
Hidden Capital

The Founder's Guide to Winning Family Office Funding

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Introduction

DEDICATION

To the brave souls everywhere who have the courage and vision to found a start-up.

SPECIAL THANKS

To Matt Gabrielson, for taking the time to edit and share thoughts on this work.

FOREWORD

Throughout my career at Kinect Capital, BoomStartup Accelerator, and Hen House Ventures, I've worked with hundreds of founders seeking external capital for growth. Often, founders gravitate toward pitching to well-known options like syndication, venture capital, and private equity, each expecting high and fast returns for what is invested.

Then there's another investor category - *Family Offices*. They are patient, value stability, guidance, and networking over quick cash. They operate discreetly, have strict gatekeeping, and exclusive networks. But how can founders access this category? How do they know if they fit a Family Office's approach?

Luckily, Steffi Baker has the key to unlock this hidden capital in a helpful brief. I hope you enjoy this helpful educational toolkit.

TARA SPALDING

Interim CEO, [Kinect Capital](#)

Chapter 1 - Why Does This eBook Exist?

In mentoring founders at [Kinect Capital](#) and in other interactions with people seeking funding from family office people, I observe the (insurmountable) distance they often feel between themselves and the family office people and I've always been a little puzzled at that.

But last year someone pointed out to me, well, you've grown up in that world, you've been working with family offices for 15 years and it's second nature to you. It's not second nature to me and others like me. I don't know where to find those people or how to talk to them and build a relationship if I do. What you naturally do is very hard to me and a lot of other people.

Bazinga! That's when I fully realized how much I take for granted the access and ability to navigate the high net worth world comfortably.

Since that conversation I've been considering how to share my knowledge with founders who could benefit from meeting and receiving investment from family offices.

The idea to share what I know about working with family offices came up in February, 2023 at the 40th Annual KinectCapital.Org conference in Salt Lake City. I attended a session with family offices on the panel. During question period, I looked around the room at all the founders who were working so hard to find for funding for their companies and thought, I bet they'd like to hear from the panel how they like to be approached. So I stood up and asked. The panel obliged with insightful answers. A number of founders who were in the room came to me later to thank me for asking because they wanted to know but didn't know how to ask, and the idea for this book was born.

Chapter 2 - Author's Backstory

Who am I and who am I to be writing this book?

I grew up in Milwaukee. My family was solidly middle class – my parents were health professionals. I had the good fortune to attend a private high school on scholarship. My friends' parents were business owners, top executives and many families were the "old" money in the city. But in my experience, no one at the school judged me, or anyone, on their family name or net worth. I felt accepted by and at home with my fellow students and their families.

When I was 17, I was studying one day at my friend "Mary's" house for a history exam. I liked being there because it was such a lively environment and her parents were (are!) some of the most gracious, kind people I've ever met. Her mother was preparing supper and her siblings were playing with their friends. Her father came home and stopped to say hello to us.

Back story: at that time he was the CEO of a major multinational company, let's call it ABC Co. We received the daily newspaper at my house; I had been reading about a strike at ABC Co. The workers wanted more money and other benefits and management was being painted as greedy and insensitive for not complying with the workers' requests.

Personally, I thought the workers' requests sounded reasonable. So I said to Mary's father, Mr. X, may I ask you a question? He said, sure, go ahead. I politely said, I am reading about the strike at ABC Co in the newspapers. Could you tell me why you won't give them more money? (Writing this, I look back and marvel at the curiosity about the world and courage I had as a teenager to even think to ask!)

Well... Mr. X sat down at the table and spent about half an hour explaining to me exactly what was going on domestically and internationally in the industry ABC Co was engaged in, and why that meant he and the executive team were having to make the decisions they were making. Mrs. X held supper while he talked with me.

Now, he could have brushed off the question for any number of reasons or given me a simplistic answer. I was just a kid. But he took the time to engage with me, I believe because he knew I asked out of genuine, respectful interest and I wanted to learn. (And Mary says he likes to teach.)

What I experienced that day with Mr. X shaped who I am and how I view and interact with people. I believe it's perfectly OK to introduce myself and ask – politely and respectfully of course - anyone any question, no matter who they are, and I do it on a regular basis. These were my friends and their parents. No matter what their name or their wealth, they are the same as I am. I never saw them as bigger, better or different from me.

To this day I meet very successful or wealthy people, I'm not so impressed or awed as I am keenly interested to hear their stories and learn how and why they did what they did and then what they're doing now. I'm interested in them as fellow humans. I've always loved a good story, and what I've discovered is there is always a good story behind someone's success. I also discovered every single person in the world has their challenges and struggles – money and fame don't protect anyone from difficulty, sadness or tragedy. We humans all have more in common than we sometimes choose to recognize.

I've written this insightful book to be an actionable read with Spotlight tips at the bottom of each section. It is meant to serve as a practical planning guide to approach family offices for investment. Following this plan will make your engagements more positive and have a higher change of success in raising funds from them. So many family offices are made up of wonderful people and they are looking for good investments like you.

I'm interested in your comments on this ebook. Please feel free to email me at steffi@highnetworthwomen.com to share any insights, corrections or update ideas. I'd love to hear your stories of raising capital from and working with family offices. I will be periodically offering live virtual small group or 1:1 workshops based on this book, designed to get you a quick start on locating suitable family offices to approach for investment – if you would like to be added to the waitlist please get in touch.

Spotlight: *A good story and storyteller breaks down barriers and creates compelling emotional connections between any kind of people.*

Chapter 3 - Mythical Family Offices

How can you crack the secret code to finding family office funding? Founders hear about “patient capital” from family offices but have no idea what a family office really is or how to gain access. It's a monolithic, opaque world with no apparent entrée for the average person.

Let's start by demystifying the rare and elusive family office.

- A family office is a legal entity set up for an individual or family who have accumulated wealth to protect and manage their money.
- A family office can be an individual, a couple, one family unit or hundreds of people in a family unit in the case of multiple generations.
- Some people operate like a family office but don't formally declare being one
- Family offices gained popularity in the US in the 80s.
- There are an estimated 7,000-20,000 family offices in the world with around \$5 trillion in assets under management (AUM).
- First generation are known as the wealth creators and the subsequent generations are known as “NextGen.”
- Single family office (SFO) consisting of just one family.
- Multi-family office (MFO) consists of a group of families (three main categories).

- SFO Expansion is a single family office that opened to other families (such as Rockefeller, Pitcairn in the US and the family of James Bond author Ian Fleming in the UK).
- Commercial MFO, which is similar or the same as a registered investment advisor (RIA).
- Banking MFO is the arm of a bank serving family offices.
- Fun Fact: The family office concept dates back to the Knights of Templar with the oldest known family office was established in the 1500s by the Medici family.

As you delve into this world you will quickly realize there are a lot of people and entities calling themselves family offices. Be aware there is no single universally accepted definition of family office. And anyone can claim to be one, there is no certifying body or test to pass. Over time you will learn to discern who is and who isn't.

Spotlight: Family offices are sometimes inundated with pitches so you've got to stand out with a good idea that can be profitable and solve a big problem.

Chapter 4 - Raising Capital from Family Office

Family offices can in some cases be preferable investors over venture capital or other types of investors. It's important to note that while family offices can offer these advantages over other sources of capital, the actual benefits to the founder will vary depending on the individual family office, its personnel, investment strategy, and the founder's goals. You should carefully evaluate the compatibility and fit between your business and a potential family office investor before entering into any relationship or accepting investment. Here's a rundown of the reasons.

1. **Long-term Investment Horizon.** Family offices are in it for the long haul. In fact, many say their investment horizon is "eternity" meaning they aren't necessarily looking for an exit if an investment is performing well. This aligns well with the ethos of company founders who are focused on building sustainable businesses rather than chasing short-term gains to please investors.
2. **Patient Capital.** This oft-quoted phrase means the family office hasn't set strict timeframes for generating returns, as venture capital and private equity firms do. This allows founders to pursue ambitious growth strategies without the clock ticking on delivering quick results.
3. **Deal Structure Flexibility.** Family offices are often flexible in structuring investment deals and can get as creative as they want to be without seeking permission or an exception to rules. They can shift to accommodate the unique needs of founders, providing bespoke solutions to match the company's growth plans.
4. **Industry Capital.** Family offices frequently have deep industry knowledge and networks within that industry. By partnering with a family office, founders can tap into a wealth of strategic advice, mentorship, guidance and market insights.

5. **Operational Capital.** Family offices often have or have had operating companies in a certain industry or industries, which means they can offer expertise helpful to a founder's day-to-day operations, including access to talent networks, connections to potential customers or partners, enhancing the growth prospects of the company.
6. **Stability and Continuity.** If you work with a second generation or later family office, they have a multi-generational perspective and a desire to preserve wealth across generations. This long-term stability and continuity can provide founders with a reliable and supportive investment partner.
7. **Minimal Interference.** Family offices generally are not interested in being an active operator and take a hands-off approach. They will provide a steer, but ultimately will allow founders the space to stay in control of their business operations and strategic decision-making. In other words, they provide support without imposing excessive managerial control, unlike venture capital and private equity firms who often want a hand in running the business.
8. **Overall Network Expansion.** Family offices often have extensive networks of high-net-worth individuals, industry experts, and other entrepreneurs. By securing investment from a family office, founders gain access to these networks, opening doors to potential partnerships, customers, and future investment opportunities.
9. **Patient Mentorship.** Family offices are often interested in nurturing the growth of founders as entrepreneurs. Some greatly enjoy teaching and sharing their knowledge, and view it as part of their philanthropy program to give back or pay it forward.
10. **Aligning Values.** It's not all about ROI for a family office; they typically prioritize values and mission alignment when considering investments. If the values of the founder and the family office are aligned, it can create a strong partnership based on shared principles, fostering a supportive and collaborative environment. They like to seek what's known as double or triple bottom line returns on investments, meaning there's a measurable return in social and/or environmental impact too.

Spotlight: Carefully evaluate the compatibility and fit between your business and a potential family office investor.

Chapter 5 - Finding Family Offices

You're probably excited at this point about working with a family office as an investor. But where to find them? You can start with internet search, but you're limited since the majority of family offices like their anonymity and have no public profile or information available.

Here are ten (10) ways to find and meet family offices. And, there may be a little extra surprise at the end!

1. **Attend Industry Conferences.** Family office representatives often participate in industry-specific conferences and events. Attend these gatherings to network and meet potential investors. You will

need to be prepared to spend some money on entrance fees and travel to get into a family office conference. Some do not allow non-family offices in and many limit the number of “service providers” and firms seeking to raise capital into the room. On the bright side, you only need to meet a few of the right people for the conference to be worthwhile. And once you have a few family office contacts, it’s easier to grow your network.

2. **Engage Professional Networks.** Join professional networks and organizations focused on entrepreneurship, angel investing, venture capital, or family offices. These platforms provide opportunities to connect with family office representatives.
3. **Buy a Target List.** There are around a dozen online directories and databases that specialize in listing family offices. These platforms often provide detailed information about the investment preferences and focus areas of each family office. Buying a list can jump start you into making contact, but be warned it’s not as easy as it seems. Ask to see a sample of the list before you buy and specifically enquire about the total number of entries and how many are actual single family offices. I’ve seen a number of these lists and they include bank MFOs, RIAs and other service providers in rather large numbers. It’s rare to find a list of only SFOs. You will need to be extra creative and original when you contact people off a list, because they receive such a high number of pitches due to being on a list.
4. **Seek Referrals.** Leverage your existing network, including mentors, advisors, or fellow entrepreneurs, to seek referrals to family offices. Personal recommendations can carry significant weight in establishing connections. A warm connection is always going to be your best bet over cold messaging.
5. **Engage with Family Office Advisors.** Collaborate with wealth management firms, private banks, and financial advisors who have relationships with family offices. They can help introduce you to potential investors and provide guidance on navigating the landscape. Lawyers hold the esteemed position of most trusted advisor. Look for either a lawyer specializing in family office matters or mergers and acquisitions.
6. **Post on Social Media Platforms.** Actively engage on professional social media platforms like LinkedIn. Join relevant groups, share insights and updates about your company, and connect with individuals affiliated with family offices. LinkedIn is my personal favorite. But you need to be very, very thoughtful about how you could contact family office people there.
7. **Hire Experienced Advisors.** Engage experienced professionals, such as investment bankers, lawyers, or consultants, who have extensive networks within the family office space. Their expertise and connections can prove invaluable in finding interested investors. Some will work on commission or for equity or other non-monetary compensation. Be careful about paying large upfront fees.
8. **Collaborate with Angel Investors and Venture Capitalists.** Engage with angel investors and venture capitalists who have previously worked with family offices. They may be able to make introductions and facilitate connections.
9. **Publish Thought Leadership Content.** Establish yourself as a thought leader in your industry by writing insightful articles, publishing research papers, or contributing to relevant publications. This can

attract the attention of family offices and position you as an expert in your field. It's also great to have something to send along with a cold message so you're offering something of interest as an opener.

10. **Join Non-Profit Boards.** If your company has a social good angle, look for non-profits to get involved with that have family office people on their boards. Do this thoughtfully and carefully and get involved with the charity out of a genuine interest in contributing. If it becomes obvious you've only engaged with a charity to meet a family office person, it can boomerang on you badly.

★ **Bonus.** Here is a list of the Top 100 largest family offices in the world, created by SWFI Institute. There's a lot of public information about them, so it's a good place to start studying to gain an understanding of who they are, how they operate and how to evaluate them. I wouldn't recommend starting your SFO pitch campaign with them, however. You'll want to practice on smaller family offices before you send a pitch to this list as they are receiving literally hundreds of pitches a day. If you determine pitching to this list is a good idea for you at all – for many of you they won't be the right target audience. <https://www.swfinstitute.org/fund-rankings/family-office>

Spotlight: *Have reasonable expectations and understand that this will likely not be a fast process and fast money in the door.*

Chapter 6 - Guiding Principles

Building relationships with anyone, especially family offices, takes time, effort and above all sincerity and authenticity. Focus on creating meaningful human connections first and later demonstrating the value of your company to increase your chances of securing investment. There are some rules to follow in approaching family offices.

1. **Thou shalt not treat a person like a checkbook.** I've personally witnessed people strike up a conversation with asking for investment, without any preamble, more times than I care to recount. Would you do this to a random person on the street? I would hope your mother taught you not to do that. Yet that's what you are effectively doing. I call it commercial panhandling. No one wants to be wanted only for their money.
2. **Thou shalt not lie to gain access.** I've also heard people tell some whopping big lies to get into conferences, get people to take a phone call or a meeting and other such things. I've been present at a few memorable occasions when the person got caught in their lie. Hey, let's be real, sometimes people fib a little. When Spanx founder Sara Blakely was starting out, she once hired some temps to come into a rented office space her business didn't actually occupy to make her operation look bigger than it actually was. There's a very fine line and be aware of where that line is and don't cross it.
3. **Thou shalt not stalk anyone.** I was moderating a panel in New York and asked the panelists about how they didn't like to be approached. One woman chimed in with and I quote: "Stalking is bad." She had someone jump out from behind a pillar one day as she was entering the office and shove a packet

of information into her hands about the company he wanted to invest in. He informed her he'd been trying unsuccessfully to reach her on the phone or by email so he started following her around town. He further admitted to knowing where she lived and where her children went to school. Some forms of persistence are good. But doing anything that smacks of stalking anyone, particularly a woman, is unacceptable and in this example almost got this guy arrested.

4. **Thou shalt not send generic "spray and pray" messages.** You are an individual speaking to another individual and that means you write them a personal message that demonstrates you know something about them or at least shows genuine interest in them. If you are not prepared to spend the time and effort doing that, you will get nowhere with family offices. They get hundreds and even thousands of enquiries and pitches for investment. You must stand out. Period.
5. **Thou shalt not ask for money or discuss at first contact.** Unless THEY introduce the subject, your aim is to make a relationship and that means you don't talk about money, capital raising or anything of that nature. If they ask, answer... and be restrained about what you say next, don't go into your pitch. Be interested first and foremost in getting to know them as humans.
6. **Thou shalt not ask overly personal questions.** I've been standing with family office people at conferences when service providers or capital seekers come up and launch right into gathering details about their family office. What's your net worth? How many family members do you have? Are you the wealth creator? Are you married? Do you have children? How old are they? And more. The very best conversation opener I've ever heard came from a British friend of mine: where is your family from? That's a wonderfully engaging question that allows you both to share and connect at a safe level.
7. **Thou shalt not send your pitch deck at first contact.** Trust me when I say that no one is interested in your pitch deck and no one is going to read it unless you have captured their interest first. Sending it in the first message is a rookie mistake. Now you know better.
8. **Thou shalt not send your pitch deck unless asked for it.** And as you continue messaging with someone, you're better off waiting until they ask for your pitch deck. If you offer to send it they will probably not decline, but they will probably not read it either. Them asking you to send it is a sign of genuine interest in most cases.
9. **Thou shalt not act starstruck.** A billionaire, celebrity, well known person, whatever, is just a person like you. Expressing a little admiration is OK. Just don't gush. Please.
10. **Thou shalt not shy away from family offices out of fear.** Maybe you don't think a family office wouldn't ever be interested in your company. Maybe you think it's a waste of your time to approach them.

These are avoidable mistakes. Engaging in these behaviors will result in permanent radio silence or doors slamming shut in your face, mostly figuratively and occasionally literally.

If you realize you've committed some of these mistakes... you are forgiven. You didn't know better. Now you do, so go forth and prosper.

Spotlight: As Oprah says, “know better, do better”. If you haven’t made any of these mistakes, congratulations, now you never have to.

Chapter 7 - Stories Are Secret Weapons

Family offices have typically seen and heard it all because they get so many people hitting them up for investment. You have to be original, stand out and get their attention. And at some point you need to inject your “Founder Story”(see Appendix).

You need to have four stories at the ready:

- Your personal origins
- Why you started the business
- How a customer solved a problem or reached a goal with your product or service
- How a customer’s business or life was transformed with your product or service

Prepare to share in chunks

- 30 seconds “elevator”
 - 2 - 5 minutes “quick pitch” without financials
 - 10 - 15 minutes “pitch with financials”
-

Spotlight: Be original, stand out and get their attention

Chapter 8 - Engaging the Family Office

Here are a few critical tips for preparing to contact and/or meet a family office:

- Remember to never treat a potential investor like a checkbook.
- Cold outbound messages must not contain financial solicitations (asking for advice is OK)
- Approach meetings completely “need-free” with eyes and ears open
- Show appropriate enthusiasm and passion for your endeavor
- Know who you are (and who you are not)
- Know what your company solves (and what it does not)

- Have a one-page executive summary ready
- Know the characteristics (persona) of your ideal investor
- Be prepared to walk away
- Trust your gut

And finally, keep these phrases in your back pocket:

- "That's interesting"
- "I don't know but will find out"
- "I'd like to think about that and come back to you (time frame)"
- "I'll get the answer and come back to you"

Chapter 9 - Guiding Principles

Here are a few important ideas to keep in mind when you're out there meeting family offices.

KISS – Keep It Simple Sincere. When communicating with family offices, keep it short and to the point and authentic. Listen more than you speak, you will learn a lot. The height of elegance is sincerity and simplicity. There's not enough in the world – be a fountain of both.

Time and Place Principle. One of my favorite conference providers and I were having a discussion about most speakers who fail to grasp that a pitch during the session isn't appreciated by the audience. On the contrary, those presenters who have post-session queues out the door to talk with them have provided value and interesting information, minus the sales pitch. "Have they never been to a dinner party?" A foolproof way to make acceptable, engaging and positively memorable conversation when talking with a family office is to image you're at a dinner party seated next to them. And yes, sparkling wit may be sprinkled in as the opportunity presents itself.

First Impressions. Put your best foot forward meeting people. That's the best you can do. You will become a magnet for the right people. Pull, don't push – marketing wisdom that applies to everything.

Concentrate on having a few high quality relationships. The good news about family offices: you only need a few relationships to get you started. You're not aiming for a huge network. Depending upon how much money you seek to raise over what period of time, you could get a lot done with just 10-20 family offices in your universe.

Forget the Money. This is counterintuitive but focus on your company mission and doing your best to fulfill it while you enjoy your life. If you chasing after money you actually chases it away. If you are confident in your eventual funding then your ask will be better accepted. That belief will change your energy completely, raising capital feels lighter. You come off lighter.

Ask for Advice, Not Money. Genuinely asking for an opinion, perspective or advice, listening fully and acting on what you took away is probably the best relationship builder there is. It clearly demonstrates you see someone for who they are and value them and are not just interested in cracking their vault. Very few people actually listen and even fewer do something to implement the suggestions. Be part of the few and it will get anyone's attention fast.

Relationships, Relationships, Relationships. In real estate, it's "location, location, location" but in business it's all about the relationships. As the old adage goes, it's about "who you know not what you know". There are some wonderful people in the family office world which is surprisingly small so a few good relationships can get you access to amazing opportunities. Put your heart and energy into creating relationships. But also know that sometimes it won't work out and don't get discouraged.

Spotlight: *You will win, or you will learn how to win, until you do win. That's an investable attitude.*

Chapter 10 - Pitches for Family Offices

Contrary to popular belief, it's not the facts and figures and your brilliant idea that's going to sell them on investing. Yes, you need to have that information to hand, but all of that won't seal the deal in most cases. They're investing in you (and the team) first and foremost. You need to build a bridge for them to cross, entice them to take a few steps your way and meet them halfway with a warm welcome.

1. **Craft a compelling narrative.** Develop a clear and compelling story around your business. Highlight your unique value proposition, market potential, and competitive advantage. Engage the family office by conveying the vision and potential impact of your venture.
2. **Prepare a concise pitch deck.** Create a professional and concise pitch deck that effectively communicates your business model, market analysis, financial projections, and investment requirements. Keep the presentation visually appealing and avoid overwhelming them with excessive information.
3. **Establish trust and credibility.** Build credibility by showcasing the qualifications and achievements of your team. Highlight relevant industry experience, track record, and previous successes. Provide references, testimonials, or case studies that validate your capabilities.
4. **Address risks and mitigation strategies.** Recognize and address potential risks and challenges associated with your business. Present a clear plan for mitigating those risks and demonstrate your ability to adapt and overcome obstacles.
5. **Demonstrate market traction.** Show evidence of market validation and traction. Highlight key milestones achieved, customer testimonials, revenue growth, or partnerships that indicate market acceptance and demand for your product or service.

6. **Showcase a robust financial plan.** Present a detailed and realistic financial plan that outlines revenue projections, cost structures, and return on investment. Include various growth scenarios to illustrate the potential upside for the family office. Make sure to think like an investor when crafting the financials. If you were on the other side of the table, what would you want to see and hear?
7. **Personalize the pitch.** Keep one master deck and tailor your pitch to the specific interests and objectives of the family office you are speaking with. Show that you have considered their investment preferences and goals, and how your venture aligns with their values or investment portfolio.
8. **Emphasize the alignment of interests.** Highlight the shared vision and values between your business and the family office. Illustrate how their investment can contribute to social impact, sustainability, or other causes they prioritize.
9. **Follow up and maintain relationships.** After the pitch, promptly send a thank-you note expressing appreciation for their time and consideration. Continuously engage with the family office by providing updates on your progress, milestones achieved, and any new opportunities that arise. Nurture the relationship even if they don't invest immediately, as they may be interested in future opportunities or could refer you to other investors. Family offices usually move slowly when getting to know people and writing checks. They will often write a smaller check first to test the waters.
10. **Avoid these dead end phrases.** Here's what they all hear (BTW, don't do these!):
 - a. "We have the best (fill in the blank) on the market."
 - b. "No one else is doing what we're doing."
 - c. "We don't have any competition."
 - d. "We're the first mover and this is going to be the next Apple/Facebook/Google/breadslicer, etc."
 - e. "We're going to change the world."
 - f. "You're going to make a lot of money from this investment."

Chapter 12 - Your Action Plan

"Plan your work then work your plan" is a concise and powerful piece of advice coined by Napoleon Hill, a prominent self-help author. This phrase emphasizes the importance of both planning how you intend to build your family office contact database and engagement strategy.

Take the shot. Maybe you think you'll just get shot down. I ask you to consider: but what if they love you and invest? Experience in your mind how awesome that could be. As is often said in sports: you miss 100% of the shots you don't take. Sometimes you've just gotta say, what the heck. (Some of you may recognize this pearl of wisdom from the 1983 film "Risky Business.") Take your shot.

Develop your strategy. I've seen some founders approach their family office funding without a strategy then get discouraged because they weren't getting anywhere. Frequently evaluate your activities and outcomes

so you can do more of what is working and less of what isn't.

Track your contacts and results. Use a spreadsheet or better yet a CRM system to log everything about the people you contact and meet. The more detailed notes you enter, the better you can manage the relationships.

Make a 12 month plan. Take the long view and choose some annualized goals for how many people you will meet. Some months will be better than others. It's a marathon not a sprint.

Include social media. If you decide to use the thought leader idea described earlier, make a calendar for post topics. LinkedIn is likely to be your most productive social media outlet.

Make a budget. Decide how much you can afford to spend on your family office contact project. Ideally, you've got some resources. If you don't, use social media. Be consistent showing up on social media.

Thoroughly research the family office. Understand the specific investment criteria, interests, and values of the family office you are pitching to. Tailor your pitch accordingly to demonstrate alignment and relevance.

Ask for help. If someone you contact says they are not the right person, politely ask if they could steer you to someone who might be able to help you. That's how easy it can be to get a referral.

Be patient, respectful and persistent. If you don't hear back on your first attempt, you can try again one or two more times. In these follow-ups you can ask if they would please respond with a definitive yes or no. My advice is, after three tries, move on. A lot of family offices don't have the staff or the time to respond to everyone. I know in some sales courses it's taught to continue calling or emailing until you get an answer one way or the other, but too many calls and emails can cast in a negative light.

Chapter 13 - Comments from Family Offices

First-generation California family office principal:

"We have a soft spot for start-ups because we were a start-up that got lucky and made it big so we have part of our portfolio, some of our money specially earmarked for early stage startup investing. We are primarily interested in big ideas that can change the way of life for a lot of people.

I think we have more patience than most family offices because we don't care about what we think are minor mistakes founders make in their contact email and pitch deck that from what I hear talking with my friends they would just not respond to. We want to hear the personal story and the business story. We want to see they know their numbers fairly well and have a vision for the future, but we don't expect perfection, we expect to be hands-on mentors.

We do our best to respond to all and I know in that we are also unlike a lot of other family office investors. That keeps one of our team with their hands full busy but that's our values. We get a real thrill out of helping

start-ups grow and succeed like we did, against the odds.”

East Coast third generation family office executive:

“The family is wary of early stage startups but will invest in Series B and later. They only invest in a couple of sectors so I really appreciate it when people ask what we do before they spend a lot of time writing us a long email and sending a pitch deck. I don’t have time to respond to everyone but when someone hits the sweet spot and sends a short message asking what we like to invest in, very briefly describing what they have and asking if that is of interest, I will take the time to answer even if it’s sorry we don’t do that.

I’ve had a few people answer back after that offering to introduce us to their founder friends in our sector and to ask if I know of anyone else who would find what they’re doing interesting and when they do that nicely I always respond. I once referred someone to another family office I know that was looking in the sector they were working in and those people wound up investing. I got a nice handwritten thank you letter from the founder and I thought it was great she took the time to do that. I still speak with her occasionally.”

Southeast second generation family office principal:

“I’ve tried angel investing and have consistently lost money so I no longer invest in early stage startups. I’ll do Series C and later but it’s pretty rare these days. We fly below the radar pretty good so I don’t get a lot of messages asking for investment and I’m sorry to say if I’m not interested I just don’t respond, got too much else to do. But three times I’ve forwarded emails to other people I know who I think would be interested.”

Southern third generation family office principal:

“Way back our family, we made our money in manufacturing, but we’ve branched out into a lot of other industries. If we like the people and we like the deal, we’ll give it serious consideration, doesn’t matter what it is. We like to get hands on once we’re invested so we tell the founder if you don’t want to see us or hear from us, we probably aren’t gonna get along too well. The founders that like advice, like us.

We’re known in a lot of circles to be interested in kind of off the wall ventures, so we get a lot of referrals from our lawyer who hears about these companies that just need a little money, sort of a rich aunt or uncle who also cares and can help out in more ways than the money, to make a big difference. We’re doing more of these because we sold our company three years ago and we’ve got time to jump in if we invest.”

Midwestern family office executive

“If we get involved with a private company, we’re going to by and large leave them alone to do their thing because we’ve done intensive due diligence upfront. We know them, we have a relationship, we’ve seen they’re competent. We’ll answer questions if they come to us and ask and we do get involved by making introductions. We like updates at least once a quarter and if things are going off the rails we want to know immediately so we can be a resource for correcting the problem.

We had one investment in a founder who lost a big order early on and was scared and ashamed to tell us. He thought we'd be mad at him and pull the plug. We had a face-to-face sit-down, he realized we were neither angry or going to walk away, and we helped him work through it. He came up with an even better idea which brought in another order double the size of the one he lost. Now if there's even a hint of a problem he's on the phone.

We recently wrote him another check. The exit from this business coming, there have been buyers sniffing around and we've already told him we'd back him if he wants to do something else. He's come a long way and we're proud of him. That's as rewarding to us as the ROI we're going to realize at exit, which is going to be substantial."

Spotlight: Family Offices want to invest so keep these in mind: Business is rooted in PEOPLE, first thing you are selling is connection to you, People are emotional and make emotional decisions later backed with logic, facts and figures

Appendix

Email Template

Be Personal. I offer this template with a caveat. BE PERSONAL. Do NOT send canned messages. That includes this one. Please, please, please (did I say PLEASE?!) take the time to tailor the content you put into this template to your voice and your target person. Do your research!

Salutations. I only answer about 10-20% of my cold LinkedIn messages. I broke speed records answering a direct message starting with: "Dear Mrs. Baker..." and I just about fell off my chair. I can count the number of times on one hand someone in business has addressed me as Mrs. Baker. So consider using formal Mr./Mrs./Ms. - it establishes respect and professionalism. If you're going to address a woman as Mrs. make sure she is indeed married. (My website and LinkedIn profile state I'm married so he had done his homework.)

Template

SUBJECT: <this should be brief>

BODY:

Dear Mrs. Baker,

My name is X and I am the founder of Company Y.

I'm writing to you because we are raising capital, and in my research I found you. (Showcase what you learned about them in your research, a couple of sentences, be specific. Not just "I'm impressed with your background" or "you're doing great work.")

Our company is in the business of (explain.) Is our sector in your wheelhouse?

If it is, here are a few quick bullet points about what we're doing:

4-6 brief bullet points including the raise amount and time frame

And a little bit about me:

3-4 bullet points or a couple of sentences, make it memorable!

If our company is of interest, please let me know how you would like to proceed from here. (NOTE: do not suggest a call or meeting, do not offer your pitch deck – let them tell you how they would prefer to continue the conversation. This alone will make you stand out. Everyone immediately asks for a call or a meeting.)

If it is not, thank you anyway for your time reading this message. And if I may ask, if you would have A) any feedback to improve this message or B) any ideas of who else might be interested, I'd be most grateful if you shared a minute or two of your time with me to respond with those details.

Sincerely,

Your name

Email

Phone number

Website