

Why Very Real Communication Matters

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Given what I do and for how long I have been doing, it I get to see a lot of investor updates. Actually, I don't see nearly as many as I would expect to see. And it's not because I am not included on them but because most CEOs of emerging companies don't take the time to regularly draft them. Aren't your investors as important as your employees? What do you communicate and how often do you communicate with your employees? I am not saying it should be the same amount but I am here to argue for a brief monthly update for all stakeholders (investors, business partners, and service providers you work with).

Why would you take time to do this (it does not take as long as you think)? Here are some reasons:

- You already send some level of information regularly to your board. How hard might it be to extend the courtesy of a brief monthly update to the angels who came in pre-venture financing even though they are not on your board? Think of this as transparency for stakeholders. People like and appreciate transparency.
- Share with your angel investors (even your spouse and friends and family are key stakeholders in your endeavor) the monthly highlights, how on track are you in comparison to where you said you'd be, and what learning has cropped up that impacts what you're doing today versus what you said you'd be doing today. You get a lot of credit for being genuine in sharing the good and the bad. Bad is learning, not failure. Investors like to be kept abreast of your journey and feel like they are more than just a check they wrote you.
- Always ask for what you need from your stakeholders in these updates. Use these committed individuals as an extension of your internal team. Your update may lead someone skimming your update to think of a key business partner, customer prospect they have an "in" at for an intro, key hiring needs, knowledge you have that would be relevant to share, etc.
- What if you need to go back to the well? If I am an investor and I only hear from you when there's a crisis of cash I am going to feel used and disrespected. As a result, I am not likely going to double down on your deal. However, for someone who is generous in sharing with investors I am going to be much more understanding of the movie versus the snapshot and understand how you're adapting and adjusting as necessary.
- This sort of business etiquette allows you to stand out as a professional.
- I'm often asked how often. Some do a quarterly update but that ends up being a report more than a dialogue. A monthly one page succinct summary (include your KPIs or progress against goals) creates a nice reminder of you to them. Taking the time to draft it matters more than having a brief chat with each investor. You miss out on their brain cycles by not wanting info in

writing (I've been told it's discoverable! So what, depositions are just as lethal as the written word).

- If you're investor and you don't get this from the CEOs in which you've made bet ask them to provide a brief monthly email to keep you in the loop. It is reasonable to expect this.

How do you want to show up with your investors, employees, and business partners (especially if you're slow pay or far in arrears with them)? How you communicate can set you apart from the pack as either "that guy I only hear from when he needs a check from me" or "wow, CEO X is killing it and how can I help him/her?"