



How to Be a Master Messenger

The Ultimate Playbook for Creating Game-Changing Sales Pitches

In today's data-driven world, messaging has become a lost art, in part because it can't be measured. There's no metric that can attribute how many sales were won or lost based on a pitch.

But although it isn't quantifiable, messaging is essential, and the ability to do it well is invaluable.

This playbook was designed to help investment sales professionals become master messengers through expert tips, step-by-step instruction and easy-to-follow blueprints.

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The Importance of Narrative

In investment sales, there's a huge focus on getting the meeting, often at the expense of crafting a strong pitch. That oversight represents a critical misstep.

Anytime you make a pitch, there's a lot at stake - capital for the firm and your compensation. For you, a lot is riding on your ability to tell a compelling story about your strategy. Nail it and you're golden. Tank it and, well, there's always tomorrow.

But you're not the only one with something at stake. Every time an allocator recommends an investment strategy, they're taking a career risk. Every time you sit down to pitch an investment strategy, you're asking them to take a career risk. If they recommend a strategy that performs poorly, it could cost them their job.

That's why the pitch is pivotal. For the institutional investor sitting across from you, no is the safest answer. It's your job to make them understand as deeply as they can what you do and how you do it.

That's an imposing task. But strong messaging has the power to provide all the information your buyer wants in a way that will make them comfortable with your strategy and give them the confidence to potentially allocate to it.

Through narrative, you can control the story being told about your strategy and the words used to describe it, and significantly increase the probability of getting an allocation.

5 Tips to Effective Messaging



People don't just enjoy stories, they're hardwired to understand them. For millennia, it's how we've passed down vital information. Stories represent an easy way to digest and retain concepts.

The pitch is nothing more than a story, a narrative you're telling about your strategy to help allocators better understand it.

Yes, institutional investors need numbers. But they also need to know your story. Performance isn't enough. They need to understand how you got to the numbers. A narrative provides context and a linear structure to the data and facts.

These five tips can help you start to craft your narrative and that story.

1. Skip the Jargon

Noted marketer Russell Brunson said that people who are passionate about what they do often resort to “techno-babble” during pitches. It’s the nail in the coffin for every nervous salesperson. They pepper their pitch with so much obtuse jargon that they instantly lose their audience.

Lay off the jargon. Research shows that even those who are experts in their field are turned off by it. Carefully and purposely choose words that will bring your narrative to life in a memorable and easy-to-understand way.

2. Take Control of the Message

A common mistake salespeople make is not taking control of the message. Many wrongly assume analysts understand what they do. As a result, the analyst spends much of the meeting asking basic questions that don’t move the sale forward.

Seize those opening minutes and take control of the conversation. Get right to it and crystalize what you do. Be clear and concise. Provide context. In the first few minutes, check off the 15-20 questions the buyer wants answered. At a bare minimum, you must answer these three:

1. Why should I care? Give me the quick and tight value proposition.
2. What role does your strategy play in my portfolio?
3. How can I expect it to perform given different market environments?

This allows you to steer the conversation into favorable territory. Now, rather than asking about fundamentals, they can focus on more in-depth questions about your strategy that will advance the conversation.

3. Bring the Story to Life

When someone is hearing your story for the first time, they take it at face value. So frame your narrative the way you want it to be seen. Be specific. Tell them exactly what you want them to think about you, your firm and your strategy.

Try to bring your story to life in an engaging and memorable way. Add color and character without embellishing. This is your teaser, and it should not only make an allocator feel like your strategy could be worth their time, but make them want to share the story with others.

Watch how people respond to your story. Look for affirmation and positive reinforcement. If you're not getting strong reactions, you may want to revisit your narrative and the words you've chosen.

EXAMPLE:

Edgewood manages a 22-stock large cap growth portfolio comprised of high-quality companies that are growing their earnings on average 18%. The portfolio is disparately weighted between 2% and 8%, with the biggest holdings representing the biggest upside or discount to present value. Our largest weightings are generally our best performers, which significantly drives alpha in the portfolio.

4. Highlight Benefits, Not Features

Most salespeople focus on their product's features – their investment process and how the strategy was created. Features are important, but buyers respond better to benefits.

While many portfolio managers confuse the two, a benefit can be as simple as it *reduces risk and increases return* or *it gives you zero correlation to the market*. To show a strategy's benefits, start by answering three essential questions:

1. What is it intended to do for your portfolio?
2. How is it expected to perform in different market conditions?
3. What's the result?

Every product, to succeed, needs to solve a problem and provide a unique value proposition. By answering the above questions, you begin to frame your product in a pain/solution context.

5. Maintain Control of the Message After the Meeting

Follow-up is essential to messaging. It allows you to continue the narrative beyond the meeting, advance the story and introduce new elements.

Allocators are busy. They meet with and receive messages from salespeople constantly. No matter how good a story you tell, you need to follow up. Yes, send a thank-you note, but go further. The more personal and contextualized your follow-up is, the better.

Was there something in particular that interested them? Send more information about it. Did they have specific questions that you can shed even more light on? Answer them. Make sure you remain top of mind while continuing to move the conversation forward.

Additionally, be mindful of who your buyer is. Are they a baby boomer, a Generation Xer or a millennial? Each prefers to consume information and content differently. While a more seasoned institutional investor might want one-sheets, a younger one may prefer video.

The Quick Pitch Blueprint

Although each investment strategy you sell should have its own unique pitch, there is a blueprint for creating them. After giving it shape and structure, revisit the tips provided above to add color and impact that will bring your story to life.

Pitches often start with the general and move to the specific.

Firm Description *(2-3 sentences)*

Begin with a two- to three-sentence description of your firm, including the following:

- Firm name
- Location
- Number of employees
- AUM
- Year founded
- Description of what you do (e.g., 22-stock large cap growth portfolio)

This establishes credibility, and credibility for the firm leads to credibility for the strategy.

Competitive Advantages

(2-3 sentences)

What makes your firm and investment strategy different from the competition? Shoot for two to three sentences (e.g., Edgewood is experienced, focused and motivated).

This is what you want the prospect to think of when they think of the firm and strategy.



Team *(2-3 sentences)*

Describe the investment team in two to three sentences. What would make you excited to talk to them? This is a people business, so highlight the strengths of the team and their depth of knowledge. Include number of portfolio managers, tenure and ownership structure (e.g., 100% employee-owned).

- Are they thought leaders?
- What makes them experts?
- Do they have skin in the game?

Investment Philosophy *(1-2 sentences)*

Give one to two sentences on your firm's belief system and why you came up with your investment thesis. Always start this with, "We believe. . ." This is the WHY.

- What problems are you solving?

Investment Strategy *(4-5 sentences)*

Explain your firm's investment strategy in four to five sentences. What do you invest in (large growth, merger arbitrage, etc.)? What are your investment goals? How is the investment strategy available (mutual fund, SMA, UCITS)?

- What's the value prop?

Investment Process *(4-5 sentences)*

Use a step-by-step format. Tell investors what's in the portfolio and why. What is the selection process (how do you narrow down your universe)? Write four to five sentences, incorporating bullet points where applicable.

- In what ways are you exciting?

Risk Controls *(4-5 sentences)*

What parameters are in place to protect capital? Write four to five sentences, incorporating bullet points where applicable.

- How are you safeguarding their investment?

Sell Discipline *(2-3 sentences)*

What is your sell discipline? Be specific with what happens when something goes wrong or the security stops in value. Write two to three sentences, incorporating bullet points where applicable.

Positioning *(4-6 sentences)*

What role does the fund play in a portfolio? Write two to three sentences. How can investors expect the fund to perform in different market environments? Explain in two to three sentences.

Preparation Before Execution



Creating a compelling investment story isn't easy. It requires extensive preparation and outstanding execution. Before you can pull together a narrative that succinctly answers your buyer's questions, you need to do some legwork.

These three steps can help you get started.

Step 1 - Gather information

- Conference calls with PMs
- Interview with account manager
- Firm website - team, bios, philosophy, strategies
- Morningstar.com - AUM, ticker, name of fund
- Fact sheets - investment objective
- RFPs/positioning - How the fund is expected to perform in different market environments

Step 2 – FAQ and interview questions

- What is your firm’s history?
- What is your view of the world?
- Why did you create your investment strategy?
- What makes it exciting?
- What is your firm’s ownership and how has it changed over time, if at all?
- How many employees do you have?
How many investment professionals?
How many researchers?
- How are investment decisions reached?
Do you use a team-based approach?
- What is your buy and sell strategy?
- What is the most appropriate benchmark for your strategy/fund?
- What is your investment philosophy?
- What is your investment process? How do investment ideas become portfolio holdings?
- What makes this portfolio different from other investment managers that use a similar approach?
- What type of research do you use?
- In what type of circumstances or markets would you expect to perform well?
When would you expect to experience challenges?

Step 3 – Create headlines

- Firm introduction/overview
- Competitive advantages
- Team/history
- Investment philosophy/investment thesis
- Strategy description
- Investment process/portfolio construction
- Risk controls
- Buy and sell discipline
- Positioning
 - What role do they play in a portfolio?
 - How do they perform in different market environments?

How to Create a Pitch Book

Pitch Book Outline

1. Firm Intro
2. Core Competency
3. Investment
Philosophy
4. Team
5. The Challenge
6. The Solution
7. Product/Strategy
8. Advantages
9. Process
Construction
10. Positioning

In addition to the short pitch you give at the beginning of a meeting, you'll want to produce a pitch book that the allocator can review, revisit and share. Before starting, think through the process. Ask yourself:

- What does the listener want to hear and why?
- What are the nuances of the firm and strategy that you need to customize? Do you need to add a second firm overview for a partner whose assets the firm is leveraging?
- Do you need to create a pitch book for each strategy or can you combine the strategies in one book?

Decide what you want the listener to take away from each page. Once you're ready, you can use the outline below to produce your pitch book.

Pitch Book Outline

1. Firm intro	
<p>Fill in the following: Firm name; AUM; year founded; base location; what they do; ownership structure; who makes up their investor base.</p>	<p>TAKEAWAY: Establish credibility; give the listener context on what they should be listening for.</p>
2. What is the firm's/strategy's core competency?	
<ul style="list-style-type: none"> • Firm history • Experience • Investment platform 	<p>TAKEAWAY: Highlight the firm's competitive advantages.</p>
3. What is the firm's view of the world?	
<p>What challenges (problems) do they see? How is their strategy part of the solution?</p>	<p>TAKEAWAY: What is the firm's philosophy and what does this all mean?</p>

4. Team	
Describe the people on the team and what attracted the firm to them. Is there a team culture? How is the team incentivized?	TAKEAWAY: What is the team's value proposition?
5. The Challenge	
This defines the problem.	TAKEAWAY: What are some of the current struggles that investment managers face?
6. The Solution	
We believe there is a better approach.	TAKEAWAY: How does the strategy try to face these challenges/solve for a problem?
7. Product/Strategies	
Name the strategies and the key components to them.	TAKEAWAY: What do they sell and how is it different from their peers?
8. Advantages	
List the competitive advantages, giving correlations.	TAKEAWAY: Why should the prospect care?

9. Process/Portfolio Construction

Use a step-by-step approach to show prospects how the portfolio managers build their portfolio.

TAKEAWAY:

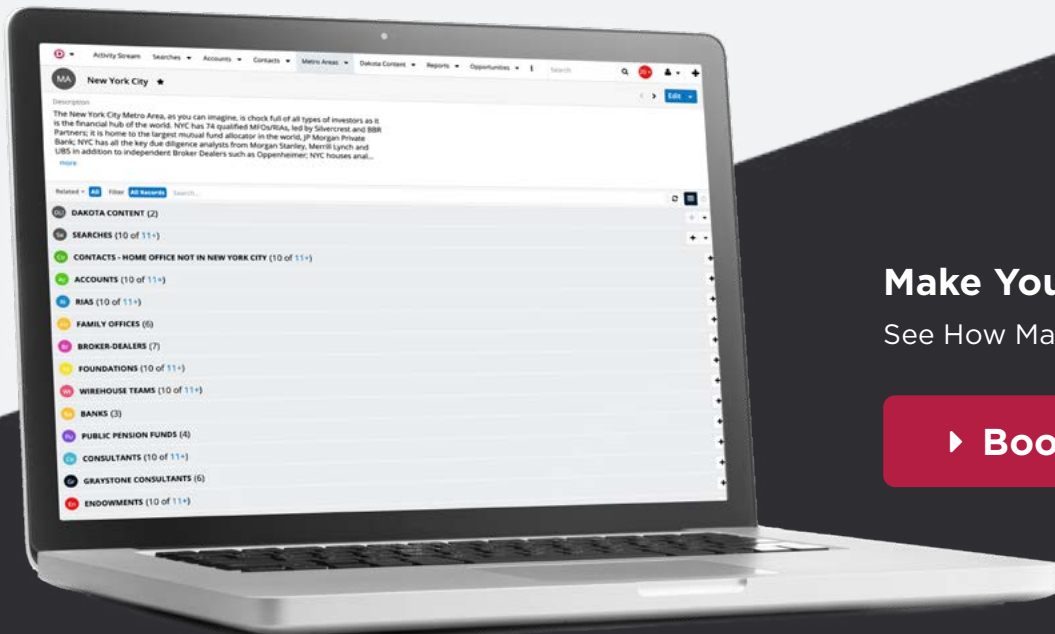
Get specific to answer questions that an analytical mind would pose: How disciplined is the strategy?

10 Positioning

- What role does this strategy play in an investor's portfolio?
- How does it perform in different market environments?

TAKEAWAY:

Leave no doubt as to where the strategy belongs and how it should perform under current market conditions.



Make Your Pitch to More Buyers

See How Marketplace Shortens the Path to Qualified Leads

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Contact

Investments

925 West Lancaster Avenue
Suite 220
Bryn Mawr, PA 19010
(610) 642-1481

Software

2300 Chestnut Street
Suite 420
Philadelphia, PA 19103
(610) 642-1481

www.dakota.co