





# HOW TO NURTURE AN INVESTOR

E-BOOK

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## Introduction

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### *How to Nurture an Investor*

This Ebook is about **How to Nurture an Investor**.

The way we approach the fundraising journey is to reduce the time and effort required for Startups and Investors in raising capital, with the aim of making every relationship and transaction a win-win.

We do this by using a systematic approach to raising capital. This involves the Pitch, Commercials, Data Room, Lead Investor and then syndicating your raise on a funding platform. For further information please refer to the [How it Works](#) page on our website.

Creating and running a Startup is a challenging and rewarding experience. With the aid of investors, it can truly transform the prosperity of your business.

This eBook will tell you how Investors can play a major role in helping and supporting your Startup, how you can be proactive in the process and the best way to go about successfully creating investor relationships.

It is important to realise that building a relationship takes time, but can ultimately shape how your success is paved!



## CHAPTER ONE

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# START INVESTOR RELATIONS EARLY

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## Start Investor Relations EARLY

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### *When to reach out to investors?*

Fostering meaningful investor relationships are a crucial aspect for raising capital and building your business. Beyond funding, it can bring about several benefits:

- Accelerating your investment timeline
- Opening doors to other investors in their network
- Engaging in feedback to open up new or improved business possibilities

### **The worst time to get to know someone is when you actually need them!**

If you are able to build a relationship with investors that you engaged with early on, they get to know you and your business, making it will be much easier to create a dialogue when you need their funding.

**Building a relationship takes time**, but there are opportunities to reach out to investors or potential investors through digital platforms, such as:

- **Contributions to media outlets** such as industry-specific or popular blogs - showcase your thoughts what you do to investors or potential investors.
- **Go beyond the mainstream online areas.** Research what other outlets / forums / events might have the right fan base for your type of business.



## CHAPTER TWO

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# BE PREPARED

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## Be PREPARED

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### *Stand out from thousands of other Startups!*

Your time with investors will be limited! So ensure you have all your Startup's information (facts & figures) as easily accessible as possible:

- **Know your numbers, your industry and your slide deck!** there is nothing worse than the feeling of being put on the spot with a question you cannot answer. Memorise the key metrics and how they will change with funding, such as:
  - Customer conversion rate
  - Customer acquisition cost
  - Average revenue per customer
  - Average customer lifetime value
- **Ensure you are realistic about the expectations** of your business and that it is flexible to fluctuations in the market. It is easy to shy away from business problems and hope they will not occur, instead, be prepared and have a solution to the issues.
- **Explicitly state what the raised money will be used for!** It will bring ease of mind to investors if you have a clear purpose.
- **Studying the competition can help differentiate yourself.** There might be numerous competitors with the same idea but execution will separate you.

**There is no such thing as being over prepared!** Providing excellent answers can only come through a great deal of preparation and attention to detail.



## CHAPTER THREE

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# KNOW YOUR INVESTOR

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## KNOW your Investor(s)

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*Not all Investors are the same!*

**Investors have different experiences and interests** that are unique to them. This will ultimately shape any biases, qualities or certain metrics they prioritise. Remember that individual investors may align differently to their investment firm, so research is essential.

These questions can help you to find the right match of an investor:

What are their interests?

What sector do they invest in?

What stage of the business do they typically invest at? Seed?  
Series A?

How much do they typically invest? Or how much have they  
invested in the past with other companies?

How many investments have they made in the past year?

How much are their investments worth now?

What is their risk tolerance?

Knowing this information **can help you tailor your pitch** to match them accordingly or find potential investors that are more likely to be on board with your plan.



## CHAPTER FOUR

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# GIVE & TAKE

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## GIVE & TAKE

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### *What an Investor can do for you? What you can do for an Investor?*

A relationship is all about give and take, **don't be afraid to ask for help**, but keep in mind, how you can give back to the investor.

How can you **gain value from an Investor**?

- If a potential investor declines to invest in your Startup, there is still an opportunity to create a relationship. **Be upfront and ask for their advice or feedback for improvement.** Engage the investor in their specialty **tailoring a relationship around a business problem or solution rather than a focusing on investment.** This can lend itself to further conversations.
- Asking for a direct introduction to an investor's network can be rude. Instead, frame it in a different manner, **asking who would be appropriate to approach, when and why.** A push in the right direction can be just as useful as a direct referral.

How can you value add to the investor?

- **Ask if there is anything you can do in return?** Keep them updated about events in the industry, interesting articles or relevant reports.
- **Offer to be the 'expert' in your area,** the investor will look to you in the future for advice in your sector.



## CHAPTER FIVE

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# ALIGN YOUR VALUES

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## Align your VALUES

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### *The importance of your vision & values!*

The beauty of a Startup, is the **unique values** and **culture** that can be built from the ground up.

Be proud to represent your firm's **culture, integrity** and **ethics!** You will be better positioned to align your Startup to Investors that believe in the **same principles** as you, your co-founders and team.

Why is it important that Investor(s) share in your vision for your Startup?

- A lead investor that shares your vision can be a powerful tool in **helping round out a raise**, sharing their networks and expertise.
- There is a **validation effect amongst investors**, that is, they like to see other investors interested in funding your Startup.
- Show off **your passion for your Startup** and they will respect you for it.



**CHAPTER SIX**

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**BUILDING  
TRUST**

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## Building TRUST

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### *What is the best way to build trust with an Investor?*

Once you have established a connection with an Investor, the most important part of a relationship is **building trust**. Here is what you can do to help strengthen it:

- **Treat an investor like an extended team member** by keeping them in the loop and asking for their advice. Having the trust of an investor(s), is having allies in your business venture.
- **Being open and transparent about what is happening in your Startup is crucial** and that means sharing both the upsides and downsides. As a startup, you are bound to face changes and shocks, but **don't be afraid to let your investors know**. You have a **fiduciary duty** and being honest about your Startup's growth and challenges will establish trust.
- **If there is an expected negative forecast, then advance warning is always appreciated**. But end the communication on a positive note. Running a Startup will always have its challenges, but is up to you to help deliver value to the investors and keep them informed.



## CHAPTER SEVEN

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# PERSISTENT COMMUNICATION

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## PERSISTENT COMMUNICATION

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### *How to keep Investors engaged?*

**Regular communication is necessary** and how you do this is important. Most likely, the majority of communications will be online. If you follow these tips, you ensure worthwhile communication with your investors:

- **Don't underestimate what you can achieve** via online channels. Remember to stay professional and digital etiquette is important. Make a point to respond to every email in a prompt manner.
- **Scheduled email updates**, at least quarterly to monthly. Keep in mind that investors are busy, so the information in your emails should be easily digestible.
- Whilst day-to-day business operations don't need to be shared, **important updates (both good and bad), exciting deals** or **business progress** should be communicated to investors accordingly.
- Make sure you **follow up any interactions**. If an investor has helped with advice, always thank them and let them know of the outcome.
- **Avoid communicating through too many channels!** This makes it harder for the investor to keep up with the updates. Limit it to two channels.
- Whilst it is important to be persistent, **be patient in waiting for a response**.

## PERSISTENT COMMUNICATION

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### *How to keep Investors engaged?*

Two email update formats that you can follow are:

- Attachment method
  - Provide a short email update that can be consumed in 4 seconds
  - Attach a full update report

This generates a higher response from Investors who like bite sized emails as well as engaging Investors who looked at the in depth report

- Summary method
  - 2-3 sentence summary of the main points for the month
  - More detailed review on any good news, bad news, and what will be happening next month
  - 2-3 KPIs, include specific numbers that demonstrate growth, it is not necessary to provide too much detail.

Frame the updates in the manner that covers Investors expectations, reality and next steps

Open and transparent with details- be explicit if there are any ways you need help, support or guidance.

## Conclusion

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### *Key Points to take away!*

#### **Start Investor Relations Early**

- Building relationships with Investors takes time so start as early as possible

#### **Be Prepared**

- Know your numbers, your industry and your slide deck
- Ensure you are realistic about the expectations
- Explicitly state what the raised money will be used for!
- Studying the competition can help differentiate yourself

#### **Know Your Investor(s)**

- Investors have different experiences and interests
- Research your Investors interests, previous investments and performance

#### **Give & Take**

- Don't be afraid to ask for help
- Be upfront and ask for advice or feedback
- Ask if there is anything you can do in return?

#### **Align Your Values**

- Represent your firm's culture, integrity and ethics
- Show off your passion for your Startup

#### **Building Trust**

- Treat an investor like an extended team member
- Be open and transparent

#### **Persistent Communication**

- Scheduled regular email updates
- Avoid communicating through too many channels!

# Apply for Funding

Join one of our Assessment Day or send us your completed pitch deck. CapitalPitch Ventures invests \$500k - \$3m.

[Apply Now](#)

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# About CapitalPitch

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Raising capital doesn't have to be so hard!

We believe that Startup funding shouldn't be so damn hard! Its madness that 97.3% of Startups fail at fundraising. Founders shouldn't have to feel confused and frustrated when they try to fundraise and Investors shouldn't have to waste time and money finding great Startups.

We believe every great Startup, no matter their location or circumstances, should be able to fundraise. They need to accelerate (and massively scale) the solution to a big problem that could change the world.

It's time to disrupt a complex, opaque and dysfunctional finance sector that allows great Startups to struggle and fail.

Today, like many revolutions before us, were using technology and experts to create a movement to fast-track Startup investing. We're helping hundreds of Startups' accelerate their equity capital raising and thousands of investors find awesome Startup businesses.

Welcome to CapitalPitch, the world's first capital raising accelerator!

Further details about CapitalPitch, see our website [www.CapitalPitch.com](http://www.CapitalPitch.com)

For FREE downloads, videos, eBooks, blogs & resources, see our website [www.CapitalPitch.com/Resources](http://www.CapitalPitch.com/Resources)

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