Industry Canada Industrie Canada

Key Investor Readiness Skills

MODULE 2:
Get the Most Out of Meetings

Canada

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2.1 Get the Most out of Meetings: Introduction

Getting and keeping the investor's attention during a business meeting can be made a lot easier if you know all the tricks of the trade. Sure, you know that you've got to appeal to the investor's needs, but how nimble are you at encouraging discussion? How often, for example, do you paraphrase the other person's point of view? We'll give you plenty of pointers that will not only increase your understanding of the investor's needs but also help you get the most out of any meeting.

In This Module

You will learn how to keep the investor's attention during the meeting and set a climate to encourage discussion. You will improve your skills in listening actively to what the investor has to say and discover techniques for improving the success of your negotiation sessions. You will discover how to conclude the meeting successfully and follow up afterward to keep the momentum going.

- Prepare Your Meeting Strategy
- Make Your Presentation Interactive
- Listen Actively
- Maintain Your Composure
- Keep the Meeting Moving
- Wrap Up the Meeting Positively
- Capabilities Check

The New Tech Story

Follow the fictional company New Tech Distributors Corp. (New Tech) as it pursues venture financing. This case example gives you a feeling for the "real" data and strategic decisions you'll be facing.

2.2 Prepare Your Meeting Strategy

As you proceed through the investment process, you'll participate in many meetings with potential investors. At each meeting you'll increase your understanding of the investors' needs. Use this new information to continue to improve your investment proposal and to prepare you for your next meeting with a potential investor. Here are four key points.

- Clarify the Purpose
- Know Your Audience
- Use Printed Information to Good Advantage
- Prepare Effectively

Clarify the Purpose

Meetings are an effective way to communicate with people. They're a way to come face-to-face with the investor and provide an opportunity to build trusting, open relationships. Meetings provide a chance to clarify and explain points that weren't immediately clear through written documentation, such as your investment proposal.

As you know, preparation is a key element of an effective meeting. The better prepared you are, the better your chances of converting the investor's interest into action. Start by examining the purpose of your meeting.

As an entrepreneur you value time, as does your potential investor. Knowing the reasons for your meeting will ensure that you use your time with the investor wisely. To confirm the purpose of your meeting, ask yourself the key questions in the left-hand column below. Use the right-hand column to make note of your strategies for accomplishing the meeting's purpose for both you and the investor.

Purpose of Meeting	**Strategies**
Why am I having this meeting? • Am I summarizing the information in the investment proposal that I already submitted to the investor? • Am I providing more information about my industry? • Am I persuading the investor to give my company the financing it needs? • Am I informing the attendees about my business and my financing needs without really seeking financing from them?	
What do I want to get out of the meeting?	
What does the investor want to get out of the meeting?	

Know Your Audience

It's your job to make the investor listen, and you can accomplish this if you know what makes the investor tick. So think about what the investor will want to hear. Will your potential investor be motivated to listen if you talk strictly about money? marketing? technology? If you gear your messages toward your investor's needs (i.e. growth, return on investment, exit strategy), then the investor will want to listen. Knowing the investor's needs, interests and background can help you organize the meeting in a way that can generate participation.

Use Printed Information to Good Advantage

To show respect for the investor's time, you can distribute reading materials ahead of time and provide applicable handouts during the meeting. As well, you can prepare visuals to emphasize main points.

Reading material is information that an investor might find useful before attending the meeting. Distributing this material before a meeting will allow the investor to tag any specific points of interest to be discussed during the meeting. Keep in mind that finding common points of interest between you and the investor is a good way to build a positive relationship.

Handouts come in handy if you're presenting a complicated topic. Handouts not only simplify what you're saying to the investor but also introduce the key points you'll be discussing. Give a brief explanation of the handout before passing it out, then stop talking and allow a few moments for the investor to look it over.

Use visual aids (usually slides) to emphasize key points and add some variety. Check out these Tips on Effective Visuals to ensure your visuals really enhance your message.

Prepare Effectively

Meeting Preparation	**Done**
Decide who should attend and inform them of the purpose and arrangements for the meeting.	
Choose a time that suits everyone's schedule and allows enough time to be thorough; establish a firm starting and ending time.	
Pick the right place (away from distractions and as convenient as possible).	
Prepare and send the agenda and reading material in advance.	
Arrange for equipment, refreshments and room set-up.	

It may not always be appropriate to hold the meeting at the investor's office or your own office due to the power that is perceived by being on one's own turf. Maybe it would be better to meet at a restaurant for breakfast or lunch. If it's better for the investor to meet after business hours, then perhaps a dinner would be more appropriate; or consider using an office after everyone else has gone home.

Tip

Address Investor Needs

Focussing on what investors want to know will help you get your message across quickly and efficiently and will guide you in conducting a meeting that addresses these investor needs. Unless you address the needs of investors, they may not be interested in investing in your business. These needs include:

- a high rate of return;
- acceptable risk balances with the rate of return;
- a viable avenue for liquidity or exit strategy;
- a strong management team capable of executing the plan; and
- the ability to monitor, influence or control actively the investment.

Tip
Tips on Effective Visuals

- Keep it simple. Visuals should never dominate the meeting or be distracting.
- Use graphics and pictures instead of words and numbers. It helps to visualize what you're saying.
- If you use words, ensure the font and font size are legible from a distance.
- Don't use more than three colours per visual. If presenting visuals on your laptop, choose colours that contrast with each other to improve visibility.
- Avoid patterns as the background of the slide.
- Present only one main idea per visual.
- Use white space. Don't clutter your visual.
- Explain the visual before or as you present it.
- Check the room, the equipment and the visuals before the meeting.
- Practise using the visual aids.

2.3 Make Your Presentation Interactive

When meeting with an investor, you'll probably have the opportunity to give a presentation. Don't limit yourself to thinking of this as a one-way flow of information. Your presentation will be much more effective if it's interactive: you want to draw the investor in as an active part of the process.

Keep your information short, and plan to involve the investor after each segment. How will you do that?

- Ask questions to ensure the investor understands and is following you.
- Paraphrase the investor's comments to show you are listening.
- Summarize and verify to conclude topics constructively.

Ask Questions to Encourage Dialogue

One of the most common techniques for clarifying messages and gaining information is by asking questions. Put reminders to yourself right into your presentation notes so you don't forget to ask questions when you're under pressure.

Questions to Help Draw Out the Investor's Opinions and Ideas

- What is your reaction to . . . ?
- How do you feel about . . . ?
- What is your thinking on . . . ?
- What are some other ways to get at . . . ?
- What prompted you to . . . ?
- How did you happen to learn that . . . ?
- Would you say that . . . ?

Questions to Help You Get Clarification

- It's not clear to me. What do you do when . . . ?
- Can you give some examples of what you mean?
- Can you expand on that? I'm not sure I understand.
- Can you tell me a bit more about . . . ?

Questions to Ask for Consensus

- It seems that we have come to an agreement on this issue. Do we accept the idea that . . . ?
- Is that your feeling too?
- Before we go on to the next issue, let me check to make sure that we have agreed to . . .

Paraphrase to Indicate You Understand

Paraphrasing is taking what someone just said and repeating it in your own words. When you want to show the investor that you've been listening, try paraphrasing.

Being able to put someone else's thoughts into your own words indicates that you understand the other person's point of view. It doesn't necessarily mean that you agree with that person's point of view. Acknowledging the investor's point of view helps create a positive relationship. Remember that you need to put your emotions aside when your goal is open and honest communication.

The following questions can lead you nicely into paraphrasing.

- Let me see if I understand your position. Are you saying that . . . ?
- I'm not sure if I understand. Are you saying that . . . ?
- Before we go on, let me paraphrase what I think you're proposing
- Let me restate your last point to see if I understand.

Summarize and Verify to Ensure All Parties Understand

Summarizing will help you clearly see what has been discussed and what still needs to be discussed (i.e. issues and concerns). This can be done during the meeting to confirm with the investor what has been accomplished and what the next steps might be. Summarizing can also be done after the meeting by yourself or with your advisor. It's often helpful to review the meeting with your advisor and to compare thoughts and views on the meeting.

Verifying is important to ensure that understanding has been achieved. Many bad business deals have been made because of poor communication between entrepreneurs and investors. For this reason it's essential for you to verify all information before you make a decision. Jumping to conclusions happens because people hear what they want to hear, rather than what was actually said.

Try using verification at the end of a discussion to make sure that everyone understands the key issues and action items.

The following questions will help you verify your understanding of the information received from the investor.

- So you're telling me that if . . . .
- So what you're saying is . . . .
- Correct me if I'm wrong, but are you saying . . . .
- Let me see if I understand. You're saying . . . .

FAQ

Do I really need to practise the presentation?

Practising your presentations is always a good idea. When you rehearse a presentation, you're more prepared and as a result should feel more confident. Practising helps you memorize the main points of your presentation and maintain the flow of your ideas during the meeting.

Practising questions and answers is even more important than going over your presentation. The investor will definitely ask you questions. Interestingly, presenters are typically less prepared for questions and answers than they are for their presentations. If you don't prepare potential questions and answers and practise them in front of someone, you'll have very little idea what to expect. Even if you manage a response to the investor's questions, you probably won't provide a complete answer.

2.4 Listen Actively

More than half of oral communication is misunderstood. This indicates that we need to know how to do more than just hear what people say; we need to listen actively to what they are saying.

Passive Versus Active Listening

Picture someone listening. What do you see? If you're like most people, you probably picture someone sitting, most likely staring at the floor or the ceiling, but not doing much of anything else. This listening style (which most people visualize) is passive listening. Passive listening is mechanical and takes little effort.

Active listening, on the other hand, takes effort. It's more than focussing on facts, figures and ideas. Active listeners absorb what they hear, associate it with their own experiences and convert what they're picking up into meaningful information they can use in future. Here's how to become an active listener.

- Maintain eye contact with the person who is speaking.
- Lean forward, listening with your whole body, not just with your ears.

- Pay attention to the other person's body language, facial expression and tone of voice; these are all part of the message.
- Nod to show your agreement with particular points.
- Don't let yourself be distracted by unimportant noises or interruptions.
- Put aside any items (pen, paperclips, etc.) you might be tempted to fiddle with.

Be Objective When You Listen

Objectivity is a crucial element in effective listening. If you lack objectivity, the meaning of the message will be distorted and you may jeopardize your relationship with the person communicating the message. Often the investor will use a word or sentence that will automatically arouse an emotional response from you. An investor using the word "small" when talking about your business may offend you, but try to remain objective — the investor may have simply been talking about your business in comparison to a larger business.

Be objective, and react sensibly and fairly to what is being said. Concentrate on hearing the investor out before you react. Objective listening requires you to seek the total meaning of a message - don't get hung up on every detail. If you don't think you understood something completely, ask for clarification so you're well aware of the message's meaning.

Empathize With the Speaker and Provide Feedback

When communicating it's important to use empathy. Empathy is putting yourself into someone else's shoes so that you can better understand that person's position and where that person is coming from. By asking yourself the following questions, you may be able to empathize better with your audience.

- What are they trying to tell me?
- What does this statement mean to them?
- How do they view the problem?

Active listeners also provide feedback. They let the speaker know that they understand (or at least are interested in) what's being said. They indicate when they're having difficulty following the train of thought, when they're confused and when they want some air time of their own.

Through effective listening skills you can build a relationship with your investor. Active listening will illustrate to the investor that you take your business seriously and that you are interested in any advice that may be helpful to the continued success of your business.

Key Questions
Are You a Good Listener?

Most of us believe we are good listeners. Who would want to think otherwise? But it can be very helpful to get an insight into how others perceive our listening skills. Ask your spouse, a close friend, your child or a trusted co-worker for a few minutes of their time. Ask the following questions, and be prepared for some new insights into your own behaviour.

- Am I a good listener? I want your honest answer.
- Are there times of the day or subjects that I usually "tune out" on? What are they?
- What would make me a better listener?

Take a Closer Look
Do you know the barriers to active listening?

No two people experience exactly the same things in life, so the meaning that the listener gives the message will never be exactly the same meaning that the sender intended.

Most people distort information to fit how they would like to see things done. They often choose not to hear negative information so that they won't have to face reality. They literally tune bad information out.

We think faster than we talk, so the listener has time to think about other things and lose focus on the speaker and the topic.

The topic is too complex for the listener.

The listener makes assumptions before listening to everything the speaker has to say.

The presenter's poor delivery of information distracts the listener.

The listener is just not in the mood to listen. The listener is not interested in the topic.

2.5 Maintain Your Composure

During meetings the investor may interrupt frequently to ask questions and perhaps make comments that will strike an emotional chord. Such behaviour can be a signal that the investor is interested and trying to get more information to consider your opportunity further. Keep your cool, maintain your composure and remain pleasant.

Expect too that you may have to deal with conflict in meetings with the investor. For example, as an entrepreneur, you have placed personal time, money and emotion in your business, and revealing the details to an investor may be difficult for you. The investor may try to investigate areas of your business that you aren't eager to discuss with someone who hasn't yet made a commitment.

Two Ways to Manage Conflict

Keep in mind that there are two approaches to handling conflict: confrontation and compromise. There are times for each approach. When you find the conversation moving into uneasy areas, remember, you can choose to confront or compromise.

Confrontation promotes an open exchange of feelings, views and opinions. When everything is out in the open, resolving conflict requires everyone involved to work through their differences by basing decisions on each other's arguments. Effectively solving conflict by using confrontation involves high energy and emotional discussions, intelligent arguments and very effective listening skills.

Compromise requires both parties to meet in the middle and come up with a solution that can make everyone happy. But be careful: using compromise to solve conflict may not meet all the needs of your business or the needs of your investor. Make sure you know what you can afford to give up and what you need to get in order to make your business successful.

Negotiation and conflict are discussed more thoroughly elsewhere in this self-study program.

Deal With Nervousness

Being nervous before and during a meeting or presentation is quite common. Here are some general tips to help you manage your anxiety.

- Prepare, prepare, prepare. It's probably the best way to overcome jitters.
- Practice both presenting the key elements and handling questions/answers. It will help you foresee problems you wouldn't have otherwise anticipated.
- Handle the logistics ahead of time. Prepare backup plans; then, if something goes wrong, you'll be ready for it.
- Know where you're going if the meeting isn't held in your office. Being late will make you look unprofessional and make you even more nervous.
- Don't forget to breathe. Breathing is a great stress reliever and can be done discreetly. Learning how to breathe will help you say long sentences without gasping for air.

2.6 Keep the Meeting Moving

You and your investor both place an important value upon time. For this reason, rule number one for conducting this meeting is to start the meeting on time. And set and stick to a closing time for the meeting too. This will show your respect for the investor's schedule.
Meeting discussions often get off track. People tend to go off on tangents or simply lack respect for time. Before you know it, the meeting has ended, and you haven't

accomplished any of your objectives. The result is frustration and a feeling of waste on everybody's part. For this reason, take a proactive stance.

Keep Everyone on Track

It can be a sticky situation when your investor goes off on a tangent. How do you get back on topic without offending the one person you most want to impress positively? Try to refocus your investor by asking a question that refers to the original discussion topic. But if the tangent that your investor has taken is informative and potentially valuable to you, let the investor talk and listen carefully to gain as much information as you can.

Minimize Distractions

Minimizing distractions will keep the meeting moving and will avoid unnecessary interruptions. Turn off your telephone and pager, and ask any members of your team to do the same. If possible, ask someone outside the meeting to take messages for everyone. Minimizing these distractions will prevent you and the investor from losing train of thought. The fewer interruptions, the more time you have to discuss your opportunity.

2.7 Wrap Up the Meeting Positively

Have your meeting end within a reasonable timeframe. Don't assume that, however long it takes, you should try to cover as many issues as possible in this one meeting. Although you might think that you're saving time by covering as much as possible in a single meeting, the truth is you aren't. People's minds begin to wander after about an hour and, although people hear what's going on, they don't listen effectively.

If you run out of time, schedule another meeting. Don't try to cram in the last few topics or new issues because they won't get the attention they deserve. Also, people can be given too much information at one time and suffer from information overload.

Arrange Follow-Up Meetings Now

At the end of the meeting, review the next steps and agree on the turnaround for information. If you need a follow-up meeting, try to arrange it while everyone is still present. If you wait, you run the risk of the investor being booked.

Make Your Final Comments Upbeat

Closing a meeting effectively can leave a sense of satisfaction and completeness for all parties. Make your final comments upbeat and enthusiastic.

- Summarize, very briefly, the progress made and the main points covered.
- Ask if there are any final questions or comments.
- Make sure contact information and business cards have been distributed.
- Thank everyone for his or her time and participation, and re-state the arrangements made for the next meeting.

- Walk to the door with the investor, and be sure to shake hands as a sign of your manners and good faith.

Debrief the Results

With the assistance of your advisor or a trusted member of your team, analyse the results of the meeting. Analysing the results will help you prepare for your next meeting with the investor you just met or with other investors in the future.

Even if the meeting failed to accomplish your goals, a thorough analysis can lead to identifying how to prepare better for the next meeting. The results of your analysis will help you organize the newly received information into manageable pieces that will help you better understand what took place during the meeting. By reflecting on the new information, you will also help retain that information for future use. You may find that summarizing the meeting's outcomes is a good way to evaluate the meeting.

Document the Results

Documenting the results immediately following the meeting is a good way to reflect on the meeting. Another advantage of putting the meeting outcomes on paper is that you can go back and read what was said in the meeting at a later date. Documentation is a valuable reference and probably a good habit to get into.

Respond to Action Items

If next steps were determined at the end of the meeting with the investor, make sure you know when these next steps are due. Responding late to action items may show investors that you really aren't that interested in their help and perhaps, when push comes to shove, you lack confidence in your business.

If you decide that sending follow-up material is appropriate, do it sooner rather than later. Again, you don't want your investor thinking you aren't interested or that you lack confidence.

For more information, see the *Post-Meeting Checklist* in the Appendix.

2.8 Capabilities Check

Meeting Capabilities Check

A = Highly Capable B = Need Some Assistance C = Need Expert Help

Can You…	**Rate Yourself**
Plan a strategy for getting the outcome you want from the meeting?	
Make your presentation interactive by: • involving the investor actively in the process? • keeping your information short and getting the investor to participate after each segment?	
Listen actively to avoid misunderstandings by: • being objective and reacting sensibly and fairly to what is being said? • hearing the investor out before reacting? • using the six ways for becoming an active listener? • empathizing with the speakers by trying to better understand their position and where they're coming from? • providing feedback by indicating that you understand or are interested in what's being said? • tactfully speaking up if you're having difficulty following the speaker?	
Maintain your composure by dealing with: • interruptions? • conflict? • nervousness?	
Accomplish your goals in the meeting by: • keeping everyone on track? • minimizing distractions?	
End the meeting process well by: • wrapping up the meeting positively? • debriefing after the meeting? • documenting the results? • following up with appropriate actions?	

Appendix

Tool – Post-Meeting Checklist (see section 2.7)

Date: _____________

Attendees: __________________
____
____

Duration: From _______ to _______

	Yes	No	Comment
1. Did the potential investor seem serious about pursuing the investment?			
2. Did the meeting proceed at a reasonable pace?			
3. Did the potential investor ask meaningful questions?			
4. Did the investor or his/her advisor take notes?			
5. Was the potential investor knowledgeable about the industry and the company?			
6. Was the company's and the potential investor's thinking about the degree of day-to-day involvement of the investor congruous?			
7. Does it appear both parties agree as to the nature, amount and duration of the investment?			
8. In hindsight, were there matters that should have been covered that weren't?			
9. Were there issues raised that show a significant weakness in a particular area of the business that have not been addressed?			
10. Did the investor appear satisfied with the depth of management in terms of selling/marketing, R&D/production and finance/administration?			
11. Did the potential investor appear to share your vision for the future?			
12. What arrangements were made for subsequent follow-up?			
13. Are your observations about the meeting consistent with those of others from your company who were in attendance?			
14. Do you feel comfortable with this potential investor as a business partner?			
15. If you could do something differently, what would it be?			
16. Did the meeting end on a positive note?			

Other Notes: