

Global Target List— Match Your Firm with Investors That Are a Fit

Now that you have polished your branding and messaging, streamlined your website, and purchased your cloud infrastructure tools, you are almost ready to begin your fundraising campaign. You have a general sense of the current investor landscape and know who you are, what you do, and where you sit in the food chain of the life sciences. Now you must map out the people and firms to whom you should be reaching out in order to successfully meet your next-round fundraising goal. To do this, you must identify every qualified investor for your company (who could serve both your current and future needs). Live Science Nation (LSN) has mapped out the information you will require to successfully identify and qualify potential investors by generating a global target list (GTL).

Creating a GTL of investors may sound like a daunting task, but it is fundamental to an effective outbound fundraising campaign. Furthermore, though mapping the universe of investors you need to know over the life of your company is a no-brainer, rarely is this task ever executed effectively. In this chapter we will explain how to create a functional GTL of investors for your firm. LSN tracks and maintains an ongoing dialogue with more

than 5,000 life science investors across 10 unique categories. These investors' interests cover the full life cycle of a life science company's fundraising requirements, from discovery to distribution. LSN's goal is to uncover a subset of these investors that are a fit for your firm.

The Importance of Fit

Before we go any further, it is vital that we cover the importance of fit. When all is said and done, outbound fundraising is the application of basic marketing principles to the task of raising capital. Marketing is a numbers game, and the metrics of a successful outbound campaign will hinge upon targeting investors that are a fit.

“Fit” means that there is an alignment between your firm and the investor on a number of common factors, be it interest in a certain subsector or technology, indication area, or other criteria. So how exactly do you find the right fit? First, you must ensure that you have a wealth of accurate data, not only regarding prospective investment entities but also other companies within your market. The more fresh, deep, and accurate your data is, the more sophisticated marketing techniques you can employ and the more effective you can be in your campaign. Taking the time to map out the entities that constitute good targets for you will allow you to selectively pursue potential targets that will give you the greatest rate of return. This will set you on the most efficient route to capital.

In the past, a marketer would procure a general list of targets, in this case investors, and take a shotgun approach to that list with various general marketing ploys that essentially amounted to spamming. This method is wasteful and creates a lot of needless noise and activity. Sending an investor that is interested in companies with a focus on shipping medical devices information about a preclinical therapeutic firm is not an efficient use of your marketing potential. It dilutes your message and can leave you dead in the water.

Much better methods are available to a modern marketer with accurate data in hand. If you send a tailored message to a highly targeted audience, you'll get a much greater return on your efforts (see Figure 9.1). If you conduct email marketing using a shotgun approach, your message will typically get you a 1% to 2% hit rate (which measures the number of times the email

Approach	Typical Hit Rate
Untargeted	1%–2%
Targeted (<i>based on historical activity</i>)	5%–10%
Highly Targeted (<i>based on declared investment interest</i>)	20%–30%

FIGURE 9.1: *Typical hit rates using various outbound approaches*

was opened), while sending out to a targeted list can get you a 5% to 10% hit rate. With more data-driven specificity, these metrics can improve dramatically. As it turns out, in markets with sophisticated target pools, such as the life sciences, a targeted mailing based on fit and declared investment mandates can achieve a hit rate of 20% to 30%. Knowing your target audience and doing your homework beforehand saves time, makes you efficient, and garners superior results.

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