

Writing Style for Business Plans

Importance of the Book

- “I know many venture capitalists. I can introduce you. They will love your idea.”¹
Response: **“Sure. And if pigs had wings, they could fly.”**
- “Knowing” VCs has very little to do with raising capital. Most VCs list themselves in directories, along with their key investment criteria and who to contact.
- A typical VC firm receives thousands of Books each year. *Thousands*. They will not read many of these Books at all. They just pile up.
- The first hurdle is to induce a VC to *look* at your Book, at least briefly. Having a phone call introduction from someone the VC knows can help in this regard. Many rich VCs will not look at a Book unless someone they know introduces it.
- Make a phone call in advance -- to find out exactly to whom you should send the Book. If you do not “know” anyone at the VC firm, **be persistent**. Very persistent. Expect long delays in response time (weeks.) Expect that many VCs will not return most of your phone calls. But keep on trucking...
- VCs do not want to waste time talking to entrepreneurs -- until they have read the Summary of the Book. In order to make an annoying entrepreneur “go away” or to keep a promise, most VCs will pick up the Book, eventually. They will read the Summary.
- It is *not* hard to get a VC to look at a well-prepared book. Anyone with spunk can do it. What *is* difficult -- is to induce the VC to pursue your proposal -- *after* reading the Book.
- If you are trying to raise private equity financing, your Book must be excellent. A good Book and well-developed business plan, by themselves, will not ensure the success of your venture. But a poor Book almost certainly will spell doom for the financing.
- VCs think they are very busy people. No spare time. So, within the Book, you must try to construct an excellent “Executive Summary” or “Fact Sheet.” The Summary must tempt VCs to take some more of their valuable time to read the rest of the Book.
- **VCs will kill most (75%-85%) incoming deal flow after reading just the Summary.**
- There many paperbacks out there -- that offer instant salvation on the subject of “how to” prepare a good business proposal. Some of these pieces contain strange and wonderful home remedies. All the pundits agree, however, on one thing – on the importance of a good Summary.
- Despite such collective, easy-to-find wisdom, I cannot tell you how many terrible Books that I have seen. Countless. Probably 80%+ of all venture and buyout proposals are

¹ And for just a small fee, in consideration for the valuable introduction.

badly written and structured. In these cases, I never read the whole Book. **When it comes to bad writing, entrepreneurs rank a close second behind lawyers.**²

² Some say that lawyers purposely learn to write text that is impossible to read, unless you hire another lawyer.

Writing Business Plans

Good Private Placement Memos

- o Good business plans are the basis for good placement memos. If you do not have a detailed business plan -- written strategy and tactics, financial projections -- then it's tough to prepare a good investment proposal Book. **Do your Business Plan first.**

“Failure to plan -- is planning to fail.”

- o Contrary to myth, business plans do NOT generate financing. Although all financing proposals require a good plan, nobody invests in a business plan. Investors use the document to understand ideas and to gather information. **Investors invest in people and in their perceived ability to implement the plan**, not in the plan per se.
- o A detailed Business Plan might easily be hundreds of pages long. Among other things, it shows potential investors that you have thought about all of the key success factors.
- o The written text of a private placement memo (“the Book”) should be no more than 25-30 pages long. No fair using micro-fonts -- 30,000 words maximum. Exhibits such as financial statements, projections, and pictures of the factory -- can be extra.

The Summary (1,500 Words or less; 3-4 pages; big font size: 13 or 14 points)

- ◆ **Company:** Name, address, USA state in which incorporated.
- ◆ **Contacts:** Name, address, phone numbers, fax and email (put on cover page).
- ◆ **Type of Business:** One-line description -- describe the industry and location.
- ◆ **Unique Business Concept:** Product, benefits, market segment
- ◆ **The Market:** Brief description, size and growth – focus on your segment
- ◆ **The Competition:** who they are, why our product is better, cheaper or faster
- ◆ **Business Strategy:** Key elements of business model, roll-out strategy.
- ◆ **Management Team:** Only the really key people, brief 1-2 line résumés.
- ◆ **Existing Shareholders:** Many or few, major holders (%)
- ◆ **Description of the Financing:** One-line: amount, percentage ownership on offer.
- ◆ **Use of Proceeds:** Table or brief description.
- ◆ **Exit:** Strategy and timing; expected gains and IRR for investors.
- ◆ **Financial Summary:** Summary table: 3-5 years projections, 3 or four lines.

Short is good and easy-to read is good.³ The example plans the professor will hand out -- all have a Reading Ease index of 40+, Reading Grade Level of 10, and 0% passive verbs.

³ This Lecture Note has a Flesch Reading Ease Index of about 52, a Reading Grade Level of 8, and it has zero sentences in the passive voice. Arial, font size of 12. Line spacing = 1.1.

Writing Style for Business Plans

Administration and Logistics

- o **Write the Summary first!** Then write the rest of the Book. Edit the Summary.
- o Use heavy bond paper for final printing, large (12-14 point) fonts, no typos.
- o Attractive cover, loose-leaf or **spiral binding**. Color text is not necessary.
- o **Do NOT insist on signed confidentiality agreements.** Most VCs will not sign them. Instead, use the “self-sticking” format -- e.g., if you have this, you promise to keep it secret. Number the copies.
- o Many entrepreneurs stress out -- over the risk that someone will steal their ideas
 - ◆ Reputable VCs will not steal ideas. They will not sign confidentiality agreements.
 - ◆ Less-than-reputable VCs might steal your ideas. They *will* sign confidentiality forms, then pay absolutely no attention to them. Try to win the lawsuit?

(Note the “Catch-22” in the above? **The only people who will sign your confidentiality agreement may be those people who plan to pay no attention to the agreement!**)

- o Some inexperienced advisors suggest first sending VCs only the Executive Summary, with little meat in it. If the VC likes the Summary, then they try to get the VC to sign a confidentiality agreement before sending out the rest of the Book.
 - ◆ This tactic will delay the whole process by one or two months!
 - ◆ One now must induce the VC to read the Book in pieces, over a period of time, instead of all at once, at the start. Delays, many phone calls. And most reputable VCs still will refuse to sign the confidentiality agreement after reading a summary!
- o A better tactic is entirely to leave out from the Book -- really secret information. Keep it in the office for the VC to view when serious due diligence starts.
- o There are exceptions of the above, **in the case of proposed buyouts of publicly traded companies** or of major subsidiaries of publicly traded companies. In this case, the VC *will* sign the confidentiality agreement. Everyone understands the implications of trading on insider information. If there is a breach, the SEC will help you prosecute the guilty parties.
- o Many financial advisors (investment banks, accounting firms) will insist on including a long list of “Risk Factors” in the Book. This is really depressing stuff – it goes on and on about all the reasons why investors may lose all their money.
- o If you hire such an advisor, you will need to include these Risk Factors in your Book. If not, leave them out of your Book. Instead, **include the list of Risk Factors in the Stock Purchase Agreement for the deal, which all investors must sign.**

Confidentiality Statement

Copy #17

Toronto Electronic Components, Ltd.

Toronto Electronic Components, Ltd. ("TEC" or "the Company") has prepared this confidential private Placement Memorandum ("the Memorandum.") The Memorandum is for the use of a limited number of parties who have indicated that they have an interest in considering a private equity investment ("the Transaction.") The sole purpose of this Memorandum is to assist recipients in deciding whether to continue with an evaluation of the Transaction.

TEC has supplied all information in the Memorandum from its resources or from publicly available sources. The Company believes that this information is accurate. The Company makes no representations or warranties, however, about the completeness or the accuracy of the contents or any other matter concerning the Memorandum. Only those representations and warranties contained in a signed, definitive agreement shall have any legal effect.

This Memorandum should not provide the sole basis for an evaluation of the Transaction or of TEC. Investors must rely on their own due diligence of TEC. They must rely upon their own independent verification of information provided. Investors must undertake other investigations they deem necessary for deciding whether to continue their evaluation.

In the Memorandum, the Company provides statements, estimates and projections about TEC's anticipated future performance. Such statements, estimates and projections reflect certain assumptions made by the Company about anticipated results. Such results may or may not occur. TEC makes no representations about the accuracy of such statements, estimates, or projections. The actual performance of TEC may differ materially from results set forth in such statements, estimates and projections.

By acceptance hereof, the recipient agrees not to distribute at any time this Memorandum to others, in whole or in part, without the prior written consent of TEC. The recipient agrees to keep in confidence all information contained in the Memorandum and any information supplied in connection with further investigations. This Memorandum is for informational purposes only. The recipients agree they will use the Memorandum only for the purposes described above.

If a prospective Investor fails to comply with these provisions, the Company may cancel such party's participation in this process. Upon request, the recipient will promptly return all materials received concerning the proposed Transaction (including this Memorandum) without retaining any copies. In furnishing this Memorandum, TEC undertakes no obligation to provide the recipient with access to any additional information. The Company undertakes no obligation to update any information contained in the Memorandum.

All discussions regarding this Transaction are strictly confidential. Recipients may not disclose to any other party (unless required by law) that they are discussing a possible Transaction with TEC. TEC should receive all communications and requests for information concerning the Memorandum or the Transaction. TEC expressly forbids contacts with its clients, suppliers and competitors.

Writing Business Plans

Style, Fonts and Format

Packaging sells products -- and packaging helps to sell business proposals, too. You will want to edit your proposal many times before you have it printed in its final form. Ask someone to read an early draft and make suggestions for improvement.

Writing an easy-to-read proposal is not easy-to-do. It is, however, almost as important as the substance of your plan. General suggestions:

- o **Headings** -- use headings and subheadings to separate and identify sections. Headings show the organization of the content. Use side headings (e.g., words in the left margin, as in Cyberlinks) to call attention to important concepts.
- o **Style** -- put topic sentences at the start of each paragraph.
- o **Use short words**; short, simple sentences; short paragraphs. Improve readability.
- o **Avoid verbs in the passive voice.** Use active verbs. “Jane saw the disaster,” and not “The disaster was seen by Jane.” Most business and law students write text using a high percentage of sentences in passive voice. **Learn a new style.** If you are selling something and you want people to read your text, avoid passive voice verbs.
- o **Use the “Grammar” tool in *Microsoft Word*** to check your text for reading ease. Set this tool for “Business Writing.” Although Microsoft’s grammar analysis can be irritating at times, persevere. Well-written text should generate the following statistics:

Passive Voice Sentences	Under 2%
Flesch Reading Index (Fog Index)	35 or higher
Flesch-Kincaid Grade Level	10 or less

- o Employ simple charts and graphs, clear tables, and bullet points -- to break up the text.
- o **Page Layout** -- be clear and consistent in page layout from page to page.
- o Absolutely, positively **no typos**.
- o End each page with the end of a section; start a new page with a new section. Avoid orphans.



This is an orphan. A single word at the end of a paragraph. Rewrite the sentence.

Writing Business Plans

- o **Start each new page with a new section** or at least a new paragraph. A paragraph that slops over from one page to the next is a “widow”. Orphans and widows rank right up there with typos -- as unprofessional layout style. Since we are talking writing style here, and not about helpless human beings, kill those orphans and widows!
- o Don't mix different font types together. Stick with Times Roman or Arial, etc., throughout your text. You can use different *sizes* of the same font -- 14 points for headers, 12 or 14 for text but stick with the same font type. Do not use less than 12 points for font size. Font size of 13 or 14 points is better. You are reading Arial 12-point text. Some VC's are over 40, have bad eyesight and bad tempers. This is an example of 10-point text. And this is 8-points. You want it to be easy to read.
- o You can align your text with left-justification that will leave a ragged edge on the right side (like the preceding paragraph). Or you can fully justify the text. Full justification (like this paragraph) looks “more professional” to most people. But a full justification is a bit harder to read than left-justification.
- o If you are *really* fussy (I am) about trying to combine a professional look with easy-to-read text, then rewrite your unjustified text so it is almost at full justification. Then set the layout to full justification as step #2. The (repeated) paragraph below is an example.
- o You can align your text with left-justification that will leave a ragged edge on the right side (like the preceding paragraph). Or you can fully justify the text. Full justification (like this paragraph) looks “more professional” to most people. But a full justification is a bit harder to read than left-justification, unless you take a lot of trouble!
- o Avoid breaking words (hyphenating) at the end of lines. Adjust your Word settings.
- o **Highlighting** -- Use color, font size, Italics and boldfacing. Do not use capital letters because they are difficult to read within text. Capitals are OK for short headings.
- o **Use bullet points** to present ideas in a list.
- o Avoid underlining except to point out negatives. (Sarah is not familiar with models, except for Simplex.) Underlining has little or no effect on retention.
- o Readability statistics for the last two pages of this Note you have just read:

Passive Voice Sentences	0%
Flesch Reading Index (Fog Index)	61
Flesch-Kincaid Grade Level	7

Editing Changes & Revisions

- o When more than one person is editing a document, use the Tool, “Revisions.” Set the buttons to “mark revisions while editing” and “show revisions on screen.” This will cause old text to show up with blue line cross-outs and any new text shows up in underlined blue. ← Orphan.
- o **Using ‘blue-lines’ saves reading time** on multiple drafts, since one only need read the sections that are marked with changes. Once the blue lines become many, say “Accept” under “Revisions” -- in order to make the blue lines go away.
- o You can work on just a small section of the document, e.g., the Management section. Then send your section to whoever is holding the current master version. That person then can insert your section into the right place by using the “Insert File” command found under “Insert” on the toolbar.
- o We have set up public folders on the Yale system to enable all members of the team to edit one master document if you prefer.

Final Printing

- o Prior to printing the final document for copying, the group person on whose printer the document will print -- should **edit out orphans and widows**.
- o Start a new page with a new paragraph. (Otherwise, you have a widow.)

Staples

- o Take your final document to Staples (on Broadway) to make 25 copies. Staples take 2-6 hours to turn it around, depending how busy they are. Check your final books to make sure Staples did the printing correctly.
- o Spiral binding (important.) Insert one index tab between your text and the appendix.
- o Clear plastic cover. (Your cover page should show through.)
- o I will reimburse you for the cost of printing; hand in a receipt.

Writing a business plan is not a science. Many styles can work. Here is another one.

I took the following pages, “***The Perfect Executive summary***” from an article in *Entrepreneur Magazine*.

MULLEN

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The Perfect Executive Summary

How do you measure perfection? That's easy, in the realm of raising capital: it is when one raises capital in a timely manner, on attractive terms and at a high valuation. Like most things in life, one rarely achieves perfection and most young but successful companies once experienced their own rocky beginning and had to deal with the challenge of raising capital. To make this process just a bit easier, we recommend that a firm prepare an Executive Summary for use with prospective investors *prior* to providing them with a complete business plan.⁴ ← See note

This is our recommendation, based on many years of advising companies seeking to raise capital, or more recently, as managers of the Brook Venture Fund, which invests in early stage companies. The investor we refer to in this memo is the institutional investor, typically the venture capital firm, or sophisticated 'Angel' investors.

Before you can prepare an Executive Summary, you need a business plan from which you will extract the Executive Summary. The Executive Summary should only take a few hours to prepare provided that your business plan is in order. So here are our suggestions for preparing what we believe is the *Perfect Executive Summary*:

1. **The Eye catching Intro:** The first paragraph of an Executive Summary should be compelling and capture the reader's attention. Take your best shot. Play your strongest card by stressing that single feature of your business that is its most eye-catching and distinctive characteristic. Don't rely solely on what *you* think is your strongest feature; ask others to tell you what they think. Here are some examples:

"The replacement of textbooks with a whole new learning paradigm begins this Fall at more than 30 colleges and universities with the first time, class-room use of EduSmith's internet-based electronic textbooks. The cost of electronic vs. printed text is low, the enhanced learning features are high, many of which are much more difficult to obtain, and the target market is well defined."

⁴ Professor's note: many experts make this suggestion. I do not agree with it -- because it means that the reader must pick up written material about your business idea twice -- when it is hard enough to get them to read anything at all, once. It also will lead to a time delay before the reader ends up reading the whole plan.

“LitmusWorks was profitable in its first year, earning \$65,000 on sales of \$650,000 last year, and will generate profits on sales projected at \$4 million this year and \$9 million next year. For a high tech software services company, the Company’s ability to be profitable while growing at a high rate -- is enviable.”

“When our missionary salespeople call on restaurants that are using one of the 2-3 national brands, they try ours, and six out of ten restaurants switch and begin ordering our product through their distributor. The reason? Taste and appearance, never price. We now have 30% of the New England market and are expanding down the East coast. Does the consumer like our product? We have more than 10,000 testimonial letters on file received from consumers over the five year life of the company.”⁵

2. **Business Definition:** Your second paragraph should define your business, stating clearly what your product or service is, and for what market.

“Jamesco manufacturers 1/2” to 2” stainless steel check valves for the petrochemical industry. (You should then expand on the products or services and the variations so that the reader has a full appreciation of the company’s breadth of product line.)

This should be a short. Any paragraph containing excess words, most plans and executive summaries are guilty of, dilutes instead of enhances the impact you are seeking. You should also talk about products you plan to develop.

3. **The Offering:** Right up front --indicate how much capital you are seeking, and how you will use the proceeds. This quickly allows the reader to assess the financial parameters of the deal and frames what follows.

Also indicate the value you place on the company, so the reader is aware of what equity interest they may receive for the proposed investment. Most early stage firms are reluctant to do this as they are afraid of putting too low a value on the Company, or conversely, too high a value, thus discouraging potential investors.

One startup firm we met with placed a valuation of \$200 million on his firm. The industry was municipal waste treatment systems, and nothing short of a miraculous system would warrant such a valuation. A conservative valuation might not be harmful at this stage. First, it will show that you are reasonable, and an investor wants to invest in a company run by reasonable people. They know that your initial estimate of your firm’s valuation is not a firm figure, and that they will probably have to compete with others that may be reviewing your offering, which could bid it up.

⁵ Professor’s Note: I prefer avoiding the use of first person pronouns e.g., “I” or “we” or “our” which is informal and instead prefer more formally saying, “the Company will” or “LitmusWorks has” – etc.

4. **Management:** Probably management is the single most important part of an Executive Summary in the eyes of most investors. You should look for an imaginative way of describing your management. For example:

“The four key managers of the firm, while only having worked together for two years at Xylo Corp., have worked together in prior firms. They have built and previously tested close working relationships under the strain of managing and growing an early stage product line within a large company. One of the board members previously was the President’s reporting executive at a prior company, so that relationship is also well developed.

Your management should have balance: a visionary who is the driving force, an experienced operations person, a technologist where appropriate, and a sales/marketing executive with an experience record. Also absolutely essential is someone who has administrative and financial management experience. A CFO is probably overkill within an early stage company, but where millions are to be placed in the hands of an entrepreneurial group, the question will arise as to who can manage the funds, the books, and be accountable for the use of proceeds. Sometimes one can engage a part time CFO, but within the team there must be a responsible manager type.

If you have a void, fill it before you seek financing from professional investors. If you cannot afford to fill the void prior to funding, at least identify the person who has agreed to accept the position upon funding, and who is willing to meet with capital sources.

5. **Financial Performance:** Too many executive summaries place this at the end, whereas most investors want to know what the expectations are for the company in terms of how large will the firm become, and how soon will it be profitable. We recommend using a summary table that shows one or two years of historical performance, and five years of projected performance, and only two or three key numbers. For example:

Figure 1: Actual and Projected Revenue & EBIT (FY 2004-2010)

	2004	2005		2006e	2007e	2008e	2009e	2010e
Revenue								
Gross Profit								
EBITDA								

A brief explanation could accompany the table, including what events might be the cause of a projected spike in revenue or change in profitability.

5. Financial Performance (Continued)

Here, as anywhere in the Executive Summary, you should take advantage of the opportunity to relate an anecdote that breaks up the monotony of most business plans:

“Early in 2005 the Company wanted to raise equity but its board vetoed the idea until the Company proved that it could operate profitably, something unheard of in the internet industry. During the 3rd and 4th quarters, the Company managed to be profitable in four of the six months, satisfying its board’s mandate. Thus the Company is confident with its ability to attain the profit projection.”

How soon should your Company show a profit? That depends on your type of company. If yours is an exceptional venture, i.e. within the top 1 or 2 % of companies that venture capitalists look at, then you might show losses for more than 1 or 2 years. Biotech companies typically show losses for many years. But we rarely will consider a company that cannot become profitable by the 12th month from funding. ← (Professor’s Note: This firm does not invest in startups, obviously.)

6. **Market:** By now you should have the reader’s attention, and he/she is ready to read the rest of the Executive Summary or to request a copy of the full business plan. Now you should briefly describe the market, **referencing the source of each statistic** or number you present for credibility. You should focus on the market size and growth rates *for the segment in which you will be competing*.

You should also indicate who the competitors are within your market segment as well as those firms that might logically enter the market in the future. A large firm entering the market in the future might concern you -- hence you may be reluctant to mention them. The investor sees it quite differently . . . such a firm might possibly be a strategic partner or acquirer for the company, which is very important to the investor’s concern for an exit opportunity. A large competitor also would add credibility to what you are introducing, and might accelerate acceptance of your product or service.

You should briefly describe your firm’s competitive advantage, if any. This might be on a regional basis, or within a market segment which you might enjoy acceptance. Finally, you should describe how you plan to address or expand your sales activity within your market, and what resources will be required (personnel and capital, etc.), and how you propose to obtain them, particularly if resources such as highly trained technical personnel are required.

7. **Technology:** For companies in which technology is a key component, describe it and how you plan to remain current or ahead of the rest of the industry. If this is a key aspect of the business, say what you can about it, but be sensitive to the fact that a reader of your Executive summary may not have executed a confidentiality agreement. If technology is a critical part of your company's appeal, you might wish to place your description of the technology nearer the beginning of the Executive Summary.
8. **Closing Paragraph:** Why should an Executive Summary end on a flat note? None of your sales letters do, nor does an appeal to anyone that you are seeking a favorable decision from. Therefore this should be a short paragraph that invites action from the reader, suggesting a meeting, a conference call meeting (in which others might participate that couldn't attend a meeting because of cost, distance, etc.).

Other Tips:

Appearance

You should present your Executive Summary in an attractive manner, with the occasional and consistent application of bolding and italicized type, indenting, etc. If you are unskilled at this, the tendency is to overdo it. When you do this, therefore, do so in an attractive but understated manner. Have others look at it solely from an appearance point of view and give you their opinion.

Style

The writing style of your Executive Summary as well as your business plan is very important. Avoid the excessive use of adjectives or superlatives, something most executives preparing business plans are guilty of. The reader becomes numb and soon begins subconsciously to discount what they read. Build credibility through frankness and a simple choice of words, presented in a direct, somewhat factual style. There is plenty of time to 'sell' in your cover letter, over the phone, and in person. Use the active more often than the passive tense.

Target your Recipients

Don't "broadcast" your Executive Summary, by sending it to a large number of venture capital investors. That will lead to overexposure. Rather, do your research on firms and select those you believe might have an interest based on their stated criteria, past investments, etc.

Try to obtain an introduction, although that is by no means required. Try to enter at a fairly senior level, i.e. a partner, and try to speak with a partner that focuses on your industry or technology. Speak with them by telephone first, and *if* there is interest, offer to fax them an Executive Summary, but not the full business plan. In your fax, suggest a few dates (not too many) that you are available for a meeting.

Appeal to their sense of wanting to 'discover' you and *not* suggesting that you will be in town on such-and-such day as you have other meetings (implying with other venture investors). No one likes to be part of an 'auction' process and some may decline when they sense that such a process is underway.

The Goal: Set up a Meeting

However, you contact the investor or venture capital firm, you should be working towards the goal of meeting with them face to face. That is very difficult to accomplish and you may have to resort to all kinds of methods to entice them. Also, start promptly, and be persistent. Do not wait 10 days after you've sent the plan and heard nothing. Call a few days later, and continue to call, as each time you do, the executive summary or business plan rises to the top of the pile. Some deals get more attention simply because of the persistence of the company seeking funding.

You should offer to meet at their offices, not yours, unless they offer to come visit you. The average investor or venture capitalist is terribly busy, and can more efficiently work when companies schedule their first meeting at their office, not the company's office. You might prefer to have them come see your product, your plant, your working model, etc., but the benefit of that is outweighed by the greater likelihood of scheduling a meeting much sooner, and the possibility that the person you are speaking with will invite one or more of his/her colleagues to join the meeting, thus increasing the likelihood that interest will develop. Often the person you initially speak with may not have sufficient interest in pursuing the financing, but one of his partners might. That has happened within our firm on more than one occasion.

Getting that meeting will require your marketing charm. Sometimes the comment that might work is something like, "I plan to be in town for a meeting on Thursday from 1:00-2:00, and would like to come by either before or after that meeting to spend 20 minutes with you, to 'put a face together with the plan you are reviewing'" You might attach your lawyer's name to the 1:00-2:00 meeting, or whichever person might have referred you to the particular funding source . . . which might create some sense of obligation on that person to meet with you."

Frankly, how aggressive you are in how you go about raising capital is a reasonable proxy for how aggressive you are likely to be in driving your business forward! Your goal should be to keep your venture at or near the top of the investor's pile, and move it out of the pile and into a term sheet. Your persistence will win you either their respect or their coolness, depending on how you do it, and how receptive they are to your calls and their interest in your venture. Our advice: risk it and be persistent.
