

Fundraising and the Importance of Branding

The most successful fundraisers are not necessarily the highest performing funds. Rather, they are the funds that create a brand and then make a great effort to reinforce that brand.

Developing a brand requires communicating your fund's message to a targeted group of investors that has an interest in your type of fund and strategy. It necessitates creating a continuous outbound marketing campaign that regularly reaches out to investor targets through phone and e-mail canvassing.

The keyword here is "regularly." Critical during the planning of a campaign is defining "regularly." Fund marketers must determine where the line is between enough and overkill. Correctly executing a marketing campaign furthers a firm's credibility with investors in more ways than one. By the same token, a thoughtless campaign can destroy it.

Some alternative fund managers take many of the right steps to market their funds. They invest in marketing staff and resources to identify prospects and develop new investor relationships. However, they fail to focus on building their brand because they don't realize the immense value of a brand or they don't know how to go about it.

The good news is that most fund managers have already begun creating a brand. A firm's interactions with its existing and potential investors, its marketing materials, its investor updates and reports—everything a firm does day to day goes toward establishing a perception of the firm in the marketplace and conveying the personality of the firm and its key players.

Some fund marketers fail to realize that the firm *and* its key players are both parts of the brand. The brand of the firm consists of the high-level features that make the firm recognizable to potential investors and distinguishes the firm from its competition. The brand of the key players—those who are on the road and in front of investors—consists of their reputation or, indeed, following in the strategy that they oversee or execute.

Personal brands are as important as firm brands because, at the end of the day, investors choose firms and their funds because of the people that run them. The firm must be professional. It must have a cogent and lucid vision. But most important, investors must like the people in charge and believe in what they are building. To attract long-term investors, fund managers must pay attention not only to the message they are communicating but also how that message gets delivered.

Fund managers also must invest the time to compare how their brand stacks up to the competition or industry leaders. Some of the most successful alternative investment firms invest heavily in assuring that every message, document, and data point that is released into the market is consistent with their brand image.

The future of your fund lies in successful fundraising, and this requires building your brand. Spending time learning the branding practices of the premier firms is advisable and worthwhile.