

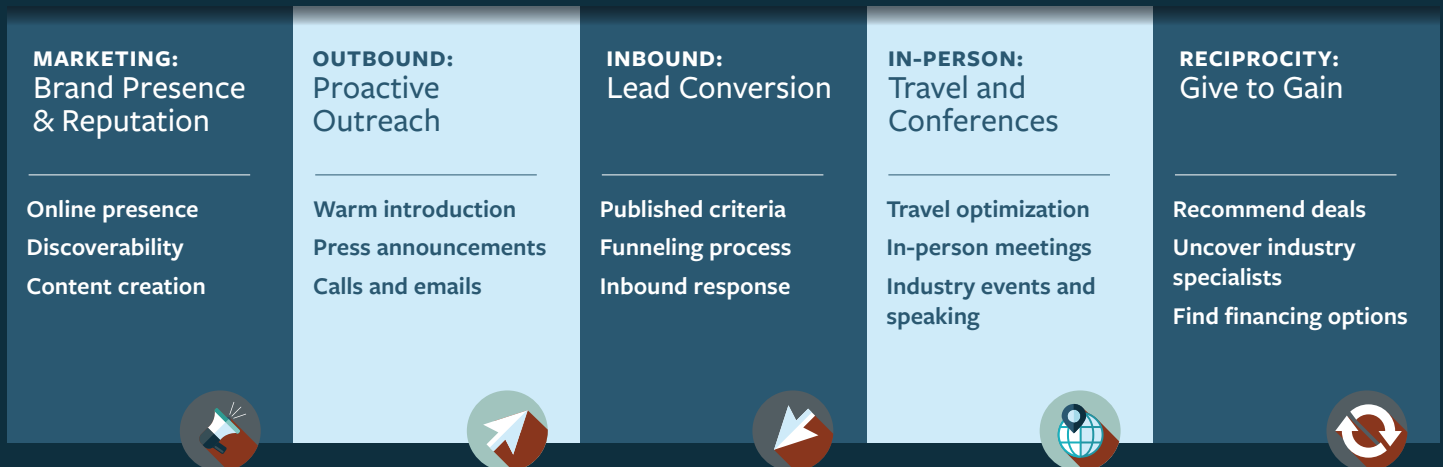
2015

**BUSINESS DEVELOPMENT 2.0  
PLAYBOOK FOR DEAL MAKERS**

*The 5 Pillars and Foundation of a Successful Business Development Program*



## THE 5 PILLARS OF BUSINESS DEVELOPMENT



FOUNDATION: YOUR TEAM + TECHNOLOGY

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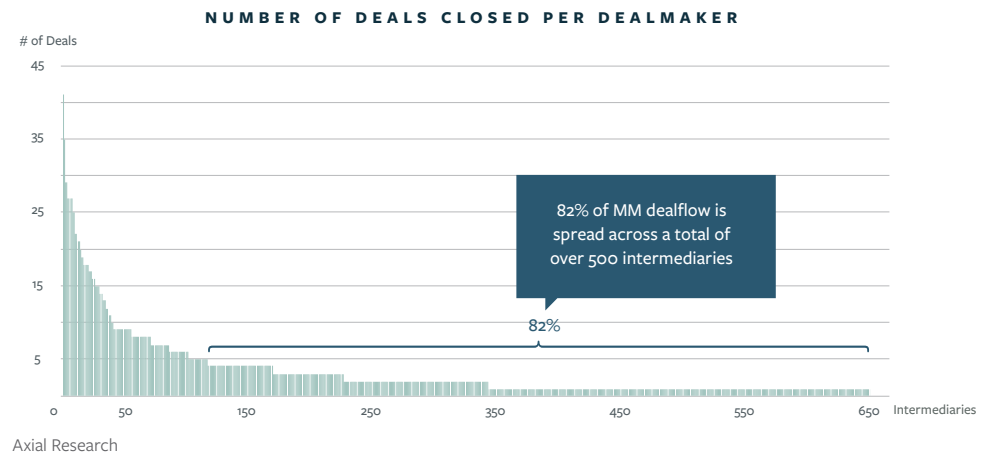
# Business Development and Setting Goals

In a recent article in peHUB, Parker Gale Partner Devin Mathews gave a dire forecast for those who are not changing with the market: “a meteor is coming and it is going to kill your firm’s deal flow.” This playbook was built to help your firm successfully face this shift in the private capital markets. “The sourcing challenge for [the industry] is two-fold,” he said, “The industry is hypercompetitive... and sellers are getting more sophisticated.”

# An Increasingly Competitive Market

There's no question that the private capital markets are heating up. The increasing competition in the market is coming from all sides – evidenced by a constantly growing number of family offices, equity firms, and other investors, a 7-year high in global M&A, and record private equity fundraising.

Additionally a huge flood of capital is coming in as new funds and advisors move into holes in the market, widening the number of deal professionals who are potential partners. In fact in 2013, 82% of middle market deals were spread across more than 500 intermediaries.



Many new players are setting up shop geographically closer to potential sellers, with one of the most influential shifts being the rising number of boutique investment banks. “Over the past 5-10 years, there has been a proliferation of business brokers and boutique investment bankers,” explained Steve Connor of Hamilton Robinson Capital Partners. “Many bankers - after leaving Wall Street firms - have set up smaller shops throughout the country.” As these investment bankers develop a presence in new cities and new markets, “they [integrate] into the local community and get to know the business owners.”

# Evolving Private Capital Markets

At the same time, there is an increasing number of opportunities entering the markets as demographics shift and prices rise. The four million businesses owned by baby boomers will likely be changing hands in the next 20 years, a so-called “Silver Tsunami” that has deal professionals looking for future transactions.<sup>1</sup> **As such, the market is expanding to capitalize on this so-called “\$10 Trillion Opportunity” - these businesses represent an estimated 10 trillion in liquidity changing hands over from the last decade to the next.**<sup>2</sup>

But deploying capital into private companies has always been complex. Unlike the public markets, information on transactions is not standardized or transparent. There is a lack of liquidity, and the market is fragmented into thousands of relevant participants and opportunities at any given time.

**These limitations create opportunities for those ready to invest in an evolving market which is changing in four significant ways:**

- **Financing and exit decisions start online** - 89% of CEOs and bankers are now researching online before they connect with potential partners.<sup>3</sup>
- **We live in a networked world** - In addition to general online research, most people filter all new information through other people they are linked to. Their connections decide what calls they take and what conversations they pursue. CEOs are taking advantage of easier access to social filters when considering financing options using online networks like LinkedIn and Axial.
- **Educated sellers are savvier** - Thanks to online platforms, global CEOs see endless amounts of information and their circle of influence is growing wider. What used to be a much more isolated world, a CEO’s local network, attorney, and often spouse, is supplemented by sophisticated educational platforms and CEO peer networks like Vistage and YPO as well as a growing demand for specific answers online.
- **Specialization - Finally, increasing competition is fueling a movement to specialization, allowing firms to stand out from the crowd.** Specialization and reputation are being built through shared thought leadership and demonstrated expertise in particular sectors and industries.

## Defining Private Capital Markets

- Huge but fragmented
- Lack of transparency
- No standardization
- Illiquidity

<sup>1</sup> U.S. Census Survey of Business Owners

<sup>2</sup> The \$10 Trillion Opportunity, Richard E. Jackim and Peter G. Christman

<sup>3</sup> Axial Survey Data: 769 business owners, intermediaries and investors

# Business Development for Deal Makers

With new opportunities, new deal sources, and new entrants, the market is more fragmented than ever. In this challenging environment firms need help to overcome the growing scale, transparency, liquidity and standardization requirements to be successful in the private markets.

**Business development refers to the set of outbound and inbound strategies that drive awareness of your company’s objectives and helps ensure that you find, connect with and are found by the most relevant opportunities and clients.** There are tried-and-true strategies that have worked in the past, as well as a host of new tactics to employ in a new, technologically-empowered world.

At Axial, we work with deal teams to update their strategies on how to set goals in this new world and then how to execute a plan to achieve them. LPs and other stakeholders are now asking pointed questions about firms’ plans for maintaining and building deal flow. There has never been a better time, no matter the size of your firm or scope of your objectives, to build a business development strategy to meet your goals and conquer the challenges in today’s market.

**BUSINESS DEVELOPMENT 2.0**

CURRENT STRATEGIES	NEW STRATEGIES
Reputation-building one deal at a time	Sharing success and experience at scale
Cold calling, email blasts	Warm introductions, targeted outreach
Ignoring irrelevant opportunities	Using inbound opportunities as leverage to develop new relationships
Travel for one meeting	Trip planning, conference ROI
Relying on your rolodex	Consistently investing in new and existing relationships
Distributed responsibility for sourcing	Allocation of sourcing efforts to business development team

# Building Your Funnel

As a playbook emerges for business development 2.0 that builds on technology, it is becoming easier to incorporate new strategies into your firm's operations. Today, those who are using new tools are at a competitive advantage, but soon these tactics will be table stakes. Successful firms must be in the market constantly because their competitors are.

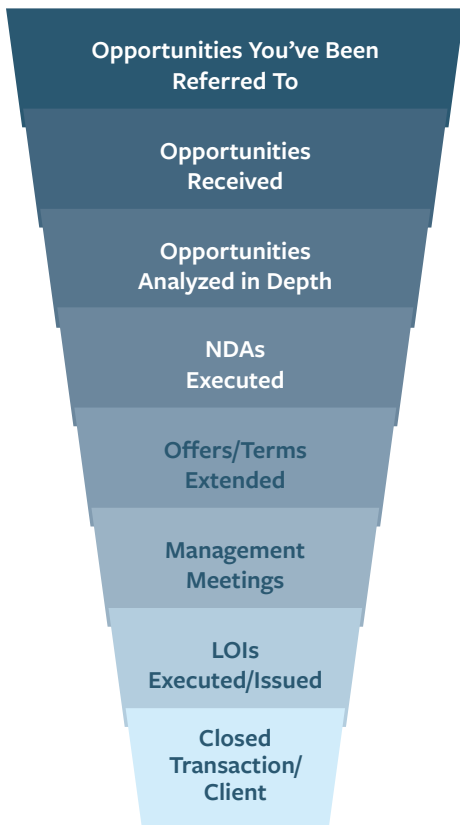
Your funnel is the series of trackable steps a potential deal moves through from opportunity to transaction. At each stage, your team is further qualifying the deal, either moving it closer to completion or letting it go. **A clear, repeatable process is needed to identify new opportunities and convert them into closed transactions or relationships that lead to more opportunities.**

Building a funnel starts with a few questions. Do you believe you are already seeing all the best deals or companies? Will you be able to maintain this flow in new competition? Or do you want more options? As one of our members said to us: "A well-run funnel provides optionality when it's time to decide on which transactions to close - more and better options means better deals."

The first step in maintaining and improving funnel quality in the face of increasing competition is to identify the activities and the channels driving the most deals. The best investors and advisors make sure they're spending their time on the activities most likely to generate high quality transactions. They set up a system to identify the highest-impact actions, by tracking specific deal sourcing efforts against outcomes. In other words, they establish a funnel.







The stages of the funnel get smaller as you qualify fewer and fewer deals, heading for a closed transaction. Although individual funnels vary, a good set of numbers to track starts with the list below:

- Opportunities You've Been Referred To
- Number of Investment or Acquisition Opportunities Received
- Investment or Acquisition Opportunities Analyzed in Depth
- NDAs Executed (i.e. CIMs and Data Rooms Reviewed)
- First Round Offers or Terms Extended
- Management Meetings
- LOIs Executed/Issued
- Closed Transaction/Client

Once your goals are established at each stage of your funnel, it's time to create strategies to build success at each level. One example will be how to see more relevant deals - increasing the volume at the top of the funnel. There are at least six areas of opportunities to strengthen your funnel:

- Existing relationships with intermediaries or referral sources
- Dealmaking networks
- Proprietary sourcing
- Conferences and networking events
- Well-defined and open-minded evaluation procedure
- Requests for referrals to other opportunities when responding to counterparties

# The 5 Pillars of Business Development

Dedicated business development efforts have become a source of competitive advantage for the deal community. In partnership with our most successful members, Axial has codified the elements of a comprehensive program for business development - a set of 5 key strategies and the infrastructure required to excel at them.

# MARKETING: PRESENCE & BRAND REPUTATION

## MARKETING: Brand Presence & Reputation

Online presence  
Discoverability  
Content creation



Marketing is the first piece of the business development puzzle, with all your activities revolving around three things: being present, getting found, and initiating conversations.

At the heart of it, you have to go to your audience and enable them to find you. The most important thing to get right is to control the perception you create when people specifically target, or stumble upon, your firm for business opportunities. Marketing allows you to tell your story and share details against what you anticipate your counterparties are searching for.

**According to Rich Prestegaard of High Road Capital Partners, “Our brand presence and reputation is one of the key reasons we get thought of in a limited auction situation.”**

## Online presence

In order to be found by the right partner or opportunity, your firm needs to be present. The best entry points you can create for your brand exist online.

### *Website optimization*

Your firm’s website is the best, most public-facing representation of your brand and showcases what you want to be known for. For example, feature a specific investment mandate, a legacy of deals in a certain space, or a strong reputation of working with management teams.

Many advisors and buyers do not have effective websites. While it does not need to be the prettiest or most technologically advanced, it is beneficial to have a website that clearly defines your areas of focus and expertise, as well as your team’s financial success. One thing we hear is, “*a nice website probably means capital.*” The right type of visibility helps others to trust your reputation and brand.

Whether you are working with a vendor or doing the work in-house, make sure your website answers the key questions an interested partner would have and communicates any competitive advantages over others in the space.

### Here are a few tips in creating an effective website:

- **Promote transaction history** - Immediately surface your experience to heighten your credibility and tag your track record by industry.
- **Get specific with sub-sectors** - Drill down into the types of interests you have within broad industries. It pays to note that pet products or specialty chemicals are of interest on your website, not just in conversation.
- **Humanize your website** - Include informative, friendly bios about your team. Tie an individual to specific industry experience whenever possible, as opposed to simply stating the names of transactions they've been a part of.
- **Make it mobile-friendly** - This is critical for those who are viewing you from smartphones, as 23% of US adults' time is spent on their phones.<sup>4</sup>

### *Online profile optimization*

Clearly stating your objectives and criteria on platforms like LinkedIn and Axial is key to converting “visitors” to live conversations. These actions increase the likelihood that you're found by a company or their advisor when the time is right.

The key benefit of having searchable profiles on relevant sites is aggregating all of your content into structured data. These profiles should showcase your information in a consistent format to help prospective counterparties identify and connect with you. You need to clearly articulate what you want your audience to absorb in order to drive the best results.

#### **BEING PRESENT: OPTIMIZING YOUR AXIAL PROFILE**

- **Be specific** Niche categories and objectives will attract the best deals
- **Promote mandates** Outline your deal criteria
- **Include contact info** Pictures and company info ease connections
- **Share news** Press coverage and deal announcements highlight success
- **Drive traffic** Include your website URL to drive traffic
- **Update** Consistently check and update your messaging



<sup>4</sup> EMarketer, April 22, 2014.

## Examples of searches in the deal space

“Building products private equity”

“Organic foods investment banker”

“New York senior lender”

“Progress Partners” (Your brand)

## Discoverability

It is almost guaranteed that business owners and their advisors will search the internet for you before engaging in any serious conversations. **89% of deal professionals prelude a connection by searching online.<sup>5</sup> What will they search when looking for you. And what will they find?**

Searches in the space are getting more specific because most people know what they are looking for. Interested parties are also searching in several ways, from looking for niche sector specialists, to searching by general terms, and sometimes by brands they know.

### *Search Engine Optimization (SEO)*

Optimizing your website and company profiles for results on traditional search engines will improve your visibility. If they can't find you but they find your competitor, you risk losing out on opportunities. Each site has a unique way of sorting results. Some prioritize the number of links to your site, while others use the relevance of the content or the search language. It is important to know the basics of why and when you will appear.

Unless your team is larger, you don't need to hire an SEO expert. At the basic level there are a few easy questions to ask the team developing your site, ensuring that you can be found:

- What are the title tags of our site? Are they optimized for length and content?
- Do all of our pages have meta descriptions?
- What keywords are we focused on? Do they appear in relevant pages, content, and tags?
- Is the sitemap optimized for both readers and search engines?

### EXPERT TIP

One way to rank in a search engine is to update your **Axial profile**, which is optimized for public search as well as **Axial DealRank search**.



<sup>5</sup> Axial Survey, 2014.

### ***Platform search***

Most people who search to discover your firm will be on platforms optimized for search in the most relevant context, for example on LinkedIn or Axial. The search industry exploded because it connects to consumers at the moment of intent - and there is no better intent than going to a site built for your industry to look for a new partner.

As with public search engines, site-specific search engines rank how companies appear by a variety of factors, based on the goal of the site. It is important to know how each site ranks results and then optimize your profile to appear as high as possible in the searches most likely to impact your business.

#### **OPTIMIZING YOUR PERFORMANCE IN AXIAL RANK**

- **Past Experience** Highlighting past transactions in a space will improve your performance on a recommendation list.
- **Responsiveness** Whether an opportunity is a fit or not, responding and messaging heightens your activity index on Axial, and therefore your rank.
- **Specialization** The more specific your criteria is outlined in a transaction profile, the closer a match (and higher ranked) you'll be to a company owner or their advisor.



**Content creation and distribution** - Creating content and distributing it is about being a great conversationalist at scale. Sharing your specialization and expertise gives others reasons to contact you. Content could be anything from a market perspective on LinkedIn to a quotation you liked from a conference speaker on Twitter.

<b>Content</b>	<b>Distribution</b>
Website	Search Engine
Online Profile	Platform Search, Search Engine
Blogging / Webinar	Social Media, Industry Publications, Axial Forum/NewsFeed

### ***Blogging and bylined articles***

Blogging is a still nascent area of marketing amongst deal professionals. Early adopters, however, have distinguished themselves from their competitors with this form of thought leadership.

**Creating bylined content and blogging gives you assets to be distributed on multiple platforms and share your point of view in a credible way.** Both forms of content creation allow you to control and enrich your message.

Venture capitalists have long been active in the blogging community. As David Hornik, the first venture capitalist to begin blogging over a decade ago, wrote, “blogging has become an incredible megaphone. Over the years, millions of people have read what I have to say about venture capital and entrepreneurship.” He continued, “In combination with the powerful amplification of social platforms like Facebook and Twitter, VentureBlog, has proven a valuable tool for me and my companies to rise above the noise.”

Here are a few tips for starting to blog:

- **Start writing** - Even if you begin blogging once a month, the added transparency about investment methodology, client relationship management, or simply the day-to-day life of a deal professional can add a dimension of trust to help you stand out in today’s extremely competitive environment.
- **Focus on your audience** - Your blog should be dedicated to a specific audience. Being consistent with your audience allows you to develop a following and become a thought leader.
- **Think thought leadership, rather than sales** - Those who do this best don’t push their firm, they promote themselves as market experts - and provide value to potential clients and partners.

#### **BEST PRACTICE**

Set a schedule to write at least once per month. The consistency is critical to developing an audience.

### ***Webinars and video content***

Webinars and video can be resource intensive, but if recorded and redistributed, they can be a powerful tool in sharing expertise. Consider participating in an industry panel or capturing testimonials from former clients for authentic video content.

### **Best Places to Distribute Your Content**

- **Social Media** - Circulate all information where people can search for you -- LinkedIn, Axial, and for some, Facebook, Twitter or Slideshare, if you have a following there.
- **Trade Publications** - Convey thought leadership in the middle market by participating in interviews, studies, and op-eds in trade media.
- **Industry Publications** - Communicate directly to targets in your industry by positioning yourself as an expert on exit options or capital raising for specific kinds of professionals.

### ***Social Media***

Social media sites offer the distribution megaphone and medium to convey areas of expertise and experience. When used and monitored properly, social media sites can offer a distinct advantage in deal sourcing, news gathering, and due diligence. Additionally, these channels can offer deal professionals brand awareness and recognition. Effective use of social media has even proven helpful for many companies in garnering attention from the media.

- **Use LinkedIn for new relationships and opportunities** - To best utilize your LinkedIn profile, be sure to have a professional page, connect with all known contacts, and join relevant groups for engaging in new relationships and discussions.
- **Use Twitter to get the most relevant news** - Because of its short-form nature, Twitter offers the best way to keep up with real-time news. As Julia Karol of Watermill explained “Tweeting gives me time to read and engage with material that I wouldn’t always have the time and space to do. If you are rushing around and don’t give yourself a moment to explore, you are missing out on this rich dialogue that is happening on Twitter.”

#### **BEST PRACTICE**

As you begin blogging, one way to get ideas for topics are either to read other deal professionals in the middle market (e.g. *John Slater, Mason Myers, or Michael Schwerdtfeger*) or see the breadth of topics the VC community comments on (e.g. *Fred Wilson, Guy Kawasaki*).



### Top hashtags for a transaction

#acquisition  
#buyout  
#privateequity / #PE  
#IPO  
#merger  
#MnA

### Top hashtags for a trend piece

#investmentbanks /  
#investmentbanking  
#privateequity / #PE  
#lending  
#mergers  
#middlemarket / #midmarket  
#MnA  
#SME

### BENCHMARK

Start building a presence on Twitter by tweeting just once a day. As you become more comfortable, gradually increase that number to as many as 10-15 a day, including retweeting, favoriting, and responding to like-minded professionals. The tweets should be indicative of your brand and areas of focus.

You can reach the largest audience by distributing your content through a variety of media. If you are on social media, consider hashtags to connect to relevant and trending topics.

### MARKETING

Budget Up	Budget Down
Website and search engine optimization	Direct mailers
Specialization & market research	Commercials

# OUTBOUND: PROACTIVE OUTREACH

## OUTBOUND: Proactive Outreach

Warm introduction  
Press announcements  
Calls and emails



The act of sourcing new deals or new clients used to start with casting a wide net. The new key to outbound business development is being more targeted with the information and content you share, as well as the way you share it. Deciding whether one-to-one (1:1) or one-to-many (1:many) is more relevant. No one wants a mass email that clutters their inbox, but valuable information on your firm that helps others connect to you at the right time will build relationships for the long term.

While many companies present an opinion on “quantity” versus “quality”, the fragility of closing deals or clients still leaves business development a numbers game. Outbound business development has long been the bread and butter of the business development space - staying top-of-mind by getting in your inbox or being on a recent phone call.

OUTBOUND		
	CONTENT	DISTRIBUTION
1:1	Warm introduction	Call, email
1:Many	Public announcement	Email, website

## Warm introduction

Regardless of how you are reaching out, all 1:1 outbound contact should lead with a personal connection - a warm introduction. Be it a current priority, mutual contact, or shared interest, an outbound call must lead with a reason for calling other than introducing your firm or latest objective.

### BEST PRACTICES FROM AXIAL

Use Axial to drive warm introductions in three ways:

- Connect on live opportunities shared on Axial
- Search by region for common connections or in advance of an upcoming visit
- Use Company Profile information such as announcements to acknowledge the latest news or accomplishments of the firm you're dialing into



## Press announcements

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Press releases and announcements are another helpful component of outbound business development - whether sharing with your existing CRM or individual sends. Press releases and public announcements target new relationships and can help announce your message to a wider audience of dealmakers, business owners, and journalists.

As you share news, share it on your Axial News Feed as well. Use the Announcements functionality to share anything you want - from a closed transaction or new hire, to an interesting article. You can even post the message to LinkedIn with just one click.

## Call lists

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One industry benchmark suggests that it takes nine touches to build a solid relationship with a person. If travel allows a finite number of in-person meetings and email has limited interaction, the best way to build new or existing relationships is by phone.

Cold calling used to be the only option - casting the widest net, but finding those needles in the haystack made it inefficient for even the best teams. **Now the best practitioners build target call lists and track touches throughout the year.** As Steve Connor of Hamilton Robinson explained, “As a company, we like to plan for 100 connections a week. While the real number may ebb and flow with deal activity, we generally aim for 100.”

Specializing your call lists means moving away from an associate reaching out in a general way. General conversations that introduce your firm won't cut it. Zoomed-in conversations regarding a specific priority sector of focus or legacy connections through a past transaction will unearth high quality connections and convert to meetings or next steps more frequently.

### BEST PRACTICE

Specialize your call lists: Create targeted call lists that center around one industry, one portion of your strategy, or one location to help refine and specify your pitch over the phone.

## Email and messaging

For a slightly less personal touch, larger email campaigns can help to keep your team top-of-mind. Whether it is a transaction announcement, a new hire, or simply a virtual Christmas card, email outreach can be a friendly reminder of your activity to your contacts.

- **Announcement emails** - Email outreach is one of the most efficient ways to notify your existing network about a recent success or transaction. Rather than calling each contact, you can notify all relationships with a quick send. If you want your marketing email to generate a response, try following up with personal one-on-one outreach after a blast email to guarantee they saw the opportunity. Don't forget to share the news on Axial's News Feed as well.
- **Explore the new potential of General Solicitation** - General Solicitation has widened the potential for marketing sends. While it has not developed much traction yet, sending out an email with the details of your latest opportunity may prove effective and valuable. If your opportunity is hosted on Axial, you can share the private link to guarantee direct access to the opportunity. If you don't have Axial but do have a comprehensive CRM, you can pull the emails of all relevant deal professionals and accredited investors.

### BEST PRACTICE

Be careful not to overdo the email strategy. Send an email to your network for all major announcements (closed transaction, new hire, etc.) but try and limit them to no more than once every two months.

### OUTBOUND

Budget Up	Budget Down
Live networks	Stagnant databases and stale CRMs
Specialized call lists	Frequent email outreach

# INBOUND: LEAD CONVERSION

## INBOUND: Lead Conversion

Published criteria  
Funneling process  
Inbound response



Inbound efforts are the time you put against nurturing, filtering, and optimizing your deal flow through the pipeline. Steps that build towards your inbound business development efforts are the marketing and outbound strategies, connecting you to the right platforms and projecting relevant news and messaging. The optimal lead conversion strategy takes this effort and distills it efficiently into relevant opportunities.

**As your outbound business development becomes more refined and effective, you should see increased efficiencies in your inbound efforts leading to more, and better, deal flow.** Inbound phone calls, introductions to prospective clients, and invitations to 1-1 meetings are good indications that your outbound BD efforts are working.

## Published criteria

The most important consideration for bringing in relevant opportunities is making sure people know what to send you. For example, publish your mandates or market your tombstones. Ask yourself, how high quality and detailed is the information I am publishing?

Once you have published your criteria, the next question is where do the inbound channels in your organization lead? Publishing criteria on your website or in Axial Transaction Profiles should flow directly to your business development team or industry lead. Having highly credible contacts available and affiliated with your profiles will have a significant effect on their conversion rates.

## Funnel optimization

As we mentioned in the preceding section on funnel development, each firm will have its own unique funnel, but there are best practices to improve conversion at each level. The ideal funnel tracks the monthly or quarterly numbers at each level, and then benchmarks them against time periods before and after.

The old way was to obsessively “cover ground” in order to uncover extreme quantities of deals. Filling the top of the funnel with hundreds if not thousands of opportunities per year allowed for a pat on the back to a head of business development. However, if business development efforts aren’t aimed at strengthening conversion, you end up with a top heavy and expensive funnel, requiring thousands of at bats for single-digit closes per year.

### BEST PRACTICE

Go deep before you go wide - allow your team to consider higher quality deals from the start instead of needing to rope in a particular volume.

## Inbound response

If a relevant contact sends an opportunity your way that goes unaddressed, chances are he will hesitate to do it again. It is important to create a systematic method for analyzing and responding to every opportunity or personal outreach you receive.

### **BENCHMARK**

Respond to each deal or inquiry by phone or e-mail within 48 hours.

As Rich Prestegaard explained, the most important way to guarantee you are seeing the quality deal - whenever it arises - is be conversant, respectful, and honest with the intermediaries and contacts.

**“The most important way to build your reputation is to deliver what you say you’re going to deliver.”** explained Prestegaard. **“On the deal sourcing front, if you say you’re going to be responsive to things, then you’ve got to be responsive.”** Prestegaard added, **“It’s a big challenge, and I know plenty of firms wrestle with responding to deals, but it’s key to building reputation.”**

One of our members worries, “No one calls any more, so my ability to manage my inbound email is a make or break thing.” By responding to each email, you can build a relationship and determine if there are other opportunities for the two of you to work together.

### **INBOUND**

Budget Up	Budget Down
Specific Profiles on Axial	General Profiles on Axial
Sourcing Profiles for Portfolio Companies on Axial	

# IN-PERSON: TRAVEL AND CONFERENCES

## IN-PERSON: Travel and Conferences

Travel optimization  
In-person meetings  
Industry events and  
speaking



“We highly value the in-person outreach,” explained Gretchen Perkins of Huron Capital. “It is the best way to have an effective conversation and educate intermediaries about what is a good Huron deal.”

## Travel optimization

As business development evolves, it will be hard to replace the benefits of an in-person meeting, but that doesn’t mean that every trip can’t become more valuable. Before planning a trip, think back to the three pillars outlined earlier in this guide:

- **Marketing** - Determine that if someone you contact looks you up, all relevant information is on your website and that you have a complete profile where they would look.
- **Outbound** - Create curated lists to contact via email or phone to set up meetings in your trip city or at the conference.
- **Inbound** - Content creation and shared market interests will set you up for the ideal interactions. Consider ramping up your content creation or hosting a webinar right before a major conference. Positioning yourself strongly as an expert will keep you top of mind with fellow attendees.

### BENCHMARK

When visiting a new city, schedule as many as 7-8 meetings a day. If you can’t meet with all relevant counterparties during your visit, use your trip as a way to start a warm conversation over the phone.

## In-person meetings

Much is accomplished in-person to build trust and long-term relationships. Connecting to someone with the physical signals we create in conversation coupled with bringing in relevant deals, connections, or interests can make each meeting more impactful.

**Where to go?** Choose destinations based on the cities that yielded the most qualified opportunities in last year’s funnel.

There are two ways to outline the best strategy for building out in-person meetings - track pockets of relevant contacts to where they live or start with one city and then find all interesting parties. To set up these meetings, either make dedicated trips to a city or stay an extra day after a conference to meet with those who live in the city.

Once the meetings are established set goals for every trip and interaction you have. For example, are you simply re-engaging this particular relationship or is there a specific deal or investment mandate you want to share?

#### **BENCHMARK**

- # contacted / # of meetings scheduled = Outreach effectiveness
- # total meetings held / # successful meetings = Meeting effectiveness

## **Industry events and speaking**

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One of the key ways to maximize the value of conferences is by thinking strategically about both the tactical elements and marketing opportunities of attendance. Set a goal for every conference and work backwards, from the number of attendees you will reach out to or the meetings you need to take to reach that goal.

In planning your conference attendance, there are two main types of events to consider:

- **Deal professional conferences** - Deal professional conferences have become a central component of business development. Thanks to organizations like ACG and IBBA, and now Axial, deal professional conferences are a requisite for maintaining relationships and building new contacts.
- **Industry specific conferences** - If your company has a specialization or dedicated area of expertise, industry-specific conferences are also a great way to source new opportunities and relationships. If you are attending these conferences to source new opportunities and clients, it is important to be viewed as a trusted partner. Be ready to discuss your experience in the sector and any recent news and trends.



One question on everyone's mind prior to an event is "can I get the attendee list?" And then, "who should I contact?" A common pitfall of conference attendance is spending 70+% of your time with people you already know. Attendee lists lead many to scan a list for familiar names and faces. How do you break out of this pattern?

Before acquiring the eLearning Mind, Andrew Fayad of CAPAS explained,

*"We went to an e-learning conference as investors, which really opened everyone up. Many companies were willing to tell us their story, their business model, and their perceived value add. Some people were even giving us their revenues since it is so rare for investors to go to an industry-conference."*

In planning your time at the conference, take these steps to connect to new and existing professionals in the right amounts:

- **Plan meetings** - More and more, organizations like ACG and Axial provide attendee lists in advance of an event in an online format. Tagging fellow attendees by industries, location, and firm type provides the clearest way to identify the most productive conversations, as opposed to the most familiar. Prioritize your meetings, and schedule a time and place beforehand.
- **Track connections** - Track these scheduled meetings in a spreadsheet, including cell phone numbers, and print out a copy to have on hand at the conference. Scheduling ahead allows you to maximize the limited time you have at the conference.
- **Manage contacts** - Applications like CardMunch, Evernote Hello, and 5Degrees also make follow-up easy and comprehensive by collecting data on the people you meet right on the spot. Either scan their business cards or enter their information into your phone, and you'll be able to seamlessly follow-up once you're back in the office.
- **Leave a strong impression at the conference** - To leave a positive impression, try to be the connector - always collect cards, use everyone's name, and engage in interesting conversations. Ensure that everyone you meet can easily identify you, by place your name tag on the right side of your body - it provides maximum visibility while shaking hands.

- **Follow-up** - The follow-up to a conference is the most important part. Abandoning leads collected at the conference wastes the time and resources you spent at the event. If you don't follow-up after the meeting, it can quickly be forgotten. Make your note personal and highlight specific parts of the conversation. Axial Tags & Contacts lets you upload, organize, label, and communicate with all of your contacts from one place. Simply add and tag the attendees you met or contact your Axial Business Development Consultant for help uploading the conference attendee list.

And don't forget meetings outside the hotel ballroom! While at these conferences, set up in-person meetings with any relevant contacts in those cities.

**CONFERENCE BENCHMARKS**

- Plan at least 10-15 scheduled meetings for the conference and go into each of those meetings with a set goal in mind. After the meeting, assess whether the goal was accomplished.
- Follow-up each meeting with an e-mail or call within 3 business days.

**IN-PERSON**

Budget Up	Budget Down
Planning for in-office meetings	Large tradeshows
Small dinners with multiple counterparties	Routine visits to markets with no yield

# RECIPROCITY: GIVE TO GAIN

## RECIPROCITY: Give to Gain

- Recommend deals
- Uncover industry specialists
- Find financing options



Sometimes the best way to stay top of mind is to share opportunities you sourced with others. A similar concept is central in Chinese philosophy known as guanxi - the goodwill and strength in a relationship that comes from sharing with others.

### Recommend deals

Every deal you pass on presents an opportunity to connect someone you know who is a better fit. In fact, the further a deal makes it through your sourcing funnel, the more you should consider sending it to other contacts.

A great way to restart a relationship is the “thought of you” model, where an opportunity you pass on could potentially spark the interest of an old contact.

### Uncover industry specialists

Reconnecting with old, dormant contacts, the people you haven’t spoken with in a number of years, can bring to light new insights, especially when you can bring them a specific deal to discuss. A study published by MIT a few years ago found that executives who reached out to contacts they had lost touch with reported their conversations were more valuable than the discussions they had with their regular contacts. The dormant relationships presented novel ideas, had unique insights and were very happy to help even though the relationship had gone cold.

### Find financing options

Whether it’s identifying a co-investment opportunity, sourcing debt, or accessing limited partners, your ability to take deals to more robust sources of financing can significantly change the size of the transactions you’re able to participate in.

#### RECIPROCITY

Budget Up	Budget Down
Time spent on sending interesting deals along	Allowing all inbound opportunities to be evaluated by junior staff members
Quick calls for advice	

# The Foundation of a Business Development Strategy

Adoption of the 5 Pillars can be a powerful lever to scale your firm's growth, but your ability to take on these initiatives is truly affected by the who and the how. Who will manage your business development 2.0 efforts and what tools and systems are required to make you successful?

## Team

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The most critical piece of the infrastructure for business development is your team, the people dedicated to building the new relationships, tracking deal flow and measuring success of each channel. Are the right people in place to keep you accessible and in-market all the time? Have you achieved consistency with the message you send, the team you have on the front lines, and your brand presence and reputation?

There are three functions to consider in building a team:

- **Business development lead** - Outlining quarterly and annual goals and strategies against each level of your funnel. Conduct funnel filling, CRM-management, marketing, and social media strategies and activities. This person serves as the “face of the firm”.
- **Outbound outreach** - Proactive salesmanship and relationship building. Commitment to a unified brand. Consider specialization by industry or geography to avoid the overly-general promotion of your firm. Creating content and distributing to all relevant channels to keep your firm top-of-mind.
- **Inbound tracking** - Tracking all incoming contacts and opportunities to move opportunities through the funnel towards execution. Strong attention to detail and committed follow-through required to hunt down documents and secure necessary information to move an opportunity forward.

It's also important to acknowledge that if you want your team to master a business development strategy, pitching your value proposition in more specific ways, and forming a consistent brand in every interaction your firm takes on, more training and development is required. A question we frequently hear from managing directors is “how do I help my associate view deals as opportunistically as I do?” You must create an environment where a junior staff member will feel empowered to bring an interesting or unusual deal to the table. Avoid applying a rigid matrix to everything inbound or opportunities will get passed on prior to making it to your desk.

## Technology

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The technology required to achieve a robust and improving business development strategy includes three pieces:

- **Self-updating CRM** - Every business development professional knows it's important to monitor your contact activities - through a CRM or another system. You know who your network is, how segments of your network can bring value to your firm, and how consistently you are in contact. It's critical that you have opinions about who you want to cover and how often. It's also important that you regularly evaluate weaknesses or pitfalls of your CRM to optimize your relationship building efforts.
- **Deal funnel management tools** - The second piece of technology - the piece required to conduct leading business development activities - must set you up to access the most current information on potential counterparties and must allow you to highlight your most current information to companies interested in connecting with you.
- **Tracking, analysis and optimization** - From analyzing your deal funnel to improving the SEO of criteria and objectives, planning quarterly for optimization allows you to integrate new technologies and strategies.

# Strategy Checklist

## ACTIVITY CHECKLIST

## USING AXIAL: PLATFORM CHECKLIST

### MARKETING: Brand Presence and Reputation

- Online presence
  - Website optimization
  - Digital platform optimization
- Discoverability
  - Platform search
  - SEO
- Content creation
  - Bylined articles / blogging
  - Webinars / video

- Company Profile optimization
- Transaction history profiling
- SEO of published criteria
- Sharing in Axial announcements
  - Press coverage
  - Bylined articles
  - Featured news
- Hosting of rich media content

### OUTBOUND: Proactive Outreach

- Warm introductions
- Press announcements
- Calls and emails

- Targeted call lists by industry/location
- Research material for warm introductions
- Message by industry/firm type/location
- Redistribution of email campaigns

### INBOUND: Lead Conversion

- Published criteria
- Funneling process
- Inbound response

- Transaction Profile optimization
  - Specific profiling of niche interests within overarching industries
- Strategic response process to extract more opportunities
- Click-to-call to improve response time

### IN-PERSON: Travel and Conferences

- Travel optimization
- In-person meetings
- Industry events and speaking

- Trip planning and meeting scheduling
  - Primary markets
  - Secondary markets
- Axial event participation

### RECIPROCITY: Give to Gain

- Recommend deals
- Uncover industry specialists
- Find financing options

- Sharing deals with Axial contacts
- Sharing past transactions to connect with industry specialists

### FOUNDATION

- Team
- Technology

- Dedicated team resource – business development occurring daily
- Axial integration

