

The Life Science Executive's FUNDRAISING MANIFESTO

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

Dennis Ford



**LIFE SCIENCE
NATION**

Connecting Products, Services & Capital

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Thirty-One Tips for Effective Fundraising

This portion of the book is designed to be a quick reference that combines a little bit of my philosophy interspersed with some methodology and tactics. So sit back, relax, and let me entertain you with an illustrated guide to the finer points of navigating the fundraising process.

Think of this as your cheat sheet—something to peek at before you get on a conference call or head into a face-to-face meeting. It's also a good way to stay in tune with your inner marketer. Fundraising is a simple process, yet sometimes it's hard to stay focused amid the hustle and bustle. These general rules will help, if you keep them in the front of your brain at all times. So without further ado, let's get started.

1. Have a Good Attitude

Repeat after me: it is OK to laugh at ourselves and the predicaments we find ourselves in. It is your attitude that will make you or break you every single second of every single day. Wake up with a good attitude and the world just works right. Wake up with a bad attitude and the sky is falling and the earth is moving under your feet. Keep your attitude adjusted. Be positive. Be upbeat. Be optimistic. The alternative is not for the faint of heart!



2. Get Organized Already!

Something that promotes a good outlook is being organized. We all need to keep track of tasks and contacts and make reporting our progress easier.

Unfortunately, many marketers spend inordinate amounts of time “getting organized.” This often manifests itself in the form of excessive self-education or studying the latest marketing theories. Some are true in their pursuit of enlightenment; others are simply procrastinating. Either way, though, too much time on this is a

waste of precious hours.

You’ve got targets to call and a pipeline to fill. For the love of Pete, do not let self-help turn into an act of self-mutilation!



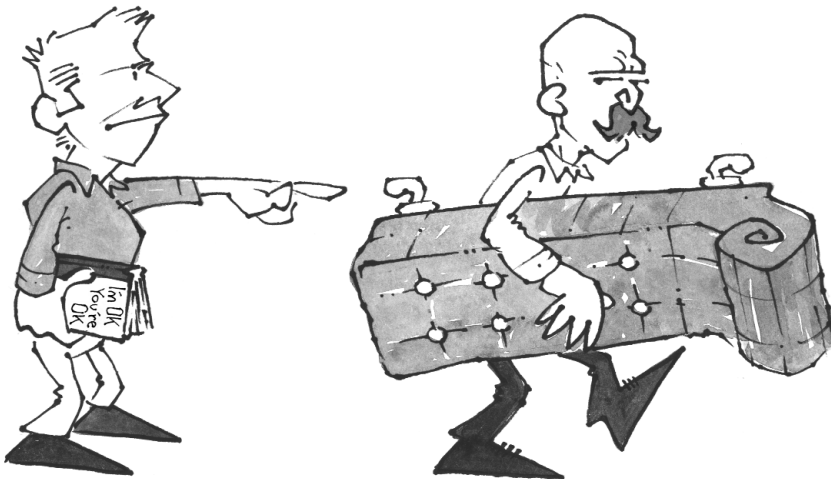
3. Teamwork Gets You Where You Need to Go

There will be days when you feel like a one-person SWAT team and your inner Rambo is ready to take the hill. Don’t go it alone. It really takes teamwork—in the beginning, in the middle, and at the end—to win an allocation. So build your team and practice with your team, for when the game is afoot, you will surely need them.

4. Be You

A frequent barrier to effective marketing is self-image. For many scientists, the stigma of selling can make it challenging to jump head-first into an outbound campaign. Will we look bad if we go outbound? Will I look desperate by aggressively marketing my asset? Is an outbound fundraiser really just a salesperson? Egad! What has become of me?

Stop that, right now. Be who you are: an entrepreneur. What's important is that your efforts are keeping your firm afloat and helping to move your asset forward. There's no shame in that. So be proud of who you are. Don't try to hide. Now that I have gotten you to accept who you are and what you do, you can fire your psychiatrist.



5. Protect Your #1 Asset—You!

You can't be successful unless you're feeling fit and on top of your game. The world you inhabit is stressful. You need to keep your mind and body in shape to deal with the stress. I am a big believer in working out three times a week. You, too, should make a point to get into a regular program. Pronto!



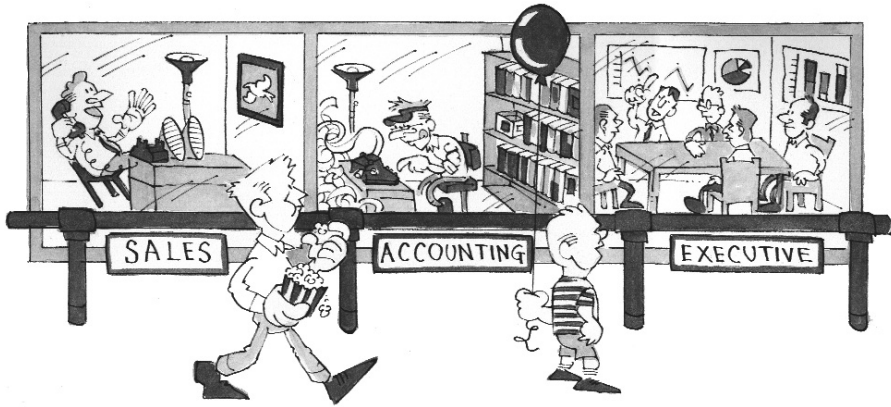
6. Ya Gotta Believe!

We have covered attitude, organization, teamwork, self-image, and, of course, de-stressing and staying in shape. All this gets topped off with the concept of *believing*. You must believe you can raise capital for your fund. True and earnest belief is as important as a strong work ethic. We all know folks who have the odds stacked against them, who don't seem to have a blessed chance in the world, yet they have goals so big that you wonder if they're right in the head. Then they succeed—they fly to the moon, make their millions, win the World Series (case in point: the Red Sox in 2004)—and everyone is amazed. Is it a fluke? No, it's believing!



7. Who's Who in the Zoo

Diligence and hard work are musts. That goes without saying. You also need to be savvy and understand all the players on your team and all the players at your prospect companies. There are no two ways about this. You need to figure out who's who in the zoo.



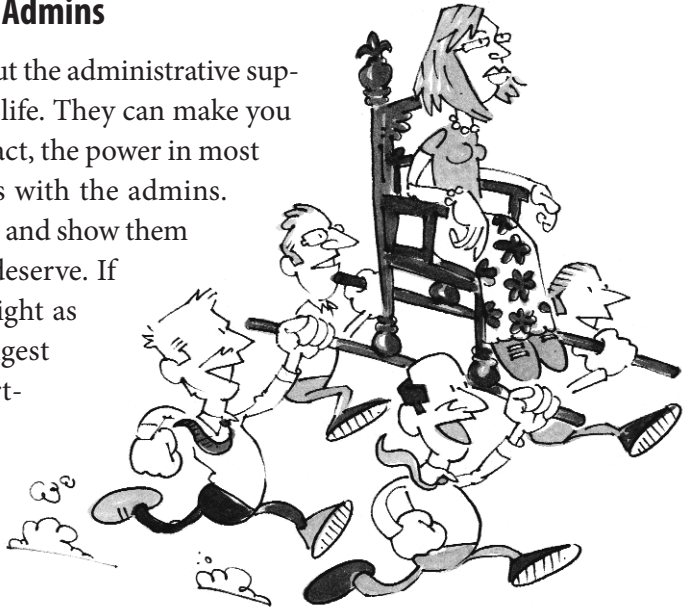
8. Stick with Your Program

Speaking of those inside and outside your firm, make sure you spend your time with people who add to your productivity. It is easy to let folks distract you from your mission. It is easy team up with colleagues who don't have the drive and motivation that you need to have. Such associations will derail you. Shun those who do not share your goals.



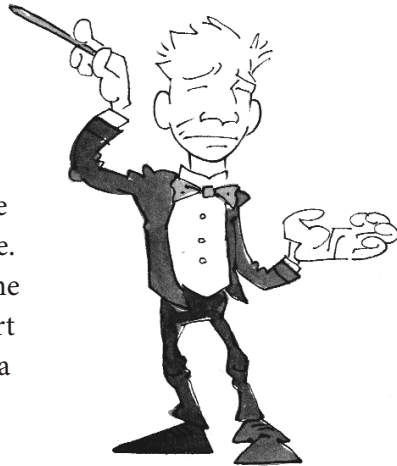
9. Respect Your Admins

Now let's talk about the administrative support staff in your life. They can make you or break you. In fact, the power in most organizations lies with the admins. So treat them well and show them the respect they deserve. If you don't, you might as well take the longest walk off the shortest of piers.



10. You're the Maestro of Your Reality

It is you who must be the conductor of your orchestra. You are the person with the baton in hand, and it is up to you to get the orchestra ready for prime time. Everyone is watching you. Everyone awaits your signal. Once you start the performance, you can't miss a beat.



11. Sweat the Small Stuff

Although you may be directing the show, you also have to be aware of the details. There is a saying that the devil is in the details, and it's true. Pay attention to the details at every point in the fundraising cycle. If you do not worry about the "little things," they will get you in the end and sink your ship. Be a sleuth, be a worrier, sweat the small stuff. Securing an allocation is all about taking care of all the details.



12. Call 'Em as You See 'Em

Securing an allocation is also about doing the right thing. You are the arbitrator of what is right and what is wrong. You and you alone have to make the call. You must summon your integrity and strength and call it like you see it. So many horror stories could be avoided if someone would only blow the whistle and lay down the rules of engagement.



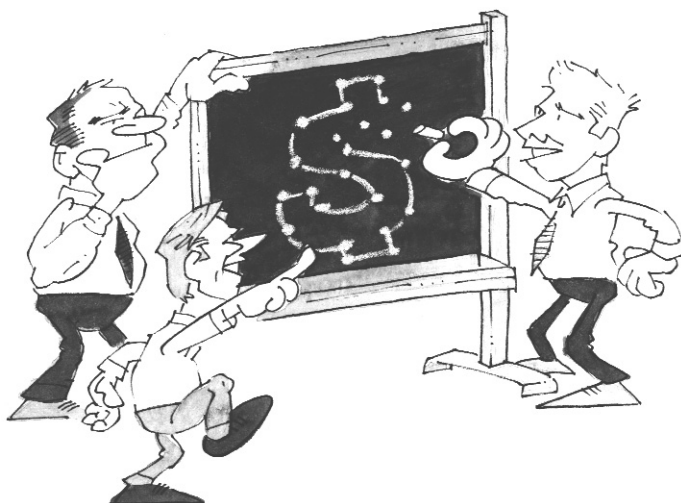
13. A Fit Is a Fit

Another thing to keep in mind is the all-important concept of “fit.” Develop an investor profile that matches your company’s needs and then go after investors who fit that profile. This saves time on both sides of the table. Do not busy yourself trying to jam square pegs into round holes. A fit is a fit. If not, move on.



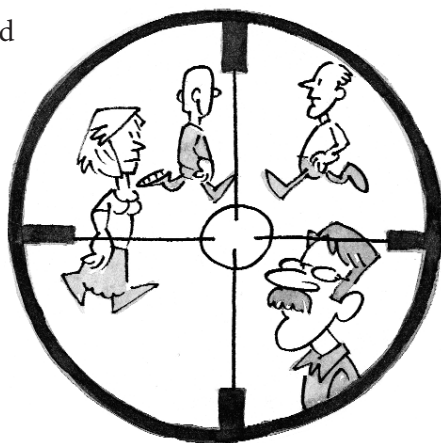
14. Connect the Dots

The universe of marketing is all about collecting data points and analyzing them to gain insight and an edge. This is basic Dot Connecting 101. The one who connects the dots the quickest will find the straightest path to cash. This means gathering clues from your experiences, your colleagues, and the marketplace and then connecting the dots to see a picture of how you can be successful.



15. Dial in Your Audience

The goal of a fundraiser is to find investor targets that are a good fit. This requires creating an investor profile. Think about it. How can you go out into the investor universe if you do not know who you are looking for? Take the time and create a crisp and cogent investor profile. Once you do, you'll see how easy it is to find targets.



16. Focus on Good, Qualified Leads

One of the conundrums for most fundraisers is sticking with the investor profile that fits their company. They compile lists and buy databases of all the life science investors (there are only about 5,000 of them on the planet), but they don't vet the leads. You must divide the targets into categories and be very rigid about who is NOT a fit and who you will NOT pursue. Going after an investor who is not a fit is a waste of time for both parties.



17. Keep Your Cool

Many times you have to double your efforts to identify and produce good prospects. Having a bunch of leads on your desk or in your database that are not a fit and not qualified can get you in a fix pretty quickly. When they know they are short of good qualified leads, some fundraisers fall down the desperation rat hole. They get fearful, start to lose their cool, and forget to match targets against their investor profiles. They start emailing and calling randomly. **AVOID DESPERATION.**



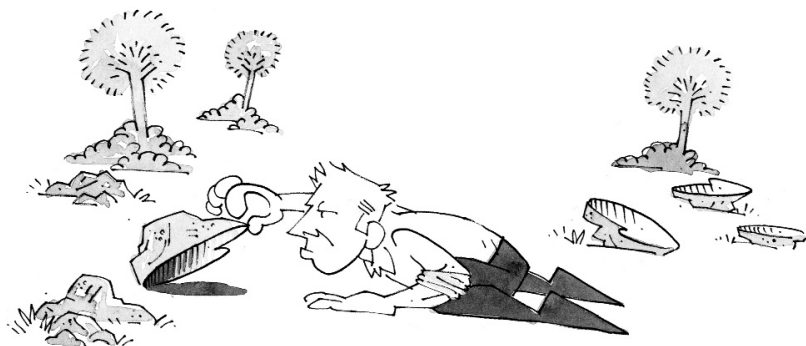
18. Be Tactical on Your Trips

Remember, looking for prospective investors can be done in a mellow state with a preplanned strategy. Look at sections of your geographic turf as a prospect mall. Like all malls, there are probably three to five anchors (big prospects), the secondary players, and some smaller players. So if you are calling on a big pharma corporate venture arm, figure out which family offices and other small investors are nearby. There is nothing wrong with killing two birds with one stone.



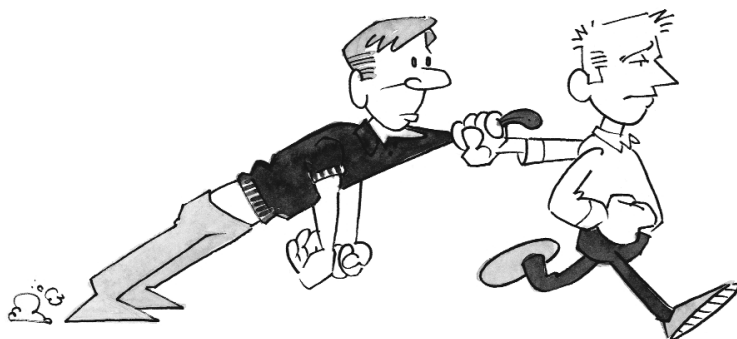
19. Seek and You Shall Find

One of the keys to effective prospecting is taking the time to really vet your territory. This means leaving no stone unturned. It is hard work, but it will pay off, because the harder you work the more prospects you will turn up.



20. Take Your Scientist on the Road

After you have identified your target group of investors, you need to organize conference calls and face-to-face meetings. For these you'll need the guy from the lab. Alert the person who is actually doing the R&D to the importance of these calls and meetings and his or her participation. There's no way around this one.



21. Answer All Questions

When you get out on the road and in front of investors who have mandates for your type of asset or company, then you are beginning the process. You are presenting your opportunity and answering questions. Answering questions is a BIG part of the process. You must be the one who knows the questions investors will ask and how to prepare your team to provide the answers.



22. Find the One with the Keys

Once you find a good fit, you have to map it. One of the folks you need to identify is the gatekeeper. The gatekeeper is the one in the organization who decides who will get in and who will be kept out. The gatekeeper makes sure that everyone gets the message: "If an outsider surfaces, send them unto me."



23. No Belly Bumping

Here is a topic to ponder. Belly bumping! A big issue, particularly in the life science industry, is ego. Let's face it, there is a lot of intellectual firepower in the biotech and medtech arena, and some folks like to think of themselves as the smartest guys in the room, the cream of the crop, the *raconteur bons vivants*. The issue with these people is that they tend to enjoy flaunting their intellect—sometimes at the wrong time. So when you drag your chief science officer out of the lab to make an investor presentation, show him or her this cartoon and say, "Please, please, please, no belly bumping today."



24. Find a Navigator

Upon meeting with an investor for the first time, your mission should be to try to identify the navigator and cultivate a relationship with him or her.



The navigator is the person on the other side of the table who has some skin in the game. The navigator knows the firm well and will be able to guide you through the unfamiliar territory that you have to navigate to engage in a successful dialogue. The navigator is your inside go-to person. Most entrepreneurs who win allocations have taken the time to map the players who have participated in creating the mandate, and they have uncovered the gatekeeper and the navigator.

25. Hit the Reset Button

There are many players who come in and out of the picture during the course of the allocation cycle. It is imperative that you keep tabs on all of them. As a matter of fact, any time a new player comes into the fray, it is vital that you hit the reset button, start from the top, and go back to square one. Let them know who you are and why you are here. The most important aspect of marketing is keeping everyone in context, constantly. It is a daunting task, but it makes all the difference in the world.



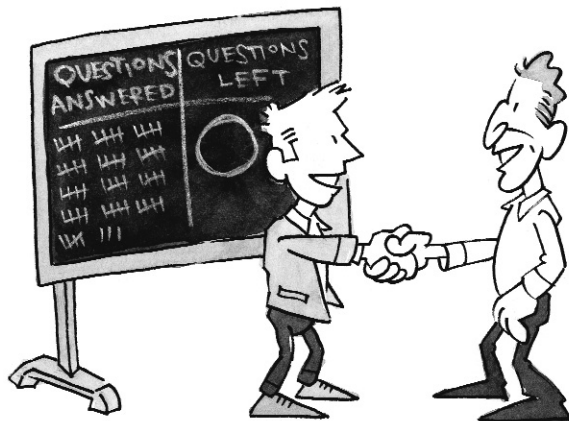
26. Good Things Come to Those Who Work Hard

If you can keep all of the points I've mentioned in the front of your brain, then a dialogue will start with the investor. The phone will be ringing, the emails will be coming in, there will be meetings to schedule, and you will be in what I like to call "the mix." This is truly the most fun part for a marketer.



27. Hang in There Until the Last Question Is Answered

It is precisely at this time when fundraisers need to be vigilant. This means being aware of any outstanding issues. I have a theory that when the last question is answered to the investor's satisfaction, then an allocation is just around the corner.



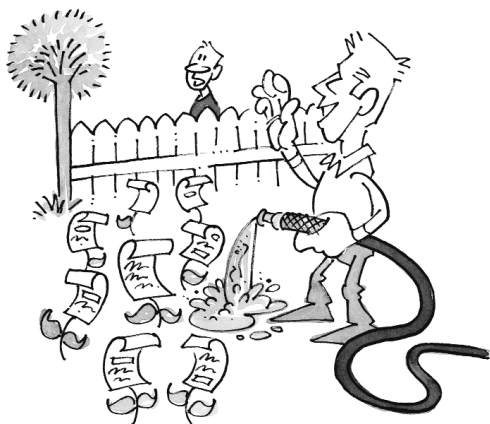
28. Patience Is Suffering

Just before the allocation, however, beware of the dead zone. The dead zone is that place in time when everything that has to be done is done and now you wait. Depending on the category of investors and the length of their allocation cycle, this can be inordinately torturous. But this is how it is with the allocation process in the fundraising arena. You must learn to suffer gladly! I mean, you really have no choice. If you have done your job and all is right with the world, then allocations will be forthcoming.



29. Remember to Nurture Your Investor Prospects

There is inevitably a dead zone in every fundraising cycle, but if you have been doing the right things throughout the process and taking care with the opportunity, then all will be fine. When in the dead zone, do not panic and do not overreact. Be respectful of the investor's time. Go about your business of cultivating the next potential investor. There is no option but to keep busy.



30. Have Faith and the Cash Will Come

Eventually, the phone will ring, the email will come, or the bank account will show a wire transfer, and you will have secured an allocation!



31. Know When to Stop Marketing

At this point, it's critical to remember the golden rule: when you're done, you're done. Cease and desist with the pomp and circumstance. When you have secured an allocation from an investor, stop marketing to them. Your job is done.

