

Researching the Investor Universe to Identify Prospects

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The Fund Manager's Marketing Manifesto:

Best Practices for Fundraising in the Alternative Investment Industry

Chapter 4: "Researching the Investor Universe to Identify Prospects"

Terminology

- Dialing for dollars
- Hit: engaging in dialogue with an investor or receiving a call back
- Hit rate: response received (returned phone calls, dialogue) from amount of time and number of calls spent on a prospect
 - Blind canvassing: 1-2%
 - Targeted: 3-5%
 - Profiled: 5-7%
- Decision-maker
- Navigator
- Gatekeeper

Agenda

- The difference between buying a generic contact list and vetting a contact list
- Profiling your prospects
- Identifying the right contacts
- Prioritizing your targets
- Using social media to uncover new investors

Misperceptions

- All lists are reliable
- Outbound marketing is purely a numbers game
 - Outbound marketing is an information game
- The investor firm will be interested in the product
- The contact is the relevant person in the firm

The Problem:

- Time-consuming, unproductive, inefficient, ineffective
- 10-15 attempts to speak to one person at a firm

Noise in the Marketplace

- 50,000 alternative investors
- 20,000 fund managers
 - 10,000 hedge funds
 - 3,000 experienced managers: >\$125 million in AUM
 - 7,000 emerging managers
 - 5,000 private equity funds
 - 3,000 venture capital funds
 - 2,000 real estate funds
- Access to contact data
 - 600 commercial contact databases
 - 1,000s of bartered, traded, or sold spreadsheets

Global Target List

- The Global Target List: a comprehensive list of all potential investors who are best suited for a firm's type of fund and strategy
 - Identify interested investors: by fund type, fund strategy
 - Identify active investors with an open investment mandate
- Hit Rates:
 - Blind outbound canvassing from a generic contact list: 1-2%
 - Pursuing investors from a vetted list: 3-5%
 - Targeting fully profiled investors from a researched list: 5-7%

Profiling the Investor

- Identify the type of investor you are pursuing
 - Family offices, funds of funds, RIAs
 - Larger institutional investors: pensions, endowments, foundations
- Investor's position in the market
 - Well-known player in the market (ex: CalSTRS, CalPERS)
 - Lesser-known allocators that fly under the radar (ex: Silicon Valley single-family office)
- Size of investor
 - Large investor with tens of billions of dollars in assets
 - Smaller investor with a few hundred million or less under management

Benefits of Profiling the Investor

Gain valuable insight into different nuances including:

- Organizational structure: who's who in the zoo?
 - Gain an understanding of how the firm operates, contact's responsibilities and role
 - Large team dedicated to fund selection
 - One or two individuals responsible for fund selection
- Allocation timeline
 - Institutional investor with strict evaluation processes and procedures
 - Nimble, forward-thinking firm opportunistically reviewing investment opportunities
- Allocation size
 - Large investor with capacity to allocate substantial amounts
 - Small institution that allocates in smaller increments

Ultimately, is it a fit?

Identifying and Researching the RIGHT Contact

Researching the Investor
Universe to Identify Prospects

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- Goal is to find the “decision-maker” at the firm: individual in charge of capital allocations
 - Identify the “navigator” and “gatekeeper”
- Titles to go after initially
 - Senior investment analyst, director of alts, portfolio manager...
- Understand the contact’s role within the firm
- Tenure at the firm
 - Can be indicative of contact’s receptiveness to your outreach
- Personal and professional connections

It’s worth the time and effort to do research on the contact than to call for 4 months only to learn that the contact is not relevant

The Value of Understanding the Contact and the Firm

Researching the Investor Universe to Identify Prospects

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- 6 degrees of separation: Alternatives is a small industry and everyone is connected
 - Find connections within a network
 - Common backgrounds
 - Referrals
- Lineage of the firm
 - Company's history may give you an advantage

Performing some due diligence on the prospect will help you determine how to position yourself, when to start outreach, or if you should contact them at all

Social Media Tools

- JigSaw
- ZoomInfo
- FinBox
- Plaxo
- Spoke
- LinkedIn

LinkedIn Searches: Basic


- Searches by title or keyword
- Searches by investor type
 - Ex: family office, fund of funds, wealth advisor

The screenshot shows the LinkedIn search interface. At the top, there is a navigation bar with links for Home, Profile, Contacts, Groups, Jobs, Inbox, Companies, News, and More. To the right of this bar is a search dropdown menu set to 'People' and an 'Advanced' search button. Below the navigation bar, there are four tabs: 'Find People', 'Advanced People Search' (which is selected and highlighted with a green arrow), 'Reference Search', and 'Saved Searches'. On the far right of this section is a 'Profile Organizer' link. The 'Advanced People Search' form includes several input fields: 'Keywords' (containing 'family office'), 'First Name', 'Last Name', 'Location' (with a dropdown for 'Located in or near:'), 'Country' (with a dropdown for 'United States'), 'Postal Code' (with a 'Lookup' button), and 'Within' (with a dropdown for '50 mi (80 km)'). To the right of these fields are 'Title' and 'Company' sections, each with a text input field and a 'Current or past' dropdown menu. A 'School' text input field is located below the 'Company' section. A blue 'Search' button is positioned at the bottom center of the form.

LinkedIn Searches: Advanced

- Searches by industry
 - Ex: investment management, financial services, capital markets



Search

Industries: 

<input type="checkbox"/>	Investment Banking
<input checked="" type="checkbox"/>	Investment Management
<input type="checkbox"/>	Judiciary
<input type="checkbox"/>	Law Enforcement
<input type="checkbox"/>	Law Practice

Groups: 

<input checked="" type="checkbox"/>	All LinkedIn Members
<input type="checkbox"/>	Lighthouse Venture Group's Alternative Investments Roundtable
<input type="checkbox"/>	Private Equity and Venture Capital Group
<input type="checkbox"/>	Hedge Fund Group (HFG)
<input type="checkbox"/>	Family Offices Group

Seniority Level:  

<input checked="" type="checkbox"/>	All Seniority Levels
<input type="checkbox"/>	Manager
<input type="checkbox"/>	Owner
<input type="checkbox"/>	Partner
<input type="checkbox"/>	CXO
<input type="checkbox"/>	VP
<input type="checkbox"/>	Director
<input type="checkbox"/>	Senior
<input type="checkbox"/>	Entry
<input type="checkbox"/>	Students & Interns
<input type="checkbox"/>	Volunteer

LinkedIn Results

Search Criteria:

Keyword:

family office

Industry:

Investment Management

Title:

manager selection



Search

Keywords:

First Name:

Last Name:

Title:
manager selection
Current or past

Company:
Current or past

School:

Location:
Located in or near:

Country:
United States

Postal Code:
Lookup

Within:
10 mi (15km)

OpenLink members only
 Keep filter selections

Search Less

Sort by: Relevance View: Expanded 30 results Save


Greater New York City Area | Investment Management
387 connections
Current:
Past: Managing Director at Director of more...
In Common: 2 shared connections 4 shared groups

Greater New York City Area | Investment Management
427 connections
Current: Director, Hedge Fund **Manager** Research & Selection at more...
Past: Principal, Hedge Fund Management Group at more...
In Common: 1 shared connection 4 shared groups

CFA, CIMA® 2nd
Greater Boston Area | Investment Management
208 connections
Current: Director of **Manager** Search & Selection at more...
Past: Senior Performance Analyst at Account at more...
In Common: 1 shared connection

Greater New York City Area | Investment Management
500+ connections

LinkedIn Profile



Michael Calore 2nd
Hedge Fund Analyst at [Redacted]
Greater New York City Area | Investment Management

Current

- **Hedge Fund Analyst** at [Redacted]

Past

- **Executive Director, Hedge Fund Analyst** at [Redacted]
- **Rates Trading** at [Redacted]
- **Private Banking** at [Redacted]

Education

- **Universität** [Redacted]
- **Universität** [Redacted]

Connections 500+ connections

Websites

- [Company Website](#)

Public Profile [http://www.linkedin.com/pub/\[Redacted\]/2/3b8/81](http://www.linkedin.com/pub/[Redacted]/2/3b8/81)

Share PDF Print Flag

Experience

Hedge Fund Analyst

[Redacted] Investment Management industry
2008 – Present (3 years)



Executive Director, Hedge Fund Analyst

[Redacted] Investment Management industry
2004 – 2008 (4 years)



Rates Trading

[Redacted] Investment Management industry
2001 – 2004 (3 years)

Private Banking

[Redacted] Investment Management industry
2000 – 2001 (1 year)

Personal Story: Prospect from LinkedIn

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- Firm: \$1B single-family office
- Contact: CIO
 - Responsibilities: in charge of fund manager due diligence
- Problem: limited information on LinkedIn
 - No website
 - No phone number
 - No other employees listed

Personal Story: Research

- Dig deeper, utilized other resources
- Results from initial search criteria:
 - Firm name: none
 - Contact name: Craigslist job ad
 - Provided contact's email address
- Searched for domain associated with email address
 - Results:
 - No website
 - Domain registration form
 - Provided firm's address

Personal Story: Persistence

- Results from further research:
 - Company's address: building directory
 - Company not listed in directory
 - Recognized name of a listed company
 - Researched listed firm name
 - Name of company that was sold, event that spawned the family office
- Outreach:
 - *"How did you ever find me?"*

Conclusion

- High competition for attention: 20k managers chasing 50k investors
- Create a Global Target List of interested and active investors
- Profiling the investor firm will provide valuable direction in terms of how and when to start outreach
- Researching the right individual within the firm is a more productive use of time than to cold-call the wrong contact for months
- Explore different resources and tools to uncover prospects, i.e. LinkedIn
- Persistence is key

The Fund Manager's Marketing Manifesto

Researching the Investor Universe to Identify Prospects

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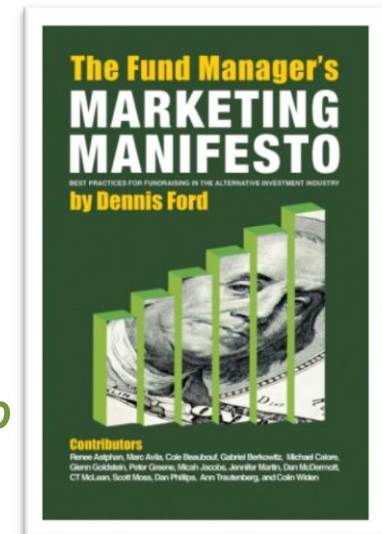
The Fund Manager's Marketing Manifesto: Best Practices for Fundraising in the Alternative Investment Industry

- Actionable solutions to marketing challenges facing alternative investment fund managers
- Step-by-step guide:
 - Section 1: The Preliminaries of a Fundraising Campaign
 - Section 2: Identifying and Engaging with Potential Investors
 - Section 3: Developing Relationships on the Campaign Trail
 - Section 4: Nurturing Your Investor Relationships

The book is available for purchase at www.brightonhouseassociates.com

Download Michael's chapter of *The Fund Manager's Marketing Manifesto* on the Brighton House Associates website:

“Researching The Investor Universe to Identify Prospects”



Brighton House Associates

Brighton House Associates is a research company that collects valuable investor information through one-on-one interviews that reveal investor fund strategy preferences, fund manager requirements, and allocation timelines. Through these interviews, the *BHA* research team identifies where alternative institutional capital is currently in play and where it will be allocated. This investor mandate information is sold to alternative managers as part of the BHA database subscription service. BHA's unique ability to pinpoint where investors are targeting their dollars helps fund managers significantly improve their marketing efforts.

At the beginning of 2011, of the 7,000 active mandates collected by Brighton House researchers, 821 were from hedge fund investors that are currently evaluating and allocating capital to managers with under \$200M in AUM. With investors increasingly emphasizing and evaluating Hedge Fund run by Emerging Managers, 2011 will be an extremely important year for emerging funds looking to build their asset base. **The Fund Manager's Marketing Manifesto** addresses the many challenges and obstacles that prevent many funds from running successful marketing campaigns.

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