

Guide: Build a Funder Network*



WHY DO WE TEACH HOW TO BUILD A FUNDER NETWORK?

The first step of a successful fundraising campaign is to have a clearly defined target aka an ideal funder. Most start-up ventures do not know who their ideal funder is, nor how to build a robust list of potential funders that match that ideal profile and, if they already have that down, they likely don't know the first things about actually starting a conversation with even ideal funders. The goal of this workshop is to provide them with tools and ideas on how to go from 0 potential funders to 60 and then, once the list is built, to use the skills learned in Build Powerful Relationships to schedule a first meeting.

WHAT'S THE TAKEAWAY FOR ENTREPRENEURS?

After this workshop entrepreneurs should walk with a clear understanding of:

- Their ideal funder profile
- A methodology to build a list of +60 funders
- How to prioritize the list of funders
- How to get an introduction
- How to track their funder relationships

IMPORTANT: These takeaways might seem incomplete. But no worries! During “How to Build Powerful Relationships,” entrepreneurs learn how to build strong relationships with funders and mentors and during “Negotiation and Close” we teach them how to go from the first meeting to getting commitments, leads and closing.

This is a highly interactive workshop where entrepreneurs will have time to investigate, research and share. Do not turn it into a lecture!

KEY PLAYERS

Lab team: The lab team will be delivering the content of this session.

Entrepreneurs: Most of the content of this workshop is designed for entrepreneurs to share their experience, methodology and questions/concerns with other peers. Make sure to encourage them to interrupt often with questions and to bring up their personal experiences and/or examples.

WHEN DOES IT HAPPEN?

This happens at the end of the third day of the Investment Preparedness Lab and ideally entrepreneurs will have a completed list of funders by the end of the Lab.

HOW TO ORGANIZE: PRE-LAB

Step 1: Understand How to Build a Funder Network.

Make sure you understand what you'll need to teach for this part of the lab by reading the How to run section below.

Step 2: Identify the specific resources available in your region.

At HQ we use world-wide search tools such as **Enable Impact** because we serve globally diverse entrepreneurs. However there might be other platforms available for your region or specific area. Identify and incorporate them into your presentation.

Step 3: Modify the presentation for yourself

Make a copy of the “How to Build a Funder Network” presentation (see “Resources” below) and modify to your liking. If you like as is, no need to make a copy.

Step 4: Get your examples prepared

Giving examples will help entrepreneurs understand things more clearly and concretely. Prepare examples for various elements of the presentation ahead of time.

Step 5: Make copies of the funder list template listed in resources.

HOW TO RUN: AT LAB (1 HOUR)

Step 1: Frame this section of the Lab for entrepreneurs: (5 minutes max)

- Start the presentation.
- Explain to them the goal of this workshop is just to build a relevant funder list. These are merely the first steps in a process of building a strong network. During later Lab steps “[How to Build Strong Friends**](#)” we’ll teach them how to build and maintain relationships with funders and mentors and during “Negotiation and Close” we will teach them how to go from the first meeting to getting commitments, leads and closing.
- Tell them that the success of this workshop relies on them being engaged with the material and sharing their personal experiences and tips with other entrepreneurs.

Step 2: Activity: Build an Ideal Funder Profile (5 minutes)

Hit pause for 5 minutes and have the entrepreneurs write down what is their ideal funder profile.

A good place to start is the 3 C’s:

- **Care:** They *care* about what you’re doing aka there
- **Connection:** a personal *connection* already exists aka the venture knows them or knows someone who knows them
- **Capacity:** They have the *capacity* to support you, aka actually have the means to fund you

Next ask entrepreneurs:

- *What are the specific characteristics of your dream funder?*

Examples

- A local investor with experience in the food industry.
- A philanthropic organization with focus in water companies in East Africa

Next ask entrepreneurs:

- *Who do they know from the top of their head?*

Before moving to the next step, ask for a show of hands: Who knows 5? more than 10? more than 20? This will give you a good understanding of their current capacity/ network.

Step 3: Present- How to build a list of +60 funders (10 minutes)

Share the following research methods with entrepreneurs.

1) Find Funders of Similar Ventures and Funder’s Portfolios. Look on the websites of similar ventures or ventures working in the same geography or sector as you and try to find their funders. For example, we might look at the funders of other accelerator programs. Most of the funds and investment groups have listed in their websites their portfolios. Investigate them!

2) Platforms with Funders on Them

- **Enable Impact:** A free database and platform that gives access to over 1000+ funders in the impact space that is searchable by sector, geography, and more. This is a great place to begin building or to add to your funder list. If you find a good one, cross-reference with the Venture Funding contact at HQ to ensure they aren’t already in our world-wide network
- Other Platforms: **Max Impact, Angellist, Gust**

3) Other Methods :

- **Ask other funders** -> Funders know funders. So ask funders for more leads! Ask funders who are interested in you and ones who are not. Even if they didn't have interest or ability to fund you, they could certainly help connect you to other potential funders (especially if, as Tom Suddes says, you get them excited about your "why" - if they are excited about this they will want to help you succeed!)
- **Ask mentors, other entrepreneurs**, and those in our global **Network** -> Similarly, these people all know funders and want to help you succeed. Ask! Engage these folks early on (preferably before you are looking for money) and groom them to be your advocates when it comes time to raise funds!
- **Conferences / Sector Related Events** -> Find funders who attended conferences or sector related events that you go to (or plan to go do). Or find the sponsors of those conferences. Heck, even if you are not attending a conference a list of attendees can be a great source!
- **Be "Known" / Be a Thought Leader** -> Contribute to best practice thought leadership to raise your profile. You might find people start reaching out to you or you might find higher conversion rates when you talk to people.
- **Befriend Industry Connectors** -> Develop a relationship with other active, high-profile connectors in your industry. For example, the people who organize large conferences like SoCap, Skoll World Forum, or Sankalp tend to know a ton of active players, and that includes potential funders!
- **Use Your List to Build Your List** -> Let's say the above techniques leads you to 30 funders. A good next step is to go to the websites of THOSE 30 funders, find other portfolio companies they have invested in, go to those NEW companies, and to again look at the NEW companies' funders!.
- **Have Passive Ways for People to Express Interest and Reach Out to You**
 - Your website: Your website should contain general information for interested funders and a contact page, allowing any site visitors to contact you directly, expressing their interest.
 - Your email signature: Embed links in your email signature that allow people to click through directly to the website.

Step 4: Activity- Brainstorm a Funder List (15 mins)

Have entrepreneurs use the methods presented in the last step to work on brainstorming potential funders that match their profile, for 10 minutes. Then have the share/ discuss with a partner.

Step 5: How to Prioritize (5 minutes)

When prospects meet the three C's, success in fundraising is the most likely. So...it's very important to prioritize time and attention to prospect that are best aligned with a venture.

- **Top priority:** the prospects who meet all 3 C's. Contact them first.
- **2nd priority:** those who care about your cause and have the capacity to support you, but you don't know yet. Build a connection and make the ask.
- **3rd priority:** those who care but don't have the capacity. They could spread the word that you're looking, but it's less likely that it'll produce results than you asking directly.
- **Don't bother:** with those who don't care about your cause. Even if there is connection and capacity, but not care, your time will be wasted.

Step 6: How to get an Introduction (5 minutes)

Now that they know how to build up their list, explain how to go about getting an introduction and hopefully a first meeting. During the presentation, you'll show them screenshots of good and bad email templates each entrepreneur should have these templates ready anytime. They receive some similar templates in their post-Lab packet.

Step 7: How to track relationships w/ funders (3 minutes)

Entrepreneurs tend to be really busy and not always keep track of their relationships. We have seen this over and over. Every time they meet a potential funder they should have a system to track that. We currently use Salesforce, which is quite sophisticated, but for years we used an excel document and were able to build a massive network of funders and mentors.

Step 8: Lead a discussion / answer questions: (5 minutes)

Step 9: High fives for a job well done!

ADDITIONAL RESOURCES:

Presentation: How to build a funder network**

Templates:

- Email templates to reach out to funders**
- Potential funder tracker**

** This facilitator guide is one piece of the workshop on Building a Funder Network in the Investment Preparedness curriculum of the Uncharted Playbook. Each workshop contains a facilitator guide, a presentation, and an entrepreneur worksheet or activity.*

*** These resources link to additional parts of the Uncharted Playbook. They have been removed for purposes of this example document.*