



Virginia Business Lawyers

Point 3 on How To Pursue Venture Capital

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In prior posts, we introduced our Ten Points When Seeking Venture Capital and covered : [Be realistic. Be persistent.](#)

Point 3.

Communicate. Let the venture capital funds know what you're doing. Keep them informed on developments, both in your company, and in the industry segment you hope to dominate. Any time you have a significant positive development, it's an excuse to update their perception. Even if you have had the door practically slammed in your face, you can always say "I understand why you weren't interested in my company before now, but you really should know about this development before you make any final decisions."

Communicating updates is especially powerful if you can relate the development back to something that you predicted, promised or planned to do. If the portfolio manager starts to get the impression that you really know what you're talking about, their attitude may gradually change. If, for example, you foretold a major industry development, such as an alliance between two companies or the selection of a technology standard, you gain credibility.

If the development is unexpected, then dazzle your target with your nimble reaction to the opportunity it creates. If it's negative, explain how it will hurt your competition worse than you, and that there is still plenty of upside for feisty opportunistic survivors.

But I would be remiss if I did not also advise you to avoid being a pest. Don't tell your quarry every little thing that happens. If you have acquired a powerful new team member, with a proven track record, that's probably worth a note or a call. Hiring your first office manager, while a crucial positive step, probably does not rise to the level of "news" in the VC universe.

In summary, be useful, be noticed and be relevant. And, while it goes without saying (but I'll say it anyway in my next post) – be prepared!

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