

MARKETEERING

Cap Intro Presentations — the view from the audience

By Bruce Frummerman, President of Frummerman & Nemeth Inc., a communications & sales marketing consultancy that has helped money management clients attract over \$7 billion in new assets.

If you run a hedge fund, at some point you may have the opportunity to explain what you do to an audience of prospective investors at a Capital Introduction event. Even if your investment product is not a hedge fund, you may find yourself at an event for prospective investors where you are one of many money managers speaking that day.

How effective would you be in selling an audience like this on investing with you? To give you some food for thought, consider what I saw at a Cap Intro event that I attended along with High Net Worth, family office and Fund of Fund investors.

Here was the setup. At this Cap Intro event five hedge funds were presenting. Each manager had 15 minutes to speak at the podium and show his or her accompanying slides. They were being videotaped so that streaming video of each hedge fund presentation could be posted at a password protected website where investors who could not attend the event would have the opportunity to see the managers tell their stories 'live'. After all five presentations were made the managers were stationed at separate tables so audience members could stop by to meet and question them, and pick up marketing collateral to take away with them. The participating hedge funds knew how the Cap Intro event was to be run, and each paid to be able to present.

So how did this look from sitting in the audience? I'll just give you some highlights.

First up was a hedge fund manager from Europe. She read each slide, said not a word more and then sat down. What did she present? *This is our company. These are our people. Here are some performance charts.* Can I recall what they did? No.

Second up was a fund manager in from California. And he was someone I spoke with *before* he presented. He claimed he ran a multi-strategy fund that did "*Thing A*". He said the same basic thing from the podium. So after all presenters finished I went up to this fellow and commented that because of the "*Thing A*" that he said his firm did they might be of interest to a financial planning firm client of mine who works with High Net Worth individuals. The manager looked at me and said, "Oh, we don't do *Thing A*, we do *Thing B*!" Now, I'd heard this guy twice within 90 minutes. If I'm getting his firm's story that wrong, just think about how much more confusing it is to people *not* in the business.

A two-man "tag team" from a European firm was up next, presenting about emerging markets investing. They wanted my money to invest in places such as the Bosnian and Nigerian markets, and they thought they could be good at going long on the Ruble, too. They said they had a "proven risk management framework". They displayed some slides that didn't prove this at all. So, instead, their point became very suspect. A presentation is supposed to instill comfort factor in the audience; not raise red flags and cause doubt and disbelief.

A manager with an event driven strategy began his narration and his slide show. Each slide had about seven bullet points. There was a lot of copy. Dense copy. For fun, I did a little word counting. This fellow was displaying a bunch of slides containing around 150 words each. And remember, this is being videotaped: the video will be shrunk down to a few inches in size to appear like a pop-up window on a web page. Now who is going read that? I was getting eye strain just trying to absorb all that copy on a ten foot wide screen.

The only presenter who came across well began with a brief apology about the slides he brought not being all to the point, and spoke with rarely a click from one slide to another. And the audience *forgave* that because what he said was *interesting*. He told an engaging story about energy-related investing. He told the audience about the various areas where he saw opportunity. He talked about where other, younger money managers were investing in the sector, and why he thought that *their* focus was misguided. He gave examples of what he's seen over the years that supported his opinion of what is the 'right way' and what is the riskier 'wrong way' [*those are my words, not his*] of hedge fund investing in energy generation, transmission and distribution and in new technologies.

So there you have it, a good reflection of how emerging managers are attempting to sell.

What insights are there for the marketer to glean from the stories about this Cap Intro event? Here are three:

1. A lack of a clear and interesting story is all too common.

Most money managers leave no more than a "So what" impression upon their prospects. Has your firm taken the time and effort to overcome the "So what" factor?

2. The over-reliance on PowerPoint presentations as a crutch, and the lack of verbal presentation practicing, is endemic.

Money managers who give an "I have to read my slides" presentation leave their audiences with the (correct) perception that they lack certainty about their own investment process. How comfortable would you be entrusting your money to someone like that?

3. Most money managers, and many Third-Party Marketers, have not shown that they can distinguish between Bullet Point copy and long copy being shoe-horned into a Bullet Point format.

This reduces the effectiveness of many a slide show presentation and flip chart book. (I'll address this issue in more detail in a future article.)

Of course, how effective you are in a Cap Intro-type of presentation is only one selling challenge you face as a money management firm owner. How you plan to handle your firm's one-on-one sales effort is another. In my next column, we'll take a look at some important considerations regarding who will be telling and selling your story.

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