

## Thom Singer of Cool Things Entrepreneurs

**Speaker1:** [00:00:04] This is the Investor Connect podcast program. I'm Hall Martin. I'm the host of the show in which we interview Angel Investors, venture capital, family offices, private equity, and many other investors for early stage and growth companies. I hope you enjoy this episode. Investor Connect is a 501 C three nonprofit dedicated to the education of investors and startups for fund raising. Please consider donating \$100 to the program to help others in their investor and entrepreneur journey. You can find the donate button on the Investor Connect org website. Hello. This is Hall Martin with Investor Connect. Today we're here with Thom Singer, host of Making Waves at Sea Level Podcast. Thom is also an executive search consultant, author of 12 books and has been featured speaker at over 1000 business and association events. Tom, thank you for having me on your show and thank you for joining us today.

**Speaker2:** [00:00:55] Hall Thanks for having me here. This will be fun.

**Speaker1:** [00:00:58] Great. Well, I think you're one of the foremost experts in how to build relationships in the business world and wanted to talk more about that and why that's important for the startup and the investor in the early stage world.

**Speaker2:** [00:01:11] Yeah. No, absolutely. I mean, you know, the old expression is that people do business with people they know they like and they trust. And while some people would say, well, that's a cliche, the truth is it still matters as much today as it ever has, that all things being equal, we want to work with we want to do business. We want to invest with people who we know we like and we trust. And we can't just leave that up to chance.

**Speaker1:** [00:01:35] Absolutely. And so when you work, if you're a startup founder, how would you use how would you build that relationship with the investor? What would you use as a first introductory technique to get in and make that opening remarks?

**Speaker2:** [00:01:50] Well, I mean, one of the most important things you should do, no matter what industry you're in, it's certainly true for for startup founders as well, is you need to be involved in whatever industry your company serves. So I'm a huge believer that everybody should find ways to get involved with their trade association because a lot of people say, Oh, I

don't want to do that because that's where my competitors are. Well, sometimes, but also there's many people involved in industry groups that aren't direct competitors, and many of those people might have investors who would also like to invest in your company. So getting to know people who do the same type of work or in the same industry is a great place to start. And it's not so much just signing up and paying dues for some association. It's actually getting involved and building your personal brand within your industry because if you have a really good reputation and you're growing a business, the investors are going to want to find you and they're going to hear about you. If you're involved, if you're the best kept secret in your industry, you're going to have a hard time finding funding, finding employees and finding customers.

**Speaker1:** [00:02:51] But one thing I always coach startups on is those who wanted to meet and find investors to fund their deal is to hang out where the investors are hanging out. And aside from the associations, where else would you find them hanging out that you would recommend the startup do and how would they approach that?

**Speaker2:** [00:03:08] Well, it's going to be different for different industries and certainly different size companies. But if you look at the start up community, one of the places that a lot of investors hang out is around the start up community type events that happen in your city. And every city has got some different groups. You know, in Austin, Texas, where I live, there's the Central Texas Angel Network, there's your organization. There's a lot of technology groups that are there. So it's really figuring out where are the people in the industry? Because the truth is the investors are going to be around there. A lot of investors are going to have jobs in other companies. They're going to be involved in other things in the community. So really it's just getting around the people who are active in your business community because if the exact investors who are right for you aren't there, they'll be people there who will know them. Nobody goes to every single networking event or belongs to every single association. But most people who are actively involved in trying to keep their reputation alive and growing, growing their business, they'll participate in two or three. So you pick the two or three that work for you and then you overlap with people who are in different groups. And eventually, once you build that reputation, you'll start to know where the people are. You have to meet because you'll hear from your friends. There's there's an old saying that I love and that is success leaves clues. So

get around successful people who are doing what you want to be doing and they'll tell you where the other successful people are.

**Speaker1:** [00:04:30] So let's say a founder comes out and comes to the meet and actually sees an investor and engages in a dialogue. What should they do in that first conversation with that investor?

**Speaker2:** [00:04:41] Well, one of the mistakes that we make in our society is we spend a lot of time teaching these founders how to craft an elevator pitch. Now, I'm a big believer that there's a time and a place for your elevator pitch. But for those who may not be familiar with the term, the idea is, is that if you and I got in an elevator together on the 30th floor of a building and I realized, oh, my gosh, you're an investor and I have a company that you could invest in. I flick an invisible switch in my back and I just start reciting some three or four sentence thing that I've pre memorized. Just, Hey, my name is Tom Singer. I've written 12 books, blah, blah, blah, just verbal vomit all over the other person. And this is a problem if you immediately go into let's pitch a mode when that elevator reaches the lobby on the first floor and the door is open. Hall, what are they going to do?

**Speaker1:** [00:05:27] They're going to run out that door.

**Speaker2:** [00:05:30] You know, I have asked that question of at least 500 different people in different groups and run is the number one answer that people say nobody has ever said why? I would take you to Starbucks to learn more. So if we lead with our elevator pitch and we pounce on people like like they have a pork chop hanging around their neck, and you're a hungry wolf who hasn't eaten in a week. And you're just like, Hey, investor, let me tell you all about my product or service. When those doors open, they're going to run. And so don't repel people when you meet them. The better thing to do is to learn more about them, learn why they've come to the networking event that you're at. Or if somebody introduced you and you're having coffee, learn more about why they're trying to meet people who might have companies that they can invest in. The more questions you ask, the more they're going to like you. They've actually done like academic surveys where they you've seen this probably like on reality television. They send somebody out on a blind date and they they put a camera in the flowers and they float microphones in the beer and they record everything. And then afterwards they

interview the two people on the date. What did you think the person who talks the most says, Oh my gosh, I love them. I hope we get married and have three kids. The person who talks the least is like, Yeah, I don't know that I want to go out with them again. So instead of just telling them everything about you, ask a lot of open ended questions, get them to tell you about them, and at some point they'll start asking questions about you. And now you'll know where to take that conversation so you can build a better relationship.

**Speaker1:** [00:06:59] So so how do you close that conversation in a way that lets you reopen it later? Because with pitching, it's multiple interactions. You have to come back and give new information. It takes a while for the investor to absorb all the information. There's no way you do it all in one stage. But how do you set it up for that long term process?

**Speaker2:** [00:07:20] Well, it kind of depends where you're having the conversation, right? It's going to be different with every situation. Is it a formal meeting? Is it an informal meeting? Is it a chance meeting at one of these technology groups that you're attending or investment groups that you're attending? And so if you're in that latter situation, one of the best ways to kind of wrap up the conversation and set it up for something else is to say, you know, I would love to talk to you more about this in a more proper setting rather than just here at the bar or whatever. So set it up, that boy. I would like to go deeper at this at a more appropriate time so that they don't feel that they're being pounced on at that type of event. Now, if you're actually in a meeting and you're sharing about your company, they're sharing about their investment strategy, then, you know, the meeting is kind of coming to an end. And like you said, it's not like in a first meeting people are writing checks, so then set up what are the next steps. And there's two ways you can do that. You can ask them, so what do you think the next steps are? And they'll tell you sort of what they think. The other thing is you can be a little bit more aggressive and you can say, hey, for a next step.

What I'd love to do is send you some more information and then maybe we can meet again in three weeks. But I think it really comes down to you have to know what situation you're in. The mistake people make is they're looking for sort of network and relationship and personal brand building shortcuts. And there are no shortcuts, I can't promise you, you know, meet somebody, send them a handwritten note, have coffee with them, buy them lunch, run into them at the mall, get a check. I mean, there's not there's not like this automatic road map that's going to get there because every relationship is going to be different. It's a lot like dating, you know, for

people who are married, you probably didn't propose marriage the night you met your spouse. There probably was a first date than a second date. Then after a while, maybe you took a little trip together to see if you could get along in that situation. You met each other's family, you met each other's friends, and then eventually the relationship got to the point where you're like, Yeah, I could take this one all the way. And you did or you didn't. And that is the same thing with business relationships. Not every business relationship, not every investor investee relationship is meant to be a lifelong marriage.

**Speaker1:** [00:09:30] Right. So how does a founder get that all important investor email for follow up communications? What's some techniques they can use for that?

**Speaker2:** [00:09:40] Well, if you've met them, you know a great thing. I think one of the stupidest things right now is people are like, oh, I don't carry business cards. I just tell people to look me up on LinkedIn. And that is a really dumb idea because, number one, if you meet somebody and you say, Oh, I love you and they're an investor, and you'd say, Oh, yeah, just Google me. Now you're expecting they're going to remember your name. And if they remember your name, do they know how to spell it? So you still want to carry business cards? If you're looking for investors and you're not carrying professional looking business cards in your pocket and your wallet, you got some stuffed in the car. You got them inside every jacket pocket that you have. You might be leaving money in the table because they're not going to remember you later. You might think they will, but they're not going to. So a great way to get someone's email is you have your card really handy and you take your card out when the conversation is ending and you say, Hey, do you have a card? Now they might not because we are moving towards this world where people don't want to carry cards, and the people who really don't want to carry cards are the people who don't want you to contact them. So if they're like, I never carry cards, it's going to be harder to follow up because that's their defense mechanism. However, if they have a card and you switch cards, now you've got their contact information.

**Speaker2:** [00:10:48] Awesome.

Networking doesn't happen at a networking event. Networking happens and how you follow up with people. So the real power in building a relationship, getting to know people, being able to follow up is what do you do after you meet them the first time? So the business card is still a

great tool. Now if you don't have that business card linking to them on LinkedIn, if they accept the LinkedIn request, now you have the ability to follow up with email. The other thing is some people, if you're a little sleuthing and you go in and do a little research, you can find their email online. And my greatest trick for this, because maybe it's on their website, great. If you're connected to them on LinkedIn, you have access to their contact information, but if you don't have any of that, what you can do is Google their name, their company and the word email address. And it's amazing how many times they might have written an article for a magazine and the magazine published their email address, or they're on the board of an association, and that association lists the contact information. It's not as hard to find that email address as you might think. And, you know, the other better way is do you have a warm introduction? Is there somebody you know who can make an email introduction for you and then you get it?

So let's say the interaction happened on a monday over lunch and now we both have each other's email and how fast or what is the right time or to wait before you follow up for that next discussion. Now, maybe if you promised them your deck or something you want, you want to send them that and so forth. But what is too fast and what is too long in the follow up process there to just keep the dialogue going in that case? So there's two things that I have on that. One is, like I said before, it's going to be different with every relationship. If you talk to somebody and they're like, Oh, yeah, I'm totally into this. I'm, you know, we're looking for companies like yours right now. You might want to do it later that day or the next day if it was just a casual kind of get to know each other. There was no real big love connection, but maybe you could establish it then. Maybe you wait a couple of days until you follow up. And if it's not urgent and you got their card and their card has a physical address. I'm still a believer in sending a handwritten note, especially if someone did you the favor of meeting with you, sending them a handwritten note that says, Dear Hall, it was great to meet you. I really appreciate your time. Thanks for the advice you gave me on whatever the advice was. I look forward to our next meeting sign. Tom

Now the downside with this is in the last two years since the pandemic came along, many people are working from home. So that letter, if you have their address, it's usually their office. And they might only be going in once a week, which means. You're going? Sending that letter. They may not even see it for a while. So that kind of ruins my really quick handwritten note strategy is how often are they going to the office? I'm not sure. So lean more towards email and again the next day or two days later is perfect.

**Speaker1:** [00:13:39] That's great. So how much is too much communication over, say, the next month? Is it if every week too much or is it once a month? And what do you know if you're over communicating to a potential investor and you need to slow it down or what have you?

**Speaker2:** [00:13:58] Well, I think one of the things is ask them. That's why asking them what do you think the next steps are? If they say, well, this is a slow process, you know, we're six months out from launching our next fund or whatever, you know, then emailing them every three days might be annoying if on the other hand, they said No, now we're in the process of doing this, then maybe you need to be in contact with them every several days. So ask them how they want to be communicated with and what they think the best time frame is and what the series of next steps are. And they'll give you the lead. People will pretty much let you know if they're excited about this relationship and they want to see something go farther, if they need more information and they need to just kind of feel it out or if they think there's no love connection there, in which case that's okay too, because you don't want to be wasting your time on someone who's not interesting, interested in investing in your company.

**Speaker1:** [00:14:47] One things I've learned about fundraising at the early stages, you have to start up, has to do two things. One, they have to educate the investor about the deal. There's usually a lot of background and detail that has to be covered. And two, they have to build a little bit of a relationship of trust there. How does one go about building that relationship trust over a period of time?

**Speaker2:** [00:15:08] Well, you know, trust is one of those things that we all think we have at all times. And yet when the organizations that measure such things show that trust is at an all time low, it is slower for us to trust people in business than at any time in history. So we have to go in assuming we're not as trustworthy as we think. Now, that doesn't mean we're not really trustworthy, but we have to assume that not everybody is jumping to the assumptions, that everybody's trusting what we're doing and everything else. So it goes back to I think it might have been Ronald Reagan when talking about the Russians said trust but verify. So you want to make sure that you're giving people the verification of who you are and what you say you are. And so that's why I think the materials that your company has is really good to make sure you get that in their hands. It's also important to do what you say you're going to do. If you say, I will

follow up with you on Wednesday, don't call them on Friday and be like, Oh yeah, I was just really busy on Wednesday.

You have to set those expectations and then deliver on those expectations all along the way. Because here's the thing people are always judging you. And sometimes I talk to people and they go, Well, that's not fair. Well, I didn't say it was fair. I just said people are always judging you based on your actions. And so, you know, to get to trust, we have to think that trust isn't one thing. Trust is a series of things. There's a gentleman named David Horkheimer, who runs a company called the Trust Edge Institute, and he has broken trust into eight different pillars, eight different areas of how people judge you. So it's not this thing that is trust. It comes down to things like, how well are you at communicating with people? How well are you when it comes to how you connect with people? How is it with the contributions that you make? Because let's face it, people are really looking for results. So we're going to trust you based on the results that you get. And there's no other way to build trust than to go out and do the work and show people results.

**Speaker1:** [00:17:03] Right. And then what else can the startup do to foster that relationship with the investor so that the investor wants to spend time with the startup versus they don't want to spend time? What can you do to get more enamored with spending time with you in that case?

**Speaker2:** [00:17:21] Well, this goes back to before you ever meet the investors. I think this goes to building your network and your personal brand. If people are talking you up in the community, if people have good things to say about you, if people go, Oh, yeah, she's the real deal, or Boy, he has delivered every time he has had a company. They're going to want to meet you. They're going to want to get to know you better. Let's face it, what is there, 8 billion people in the world? There's a lot of choices out there when it comes to where we spend our time and who we focus on. So if your reputation precedes you, then I think you have a better chance of getting their attention.

**Speaker1:** [00:17:56] Great. And then how does one take that relationship to the next level? And perhaps the investor does make an investment into the company, and now you've got a board member or a valued investor or what have you. And so what happens to the relationship at that stage? Where should it go?

**Speaker2:** [00:18:15] Well, all relationships that we have as human beings, all relationships are built through shared experiences. And so when we share experiences with people, that's how we forge friendships. Just look back at your high school or college days. Who are you still friends with today? Who do you talk to? Who do your families vacation with? Is it someone you had in like that Psych 101 class with that room that had like 600 people freshman year who occasionally saw them on campus? And you were like, Yo, dude. Or is it the people who you were in clubs with? You were in a fraternity and sorority with, you played on a sports team with, you spent spring break with. It's those shared experiences that forged long lasting friendships that you have to this day from your high school and college era. Same thing is true in business. Look back at who are my best friends in business. It's often people who you founded that company with and you went through those really hard times and those really good times, and now you've sold it and you're on to other things. But boy, you still enjoy each other's company. You're always touching base, so you want to make sure that you're including your investors as much as is appropriate in things that the company is doing. So it's not just see them once a quarter at a board meeting and go, dude, but actually make sure that you're having conversations with them. You're sharing those experiences and you're letting them be a part of it. One of the reasons I think people want to invest in a company isn't just for the cash at the end. They want to be part at some level, some more than others, but they want to be part of the experience. So find a way to include them and share the experience of building the company with them. And when you get to the other side, you won't just have an investor who y'all can cash out together, but you're going to have a friend.

**Speaker1:** [00:19:53] It's great. We appreciate you sharing that information on building relationships between the founder and the investor. You also run a podcast show that's quite successful. What do you attribute your show success?

**Speaker2:** [00:20:05] So I started my show. It's called Making Waves at Sea Level C as in CEO, CFO, etc.. I started at seven and a half years ago. It was originally called Cool Things Entrepreneurs Do and in its original form and its current. What the show is about is it's about business tips on how do you shake things up, how do you make waves, and how can we make business more cool from a leadership perspective? And I think one of the reasons it's been really successful is I don't have much like you don't I don't have a set of seven questions that I

ask every guest. One of the things that I think is a depth to podcasts is Seven Questions and a Lightning Round. After you've listened for six or seven weeks, it's like, I already know what they're going to say. And if one of those lightning round questions is What's a life changing book? How many times can we hear the seven Habits of Highly Effective People or how to win friends and influence people? I mean, after about the 20th guest and they five of them, eight of them, 18 of them give the same answer. The podcast is pretty boring. So I structure the whole show like two friends having a glass of wine in a bar talking about business. And that's what I get back from the people who listen. They're like, Oh, you ask the questions that I would have asked if I was sitting in that bar. I'm like, That's why we do the show.

**Speaker1:** [00:21:18] That's great. Do you have any other tips for podcasters who are listening out there on what they should do?

**Speaker2:** [00:21:24] Yeah, I think the thing to have to have a podcast that's going to have longevity and be successful, you have to do it consistently. I think one of the other big killers to podcasts is the occasional release date. Someone does a podcast, then four weeks later they release, then four months later, then release, then they do one every week for a couple of weeks. You want to build a habit. So like if I miss an episode I release on Tuesdays and Thursdays, if I miss an episode, I'll get an email from somebody saying, You're usually my morning drive on Friday. But there was no new show that dropped yesterday, so people like to have the habit of how they listen to podcasts. So I say make it fun, make it upbeat, make each episode original and release on a regular schedule.

**Speaker1:** [00:22:06] Right. Well, in the last few minutes that we have here, what else should we cover that we haven't?

**Speaker2:** [00:22:10] So, you know, one of the things that I do when I work with executives as sort of a coach and a consultant is I talk a lot about presentation skills, not just in your world where people are making pitches, but everything you do. As I said before, people are always judging you. And one of the great ways to build your personal brand and your reputation in a community, whether that's a vertical like health care or another industry vertical, or if it's a local area like Austin, Texas or whatever, is to be asked to be the speaker at events, whether it's a big conference or whether it's a monthly luncheon by somebody like the Association for

Corporate Growth or somebody like that. If you're regularly speaking, people see you as an expert. For some reason in our society, we look at people who present as the expert, and that will help you build your reputation and your brand, but not if you suck on stage. So you have to realize that you have to work on your presentation skills and you have to get good at it. And the way you get good at it is the more you speak, the better you're going to get as long as you're trying to learn from every single one. So one of the mistakes that a lot of founders make is when I talk to them, they'll say, Oh, no, I'm a great presenter. And I'll ask the question, How do you know that? And they'll go, Well, every time I get a speech to give a speech, somebody comes up and goes, Oh, that was a great speech. And lots of times they're speaking inside their company. And I'm like, Really? What else would your employees say to you? But hey, boss, great speech. And they're like, No, even when I go to a conference, people always say, Wow, great speech. And I have to remind these very smart entrepreneurial executives that we live in a polite society. If you see a speaker at a conference who is highly mediocre, like when they say in conclusion, you think, thank God, now you're in the elevator with him and it's just you and them you have a nametag on. So they know that you were in the audience and saw them speak. What do you say to them? You say great speech. And the reason you do that is we live in a polite society. Very few of us out there are going to look at the speaker and go, Wow, that sucked. Why did they bring you in? So people say, nice speech. So if you're hearing from people after you give a speech, it's great speech. You have no idea if it was a great speech or just mediocre. And so I always tell people, the only way, you know, if you're good is if you're spending off business or you're spending off introductions or if people want to take you to lunch, that's when you know you did a good job. So you have to be out there speaking a lot and fine tuning those skills. But the entrepreneurs who are the best presenters, their companies tend to do very well and they tend to get funded because if you're a good presenter, people just assume you're smart, even if you're not right.

**Speaker1:** [00:24:43] Well, that's great advice. So how best listeners get back in touch with you?

**Speaker2:** [00:24:48] My website. Tom Singer. I spell Tom take home like Thomas without the ass of home singer singers.

**Speaker1:** [00:24:58] Great. We'll include that in the show notes. I want to thank you for joining us today and hope to have you back for a follow up soon.

**Speaker2:** [00:25:03] Thank you. It's great to be here.

**Speaker1:** [00:25:08] Investor Connect helps investors interested in startup funding. In this podcast series Experience, investors share their experience and advice. You can learn more at Investor Connect dot org. Hal Tim Martin is the director of Investor Connect, which is a 500 1c3 nonprofit dedicated to the education of investors for early stage funding. All opinions expressed by hall and podcast guests are solely their own opinions and do not reflect the opinion of Investor Connect. This podcast is for informational purposes only and should not be relied upon as a basis for investment decisions.