comment on your articles, follow you on Twitter and Facebook, keyword search through your articles, and see any upcoming events that you will be hosting or attending. A content management system should be a multipurpose tool that helps you connect with your target audience.

Content Is King

This is a good place to remind you of the importance of creating high-quality content. Your goal as a fundraising executive is to create an interested audience by maintaining a persistent presence among prospective investors. You have to create name recognition around your firm by engaging your global target list (GTL) with compelling content.

So what is “compelling content”? It could take on many forms, such as a monthly or quarterly newsletter, white papers, press releases, or updates on the development of your products. All of this content can form the basis of an ongoing dialogue with potential investors. However, it can only do so if it is compelling enough to catch the reader’s attention and keep him or her engaged. Recycling old information or inundating your audience with dry, boring material will sabotage your initiatives. Crisp, relevant content targeted at the right audience will enable you to establish relationships that last.

Timing is everything in marketing and fundraising. Even though you may be at a too early stage for an investor today, six months from now you may not be, and building positive relationships puts you at a significant advantage relative to competitors who have not done so. This is only possible if that investor has been receiving content from you and is up to date with who you are and what you are doing. More importantly, investors will recognize that you are a savvy entrepreneur because you figured out how

to keep them posted on your status without being bothersome or wasting their time.

Remember, investors invest in people first and in products second. When you reach out and contact the investors on your GTL, your content should be showing investors who you are, what your company is about, and why they ought to care about what you're doing. But you also have to develop an infrastructure that deploys and measures the success of your content. Creating, delivering, measuring, and following up are a nonstop, iterative process in the universe of fundraising.

Content Creation—Newsletters and Mailings

Though there are many ways in which an adroit marketer can use email as a creative tool to engage an audience, I will focus on two primary areas that are commonly used with great effectiveness: newsletters and targeted mailings. You are probably somewhat familiar with both. I will go into significantly more detail on email marketing in Chapter 11, but here I'll provide a basic introduction.

Newsletters

Newsletters are regularly circulated publications that appeal to your general audience—in this case, current and prospective investors. This is a chance for you to build brand awareness, strike up conversation in the marketplace, and show your competence in the space. For example, let's say you have a novel therapeutic compound for Alzheimer's. A newsletter from your company could regularly update your constituency on the latest licensing trends in the space, promising technologies that could enable greater efficacy of your compound, or other relevant materials that show you are informed and understand your market position. Data from clinical or preclinical trials, insight into the specific disease area you are targeting, as well as major business developments could also be relevant things to include. This content needs to be fresh and newsworthy; aim to educate and inform your audience, not waste their time.

Education should always trump persuasion when it comes to newsletters. Rifling off a few of your accomplishments is sometimes a good way to gain the attention of your readers, but it is much more likely that this approach will make your readers lose interest. They will read right through it and see what you are doing, which is patting yourself on the back. Also, remember that you're writing for an audience that often lacks a specialized understanding of science. As you write, ask yourself if the content you're producing is going to be engaging and comprehensible to a layperson. If not, it won't serve your marketing purpose.

Targeted Mailings

Targeted mailings can be used more broadly than newsletters, as they are typically custom-tailored messages to a subset of your audience. You might want to send geographically focused meeting requests to all the investors in a certain region in anticipation of a road trip, a mailing targeted at philanthropic investors highlighting the difference your product could make for patients, or any other one-off mailing you can think of to target a group within your audience.

When it comes to mailings, less is often more. Remember that the purpose of your content is to keep current and future investors engaged with your company and updated on the progress of your product. Don't put a whole research paper in the body of your message; rather, focus on providing concise information about your company, your product, and your indication/area of focus. If a certain reader demonstrates interest in your content or a certain article, then you can reach out to him or her and provide more information.

The names of the firm, the CEO or CSO, and the person that is tasked with putting out the newsletter or authoring a mailing should be clearly visible to the reader. The reader should be able to discern one distinct voice behind the message. Remember that investors back people, not just products; you need to reach out to them as individuals. Creating a clear contact person within the firm gives readers who are interested in your messages a chance to reach out.

One final point on newsletter and mailing content: it's better to be safe than sorry. Don't disclose too much proprietary information, and ensure that you're in compliance with relevant regulations such as the Securities and Exchange Commission (SEC) rules on soliciting investors. Make sure to consult your legal advisor and include the proper disclosures in your newsletter or mailing when necessary.

Email Campaign Management

If you're new to email marketing, you may assume that distribution is as simple as opening your email account, pasting in a list of client email addresses, and hitting "send." In fact, sophisticated distribution tools exist that can be much more effective than this manual approach. What you need is a specialized email distribution solution such as iContact, Constant Contact, or Mailchimp. LSN uses iContact, but there are many excellent options available. These distribution tools will track your messages' rates of delivery, opens, and clicks through to your website. You can use this information to gauge which topics successfully generate audience interest and also to perform targeted follow-up with interested readers.

Much like content management systems, the main purpose of these tools is to offer you ease of use when it comes to designing your email campaigns. What used to take knowledge of HTML coding and weeks of work can now be done by almost anyone with a couple of clicks on a "drag and drop" interface. With hundreds of templates to choose from, platforms such as iContact take the effort out of sending professionally designed emails.

And while sending out the latest content from your company to hundreds of potential investors may induce some anxiety, at least the distribution system will make it easy to deliver your email. These providers offer both a spell-check and a spam-check that will warn you if your message is likely to be intercepted by spam filters.

Metrics and Tracking

While producing great marketing content is important, what's equally vital is achieving engagement, and that means you need a way to measure the

results of your email campaign (see Figure 8.2). Gather metrics from all of your sources: the back end of your content management system, your email software reporting dashboard, and any other analytical software you're using. The statistics that you gather from your email marketing are very important because they give you information on an individual level. Your email marketing platform will allow you to see the percentage of recipients who opened the email, clicked on the links, or requested to be removed from the list, and even the email addresses of each individual recipient who carried out any of these actions. Email marketing software also often contains analytical tools to graph and compare recipient opens or clicks by location.

The application iContact in particular handles the manipulation and management of all the data your campaign generates seamlessly. You can segment your contacts into particular lists, based on their behavior (or lack thereof) in response to your communication, then structure a follow-up

MAILING REPORT: Newsletter #12

Number of Recipients: 2,500

MAILING RESULTS	COUNT	PERCENT
Opens	976	39%
Clicks	487	20%
Bounces	11	0%
Unsubscribes	3	0%
No Information	1023	41%

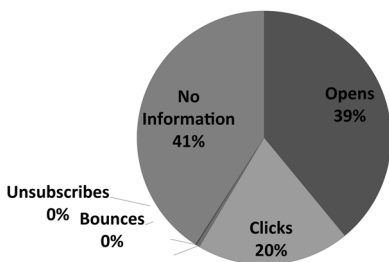


FIGURE 8.2: An example of a mailing report detailing click and open rates

campaign to engage users that have actively participated in your mailing. You can also make your own segments that are tailored to your specific needs. One beneficial way to use segments is to perform a comparative test, known in marketing as an A/B test, on your subject lines or message content to two or more groups that are similar in size. This can give you further information on what your readership looks for and exactly what they're interested in.

In addition to their usefulness in testing, segments are good for when you want to target a specific portion of your readership. LSN has used this tool for everything from sending out registration information to specific conference attendees, to touching base with existing customers, to checking in with people we've met on the road.

Deliverability

The most important factor in determining your choice of distribution provider should be the deliverability of your email. Different providers of email marketing software have different delivery rates as a result of how they are regarded by various email servers. The leadership position varies as new providers of both email software and email servers enter the market, so before you pick one, do your research and make sure you're signing up for a reputable provider with high delivery rates. It is worth it to pay more to get an effective delivery tool—otherwise your messages may not reach your intended audience at all!

Subscription Management and Increasing Readership

One of the best aspects of distribution software is automated subscription management. While not very glamorous, this automated process is essential for mass email marketing; if your audience doesn't have the ability to unsubscribe, you are breaking the law according to the CAN-SPAM Act and are putting your entire business in legal hot water. With this tool, as soon as somebody clicks "unsubscribe" on anything you send out, they are automatically removed from your contact list. More importantly, if they

ever happen to end up on a segmented list again, iContact will remember that they've chosen to unsubscribe and remove them from the list.

Growing your audience can be a challenge; here are a few tips to help you increase the number of readers who regularly consume your content. First, give your newsletter a name that is less than 50 characters long. Some email software limits the number of characters that are displayed in the subject line of an email, so if your title is not succinct, your newsletter's name might be cut off.

Second, make sure that your newsletter's subject lines are compelling, clear, and reflective of your brand. You must also remember that timing is everything when it comes to distribution. Experiment to discover the best time to send out your newsletter. From my experience, I have found it is best to send out a newsletter when people are typically catching up on their emails; try either first thing in the morning or directly after lunch. It's also vital to make a note of different time zones. If you are based on the East Coast of the U.S. and are trying to target a European audience, you should time your distribution so that your European prospects receive the publication first thing in the morning. With most email programs, you can schedule distribution for a specific day and time, and you can arrange for a newsletter or email to be sent hours, days, or even months in advance. This feature allows you to send out your newsletter automatically so you don't have to be up scrambling at 2:00 AM.

Finally, although it is crucial to build a large network of current and potential investors to whom you can send your newsletter, you need to avoid looking like a spammer. Gaining a reputation for sending spam will cheapen both your company and your brand, and the label has the tendency to stick. Make sure you're allowing people to opt out of your newsletter by putting an "unsubscribe" link at the bottom of the body copy that automatically removes an individual from the distribution list with one click. Remember to always send the newsletter from a specific person's email address or have an individual name attached to the email. This way people won't assume they're getting robotic emails from a faceless corporation; instead, they will feel as if they're being contacted personally by another human being who has something important to tell them.

Summary

There are many tools available to enable a life science executive to carry out a full-scale fundraising campaign. These tools are critical to making your fundraising process efficient and effective. The cost of all of these tools is minimal compared to the value you will yield from them.

Keep in mind that the goal of marketing is to bring you to that ultimate moment: when you reach out your hand and start an in-person dialogue. Also, fundraising is a numbers game, and the more opportunities you have to start a dialogue the better. By using these professional tools, you will see an increase in your efficiency and, more importantly, you will have a better chance of realizing a return on your effort. Now go out there and make it happen!