

Roles and Expectations of TechPort and Clients:

“Why Fund-Raising is Like Fishing”

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Introduction: Understanding what to expect of TechPort and yourself is important to achieving the results you want. Understanding the why, who and how of your decision to use TechPort as your advisor is the first step toward understanding roles and expectations. The following overview utilizes the analogy of a fishing guide to help illustrate the important points.

I. Why use a Guide?

A. **Getting skunked is inefficient:**

How many people are successful at fishing their first time out? Yes, you may get lucky, but the odds of success are far less than with an experienced guide. Learning and progress comes slow when you're getting skunked. When you hire a guide, you leverage and learn knowledge acquired by the guide through their many trials at different places, using varying techniques and under various conditions. Their tuned senses allow them to quickly guide you to where to fish, what to fish for, what lure to use, and how to use it, under those unique conditions.

As with fishing, no entrepreneurial guide can guarantee results, but the numbers bear proof- you're many times more likely to be successful with a guide. If you value your idea, why would you choose to spend little time, effort, and money on a most important part of the effort-getting funded!

B. **Time-value of Invention**

There's a reason they call learning on your own, the 'school of hard knocks'-it hurts. "But I can, and want to learn it all". Yes, you can teach yourself, read books, talk to others, even get a degree in entrepreneurship. However, you're losing time in the market while you do it, and jeopardize the opportunity as you make many more errors than you would with a good guide.

C. **Displaying Capability and Commitment to Investors**

Valuing the partnership of a seasoned, well-connected guide is part of you advancing as an entrepreneur- if you're dead set to prove you can learn and perform all functions of a company, you're not investable. Having an experienced guide alongside, not only gains investor respect at first appearance (a good piece of advice is to always have an associate introduce you if possible), but it also indicates your regard for the challenge at hand, and is a good show of judgement, commitment and respect for the investor and his money. If this is

your 'first rodeo' then your lack of engaging expertise around you has the appearance of willingness to play roulette with his/her money (but not your own!).

D. Trusted Relationships:

The valuable investor connections a good guide has developed, are trusted relationships, built over the course of years, multiple deals. This doesn't occur by simply reading a book, or study via a course. The accepted adage is "six months from handshake to money in the bank". This is largely the time for trust (in both your integrity and your capability) to develop. When a good guide presents you to one of his trusted investors you lessen the time for this to occur, and importantly, increase the odds of investment, as you are 'pre-vetted' by the guide.

E. The Guide's value continues, extends far beyond investor introductions. See this in following examples:

- 1. So you've somehow managed to capture investor interest on your own, and now started communications. Inevitably, there are times when it appears the interest is lost. What should I do? What did I do wrong? Should I keep calling him/her?*
- 2. Equally frustrating is finding an investor who continually takes up your time, asks for more information, but has yet another excuse for not getting onto a term sheet. How do I change this? How do I figure out if this investor will ever invest?*
- 3. You've started in the deal making, but the offer is far less than I'm willing to accept. Yet I have no other options and my company is dead without it. How do I turn this around?*

Summarily, unlike a registered agent who simply gets you investors to speak with (and typically charges expenses and 10% when the deal is done), a good guide assists you all through the process, using his seasoned senses of what is occurring, what the real position and intentions of the investor are, and advising you on best response at each step of the way. And without this guide in the middle, you most often will never receive the truth of what went wrong, as people most often avoid difficult conversations....and you end up without even the value of learning in this lost effort.

II. How do I choose a guide? Why Techport?

a. What makes a good guide, Signs of Success:

- 1. They've been a successful entrepreneur.** Would you hire a fishing guide who'd only read about fishing, or even one with years of schooling, but had never actually fished? As in fishing, a guide develops a sense of conditions, knows when and how to react. Acquiring these senses requires having extensive history as an entrepreneur, i.e. "been out beating the waters day and night....many times".

2. **They've been successful multiple times.** As in fishing, having a single day of success in a specific spot (“honey hole”) is a single point-of-reference, is no indicator of success elsewhere and under different conditions. If the proclamations of ‘secrets to securing investments’ in books, videos and courses, based on a single case weren’t so damaging, it would be humorous. But it isn’t funny when your opportunity is lost, and a guide could have easily assisted you around the obstacle that he/she has seen before, and knows how to respond.
3. **They do this full-time.** Like a professional fishing guide, if they’re good at it, they are successful enough to devote themselves to it. If they’re splitting the risk by having another job, they’re not committed enough to it as you need them to be.
4. **They have experience in your product’s industry.** Most investors stick to industries they are familiar with. And advisors, while often covering a wider turf than a single investor, still have industries that they understand and have investor (and partner) connections in.
5. **Technical Expertise and Connections.** Via gaining his ‘domain expertise’ a guide that fits your situation knows industry and technology experts and can use them to find new investors and ask these associates how best to approach them. Often these connections are the avenue into corporate investment, thus broadening the potential investor pool. Additionally, these connections can also be the source of technology/strategic partners that strengthen your pitch appearance to investors. Here again, a book, or course, doesn’t come with high-value connections. If a guide shared his valued connections publicly, their value would be lost (and the guide would lose them as a connection).

b. Why TechPort?

Investors respond more strongly to a pitch that contains specifics rather than generalizations. Similarly, TechPort advising is built on leveraging the senses, knowledge and connections of seasoned advisors to develop a successful unique to you, your opportunity, per a targeted investor type, and to guide you in its execution. You’re not fishing on your own with a ‘one-size fits all’ gameplan.

The TechPort model is centered on the following themes:

1. **Speed to funding is speed to market.** If it’s a great idea, others have, or soon will be thinking of it as well. You’ll quickly be overtaken if you’re slow to secure funding (funding for patent protection and progression is a greater concern today, on the now first-to-funding basis).

2. **Expert Advisors:** Experienced, well-connected and successful entrepreneurs who can swiftly identify the direction, and the gameplan for success. The assigned TechPort Advisor is selected based upon best alignment with your product/industry, thus having more specific expertise and connections.
3. **Unique Plan.** TechPort advisors identify where your 'gaps' are, develop a unique plan against the backdrop of the gaps, your goals, and per their recommended investor targets, identify private investor opportunities and connections (where applicable, and upon your preparedness) and advise you during the progress.
4. **Guiding through the Process.** A great plan without great execution results in delays and failure. Your guide is there observing and responding with helps as you work the plan. You're not simply graduated from a one-size-fits-all process, and then on your own.

Roles & Responsibilities

A. The Guide:

- I. **Assessment-Detailed Review, Gap Analysis:** Performs detailed review of the information you provide (in the TechPort application), has a personal interview with you in which you discuss your goals. With this and applicable investigation, your TechPort Advisor performs an assessment of you, your team, your opportunity and identifies the gaps (and perhaps other opportunities that may offer 'lower hanging fruit').
- II. **Investor Target(s):** The Advisor identifies the type of investors most likely to be interested and overall fit for the size and nature of your opportunity. Similar to fishing in the wrong hole, or for the wrong fish, investor type identification is very key in focusing your plan, and then delivering the right pitch to the right investor. There is no one-size-fits-all business plan and corresponding pitch.
- III. **Unique Plan Development:** Guiding. You and your advisor will co-author your unique plan. You will leverage the skills, knowledge and senses of your advisor in this work. Note that TechPort recognizes that some clients come with funding-another example of the need for a unique plan.
- IV. **Investor Opportunities:** Identify, reachout and attract. Your guide will identify specific public and private investors as applicable to your opportunity, and within his/her network, and perform reachouts and attract investors as reasonably possible.
- V. **Deal Advising:** Listen, observe, be a comfortable investor communication channel, advise. Your TechPort advisor senses the pulse of communications, provides a valuable, second channel of communication with investors (when you're totally on your own, lack of this open channel is often cause for missteps, misunderstandings, and in the case of rejection, lack of helpful feedback, thus you continue making the same errors).

B. You, the Entrepreneur

I. Ownership: YOU own the funding project. As 60% of the investor decision is whether to invest in YOU, YOU are the most important part of the decision. This key understanding is important to quickly grasp and retain-the investor will focus on YOU, will invest in YOU....not your advisor. Get the most out of your advising time (limited to 2 hours/week), by listening, owning the advised work, getting the work done before the next meeting...be relentless (on the advised path!).

II. Unique Plan Development: The plan is only as good as the data that comes in. Work diligently with your advisor, and fill in the gaps (get the data the advisor finds missing, analyze, and prepare the results as advised).

III. Plan Execution:

- a. Your becoming a **master of networking** greatly increases the odds of your success. If you're stuck being an introvert, prefer to have people to come to you, if you aren't interested in understanding other people and how best to attract and secure their skills and/or money, there is little chance an investor will want to proceed with you. These 'people' skills are not only necessary to get started with an investor, but savvy investors are evaluating you in this way, as they recognize those skills are required on many of the business fronts upcoming-next rounds of funding, organizational leadership (emotional intelligence), handling team issues, etc.
- b. **Salesmanship:** Securing funding is largely a marketing and sales effort. As in fishing you need to be out there fishing, relentlessly (but strategically) casting, evaluating response, trying new approaches, keeping track of communications (CRM), and relating this all back to your Advisor to achieve continual process improvement.
- c. **Investor Preparations:** Your advisor will direct you as to what materials are required for your specific investor types and meetings. You prepare the materials, study each investor, be prepared as to their most likely 'touch points' and dislikes. You practice, ingest advisor input, and continuously improve. Above all be coachable, receptive to input.
- d. **Investor Relations:** You own and the investor largely own your relationship with investors (dutifully respecting the Advisor's relationship with the investor). You can't control the investor, thus your best chance is to be superb in relationship development. Become a master at 1) listening (avoid the temptation to debate when confronted with an objection....rather repeat the objection back, with a way to turn it into success) 2) read body language, investor language (if you're listening well, you're also observing well) 3) Feedback responses to your advisor, listen, act on advisement.

Funding a company, and keeping it funded through its phases is a full-time job for a startup CEO. Thinking you can sit back and wait for investors to meet with after you've hired an advisor is like hiring a fishing guide, and then you not fishing, not learning and performing the necessary work. Securing funding, it isn't a quick "reel 'em in", but a relationship effort that occurs over months. Recognize that an invests in You, not the Advisor, with the investor needing to get comfortable



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with YOU before risking a large sum of money. If you're prepared to listen, learn, work hard, and invest in securing investment for your venture, TechPort may be right for you. If you're interested, you may learn more about us at www.TechPortSOMD.org, or come and enjoy hearing pieces of knowledge from our startups at our monthly LunchBox Talks, or schedule a discussion with us. We'll be here, ready and focused on our goal-successful startups!