

The Life Science  
Executive's  
**FUNDRAISING  
MANIFESTO**

BEST PRACTICES FOR IDENTIFYING CAPITAL  
IN THE BIOTECH AND MEDTECH ARENAS

Dennis Ford



**LIFE SCIENCE  
NATION**

Connecting Products, Services & Capital

PUBLISHED BY  
Life Science Nation  
9-B Hamilton Place, Boston, MA 02108  
www.lifesciencenation.com

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Printed in the United States of America.

ISBN: 978-0-9903251-0-9

First Edition: 10 9 8 7 6 5 4 3 2 1

For information about special discounts or bulk purchases, please contact Life Science Nation: 617-600-0668 or sales@lifesciencenation.com.

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Project Management: Neuhaus Publishing ([www.neuhauspublishing.com](http://www.neuhauspublishing.com))

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# Introduction

**Dennis Ford**

If you have picked up this book, you are probably a life science entrepreneur who has reached the exciting phase of development when you are actively seeking investors in your firm and product. Congratulations! Growing a company to this stage is not an easy process, and although attracting funding isn't either, if you take the right approach, winning an allocation can become not only an achievable milestone but also a feat you accomplish repeatedly.

I founded my company Life Science Nation (LSN) to bring sales and marketing awareness to the life science community. LSN's goal is to help educate scientists in the rudimentary skills needed to brand, message, and market their companies from a fundraising perspective. We aim to achieve this in two ways: first, by teaching the basic skills needed to aggregate a list of potential global investors that are a fit for the scientists' products and services. Secondly, we instruct how to efficiently and effectively reach out to these potential investors, start a dialogue that fosters a relationship, and ultimately secure capital allocations.

Before I began this work, I was the CEO of a company similar to LSN, where I helped pioneer a system for uncovering global institutional investors and gauging their appetite regarding investing in hedge funds, private equity funds, and venture capital (VC) funds. The methodology used to capture and curate this valuable data was developed in part by a research team that would cold call and canvass these investors. The team would conduct a 21-point survey in the form of a one-on-one interview with each investor that elucidated any current investment mandates they had. In short, we figured out where the cash was and specifically who had the mandate to deploy it!

Finding out which investors had capital and where they wanted to invest it was a markedly different strategy from the status quo of fundraising tactics. At the time, the marketing paradigm in the alternative investment industry was a shotgun approach; managers blindly reached out to any potential investor, regardless of fit, and promoted their funds. This method was highly inefficient and ineffective for both fund managers and investors.

We helped change this paradigm by introducing a marketing process that was investor focused: fundraising executives would contact investors who had declared an interest in their type of fund during interviews with trained research staff. Gathering this level of interest, as declared directly by an investor to a researcher, is the gold standard for data profiling. We understood that fund marketers could improve their success rate if they marketed to active investors with a current interest in their type of solution.

After working with fundraisers in the alternative finance space for six years, I wanted to bring my expertise into the area of the life sciences and channel my fundraising experience toward the goal of helping to move science forward. I had witnessed firsthand the trend of institutional investors (endowments, foundations, and even some pensions) and family offices demonstrating an interest in direct life science investment. This trend was partly due to a desire to have more direct control of investments and save money on management fees. It was also driven by an increased philanthropic interest in medical research, as family offices and institutions began putting their resources toward the fight to eradicate certain diseases and illnesses that impact their families and people around the world. This migration of capital created a direct investment trend that continues to gain momentum to this day.

Where to go to find who has capital and is a fit for your firm is the conundrum in the life science arena. Too often life science marketers focus regionally instead of taking advantage of the global market. LSN enables the creation of global target lists (GTLs) for both the sellers and the buyers in the life science arena; this helps both parties qualify and filter each other, thus facilitating meaningful dialogue from the outset.

LSN does this with the help of our one-of-a-kind life science investor database, which covers 10 categories of investors, and an emerging biotech and medtech company database, which profiles the hard-to-find emerging

players with the latest technological advancements. As LSN has grown, we have expanded our global reach, profiling investors and companies in the Americas, Europe, the Middle East, and Asia; we now have investor coverage in close to 100 countries. In short, LSN is a global matchmaking platform for the life science industry.

I have been called a street-savvy tech entrepreneur because of my direct outbound selling style, which proselytizes using data profiling to find targets that are a fit for your product, and getting out of the office and in front of potential investors to compete hard for the capital. I have also been labeled as a maverick contrarian due to my belief that this is the ideal way to learn and be successful. Too many executives listen to the so-called marketing experts who give them the impression that large social networks and a website will function like a beacon and bring business to them. Others want to believe in solutions that are too good to be true, for example, that crowdsourcing and funding portals will magically solve their capital problems.

However, I stick to my guns and my proven, rudimentary selling methodology; the only way to find capital is to go out into the market and create dialogue with investors, which can develop into relationships that eventually foster the allocation of funds. This starts with picking up the phone, arranging a meeting, and selling yourself, your team, and your product. It is a long, arduous process; you will never attend only a few meetings and then get a check.

When I first launched LSN in 2012 and entered the life science fundraising arena, I was introduced to a CEO who was trying to raise six million dollars to get a small molecule into a phase IIa clinical study. After a few meetings, I asked if I could take a look at his marketing collateral to see how he was going about branding, messaging, and positioning his firm. When he finally sent the material over, I could see why he was having trouble.

There was no tagline, elevator pitch, or executive summary to be found. There was a PowerPoint presentation, which consisted of 90 cumbersome and incomprehensible pages. Most of the words in the document were between 15 and 25 characters long and were terms I was completely unfamiliar with. The firm had developed a small molecule with a primary application of eradicating malignant cancerous tumors, but their marketing materials indicated

that the molecule could also help with Alzheimer's and many other indications. I could not figure out whether they had a platform for developing products or one single product that had many applications.

There were other problems, too. There was no logo that clearly defined the company; the home page of their custom-designed website inexplicably featured an image of a pastoral, wooded setting. When I actually met the team, which consisted of reputable, seasoned scientists who were world renowned, I discovered that they had known each other for so long that when they discussed things and answered my questions, I always felt as though I was in the middle of a family dispute.

I wasted no time in telling them that if they wanted to successfully market themselves to life science investors, they were going to have to make some radical adjustments. Over the course of eight grueling weeks, we developed a compelling brand for their firm and came up with marketing materials that were concise and easy to understand. We created a tagline that described in only a few words what they had invented, an elevator pitch that clearly stated their value and their distinctive technology in only a few sentences, and a cogent two-page executive summary. We concentrated on only one indication: oncology.

We gave the website an overhaul, crafting it so that the 90-page slide deck could be easily navigated, and ensured that their innovative small molecule was showcased with plenty of trial data to back up and validate the technology story. We also counseled them on how to make their personal presentation reflect the strength of their company and product and encouraged them to get on the same page so they could begin to work together as a team. Fifteen months later I received a phone call from the CEO; he reported that the firm had secured the six million dollars they needed from a European family office to get to the next trial phase and that he was so pleased and grateful for the help he had received from LSN.

On another occasion, I spoke with a scientist who liked the fact that my firm tracked non-VC investors but ultimately was too comfortable with his existing VC and angel network to look elsewhere, believing he would be diverting his efforts. One year later he called me back in desperation; he had made no progress with his network and was running out of time. My team assisted him in compiling a list of investors to go after and

setting up a cloud-based application infrastructure to organize this list; they also helped with the associated tasks of conducting an outbound fundraising campaign. Within the first month of using the product, he stated that he had tripled the number of discussions he was having with non-VC and angel investors and that he had come to understand that he needed to be working constantly to uncover new ones. He reported that he had met several investors that were a great fit, and felt that a few of them might lead to allocations.

I met another CEO at a speaking engagement who, during the question-and-answer phase, gingerly raised his hand and said, “Let me be very clear on this, Mr. Ford. Are you suggesting that it is acceptable for me to call someone I don’t know and ask them to invest in my product?” I replied that yes, this was called “canvassing,” and that it is a technique that has been used in sales and marketing for decades.

After the meeting one of my sales executives gave him a demonstration of the LSN investor database and told him how we could help. He had a great product in a hot industry sector and had done fairly well in developing his branding and messaging, so we started to work with him on how to canvass and reach out via phone calls and emails. After a few weeks, we had a status meeting, and he said he was just not getting a response.

We came to realize that although he was a brilliant scientist who was running a sound firm, his outreach and follow-up were halfhearted. He was stumbling when it came to presenting himself, and moreover, he didn’t have the resources or the capability to devote the time to the tedious, mundane job of following up and scheduling the introductory calls and meetings. At our urging, he hired a business development employee whose personality was a better fit for the job and whose sole focus was to canvass and set up meetings. This led to the development of relationships with several investors, and last I heard, that CEO is getting close to closing his financing round.

There are many more such tales from the life science fundraising road that I could share with you. Indeed, in the two years since LSN has launched, we have helped over 100 clients learn about the art and science of executing outbound campaigns. This book was written in order to share those valuable insights and tips with a wider audience and to shed light on

what a successful life science fundraising executive needs to understand before heading into the market to get discussions going with investors.

You will soon see that the fields of experimental science and marketing share many characteristics. Both favor an approach that is essentially a numbers game, involving tasks that are tedious, mundane, and repetitive. Both require immense focus and perseverance. Though a person may endure hundreds of rejections or failures, just one positive result can change everything. The similarity between these two worlds that otherwise seem so different can work in your favor. Though you may be uncomfortable with the idea of marketing and fundraising, or feel you are in over your head when it comes to selling yourself and your product, odds are that you are more capable than you realize. Good luck and good selling!

## END OF THE BOOK INTRODUCTION

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