How to get potential investors to notice you

Navigating the business world isn't easy. Many try but few truly succeed. What's more, just a few minor details can make all the difference between singling out your business for a life-changing investment. Or not.

Temps de lecture : minute

5 November 2020

One vital yet often overlooked factor is visibility. How can potential investors decide whether to invest in your business if it doesn't even fall under their radar?

Many fail at this initial hurdle, says Jean-Philippe Verdier, managing partner and founder of Verdier & Co. Corporate Advisory. "During our scoping and screening processes, we come across businesses which have the ideal profile for our client but simply aren't discovered by financial databases, deal sourcing or AI platforms used by professional bankers." Over 20 years' experience in advising corporate and private equity clients and executing M&A transactions means that this London-based independent investment banking firm can also view matters from the other perspective, namely that of the corporate buyer. And advise us accordingly.

Thankfully, if you're keen on becoming an acquisition or investment target there are practical ways to ensure that your business gets noticed, says Verdier. Firstly, companies need to clearly outline their services and build reliable partner networks, potentially by obtaining top tier certifications and accreditations. It is also worthwhile companies include a descent business description in their reported accounts, since these are precisely the key resources queried by sourcing databases/platforms (Companies House, Infogreffe…). Participating in industry events, publishing proprietary content and research, and releasing easily accessible digital content can also help boost their corporate profile.

> *And a strong digital presence via a corporate website and a detailed LinkedIn profile is essential.*

Go that extra mile

Going that extra mile on details can make all the difference - information about company size, key capabilities and competencies, breakdown of business or some details on employees are of keen interest to corporates, adds Verdier. But obviously don't forget that the level of disclosure needs to be managed in the context of clients, employees and competitors.

A fundamental indicator for Verdier & Co. is how likely are you to sell your business? Corporates and investors seek an understanding on an inflexion point in the financing needs or ownership structure of the target. Hence providing indications on this subject, including fundraising rounds, is of particular value or else they might lose sight of your business and its potential.

And don't sell yourself short. Actively advertise your best features, namely "the key terms that a trade buyer will appreciate", says Verdier. For example, what are your ESG practices? "Developing sound corporate values and positive culture in the workplace mean you can be more easily integrated into a larger corporate and make you far more attractive to them and to financial investors."

Refining the search for the right target

Verdier & Co. uses a diverse combination of sources to capture a company as a prospective acquisition for clients. In a recent example, it carried out market scoping and profiling of selected DX transformation, ML/AI, cloud-native, multi-cloud and enterprise software companies for a multi-€B top-10 global ICT corporate. This and other transactions have enabled the firm to develop a proven five-step methodology to build an actionable acquisition pipeline for its clients:

- Step one is to outline detailed screening and strategic criteria, on top of more obvious ones such as size or geographies
- Step two is to apply these criteria to diverse sources, such as financial and sector databases, or AI-powered search engines to draw up a comprehensive list. In this recent example, this returned no less than 1,600 companies
- Step three is to refine the databank and apply an additional systematically weighted filter for key targets. This narrowed the selection down to 500 companies
- Step four is to design and apply a point-based tiering system to grade companies centred around a systematic feedback loop with management, building upon its client's evolving thoughts in the process. In this instance it reduced the list dramatically to 160
- Step five is the final deep dive of the top matching companies for the client's final review/ investment committee. This gave a final selection of 27 strategic, prime acquisition candidates, and a longer secondary list.

Just imagine though if you weren't on that list in the first place? Which is why visibility counts. Show off your wares or that big investment opportunity might just pass you by.

Jean-Philippe Verdier is Founding Partner of Verdier & Co. Corporate

Advisory, an independent corporate finance & advisory firm providing corporate and private equity clients with strategic, financial, and tactical advice, executing on M&A and financing transactions.

Article by Maddyness