HOW TO RAISE MONEY FOR THE ARTS . . . OR FOR ANYTHING!

Ken Davenport

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A NOTE FROM KEN BEFORE WE BEGIN

Hi readers!

Please note that much of this publication is based on my personal experiences and anecdotal evidence. Although I have made every reasonable attempt to achieve complete accuracy in this book, please be aware that I assume no responsibility for errors or omissions. You should use this information as you see fit and at your own risk. Your particular situation may not be exactly suited to the examples illustrated in this book—in fact, it's likely that they won't be. You should adjust your use of the information and recommendations accordingly.

Remember, raising money for commercial or nonprofit ventures may be regulated by both Federal and State Securities Laws. The subjects discussed in this book should not be considered as legal advice. Should you wish to raise money for a commercial or nonprofit venture, I strongly advise you to consult with an attorney before you begin your raise. As I'm sure you can understand, I or anyone associated with the publication of this book cannot be held liable for your activities.

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And finally . . .

Ok, now that we got that legal stuff out of the way, let's get to the matter at hand!

To access **BONUS** resources and materials that will help you on your money-raising journey, visit www.TheProducersPerspective.com/raisemoneyappendix.

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DEDICATION

This book is dedicated to all of the people who
I've asked to invest in my projects over the years,
And especially the ones who said no, because you
taught me how to get better at asking.

The Structure of This Book

"I think that structure is required for creativity."
- Twyla Tharp

Before we dig in to the nuts, bolts, screws, and washers of raising money, I want to include a little note on how this book is laid out.

You'll notice in the table of contents that the book is divided into sections, based on where/when you are in your raise. If you purchased this book because you're in the middle of the raise and are having trouble finishing it off, do yourself a favor and do NOT jump to the middle or the end. The latter sections of the book are all based on ideas and concepts that are proposed in the earlier sections. Raising money the right way is like putting together a puzzle. Each piece must fit together perfectly, so take your time and go through this book in the order it is presented. Believe me, if I thought it could work using different sections or sections that are separate from each other, I would have written it that way! ☺

Throughout the book, there are three types of special callouts. I've highlighted them for a reason, so pay *special* attention when you see one!

The three callouts are:

- Definition, which defines a term in my raising money vernacular.

- Hot Tip, which is one of my secrets to raising money.

- Action Exercise, which requires you to do something right then and there.

Don't cheat by skipping those action exercises, because if you skip them and then don't accomplish your money-raising goal, you'll always wonder, "What if I just . . . "

At the end of the book, there are some great tools and recommendations in the appendices. But have patience, and make sure you've mastered the basic concepts first.

I know it's hard to wait. Believe me! You're excited and eager to get your money raised and your project off the ground, I know. So am I. That's what makes us entrepreneurs, or as I like to call us, art-trepreneurs! But trust me, if I could go back and take a few things in my career and my life a little slower, a few more things would have gone my way, and I'd be further along than where I am today.

So take a deep breath, and let's get crackin'.

INTRODUCTION

"The secret to getting ahead is getting started."
- Mark Twain

It all started with Pac-Man.

When I was ten years old, Pac-Man was released for the Atari. And I wanted it . . . badly.

"Mom, can you get me Pac-Man for the Atari?"

"Ask your father."

"Dad, can you get me Pac-Man for the Atari?"

"How much is it?"

"Only $20!"

"Hmmmm. Well, it's your birthday in a month, put it on your list."

"But I can't wait!"

"Do you have any allowance left? Maybe there are some chores you can do."

I had already blown my allowance on a bunch of Red Sox baseball cards, and I quickly calculated it would take me another three months to earn enough of my allowance to get that Pac-Man. Who could wait that long? There were little electronic pellets and ghosts named Pinky to eat!

And chores? Forget it! It'd take me weeks to find enough chores to do, and . . . well, who wants to actually do chores? Duh.

"I don't know what to tell you, son. If you really want it, then this is something you're going to have to figure out for yourself," he said with a smile.

Even though my Dad was a small-town doctor, he was one heck of a businessman. And sure, he could have slipped me a twenty and made me a very happy Pac-Man-playing boy. But he was much more interested in making me a very smart entrepreneur. You know, the "teach a young kid who wants Pac-Man to fish" kind-of-thing.

There was a lesson here. Somewhere. I just had to find it.

After school the next day my best friend, Joey, came over and asked if I had been able to convince my folks to get me the much sought-after video game.

"Nope. Not me. You?"

"Nuh-uh. And I only have $3 of my allowance left."

Wait a second. Wait a second!

"Joey, if you give me $2, I'll let you play Pac-Man once a week for an hour."

"I don't know."

I showed him the advertisement. I told him to imagine the two of us playing in my basement together. It was going to be so much fun!

And then something crazy happened.

He gave me $2.

So I did the same thing with seven more friends and had $16 after one day.

Then I went to this kid I didn't like so much and charged him $4 for the same hour per week.

I went to my Dad the next day and asked for a ride to our local video game store because I had the money for Pac-Man.

"Where did you get it?"

My mom started checking her purse.

"I raised it."

And that's when I learned about the magic of raising money. And I've been raising ever since . . . from a few hundred bucks for college charities to a hundred thousand for a low-budget documentary film, to multi-millions for a big Broadway show. (My crowdfunded Broadway production of *Godspell* was even featured on the front page of *The New York Times*!)

Along the way, I learned lots of tricks and tips on how to raise any amount of money—and fast. And I started teaching all those secrets in a live *How to Raise Money* workshop.

While nothing beats the live in-person training, I wanted the information to be accessible to folks all over the world. So I took all the content from that workshop, along with some new strategies I've learned from raising over $50M from individual investors in the last five years, and wrote this book.

And now all that info is in your hot little hands . . . or on your warm little tablet.

Before we jump into the money-raising waters, let me say one more thing…

The world is filled with lots of “talkers.” You know the type: They have ideas for shows or screenplays, or they have better ways to do things.

And they never do anything.

But not you. You’ve recognized that you need to improve one of your skills in order to accomplish a goal. You’ve spent your hard-earned money on something (this book!) to help you improve. And now you’re spending your precious time on learning that skill!

First, I’m honored, so thank you for your purchase. I guarantee it will be worth it.

Second, you should take a moment to congratulate yourself for being part of that small percentage of people who are so dedicated to whatever it is you are doing that you’re willing to do whatever it takes to make it happen.

That’s awesome. And inspiring. And you should be proud of that.

So take a second, and pat yourself on the back!

And now, it’s time to put away the Pac-Man, because we’ve got money to raise!

CHAPTER 1: WHY RAISE MONEY?

"Money makes the world go round
The world go round
The world go round
Money makes the world go round
It makes the world go round."
- Cabaret

Do you have a dream?

If you're reading this book, I'd bet money that there is something you are dying to do.

Maybe you want to produce a Broadway musical . . . or an off-Broadway play . . . or help your kids put on the best high school musical ever. Or maybe what you want to do doesn't have anything to do with theater. Maybe you want to make a feature film . . . or create a board game . . . or start a charity for underprivileged teens. Whatever it is, it is your dream and you want to make it happen. And you can. No doubt. By purchasing this book and taking the time to read it, you've already proven that you have the passion and the persistence to make it happen.

There's just one itsy-bitsy, teeny-weeny, green-non-polka-dotted-thing that you don't have.

The money.

"Money isn't everything, but it ranks right up there with oxygen."
- Success Expert Rita Davenport

Whether we like it or not, money does indeed make the world go 'round. Or, as I like to say when it comes to the arts . . . your idea, your want, your dream is like a car . . . and <u>cash is the gas</u>.

Money is the fuel we need to make our ideas move forward. Some ideas—like some cars—require more cash-gas than others. But almost all of them require some kind of deposit in the tank.

The world would be a much easier place in which to do business if we didn't need money to bring our product to market, but the fact is, we do. And the first thing I tell everyone is to get over it and move on.

It's part of my Three Facts of Raising Money.

Ready for 'em?

Here goes:

Fact #1: To make your dream a reality, you're going to need money.

Simple, right? You agree? Good. Let's move on.

You need money . . . So how do you get the money you need?

To put it very simply, you've got three options (well, three legal options anyway—but that's for another book).

Those three options are:

1. Inherit it.
2. Earn it.
3. Raise it.

Unfortunately, we can't choose our parents (yet), so number one is out the window.

And earning it? Well, that would require learning a new skill like investment banking or becoming a real estate developer or inventing the next Google. And that could take a super long time to learn and there's no guarantee it would even work!

So that leaves us with number three: Raising money.

I know what you're thinking. "But raising money is so hard, Ken!"

It can be. Sure. No question. I'm not going to fight you on that, or give you some self-help book BS about how I can make it sooooo easy for you to do in three simple steps. Raising money is hard!

But out of all of the options available to you? *It's actually the easiest way you have of making your dream a reality.* That's right . . . and here comes the second fact about raising money comin' right at you, all bold-like.

Fact #2: Raising money is the easiest way to fund your dream.

Did you get that?

It's worth repeating . . .

Fact #2: Raising money is the easiest way to fund your dream.

Because so many of us paint this picture of raising money as the most difficult task on the planet, it's essential for us to remember that of all the options you have, it's the easiest one!

Winning the lottery isn't going to work, changing the person who gave birth to you is impossible, and going back to school to become a brain surgeon is just going to take too dang long (besides, I have one word for you: Mal-freakin'-practice).

And that leaves us with raising money, which once again, is *by far* the fastest and easiest way to get your idea off the ground and make your dream come true.

That's the lesson I learned when I was ten and dreamed about playing Pac-Man for hours and hours. Raising money was the quickest way for me to accomplish my goal.

So then . . . How do you do it? How do you raise that money and make your dream come true?

It's a great question, one that I've heard a lot, and it's the reason I wrote this book and started coaching people like you in how to do just that.

So many of my clients come into their first meeting with me and say, "I can't raise money. I'm just not good at it!"

That's probably because you haven't done it before! Or you've been doing it, but you've been doing it wrong!

But fret not, reader. You will get better. I promise.

Need proof?

Let me tell you a story about me . . . and my recent obsession with golf.

I picked up golf a couple of years ago (and yes, one of the reasons I picked it up was to raise money—more on that in Chapter 7), and let me tell you, I stank. Ok, that's not true. I was an athlete growing up. I played baseball. I knew how to swing a club and bang the ball around the course. But it was rough.

Now I could have kept sucking and embarrassing myself every time I stepped on the course, but instead, I signed up for classes, I took private lessons, I read books . . . I studied it as if it was algebra. And you know what happened?

I got better.

Because that's what happens.

You think people wake up and start shooting par? Do you know how many hours Tiger Woods practiced before he got to be one of the best golfers in the world? (Read Malcolm Gladwell's *Outliers* to hear about how it takes 10,000 hours of practice to be an expert at anything.)

Sure, there are people who are born with some skills that maybe you or I don't have. But we can be taught . . . anything! Including raising money.

Raising money is just like any other skill out there . . . speaking French, cooking, golfing, or Pac-Man . . . it can be learned. And that's the third fact about raising money.

Ready for it? Yep, you know what I'm going to say already, don't you?

Fact #3: Raising money can be taught.

And that fact is what this book is all about. I'm going to teach you how to raise money! Just like my golf teacher taught me how to hit a 275 yard drive. Just like my French teacher in high school taught me how to say, "Bonjour!" I'm going to share with you some of the surefire strategies I've used to raise millions of dollars for my projects and then teach you how you can use them to do the same. So are you ready?

Awesome. Then let's raise some money . . .

Wait, one more thing. While my expertise is in raising money for shows on Broadway, Off-Broadway, and everywhere in between, the same principles and techniques can be used for film, charities, small businesses, and any dream you can dream up!

Ok, nooooooooooooooooooow . . . let's raise some money!

CHAPTER 2:
YOU GOTTA WANT IT

"The will to win, the desire to succeed, the urge to reach your full potential . . . these are the keys that will unlock the door to personal excellence." - Confucius

Let me ask you a question . . . do you want your dream of getting your project off the ground to come true?

Let's try that again . . . do you want your dream to come true?

That's better.

Now say it out loud . . . "YES! I want my dream to come true!"

If you can't say that out loud, then I want you to stop reading right now, close this book and send an email to **ken@theatermakersstudio**.com and I'll send you your money back, because this book is not for you.

Raising money is like running a marathon. It can be a long, exhausting process, especially if you're raising a number with a lot of zeros. In order to get to the end, you gotta want it so badly there can be no other choice but for you to reach that finish line.

Because just like running that marathon, when you do get to that finish line—<u>and you will</u>—you'll feel incredible . . . like there is nothing you can't do.

But you gotta get there. And to get there, you have to want to get there . . . badly.

If you want it so badly that you can't even imagine your life without it, **<u>you will find a way to fund it</u>** no matter how hard it gets.

Maybe it will take you a day, a month, a year . . . but you will do it.

So, do you want it?

Good. Me too.

I find it helpful to get specific about what I want to do before I start every single one of my raises, so I write it down. And now I want you to do the same.

Here comes one of those ACTION EXERCISES I talked about.

Ready?

ACTION EXERCISE: *In the space below, write down exactly what you are raising money for/what your dream is (e.g., I want to produce a Broadway revival of Annie, I want to produce my friend's screenplay, I want to publish my novel, I want to open a restaurant, etc.).*

I WANT TO________________________________

Now turn the page and let's make that happen.

CHAPTER 3:
THE THREE STEPS OF THE RAISE

"If two wrongs don't make a right, try three."
- Laurence J. Peter

According to Aristotle, things come in threes. And he was right!

Plot structure is in threes, comedy is in threes . . . there were *Three Amigos.*

(Sorry about that, but I've been dreaming about a musical of *Three Amigos* for years. I mean, it'd be killer, right?)

So taking a cue from Aristotle and Steve Martin, I've broken up my raising money strategy into three parts, or as I refer to them: "The Three Steps of the Raise."

And here they are:

THE THREE STEPS OF THE RAISE

Step 1: Before the Raise

Step 2: During the Raise

Step 3: After the Raise

As I'm sure you've surmised by the very clever and vague names of the Three Steps, Step 1 includes the preparation you need to do before you start raising money, Step 2 includes tips that you should follow while you're actually raising money, and Step 3 . . . well, you probably didn't even think there would be a Step 3 as "after the raise" implies that you have all your money. But there is a Step 3, and it's super important. And it also happens to be where most amateur money raisers go wrong.

But not you.

Now remember, don't rush through the steps.

I'm sure you and I are a lot alike, which means you're already jonesin' to get out there and start raising money so you can see your project get off the ground that much sooner. But trust me . . . rushing through Step 1 and Step 2 takes a heck of a lot longer. And if you stop after Step 2, the next time you raise money for something (and I bet you've got a lot more than one idea, right?), it will be a lot harder than it should be.

So just remember what your Mom told you . . .

"Don't run up the steps!"

STEP 1
BEFORE THE RAISE

"The first step, my son, which one makes in the world,
is the one on which depends the rest of our days."
- Arthur Schopenhauer

CHAPTER 4: HOW DO YOU TAKE IT?

"Get in the habit of receiving the benefits of the things you do."
- Elaine St. James

A young producer was in my office the other day pitching me a brand-new musical he was working on, hoping that I'd invest. I liked the idea. And more importantly, I liked him (you'll learn more about that kind of connection in Chapter 12).

But I had a feeling that he had put his money-raising cart before the horse. So I decided to put him to the ultimate test.

I cut him off in the middle of his pitch and said . . .

"You can stop right there."

"But wait—don't say no just yet. I need to explain our—"

"No. You don't understand. I want to invest."

"Really?" he said excitedly, showing a bit of his green side, "Uh, I mean, great!"

I opened the drawer of my desk and whipped out my checkbook, grabbed a pen and said . . .

"I would like to invest $25,000. Who do I make the check out to?"

His eyes went wide, and then glossed over with fear.

"I, uh, we . . . uh . . . I'm not sure."

"You're not sure? Well, why don't you just show me the paperwork. Do you have the investment papers on you?"

"Well, I, uh, I mean . . . I didn't bring the paperwork."

"You didn't bring the paperwork?"

"Not exactly."

"Not exactly?"

"What I meant was…can I email it to you?"

"Hmmm," I said, starting to feel a little bad for being right about his cart-before-the-horse pitch . . . but not that bad. ☺ I knew I needed to push just a little bit more to make sure this young and promising producer would never get himself into this jam again.

"Ok, well, tomorrow would be ok," I said, "but after that I'm on the road raising money of my own, so you won't be able to get the check for a month or so."

"I, uh . . . don't think . . . tomorrow . . . will work."

"When will?"

"Can I get back to you on that?"

And with that, my checkbook went back in my drawer.

When this rookie came back to me *three months later*, my "scholarship funds" (the amount I reserve to invest in young entrepreneurs) had already been diverted to another young producer, who was ready to take my money the second I offered it. This producer had half of the paperwork already filled out for me!

What was the difference between these two producers?

One had remembered his Boy Scout training ("Be prepared!"), and the other had let his excitement about his project overwhelm the realities of raising money.

This story highlights one of the most important fundamentals about raising money that all entrepreneurs must remember:

<u>Never, EVER ask for money unless you can take it.</u>

Here's the thing about people like you and me. We have ideas. We have great ideas. We have ideas that are so good it's hard to shut up about them. We want to share these ideas. We want to convince others to join our team and make our ideas happen.

Sometimes, that passion gets the best of us, and we start asking for money before we have a structure set up to take it.

This doesn't only happen with money. I've had people pitch me projects based on pre-existing music catalogs before they have the rights to the songs. I've had people pitch me projects with directors attached that they had never even spoken to!

I know you're excited about your idea. And I know you want to get that money lightning-fast so you can make that idea a reality.

But take a breath, and make sure you know what to do with someone's check if they offer it to you on the spot.

Sure, that's a rare phenomenon. But it happens. And God knows you don't want it to happen to you, because you'll feel miserable.

How do I know?

Because that story I told at the beginning of this chapter? <u>Well, I did the exact same thing early in my career.</u>

I convinced someone to invest $10,000 in a project when I was just starting out; the guy wanted to write the check at that very moment and I didn't have a clue what to do. I didn't even have a bank account yet!

If you're in this boat, don't beat yourself up about it. It has happened to all of us and that's why you're reading this book. Just take steps to make sure you're not in this position again.

So, how do you take someone's money for your project?

First, let me break down the Three Basic Forms of Funding for you.

THE THREE BASIC FORMS OF FUNDING

One of your first jobs as a money raiser is to establish how you are going to accept the funds you are going to raise and make sure you have the proper paperwork and infrastructure set up.

There are three types of dollars you can accept, and each has its own structure:

1. INVESTMENT

If you're raising money as a "for-profit" or commercial project (for you theater folks, most Broadway and Off-Broadway shows by independent producers are commercial ventures), you'll have to get paperwork drawn up by an attorney (you can contact me at ken@theatermakersstudio.com for a recommendation). There are all sorts of agreements you can choose from (you can find more details on these in my book *Broadway Investing 101* or as part of our Stage III membership of TheaterMakersStudio.com, and it's important that you get expert advice in order to identify the agreement that is right for you and your venture.

2. NONPROFIT DONATION

If you want to raise money as a nonprofit, you'll need to make sure you are properly registered as a nonprofit corporation so you can accept donations, and that your donors can receive the proper tax deduction. Attorneys can help you set up your nonprofit, but they are expensive. You can do it yourself. If you're interested in the DIY method, I suggest you check out our lesson on starting a nonprofit on TheaterMakersStudio.com, which walks you through the process and makes sure you avoid the pitfalls along the way. Getting nonprofit status requires governmental approval, so you know what that means. It's slooooooooooooooow. Plan accordingly.

HOT TIP: *Don't have time to open your own nonprofit? Some companies will lend you their nonprofit status so you can start raising money tomorrow, and without the headaches of running your own nonprofit. My favorite is FracturedAtlas.org.*

3. GIFTS

If you're simply going to take people's money as a donation with no promise of financial return and no tax deduction, then I refer to this as a "Gift." The "Gift" raise has been made extremely popular by sites like Kickstarter, Indiegogo, etc. This is by far the simplest of all methods to accept money. But be careful, unless you are a celebrity or a video game company, the amount of money you can raise usually hits a cap. Kickstarter and its counterparts are terrific vehicles for raising money, but they are usually for very early stages of productions and projects. I don't recommend these sites for raises in excess of $25,000, and even that's gonna be tough.

Because of the simplicity of sites like Kickstarter, a lot of folks are using them, which means if you plan to jump on that fundraising bandwagon, you'll need to be super unique. It's easy to start raising money on Kickstarter, but it ain't easy to finish.

Now that you know the three basic forms of funding, do you know which one you are going to use for your raise?

Good.

Then it's time for a good ol' action exercise.

ACTION EXERCISE: *Complete the sentence below by circling the type of investment funds you are going to use for your production.*

I'M GOING TO RAISE MONEY FOR
MY PROJECT THROUGH:

INVESTMENT

NON-PROFIT DONATIONS

GIFTS

CHAPTER 5: WHAT'S YOUR FINISH LINE?

"It's not where you start, it's where you finish."
- From the musical Seesaw

One of the most important things you must do in order to guarantee success on any type of project or endeavor is to set a very specific goal. Think about it: How can you even know you've achieved success if you're not exactly sure about the definition of success? A marathon runner needs to know exactly where that finish line is before his/she starts running. It's not, "a bunch of miles," or even, "26 miles." Its 26.2 miles on the dot. And at the end of those 26.2 miles, there's a big ol' ribbon so you can see clearly where the race ends and when that runner has reached his/her goal.

For example, when I set out to raise the capitalization for *Godspell*, I set my goal as follows: "I will raise $5 million to produce a revival of *Godspell*." (Notice the change from the "want" on Page 13 to the "will" on this page. There's no longer a question as to whether or not it's going to happen. You wanted to do it, so you will do it. End of story.)

Let me repeat that goal:

"I will raise $5 million to produce a Broadway revival of *Godspell*."

Sounds good, right?

Wrong.

That ain't enough.

There are two components to every single money-raising goal. In fact, there are two components to every single goal, period! It doesn't matter, whether it's losing weight, getting promoted, or even becoming President of the United States!

Those two components are:

What you want to do.

When you want to do it.

To set yourself up for success, you must have specific answers to both of those questions.

So, revising my example from above would make my goal:

"I will raise $5 million dollars to produce a revival of *Godspell* by October 13, 2011."

The hard deadline is even more important than the dollar amount! It sets a ticking clock on your task. It makes it a game. Have you ever played one of those video games that only gives you a certain time limit to finish a level? Makes you focus a bit more, doesn't it?

Seeing that date makes sure you start working now because every second you wait brings that deadline just a bit closer. (If your pulse just went up a bit when I said "deadline," that's a good thing.)

Yeah, it's a little added pressure. But pressure for people like us is actually good! If you're reading this book, then I'd bet money that you're a pretty motivated type-A personality who actually prefers to have this kind of pressure, whether you know it or not.

Now that you know what the two components of your money-raising goal must be, let's set 'em.

ACTION EXERCISE: *In the space below, rewrite your money raising goal with your two "finish line" components (How Much and When).*

MY TWO-PART MONEY RAISING GOAL

I WILL RAISE ______________________ BY ________________
(dollars) (date)

There. Simple. And now that it's on paper and concrete, it'll be much easier to accomplish. Guaranteed.

Now, you know how in baseball or tennis your coach always said, "Keep your eye on the ball."? Well, the same is true for raising money. Write down the goal on another piece of paper and put it somewhere you can see it every single day.

In fact, print out several copies. Put it in your wallet, on your computer screen, on your fridge, in your shoes, wherever (I have one in my underwear drawer!). Put it all over the place just to keep reminding yourself of your finish line, and to keep your eye on the ball at all times.

I have my money-raising goals in so many places that I forget I put them there, and when I find them, they scare me sometimes! And that's the point.

So . . . You know exactly what you are raising for, you know how much you *will* raise, and you have tools to keep you motivated and on schedule with your task. You're ready to get out there and start asking for money, right?

Wrong.

You can't go into battle without outfitting yourself with the proper weapons. And while your sparkling personality counts for a lot, you still need more, because . . .

CHAPTER 6: MATERIALS MATTER

"Nothing succeeds like the appearance of success."
- Christopher Lasch

Put yourself in your potential investor's shoes . . .

Someone asks you for money. And we're not talking about a few pennies from your pocket. Or even the bills in your wallet. They're asking for the kind of money that requires you to write a check.

Are you going to write that check, just because they ask you to?

Probably not.

You're going to want to see something. Something that makes this dream of theirs—the show that hasn't been put on stage yet, the invention that hasn't been built—seem more real, more tangible. You need something you can touch.

In fact, do you know the number one response I get when I'm pitching an investor a project?

I'll give you a hint. It's not "yes," and believe it or not, it's also not "no."

The number one response I get after I ask someone for an investment is, "Can you send me something I can look at?"

So guess what?

You better have something for them to look at.

It’s imperative that you are prepared for that question and that you have a set of materials that outlines your project ready to hand them right there on the spot (or have a way to do it electronically if you’re asking for money via email).

Obviously, the investment documents that your investor will be required to sign form one component of your materials. Within these documents, you’ll have a set of budgets, recoupment schedules, and a detailed explanation of how their monies will be used. Be sure to visit TheaterMakersStudio.com for a sample document library.

But is that enough?

No. In fact, just handing an investor a whopping packet of investment paperwork is a surefire way to get them to ignore your request. Who wants to look at pages and pages of legalese? Blech. (I wanted to be a lawyer once—and then I actually saw a contract!)

So if investment paperwork isn’t enough, what else should you give to your future investors to peruse?

Here are some examples of what I like to present to my investors to give them a more accurate picture of what I am doing and why.

- Personal Statement
    - Answer the question, “Why are you pursuing this project?”
    - Make it personal.
    - It should be no longer than one page.

HOT TIP: *Include a photo of yourself. You'll see why in Chapter 12.*

- Your Timeline/Plan of Production
    - Show your investors a simple timeline of your project.
    - Start at the very beginning and go all the way to your dream destination (Broadway, etc.), even if that seems far away. This will give your potential investors an idea of your vision and show them how you plan to get there. It's your dream map!

- A Description of Your Project (show, theater company, etc.)
    - No longer than one paragraph.
    - If possible, use "framing" or comparisons to existing projects, companies, or shows that the investors may know. For example, I used to describe *Altar Boyz* as "a boy band version of *Nunsense*." For *Gettin' The Band Back Together,* I referred to it as "a Will Ferrell movie live on stage."

HOT TIP: *If you're raising money for a specific show, don't feel obliged to include the script. I often use the script as a second set of materials to deliver. If you can entice them without the script, all the better. If they read it, and don't like it, well, that's that! And so often the script you have isn't going to be the final script. You're really asking people to invest in what the show WILL be. And since very few people have the imagination you do, it's best to hold off on giving them the entire script until they ask for it. Or better, get them to see a reading or workshop! Plays and musicals were designed to be seen and heard, not read, so that's always what sells them the best.*

- Demo Recording (for musicals)

    - The root word of "musical" is "music," so you can bet your bottom dollar the music is going to be a key reason why someone chooses to invest in your show. Make sure you have at least three selections from your show for investors to hear.
    - Have more than three songs recorded? That doesn't mean you should give them out! Wait for a nibble from your investor to give away more material. Most likely your investors won't listen to ten songs from the start, so why give them that many? Choose your best three and get them on the hook.
    - Thanks to modern technology, it doesn't cost too much to make a professional recording of a song or two these days. But it can cost you a LOT in lost investor dollars if you don't. Try to avoid composer sung demos (unless your composer is a great singer) recorded in a bathroom on your iPhone.

- Biographies of Key Personnel
    - If you were trying to get a friend to eat at a super fancy restaurant, you'd want to brag about who the chef was, right? The same is true for your project. Show your chefs. List their impressive credits. You can raise a lot of money based on other people's resumes. Hal Prince once said to me, "You want to raise money for your show? Get me to direct it."

- Budgets
    - Nothing says serious more than a spreadsheet. So even if you're only raising a few thousand dollars, show your prospects what you plan to do with that money. It shows that you are being responsible and will pay attention to every penny. (Usually, these budgets are included with your investment documents).

- Investment Documents
    - If they want to write a check right there on the spot, can you take it? Remember the golden rule from Chapter 4: Make sure you have the documents ready to go before you ask for money! Don't forget to visit TheaterMakersStudio.com to see a few!

- Contact Information
    - It seems simple, but don’t forget to include your contact info! Include a number or an email you’ll have for years. I once got a call from an investor three years after I asked him about a show that he turned down because he wasn’t in a position to invest. He found his packet years later, and was in a better position, and guess who he called?!

You are welcome to include more info than the above, but don’t overload your prospects with too much fluff. Give them a snapshot of all the important information that will allow them to make their decision easier. Remember, that’s your goal: To make it easier for them to say “Yes!” Or to “reduce the friction,” as they say in the marketing world. Investing in the arts is very high-risk, so I find people look for a reason to say “No.” You’ve got to give them 101 reasons to say “Yes.” Answer their questions *before they ask*. And then deliver those answers in these materials. That’s your job. (Remember, certain types of investment offerings have regulations concerning the information that can be presented to investors. Make sure you consult with your attorney before delivering any materials to your investors.)

It goes without saying: Make sure these materials are printed and packaged in a professional manner. The old cliché tells you not to judge a book by its cover. And sure, it’s true. It’s what’s inside that counts. But which book is more likely to get picked up off the shelf, the one with the crappy cover or the one that looks like it's worth a million bucks?

Like it or not, appearances matter. It's important that you present your opportunity to invest in an attractive, professional and thorough manner. Remember, you're asking for money. So spend a little money. (I've got folks that can help your materials look A-list for cheap: Email me at ken@theatermakersstudio.com if you need some recs on who can put together a great package for you.)

HOT TIP: *You know what industry really knows how to prepare a package? The investment industry. Go to any bank or investment center and ask for a prospectus on a mutual fund. Fancy, right? They know that* <u>*materials matter*</u> *and it takes a little money to raise money. Take a look at their sales material and emulate it.*

So now that you've got your materials, you're ready to ask for money, right?

Not quite yet! Just one more step. And trust me, the more prep you do now, the more checks you'll be cashing later.

CHAPTER 7: ASSESS YOUR SWOT

"My attitude is that if you push me towards something that you think is a weakness, then I will turn that perceived weakness into a strength."- Michael Jordan

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SWOT!

Sounds scary, doesn't it? Like something you should do to a fly. (Or like something you want to do to a potential investor who doesn't give you money. ☺)

SWOT is actually something you should do for every project that you are about to undertake, professional or personal! (I know one couple that used SWOT before they got married!)

What is SWOT?

Well, if you read my blog, you know that I'm a huge proponent of the entertainment industry, including Broadway and Off-Broadway, looking to the traditional business world to borrow some of their tried-and-true techniques for building a successful company. And as I say in my book *Broadway Investing 101*, "Treat Broadway like a business and it will treat you like a business."

SWOT is a business technique developed in the 1960s to evaluate a new initiative or a new company. It forces you and your team to look at your assets and liabilities, which provides you with an objective predictor of your eventual success, as well as a guide to the pitfalls you should look out for along the way.

As you've probably already guessed, it's an acronym. And it stands for:

- **S**trengths
- **W**eaknesses
- **O**pportunities
- **T**hreats

Why do I use SWOT for my shows before I raise money, and why should you?

People who invest money—especially large amounts of money—tend to be a pretty smart and savvy lot. That's how many of them got that large amount of money in the first place! I guarantee that they are going to SWOT your project . . . and sometimes on the spot!

Having fully investigated your SWOT before you pitch your project, you'll know the assets you can use to convince your prospect to invest in you, and more importantly you'll be prepared when your prospect brings up a weakness or a threat. Because believe me, they will!

Here are a few examples of things that I've heard during pitches to potential investors:

- "You have no stars. Why do you think this show will work without stars?"
- "Your operating budget seems very high. What other shows have made this kind of money and why do you think you're in that category?"
- "There's no spectacle in this show. Isn't that what Broadway audiences like to see?"
- "I've never heard of this director before. Seems like a scary thing to put a $10M musical in the hands of an unknown director."

These are just a few of the left-hook-like questions and comments that will leave the amateur fundraiser up against the ropes. But not you. Because you've analyzed your SWOT in advance. You know that not having stars *might* be a potential weakness, so you're prepped with an answer. And then you can spin that perceived weakness into a strength.

> ***HOT TIP:*** *When someone correctly identifies a weakness or a threat, never, ever disagree with them. You want something from this person, remember? People don't like to do things for people who disagree with them. The worst thing you can do is get defensive. So if an investing lead of yours finds one of your weaknesses, agree with them! And then explain why you can work through that weakness. Arguing about why they're wrong is the quickest way to turn them off to the investment idea altogether. Ever take an improv class? I always adopt the old improv adage of saying, "Yes and . . ." whenever anyone challenges the specifics of my projects.*

I can't emphasize enough how important it is for you to thoroughly analyze your SWOT before you start looking for investment dollars. And look, I know you love your project and believe in its success 101%. And you should! That's the key to making it happen and making it a success. But even the biggest of successes have what some people consider weaknesses. (*Les Mis* was three hours and ten minutes long when it was raising money, *Avenue Q* featured puppets having sex, etc.). Be objective, because by doing so you'll be armed with the proper arguments you need to break through the resistance that your prospects will undoubtedly bring up.

Now that you've got your great set of materials and know the ins and outs of your project, are you ready to get out there and start asking for dollars? You bet you are. Sort of. ☺

CHAPTER 8: PRACTICE MAKES ~~PERFECT~~ MONEY

"Tomorrow's victory is today's practice."
- Chris Bradford

As I wrote earlier, I picked up golf a few years ago.

Golf isn't easy. It requires a lot of effort, a lot of study, and yeah, a lot of practice—just to be mediocre! If you don't practice, you'll most likely just embarrass yourself. That's how hard it is.

When you start raising money, you won't have to worry about embarrassing yourself, because you'll start off pitching your project to supportive friends and family who won't care if you're still searching for the right words to say. (Same is true for my golf game, by the way; I started out only playing with close friends until I got comfortable enough to start playing with people I don't know well, or even strangers!)

But, just like golf, raising money is hard, and takes practice.

You wouldn't step out on a golf course for the first time without taking a few swings someplace else.

You wouldn't audition for a musical without rehearsing that material a few times beforehand.

You wouldn't deliver a speech to a thousand people without a dry run first.

Actually, scratch all that. You might do all of those things. But your chances of success are like winning the lottery—on your birthday.

The best way to increase your odds for success, or "conversion," to use a sales term, is to practice.

I divide my practice sessions into three types:

1. The Dummy Session
2. The Friendly Session
3. The Live Session

THE DUMMY SESSION

The Dummy Session is a pure practice session with no actual chance of a successful close. Ask a friend to play the role of an investment prospect (actor friends are great for this). Give them the characteristics of the type of person you want them to play (mean investment banker, friendly socialite, etc.) and let them create a character. Run through your pitch, let them ask questions, have them resist. Run it like an actual session. Then at the end—and this is the most important part—ask them for feedback. What weakened their resistance? What had them running in the opposite direction? This is the most important part of the practice process. Once you've run a few of these, you're ready for . . .

THE FRIENDLY SESSION

This practice session is very similar to The Dummy Session, except I want you to use someone who might actually give you money. Parents, aunts, uncles, bosses, etc. are terrific for this type of session. They are going to be friendly and supportive. And they may just be interested in investing in your project! This will start to warm you up to the "closing" process (the moment when you ask for money), which is the most difficult part of raising money, but obviously the most important.

When the session is over, guess what you do? That’s right, just like at the end of The Dummy Session, you should ask for feedback. The people close to you want you to succeed. They are going to want to give you suggestions on how to improve your pitch. And since The Friendly Session is more like an actual ask, with real dollars on the line, the feedback will be that much more important.

Get that feedback, adjust your pitch, and then practice again!

THE LIVE SESSION

This one is the real deal. Maybe you know the person, maybe you don’t know the person. But you’re going for it.

Why do I call this another type of “practice” if it’s an actual pitch?

One, so you’ll take some of the pressure off yourself. Most money isn’t raised in one meeting. So don’t put that kind of “make or break” kind of pressure on yourself.

Two, perfecting your pitch is a constant process. It never stops. Every time I ask for money, I consider it practice for the next time. I STILL ask for feedback at times, especially when I notice that an individual is considering two levels of investment, or two separate projects. After they’ve made their decision, I often ask what helped them get there. People love to offer their opinions and explain their process. And not only do you learn more about what made that pitch successful (or not), you’ll also learn how to tailor your pitch for that person on your next project.

(It's this kind of feedback and research that inspired me to survey Broadway Investors, the results of which you can find in my book, *Broadway Investing 101*. If you're raising money for a play or musical, the information in that survey can easily lead to thousands of additional dollars in capital, so make sure to spend a lot of time going through it.)

You might think some people are natural money-raisers. They don't even have to try. And, sure, some folks are born with a natural charm that makes people feel at ease (I'm NOT one of them, by the way). But I guarantee behind every "natural," there are hours of practice of one kind or another.

So, if you're an artrepreneur, how do you get to Carnegie Hall?

Money.

And how do you get money?

You practice.

CHAPTER 9: FINDING LEADS

"What about the good leads?"
- Glengarry Glen Ross

You've got tools and you've practiced your money-raising skills until you've become a machine. Now who the heck do you ask for money?

If you know David Mamet's *Glengarry Glen Ross*, then you know a salesperson is only worth as much as his leads.

> *DEFINITION: A lead is an individual who is interested in your product. They are often classified as cold, warm, or hot, depending on the level of interest.*

But, unlike those salesmen in *Glengarry*, you aren't going to sit around and wait for hot leads to be handed to you. You're going to get out there and find 'em.

So, where do you start?

Well, there are a lot of people out there. First, let's break down the types of leads into three more manageable subsets.

THE THREE TYPES OF INVESTMENT LEADS

There are three primary areas of generating leads. I call them the Three R's:

1. Relationships

2. Referrals

3. Research

Each of these three areas can provide you with unlimited leads. Literally! Unlimited! As long as you're willing to put in the time and energy, your lead cupeth will overfloweth.

And frankly, that's the secret of raising money—having lots of people to ask! It's a numbers game. The more people you ask, the more likely you are to get a yes. And the number of people you ask should be directly proportional to two things:

1. The amount of money you need to raise.

2. The speed at which you need to raise it.

If you need to raise more money, you need to ask more people. The formula is that simple.

After you've raised money for a bunch of projects, you will be able to calculate your conversion rate.

> *DEFINITION: In our scenario, your conversion rate is the percentage of prospects that invest in your project. For example, if you ask 100 prospects to invest and 10 say yes, then your conversion rate is 10%.*

In other words, you'll be able to say, "Ok, for this project, in order to raise \$1 million, I had to talk to 100 people. So, if I want to raise \$2 million, I'm going to need to talk to 200 people!"

But here's the cool part: As you get better and better at raising money, the number of people you need to talk to will decrease. Your conversion rate will get better. Let me use another good ol' golf analogy. On my first day on a course, it took me twelve strokes to get it in the first hole. But over time, I've knocked that down to eight and then six and now I get a par every so often! And that's when things get fun.

Get it?

Remind yourself when you start raising money that it's simply a numbers game. If you don't think you're good at raising money, then you just need to talk to more people. Easy! The more people you talk to, the better you'll get.

Take the emotion out of it and just make it about numbers and you'll get to your goals in no time.

Now, let's break down the Three R's so you can get the number of leads you need.

RELATIONSHIPS

Relationship lead generation can be further broken down into two subcategories:

1. The Relationships You Have
2. The Relationships You Don't Have

The Relationships You Have is the group of people you should start with whenever you're raising money for a project, because they are the people most likely to invest in your show. To put it simply:

<u>Your first set of leads are the people who are closest to you.</u>

Let me illustrate.

Think back (insert *Wayne's World* time travel sound and gestures here). When you were a kid, did you ever sell Girl Scout cookies? Or chocolate bars? Or magazine subscriptions? You did, right?

So tell me. When you were looking to unload your first couple of boxes of Thin Mints, whom did you ask first?

You asked your friends and family.

And raising money for your project is no different. You always start with the people closest to you, because they are most likely to care about you and your future success, and therefore most likely to invest.

It's not a guarantee, of course, but they are much more likely to be supportive of your pitch, as we talked about in our "practice" discussion in the last chapter. That's what makes them a great group to ask first.

Straight out of the money-raising gate, you should go to your family, friends, mentors, former employers, current employers, ex-husbands, ex-wives, grandparents—anyone who has seen you "grow up" professionally and wants you to succeed.

<u>Your success is their success.</u>

I know what you're saying, "Ken, my family doesn't have any money! They can't invest in my project!"

Believe me, I understand. I'm no trust fund baby myself. There wasn't a silver spoon anywhere even close to my kitchen, never mind in my mouth.

And hey, I didn't say that your friends and family are where you'll raise <u>all</u> your money. I didn't say that your friends and family are where you'll stop raising money. I said your friends and family are where you should start.

It's common sense. The people who know you are more likely to invest in you than people who don't know you. That's why it's imperative that you make a list of every person you have ever had a personal or professional relationship with that could invest in your project or that might know someone who could invest in your project.

I'm talking former employers, professors, students, poker buddies, the guy who cuts your hair, your financial advisor, etc. Print out your contact list, go through it, and make a list of your "Relationship" leads.

HOT TIP: *I categorize my leads to give me a starting point. Label your leads "hot," "warm" or "cold," or simply 1, 2 or 3, with 1 being a person who is more likely to invest and a 3 being a person who is least likely to invest. During my raise, I hit the 1s first and then go down from there.*

And do me a favor, when you are going through your list, don't see a name and think, "Hmm, I don't think they'll do it," or "I don't think they have the money." Don't waste time judging their financial situation. Just write down the name. It's easy to let yourself off the hook by saying, "Oh, they'll say no," or, "This project isn't right for them." We all do it, including me, but we can't. When creating a lead list, remember . . .

Let the leads say no. Don't say it for them.

Raising money is a numbers game, remember? The more leads the better. Just put them into your process and don't think about the outcome before you've asked!

When making your lead list, pay special attention to any reciprocal relationships. For example, do you eat at the same restaurant every day for lunch? Well, that restaurant has made a lot of money from you. Certainly they'll want you to keep eating at their restaurant, so they would hate to say no to a request of yours, right? So request away.

ACTION EXERCISE: *In the space below, write down a list of ten people who are close to you that you can ask for money.*

1. ____________________________
2. ____________________________
3. ____________________________
4. ____________________________
5. ____________________________
6. ____________________________
7. ____________________________
8. ____________________________
9. ____________________________
10. ____________________________

Got ten? Good.

Now, on to *The Relationships You Don't Have*.

Relationships You Don't Have are . . . well . . . relationships you don't have. Yet. But you will.

Building new relationships is essential to your money-raising strategy, not only for the project that's on your desk right now, but for your next project—and the one after that. Sometimes it takes a long time before someone invests in a projects of yours. That's why you keep cultivating that relationship. You never know when that person will pull the trigger. It took me four years and seven pitches before one of my prospects eventually invested with me, but that individual now regularly invests over $100,000.

That's why you should be constantly developing new relationships to mine for future investments. And that means being very proactive in putting yourself into situations that might foster those relationships. That means you've gotta get a little social, or as my dad used to say, "Kenneth, you've gotta get out there and <u>show face!</u>"

Here are some great places to meet people who may be interested in investing in your project(s):

- Galas/Benefits (especially for arts organizations)
- Museums
- Corporate outings
- Vacations (I raised a good chunk of money on a beach in Aruba once)
- Etc.

Do you remember the kid's book *Where the Wild Things Are?* Well, if you're looking to raise money you have to go *Where the Rich People Are!* (Want to know more about where they are? I asked Investors where they hang out, and you can see the results in my book *Broadway Investing 101*.)

Once you find out where those rich folks gather, you need to become a social butterfly. The people you talk to will slowly become "Relationships that you have," and they'll be more likely to invest.

HOT TIP: *Don't sell too soon. Building relationships is a long game. Just like romantic relationships, if you try to jump into something serious with someone too fast, you're likely to get rejected. So go slow.*

I know people that have used this *Where the Rich People Are* strategy very effectively. One Producer raised money for a project by going to a fancy Wall Street bar for weeks on end, buying people drinks. And it worked!

Also, make sure you are constantly talking to people . . . wherever you go. While sure, people with more disposable income can be found at some of the locations and events I've described above, you never know where you might bump into someone who will invest in your project. So talk to people! Everywhere. I have a rule that every day I have to start a conversation with someone I don't know. I meet fascinating people this way! I never know where the conversation might lead. And here's something to remember . . . if you're raising money for a Broadway show or an Off-Broadway project or a film or an art gala, that's very interesting to people! I'll never forget the first time someone asked me what I did for a living and I said, "I'm a Broadway producer." They had never heard that before, and they wouldn't let me leave until I told them all about it.

Raising money for real estate is common. So is raising money for a mutual fund. But raising money for the arts? That's special.

Don’t be shy. Just start a conversation. And ask what the person does. If they follow the natural laws of conversation, they’ll ask you the same question in return, and bingo, you’re in.

ACTION EXERCISE: *In the space below, write down a list of five places you can go to meet new people that might be interested in investing in your project:*

1. ____________________________
2. ____________________________
3. ____________________________
4. ____________________________
5. ____________________________

REFERRALS

By far the “richest” resource for finding investors is referrals. People who are referred to you by other investors, friends, family, employers, etc. are much more likely to invest with you than any other leads.

And this is true for any subject, not just raising money.

Are you more likely to go on a date with someone who you meet on the street, or someone who is introduced to you by a friend?

Are you more likely to hire someone who has worked for someone you do business with, or someone who worked for a company you know nothing about?

The trust factor that comes with a personal referral is priceless!

That's why generating referrals should be your number one priority after you finish your pitch to every potential investor, <u>regardless of whether or not they invest with you</u>.

How do you do it? Simple, you ask your prospect if they have any other friends they think might be interested.

I know what you're thinking, "Ken! If they didn't invest, why would they recommend other people for me to contact?"

That's the best part about getting rejected! (Ok, this may be the only good part about getting rejected.) When people say no to a request from another person, most will feel remorse, or at least a little bit of guilt for having said no. So, it makes sense that they'd want to say yes to the next question that is asked. Dr. Robert Cialdini, who wrote *Influence* (my bible for raising money) calls the moment immediately after someone denies a request a "moment of power."

Does this always work? Nope. But it works more often than you think, so remember this absolute . . .

<u>**RAISING MONEY ABSOLUTE: Always ask for referrals.**</u>

When I was selling cutlery to help me get through college, I had a system. At the end of every closing, regardless of whether I sold a complete set of knives or one pair of scissors, I asked, "Can you recommend five or more friends and family members that might be interested?" (Asking for a specific number like "five or more" is an aggressive approach, so if you'd like, you can always say, "a few" or "a couple." And when you get those just add, "Anyone else?")

<u>This is where I get most of my leads and most of my new investors.</u>

Perfecting your request for referrals is one of the most important things you can do in your quest to raise money. I would take ten referrals over a thousand cold contacts any day of the week, and twice on . . . every day of the week! Referrals are that powerful.

And when you make contact with that person who was referred to you, do you drop the name of the person who referred you? Ohhhh, you bet.

I've had people invest with me solely on the right referral! "I heard about you through so-and-so. If he's in, then so am I. Tell me where to send the check!"

Amazing, right? That's the power of a referral.

HOT TIP: *If possible, schedule an in-person meeting with the referrer and the person who referred you, especially when you are asking for bigger amounts of money. That in-person recommendation is priceless. The trust the two parties have for each other almost immediately gets transferred to you.*

RESEARCH

The last "R" is the hardest of the lead generators, but with the right project and the right amount of persistence, Research can provide you with a tremendous amount of funding.

What do I mean by Research?

Research leads are people or entities that may be interested in investing in your project because of the nature of the project itself.

For example, if you were producing a show called *Thomas Jefferson*, *The Musical*, then super fans of President Jefferson and presidential history in general might be very interested in having that story told on a grand stage, and therefore might be interested in putting up money to ensure that it happens. It would be their own personal passion project.

Starting a nonprofit dedicated to fine art? Art collectors, gallery owners, and anyone with a penchant for art might make good investors.

And the great news is, thanks to the internet, you can usually locate these niche groups of people.

Oh, and you are not limited to subject matter. If you are producing a movie or a Broadway show starring a certain actor, look for fans of that actor. I raised a good chunk of money for my Broadway production of *Macbeth* starring Alan Cumming because of . . . well . . . Alan Cumming!

When people are super passionate about a theme, from presidents to fine art to early Hungarian cabinetmaking, they tend to gather in a group. They join fan clubs, meetups, museums, etc. Your job is to find those groups who want your project to succeed and hit them up for an investment.

In my book *Broadway Investing 101*, I teach potential investors to, first and foremost, make sure they love what they are investing in, so if it doesn't work out, they'll still be proud that they invested in the first place. So, if potential investors use that logic, when you find leads in those niche areas you'll be halfway home to making the sale!

You can expand this research as broadly as you like. You can research people who love to support new plays, or just plays, or just the arts. But the wider you go, the harder it is to make the initial connection.

***HOT TIP:** Speaking of finding people who support the arts: Most commercial producers I know guard their investor list like it was the last saltine cracker on a deserted island. But nonprofits? They publish theirs! Just look on the walls at any nonprofit institution, in their programs at galas or performances, or on their website. They list all the names of their biggest donors! Feel free to fish away in their pond, and track down these people yourself. Just know, you're probably not the only person who has approached these folks, so tread carefully and smartly.*

What types of people do you think might be interested in your project? Where can you find them? Got some? Good.

***ACTION EXERCISE:** Write down a list of three niche audiences that might be interested in your project because of its themes, actors, etc.*

1. ____________________________

2. ____________________________

3. ____________________________

The three "R's" should give you a bottomless well of leads. If you don't believe me, just get into it, and you'll see. And if you get stuck, just keep digging like your dream depends on it. Because it does.

But just in case you need another idea, here's a BONUS . . .

> ***HOT TIP:*** *Are you raising money for a play or a musical? And do you want to find new investors for your show? Join the producing team of someone else's show.*

Right now you're saying, "What the #@%$ is Ken talking about?"

Simple. You have a dream, right? Well, often if you help someone else produce their dream, you will not only pick up some reciprocity points with that person, but you'll be exposed to a whole bunch of folks who support the same type of dream! This works in the theater all the time. Since most Broadway shows have one lead producer and several "bundlers," I often suggest to folks like you to start off "bundling" first.

> ***DEFINITION:*** *A "bundler" is a co-producer who agrees to provide a certain amount of funds for another producer's production.*

Co-producers raise less money than the lead producers, and it gives you the old-fashioned networking you need within the industry. It also gives you credibility. Let me break it down a little more for you:

<u>Every time I produce a show, successful or not, my investor base grows.</u>

This works in all areas of the arts as well. Want to start a nonprofit dance company? Support another one! Want to make a documentary? Help someone else make theirs! Reciprocity works. (For more on the principle of reciprocity, make sure you read *Influence*.)

CHAPTER 10: REVIEW

Phew! So that's the end of Step 1. Let's review!

Before you start raising money, you must, must, MUST:

1. Determine how you are going to accept investments.
2. Establish your goals.
3. Analyze your SWOT.
4. Create engaging materials.
5. Practice, practice, practice!
6. Identify your leads.

As you can see, there's a lot to do before you even officially ask someone for a dime. Don't rush through any of these steps. I often return to these steps *during my raise* as I learn more about what is working and what isn't working. I tweak materials, generate new leads, and so on, depending on how the raise is going.

It's essential to remember that one of the keys to raising a lot of money is getting yourself ready. The more work you put in up front, the easier the raise will be. With proper prep, you'll be ready for anything that comes your way. Difficult question from investors? You've done your SWOT. Need more leads? You know how to find them. You've done your preparation. You're ready.

When I wanted to be an actor, I took ballet, and for the longest time I just couldn't do a pirouette. I'd get halfway around, and I'd fall on my tutu; I was awful. And I was frustrated. I asked my teacher what I was doing wrong, and she told me to stop worrying about the turn and that a successful pirouette was about the plie *before* the pirouette. As soon as I slowed down and concentrated on the moment before: Voilà. I pirouetted with the best of them. (Ok, not the best, but I didn't fall anymore!)

Once you're done prepping for your raise, you can *turn* the page and move on to Step 2!

STEP 2
DURING THE RAISE

"It is good to have an end to journey toward,
but it is the journey that matters in the end."
- Ursula K. Le Guin

CHAPTER 11: INTRODUCTION

"The heat of battle is almost as sweet as the victory."
- Bob Marley

Did you know that the top boxers in the world train for six to eight weeks before a big fight, and that fight might last only three to 36 minutes?

What happens during those three to 36 minutes determines whether that fighter will come out holding up a championship belt or hanging his head and heading back to the locker room.

If you've read as far as this page in the book, then you've put in your six to eight weeks of training and you're ready to move on to Round One of your money-raising fight.

If you haven't finished "training," do yourself a favor: Flip back a few pages and do it the way it's supposed to be done. Rushing your training period will only get you knocked out—and fast.

Trust me, if you get knocked out, it's harder to get back into the ring.

If you're ready, then come on, let's go, because let's face it, just like boxing, the fun part isn't the gym, it's when you get in that ring.

Don't be scared, be excited, because the fun part of raising money has just begun.

CHAPTER 12: WHAT ARE PEOPLE INVESTING IN?

"Transformation happens in the world when people are healed and start investing in other people."
- Michael W. Smith

What are people investing in when they give you money?

Your show? Your movie? Your brand-new business?

Wrong. Wrong. And sorry, but wrong again.

It's much simpler than that.

Let me tell you a story from early in my career of how I learned what people are investing in when they write their check.

When I was in the thick of raising money for my very first project, I sat down with one of my primary "relationship" leads (a former boss and a mentor of mine). I pitched hard and fast, going through my routine, which I had practiced for days, with other people and in front of a mirror (and even once on videotape). About two-thirds of the way through my carefully practiced presentation, my prospect stopped me.

"Ken," he said, "You can stop right there."

"I'm sorry, did I say something wrong?"

"No. I'm going to write you a check for $25,000."

“Great! So . . .”

“But I don’t think this show is going to work.”

I was a little befuddled. Why would someone invest in something they didn’t think was going to work?

Because he was my mentor, I was able to ask him exactly that. (And remember, it’s great to ask for feedback!)

“So why? Why are you doing it?”

“Because I don’t invest in projects. I invest in people.”

And that’s when I realized one of the most important principles of raising money! It didn’t matter if it was for a show, a charity, a political campaign, or anything!

People invest in people. This guy was investing in me!

My lead was putting his money where *my* mouth was. He was investing in my passion, my determination, and my desire to make my show a success no matter what it took. And he wanted to help me. He was a small business owner and had achieved success. He wanted to see me get off to the same start that he did (and I’m sure someone helped him in his early days as well). Odds are, he had to raise money at some point in his business life and someone gave him a chance, so now he was going to return the favor.

His generosity and his desire to help a young entrepreneur aside, he was also no idiot. So maybe this project wouldn’t work, but he could see in my eyes the perseverance to keep going until I found one that *did* work, and worked big. And he wanted to make sure he was the first to get a call with an offer to invest in that one.

The show that I pitched him that day ended up not happening, so he didn't have to invest a dime, but guess who I called first for my *next* show? And guess who invested a big chunk?

And then guess who got a 450% return on that investment?!?

He invested in me. And that investment paid off.

As you get ready to ask people . . . lots of people . . . for money, you must remember this investing axiom:

People don't invest in projects. They invest in people.

Need more proof of this absolute truth?

Have you ever seen a bad show? A bad movie? Eaten at a horrible restaurant or used a bad product? Something so bad that immediately after you say, "Man, oh man, that was so bad, how did that ever get made?"

I'll tell you how. There was someone so passionate, so driven to make it a reality that they convinced other people to invest in them, not in the projects.

Surely your project is better than all that stuff, right?

HOT TIP: *If you're ever a little depressed during your raise because you have had a bad couple of days, and you start thinking that you can't raise the money for your project, just look at all the other crap out there that people have raised money for! If they can do it, you can too—because yours is better!*

During your entire raise, it’s essential that you remember that people aren’t investing in your show, your movie, or your small business.

<u>They are investing in you.</u>

CHAPTER 13:
A DIRTY WORD

"Everyone lives by selling something."
- Robert Louis Stevenson

I'm going to use a dirty word.

Ready?

Raising money is . . . (cover your ears, kids) . . . sales.

(GASP!)

No one likes sales. Or salespeople. Just the word "sales" makes most of us squeamish. When I post a classified ad looking for a "salesperson," I get a handful of responses. When I post an ad for someone to do marketing (which is just a fancy word for sales), the résumés pour in.

The truth is, if you are raising money for a project of any kind, you're a salesman. You are selling a product, and that product is your show, your movie, or your small business.

And no, of course I don't want you out in the world calling yourself a salesman or saleswoman as you hawk your wares. But I do want you to put yourself in the mindset that you have to sell.

Why do I want you to think of yourself as a salesperson?

<u>Because there is a science to sales.</u>

There's an art to it, sure, but there are also simple step-by-step processes that you can learn. And when you learn them, you will sell more. And you'll sell faster.

Sounds good, right?

Think about it this way. Say you want to drive to Alaska. And you're in Key West, Florida. That sounds like a long way, doesn't it? How will you find it? How will you drive all that way? If you just think about where you're starting from and then Alaska, it's hard to imagine how you will ever get there.

But give yourself a map or a GPS, and you have step-by-step instructions on how to get to your destination.

Your goal from Chapter 1 . . . the amount of money you want to raise to fund your dream . . . is your Alaska. And the science of sales is your GPS. It's your map. It is guaranteed to help get you there.

Sales isn't a dirty word. It's just a word most people don't understand. But not you. You understand that to be the best money raiser on the street, you're going to have to master simple sales techniques.

And I'm going to teach them to you.

Like it or not, you're a salesperson. And I suggest you like it.

Now let's teach you some sellin' secrets . . .

CHAPTER 14: SHORTCUTS TO SALES MASTERY

"Live as if you were to die tomorrow. Learn as if you were to live forever." - Ghandi

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Because sales is such an important part of raising money, I wanted to take a little detour in Step 2 to talk about how we get you to be better salespeople—and fast.

Since the day I realized that raising money was sales, I've studied the subject in detail, which has taken me countless hours and a whole lot of moohlah. While it was an incredible experience that I wouldn't trade for the world, and I do recommend that you study the subject as much as possible, I've come up with three tips to help give you a crash course in great sales techniques:

THREE TIPS TO LEARN HOW TO BE A MASTER SALESPERSON AND FAST

1. WHAT TUPPERWARE CAN TEACH YOU

I've been selling stuff since I was a little bitty one. I opened a candy shop in my father's cardiologist's office when I was seven (yep, I sold chocolate bars to people with heart conditions). But I didn't stop there. Throughout my youth I sold magazine subscriptions, stationery products, and more—all door to door! I learned about sales by selling.

But some of the best sales training I received was when I was looking for a summer job during the recession of the early 90s and started working for a company called Vector Marketing. Remember that time I said marketing was sales? Well, Vector Marketing was another name for CUTCO, the company that hired college kids like me to sell cutlery door to door. It was like Tupperware, but for 20-year-olds. Heard of them? Odds are someone tried to sell you a set of knives or at least the pair of scissors that could cut through a penny in the last decade or so (don't knock 'em, those scissors are amazing).

Before I could head out into the world (AKA my neighborhood) and sell CUTCO products, I had to go through five full eight-hour days of sales training. I was taught what to say, when to say it, and everything in between. It was intense and a very different to the hour and a half of training I got when I worked for Domino's Pizza!

Why the long training period?

Vector Marketing was a huge company. They had kids like me all over the country selling their stuff. So they put a huge investment in developing a training system that worked. It was almost foolproof!

It was a map (or a GPS) to convert leads into cutlery-buying customers!

Without that system, kids like me wouldn't make any money for ourselves, and more importantly, we wouldn't make any money for Vector Marketing. So they had some of the country's top sales experts design an easy-to-use program for people like me with no prior sales experience.

And I got all that training for free.

There are a ton of "Direct Marketing" or "Direct Selling" organizations out there, from Tupperware to Mary Kay to Passion

Parties. All of them spend tremendous amounts of money to develop sales systems for people who don't know how to sell. They spend so much time perfecting ways to turn everyday folks into great salespeople. And every year, they tweak it to make it even better. They have to! Their bottom lines depend on it.

My tip? Sign up for one.

That's right. Sign up to become a Passion Party consultant or a Mary Kay sales rep . . . or heck, try CUTCO!

You'll learn how to sell, and maybe even get a side job at the same time! (I've still got my set of knives and the scissors, so don't knock on my door.) Seriously, sign up just to go through their training periods and to learn the basics of how they move product. I guarantee you'll come out of there with more sales knowledge than at least 75% of current Broadway Producers!

2. SHOP LIKE A MILLIONAIRE

Need a car? A home? A yacht?

Even if you don't need any of the above, go looking for one.

I urge all of you to go shopping for luxury items so you can watch and learn from the salespeople, because in most cases, these guys and gals are gooooood. You think Ferrari lets anyone sell their cars? What about a $5M home? You think anyone gets that kind of listing? Oh no, you gotta be a good salesperson.

So go learn from them.

What is the sales environment like? Do you feel pressured? No pressure? How do they present you with the price? What are they wearing?

I don't make any purchase these days, whether it's a new car or a new TV, without asking myself this question, "How did my salesperson influence this purchase?"

And more importantly . . .

"If I was shopping for a similar item tomorrow, would I want the same salesperson to help me?"

ACTION EXERCISE: *Think about the last time you made a major purchase (over $1,000). It can be a car, a stereo, a home—something that cost a lot and you thought about extensively before pulling the trigger. Write down what you remember about the salesperson who sold it to you, and the positive (and negative) characteristics of that person (and/or that experience) that influenced your decision.*

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3. LET OTHER PEOPLE PITCH YOU PROJECTS

Psychotherapists have been using role reversal for decades as an essential role in therapy. By sitting in the shoes of the person you're interacting with, you learn more about yourself, as well as your "partner."

If you want to learn more about what it takes to raise money, let someone else try and raise money from you!

Put yourself into the market as an investor and see how people contact and talk to you about parting with your hard earned dollars. You obviously don't have to invest. That's not the point (although a strategically placed investment with the right person can be worth its weight in networking gold. As I mentioned earlier—my investor base always grows when I produce or invest in other people's shows).

These three tips will give you a crash course in sales and give you a huge advantage when you start your raise. And the more you study sales, the easier raising money will become.

If you're looking for more in-depth ways to learn about sales, check out the books I recommend in Appendix 4, including my book *Broadway Investing 101*, or check out our resources on TheaterMakersStudio.com.

And now back to our regularly scheduled program . . . During the Raise.

CHAPTER 15:
THREE RULES OF THE ASK

"You create your opportunities by asking for them."
- Shakti Gawain

An employee came to me recently on the verge of tears. She broke down in my office saying that she was overwhelmed with work and she needed help. After the emotion subsided, she proceeded to lay out a very logical argument as to why we needed an additional employee in our office to handle our multitude of projects. Because this employee works in a division of my company that I don't interact with often, I didn't even know she was up to her eyeballs! I would have never thought about hiring someone else had she not come to me with the request. So, about halfway through her argument I said, "Ok. Hire someone." She looked at me, shocked that I said yes, and then proceeded to fall over herself thanking me. That's when I reminded her of something my dad told me when I was a kid, "In life, you don't get what you want . . . you get what you ask for."

Lots of entrepreneurs out there are terrific at coming up with ideas that will make a million bucks. And they're great at explaining how those ideas will work and who they will work for. But when it comes to the final moment - the moment when they need to ask for money to help make those ideas a reality - they freeze.

No matter how good you are at coming up with an idea, or describing that idea, if you don't ask for what you want, 99% of the time you won't get it. Period. End of story. And end of your career. That's right, back to your day job. And who wants that?

The ask is the most important part of the raise. That's right, despite the time and energy I want you to put into Part I of this book, the fact is, if lightning struck and burned up your Part I, you could still do pretty well with what's left!

Let's take a look at . . .

<u>KEN'S THREE RULES OF THE ASK</u>

RULE #1 OF THE ASK: YOU GOTTA ASK.

When I work with clients in private one-on-one coaching sessions where we simulate a live pitch, one of the most common problems they suffer from is simply failing to ask the question, "Would you like to invest in my project?"

Most describe the project well, and even have a good handle on the reasons why it would make a good investment and why they are a good person to invest in. And then, they turn to stone, and just sit and wait, as if the fish is going to jump out of the water and into the boat without you even putting the hook in the water!

Why don't they ask?

They're afraid of being rejected, of course, like a 17-year-old boy about to ask the head cheerleader to accompany him to the prom.

But let me ask you something . . . What's worse, someone saying no, or your show, your film, your project . . . your *dream* . . . <u>not</u> happening?

That's what I thought.

So, if you want the money, you must ask the question. I'll repeat that. <u>You must ask the question!</u>

"Would you like to invest?"

"Do you want to invest?"

"Is this a project you'd like to invest in now?"

There are many derivatives of the question, but you get the point.

If you don't ask, you don't get.

So make sure you always end your pitch with something like, "What do you think? Do you want to invest/join me/partner with us?" or whatever version feels most comfortable to you, but also <u>demands</u> a response.

And then what?

After you ask, what do you do?

Nothing.

You shut up. Bite your lip.

Stay still.

And wait for a response.

And then, like a game of chess, move accordingly.

Let your prospect respond. This is another moment when too many money-raising-rookies get nervous about the silence, so they just start in with more reasons about why they should invest. But before you can recalibrate your pitch, you need to hear what your prospect is thinking. And you never know, they just might say yes!

In fact, you should assume people are going to say yes until they don't! That confidence can help you deliver the ask with no hesitation.

RULE #2 OF THE ASK: ASK IN PERSON

Believe it or not, it's human nature to want to say yes when someone asks something of you. Sure, it doesn't happen all the time, but we're wired in a way that makes us want to say yes. So that means, it's much, much, much (did I say much?) harder for someone to say no to you if they are staring you in the face. Do you remember the previous axiom: People invest in people, not in projects? It's important to remind them that you are a living, breathing, smiling, and passionate-about-your-project person.

And that's why you should do everything within your power to make your ask for money face to face.

This isn't always possible, of course, but it should be your goal. And the more money you think a lead has to invest, the more you should make it a necessity to get directly in front of them. If that means you get on a plane to go from California to New York, or from New York to London, then do it!

I can't tell you the number of times I've said to potential investors on the phone:

"Where do you live?"

"I'm in (INSERT CITY FAR AWAY FROM ME HERE)."

"Well, it just so happens that I'm going to be there next week (OR WEEK AFTER, OR WHENEVER, DEPENDING ON WHEN MY DEADLINE IS). Can we get together?"

And in most cases, I actually wasn't going to be in that city. But I was certainly looking up flights after they accepted my offer to get together to discuss my show!

I've closed a lot of deals this way. And even if the deals didn't close, the lead got a lot warmer for my next pitch for sure.

Obviously, you can't meet everyone face to face, especially if you're raising smaller amounts of money from lots of people. If you can't do an in-person meeting, then a phone call should be your second choice to contact and appeal.

And in last position should be the email ask.

I know, I know, you want to email all of your prospects. Because it's easy and fast . . . which is exactly why you shouldn't do it! Nothing about raising money should be easy and fast.

Admit it, one of the reasons you like to email is that you can hide behind your computer screen! You don't have to make that awkward ask in person, right? Well, email makes it easier for people to reject you, too! They can just ignore your email. You can't ignore someone face-to-face.

Remember, what feels easier for you just makes it easier for your prospect to say no.

Trust me, it's harder for them to say no than it is for you to ask. So get face to face and then please see Rule #1.

RULE #3: ASK FOR MORE THAN YOU NEED.

Before each and every meeting with a potential investor, you should set a target amount you want to raise from that person. That target should and will vary from person to person, depending on the research you've done on that person prior to setting that meeting.

HOT TIP: *Always do research on your lead before you meet with them. Google 'em, check Facebook, look for political donations, etc. You'll not only find out info on their potential investment resources so you can gauge your ask, but you'll also find out things you have in common that you could bring up in conversation or things to avoid.*

Once you've established that target amount, here's what you do:

Double it. Or more!

Want $10,000 from your prospect? Ask for $25,000. Need $100,000? Ask for $500,000.

Why?

One of the trends I've seen from new money raisers is that they often undersell themselves because they think a smaller amount will lessen their chances of being kicked out the door during the ask. "Well, if I only ask for $10,000, this person won't be as mad at me."

Stop thinking that way! Be confident! What's the worst that could happen? They could say no? Big whoop. I can tell you I've had people say no to me a thousand times, but I've never been slapped in the face or kicked out a door. So ask big.

Why do you need to ask big?

Because if you start at a lower number, or your minimum, you don't have anywhere to go! You're done. End of conversation.

But if you follow this rule and ask for more than your original instinct?

Well, first, you might just get it! You'd be surprised how often this happens.

Second, if they say no to your big request, you can counter with a second request for a lower one. And then if they say no again, you can even come back with a third. Imagine for a second someone asks you for $100,000, and after some back and forth they ask you for only $10,000. Seems dirt cheap, doesn't it? That's an example of "contrast pricing" at work, and it'll work on investors.

Remember that I sold cutlery door-to-door? We were taught to sell the super-duper package of a full set of knives plus eight steak knives plus the big wooden block to store the knives. The cost was over $600. And this was in 1991! That was always our first ask. Only when they said no to the "Homemaker Plus Eight" did we offer the same package but with only four knives at a lower price. If they said no, we removed the wooden block and lowered the price. We'd go all the way down to one stinkin' steak knife!

Usually, by the end, they bought something. And whatever they bought looked so cheap compared to the $600 package.

Remember Dr. Cialdini's Moment of Power? In the moment immediately following a lead denying an ask, they will feel a strong desire to agree to your *next* request. People feel bad saying no, so they are more inclined to want to say yes after doing so!

Makes sense, doesn't it?

But you can only have that Moment of Power if you start your ask higher than you think you need. So put your best foot forward and ask away.

And remember, if you're struggling to identify the amount of your initial ask, come up with an amount that you'd like to receive, then double it!

If you follow these three simple rules for your asks, you'll not only be converting more of your leads to investors, but you'll be raising more money from those investors. That will speed up your raise and get you to your finish line faster.

And I know you want that, right?

But all the asking in the world still requires you to finish the job, or as they say in the sales world (which is the world you're in, remember?): "Close."

Want to know the secret to a successful close?

Read on, my money-raising friend, read on.

CHAPTER 16:
THE KEY TO CLOSING

"A-B-C. A-Always, B-Be, C-Closing. Always be closing. ALWAYS BE CLOSING." - Glengarry Glen Ross

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David Mamet's crazy characters had it right.

Or part of it anyway.

There's no doubt that you should always be thinking about how to get your lead to say yes. Focusing on the finish line will help to get you there. That's what Rule #1 from the previous chapter is all about. (Have you forgotten it already? Take a minute and flip back and find it because it's that important! Go on, I'll wait. Got it? Good. Moving on!)

And now . . . drumroll please . . . I'm going to fill you in on my secret to closing: The little trick that makes it possible for me to raise millions of dollars in weeks instead of months, or even years!

What's the secret to closing?

It's the other FU.

Follow-Up.

That's right, a good ol' fashioned follow-up is what separates the real money raisers from the wannabes.

Why is it so important?

Investing in the arts is a luxury item. You could be asking your lead to "purchase" an interest in your project for $5,000 or $10,000 or $50,000 or more, right?

So let me ask you a question: When was the last time <u>you</u> agreed to spend $5,000 on an item the first time you saw it? Never, right?

Most consumers who are considering buying a car, a piece of jewelry, a piece of art, or any other luxury item will not buy it at first sight. These types of expenses require research, thought, checking of bank balances, discussions with their spouse or significant other, etc. Even the super wealthy don't buy on the spot! Many of them became super wealthy because they made smart decisions and took time to research pros and cons.

Investing in or donating to the arts is no different. Over the course of my career, I've raised money from more than 1,000 people. I can count on one hand the number of times someone has chosen to invest at first pitch. It just doesn't happen!

And that's why follow-up is so important. Without it, all those leads you spent such a hard time fighting for could very well wriggle off the hook.

The unfortunate truth is, investors in high risk industries are looking for reasons to say no. And if they tell you they are going to think about it and you don't get back in touch, they're off the hook, without the need to feel guilty about turning you down.

If you don't have a systematic process to follow up your leads after you've made your pitch, you are, without a doubt, losing out on thousands and thousands of investment dollars.

This is the biggest mistake that early-career money raisers make. If they hear a non-committal, "I'll think about it," or "Send me something," after the pitch, many will leave the meeting with their tail between their legs and be too nervous or afraid to ask for money again, especially since it was so hard for them in the first place.

Raising money is like advertising. A first impression rarely does it. Which is why you need to follow up . . . once . . . twice . . . sometimes even five or six times!

I know, you're afraid to feel like a nudge. But you're not a nudge. You're a businessperson. And following-up is what good businesspeople do.

And even if you were "nudgey," here's what your prospect would do:

a) Give you a definitive no.
b) Never respond.
c) Tell you never to talk to them again.

I can honestly say that in all my years of raising money, <u>no one has ever told me never to call them again.</u> Never. And if they did, I wouldn't even take it personally. If someone doesn't want me following up, then, well, I'm not the producer for them. And that's ok. Saying "don't call me" would save me time in the future because I wouldn't waste time on them!

Here's what is much more common when I follow-up with someone that has been AWOL. Often I'll get a note or a message with something like this:

"Hey Ken, so sorry I've been out of touch. <u>Thank you so much for following up with me!</u>"

Now, of course, use your best judgment in terms of the number of times you follow up before you give up (for the moment). If I haven't heard from someone and I've tried calling, emailing, etc., then I usually send one more email and tell them politely that this is the last chance they'll have to invest.

HOT TIP: *On your "last attempt" email, use the subject line to ask your question. For example, "Still interested in PROJECT NAME?" Questions demand answers. Statements don't. Your reply rate will skyrocket.*

Even then, I never give up entirely. I usually put a note in my calendar to follow up with that person three or six months later. Sometimes people can't invest in a project for a reason they don't want to tell you (they are embarrassed because they don't have the funds, etc.) but later their situation changes and bingo, if you follow up, you're in!

Remember, just like your first ask, following up is best done in person, over the phone, and through email, in that order.

I recommend that you develop a time-based follow-up flowchart for your raise that you stick to like a workout regime. For example.

- Day of ask
- Day after ask: Send email thanking them for discussion and letting them know you'll call in a few days to follow up.
- Three days later: Call.
- Two days later: If you haven't heard, call again.
- Three days later: If you haven't heard, email.

And so on.

Develop a plan that you're going to use and stick to it. The more of a routine you make your raise, the easier it is to get done. You won't need to think about it. You'll just do it.

Based on a response from your lead or a lack thereof, you simply execute the next step on the flowchart. There's no time for emotion or nerves. No response in three days? Call. And so on.

The more you can make yourself a money-raising machine that has been programmed to execute certain actions based on time, the more money you will raise and the faster you will raise it.

This is the same type of process used for physical training, weight loss, money-saving, and so on. Make a plan. Execute the plan. No excuses.

Now, of course, there may be exceptions to the plan along the way. Someone may tell you, "I'm going on vacation, call me in a month," and so you modify as needed. But starting with a plan will help you stay on that plan, and you'll raise your money that much faster.

That's a lot of dates and times and people to keep track of, right? So how do you track your follow-ups?

If you can keep all of your leads and your follow-up system in your head, then you're a better fundraiser than I am!

I need tons of help remembering where all of my investors are in the "sales funnel" and constant reminders to follow-up with people when my flowchart *requires* it. (See that? Requires . . . I have no choice but to do what my programmed system tells me to do.)

There are a number of solutions you can use to keep you on track with your follow-up system.

I use an incredible piece of cloud-computing software called SalesForce to track my investors. Not only can I keep track of all sorts of details about each and every one of my hundreds of investors and thousands of leads, but SalesForce will remind me when and where to follow up with a potential investor so I don't let any money fall through the cracks. I can also keep all sorts of info on each lead and investor in the database, from birthdays to spouse's name to the college they attended.

> ***HOT TIP:*** *After every single one of your asks, whether successful or not, make sure you go home and write some notes about that specific ask and that investor. What worked? What didn't work? Were there words that you used or materials you presented that seem to get your prospect more interested? Less? Keep meticulous notes so you can keep refining your pitch as you go. Trust me, you'll need them later.*

You may know that I produced the first ever crowd-funded Broadway musical. I raised $5,000,000 from 737 investors. We even got a front-page *New York Times* article about it! I never could have done that without SalesForce.

SalesForce can be pricey, and takes some tech-like tinkering to set up (email me at **ken@theatermakersstudio**.com if you want some help, and we can get you started).

There are other options that are simpler and cheaper, including InfusionSoft, ACT, and others. Just google CRM and you'll see what pops up.

> ***DEFINITION:*** *CRM stands for Customer Relationship Management. Wikipedia defines it as "a model for managing a company's interactions with current and future customers. It involves using technology to organize, automate, and synchronize sales, marketing, customer service, and technical support."*

And if you want a great free solution, try good ol' Google Calendar. It's not as foolproof, but it'll work! If you already use Google Calendar, set up a separate calendar for your investment follow-up to separate it from your business/personal life. You want to make it feel like it's its own thing.

If you're a list-lover, try the cloud task software toodledo.com.

With a great follow-up system, you'll have money rolling in faster than you can imagine.

But just because you get the check, doesn't mean you're done with that investor. There's still something very important you must do before that ask is over.

Have a clue?

CHAPTER 17: DON’T FORGET THE MILLION DOLLAR QUESTION

“In sales, a referral is the key to the door of resistance.”
- Bo Bennett

As you get to the end of each “ask,” there is one question you must, must, must ask. Your fundraising future depends on it! It literally is the million-dollar question.

Know what it is?

Remember Chapter 6? (No peeking!)

Ok, the quote at the top of the page kind of gave it away didn’t it?

One of the most important “R’s” of lead generation is referrals, so after you reached the conclusion of each “ask” (and the person has decided whether or not they are going to invest), you must ask:

“Do you know anyone who might be interested in investing?”

And then shut up. Just like you did when you asked for money (you did shut up, right?); and wait.

I know what you’re thinking, “Ken! It was hard enough for me to ask for money, now I have to ask for them to open up their phone book too?”

Yes. Yes you do. So get over it. ☺

Ok, that's not true. You don't have to do it. But if you want to hit your goal by your deadline, then asking for a referral is a must, must, *must*.

It's even more important to ask for referrals if your prospect said they would NOT invest.

Why?

Remember those "Moments of Power" we talked about? This is one of them. If they say no to your ask for money, they are more likely to want to give you referrals.

Try to get the referrals right there and then. Get names, emails, phone numbers. Whatever. But get 'em.

CHAPTER 18: TRACKING YOUR PROGRESS

“When performance is measured, performance improves.”
- Thomas S. Monson

Remember way back in Chapter 5 when we talked about setting your finish line?

This chapter is about knowing exactly where that finish line is, and then knowing where you are as you travel towards it.

While it’s essential that you set that finish line, sometimes it can seem so very far away that it can be a bit scary. For example, running a marathon . . . whew! Forget it—26.2 miles? No way!

But what if you thought about that marathon in terms of just two sets of 13.1 miles. Or four sets of 6.55 miles. It starts to seem a bit more doable, doesn’t it?

Or what if you wanted to be president of the United States? That’s a long, hard goal to achieve that certainly doesn’t happen overnight. But if you started off on your goal by saying, “Ok, I want to be president. But first I’m going to be a community organizer, then a senator, and so on, and so on,” you map out a path to your goal that is easier for your mind to comprehend. Soon enough you’re in the White House and you don’t even remember having got there.

Raising money can be a marathon *and a half*, which is why it’s important for you to keep yourself on target and motivated as you go.

Here are three tips that I use to keep myself on track not just to hit my goal, but to hit it by the deadline I set—or even before! (Your goal has two parts, remember? A dollar amount and a date—one without the other just won't work!)

KEN'S THREE TIPS ON TRACKING YOUR PROGRESS

1. TAKE YOUR TEMPERATURE

Make yourself an old fashioned "United Way"-like thermometer, with your target amount at the top and a zero at the bottom (or use the one we made for you – see Appendix 2). And at the end of each day, update it. There is nothing more cathartic than filling in that thermometer when you raise some money.

2. LIKE YOUR MOM SAID, TAKE SMALL BITES

I've been a pizza freak ever since I was a kid. When I was five I tried to stuff an entire Papa Gino's slice in my mouth. I almost choked. I also burned the roof of my mouth and couldn't even taste it! "Take little bites, Kenneth," Mom said. The same is true for raising money.

Start with your "finish line" goal. Say it's $1,000,000. Now count the weeks until your deadline. Let's say it's 20. That means you've got to raise $50,000 a week to hit your goal. Seems more manageable, doesn't it? Go even further: $50,000 divided by 7 is only $7,142.86 per day. Set daily and weekly targets along the way to give yourself something more "edible." Sure, some days you may come up short, and that's ok. On other days you'll crush it (and you will, I promise!) and make up for the days you don't get there. But it just gives you an easier target. On *Godspell* I used this strategy, and every single week, I recalculated the figures based on my actuals. If I had a good week, the average I needed to raise per day decreased! Boy those were great days. Which brings me to . . .

3. KOOL AND THE GANG WERE RIGHT

“Celebrate good times, come on!” You know the song, right?

Money raising can be a grind, so make sure you celebrate along the way. And now that you’ve got daily and weekly targets, you have specific things to celebrate when you hit one. Take yourself to dinner. Take a night off. Get a massage. Buy yourself something. Whatever you do, reward yourself along the way. You deserve it.

And don’t stop there. Make a game of raising money. Do little fun things for yourself along the way to make it fun. Whenever I raised $10,000 or more from an investor on *Godspell*, I played Miley Cyrus’s “Party In The U.S.A.” as loud as my speakers could crank. My staff would cheer every time they heard it. And whenever I raised over $100,000 from one person, I played the song, came out of my office and did my own “Party In The U.S.A.” dance. Scary and awkward, but it kept me energized and kept me going!

The point of all three of these tips is to keep the process fun. Running a marathon, running for political office, and you betcha, raising money, can be a long, tough grind. So make sure you keep it FUN! The more fun you make it, the more you’ll want to do it. And the sooner it will be over. ☺

And by watching your thermometer get closer and closer to the top, you’ll find yourself working even harder to get there. When you’re running a race and you see the finish line in view, somehow, you’re able to dig a little deeper and run a little faster towards that goal. It’s the “runner’s kick,” right? The same phenomenon happens in fundraising, too. As you get closer and closer to your goal, trust me, you’ll start picking up speed, making more calls, and raising more money as a result.

In fact, because I follow these same tips and tricks when I’m raising money, I always raise MORE than I need. On every single one of my raises, I’ve always ended up having to turn people away!

Track your progress, and you’ll progress faster than you think.

And you will, you will. Say it with me: “I will accomplish my goal.”

CHAPTER 19:
REVIEW

"I have tried raising money by asking for it and by not asking for it. I always got more money by asking for it." - Millar Fuller

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Alright, raisers, you've made it through Step 2. Let's review!

Here are the key things to remember during your raise.

1. People invest in people, not projects. Your investors are investing in YOU.
2. Sales is <u>not</u> a dirty word. Be a salesperson and you'll succeed.
    a. Learn from direct sales companies, like Tupperware and Mary Kay.
    b. Learn by shopping for luxury items.
    c. Learn by being a potential investor in other people's projects!
3. Three rules of the ask.
    a. You gotta ask!
    b. Ask in person whenever possible.
    c. Ask for more than you need.
4. The key to closing is following up.
5. Always ask: "Do you know anyone else who would be interested in investing?"
6. Keep track of your progress!
    a. Make a thermometer.
    b. Make bite-sized goals.
    c. Celebrate good times!

Obviously, you're going to spend most of your time in Step 2. This step can feel long at times, especially if you're raising a lot of money. Some of my raises can take a year or more!

Just keep at it. Make yourself that sales machine we talked about and Step 2 will go by quicker than you'd think. I'd actually bet money that if you follow the steps in this section, you'll actually start looking forward to it. And when you start doing that, you'll find you'll hit your goal over and over and take your career to greater heights than you can even imagine.

But hey—this book ain't over, there's something you still have to do. And it's even more important than everything I've written so far.

It's the big secret to having a long and successful career. And I'm going to reveal it now . . .

STEP 3
AFTER THE RAISE

"Now this is not the end. It is not even the beginning of the end. But it is, perhaps, the end of the beginning."
- Winston Churchill

CHAPTER 20: INTRODUCTION

"What we call the beginning is often the end. And to make an end is to make a beginning. The end is where we start from."
- T.S. Elliot

So you got your money, you've gone *past* your finish line, you've played "Party In The U.S.A." so many times you feel like a 12-year-old girl. So that means you're done, right? You've reached the end of your raise. Now you can only focus on the other aspects of your project and forget about the investors.

Am I right?

Sure. You're right. If, that is, you only want to make one film, one show, etc. during your entire career.

If this project is the only thing you'll ever need to raise money for, and you don't really care about burning bridges with your investors, then you can skip this part of the book altogether. You're done.

But if that's not you, if you have other ventures, other ideas for businesses, other dreams you'd like to come true, and those dreams require money, then make sure you read this section twice, because the work you do during this part of your raise could be the foundation for the rest of your career.

How do I know you've got other projects? Because you're just like me.

When I started producing, I knew that I had 30, 40, maybe even 50 years of producing ahead of me! And I wanted every single one of my investors to invest with me throughout my entire career. Why? Well, obviously, I needed them to fund my dreams. But I also knew if they stuck with me, I would hit it big at some time in that period, and they'd benefit significantly. It's a win-win proposition, which is what works best in any business and in any relationship.

But how do I keep them investing with me time after time? Even when some of the shows don't work? (And they can't all work. No one is perfect, so don't even try.)

That's what this Step 3 of the raise is all about. Because the secret to keeping your investors a faithful part of your funding family is in how you treat them *after* you've received their money.

CHAPTER 21:

IT'S WHAT ANY THERAPIST WILL TELL YOU

"Communication leads to community, that is, to understanding, intimacy and mutual valuing." - Rollo May

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Every therapist will tell you that the secret to a successful relationship is communication.

It doesn't matter if we're talking about a marriage, a business partnership, or a relationship between you and an investor. Communication is the key to making sure you get through the ups and the downs of your relationship and have a long and successful life together in all your endeavors.

As you can probably imagine, I talk to a lot of investors.

After countless conversations with all sorts of investors, some of whom invested up to $1M in projects, I discovered one piece of extremely valuable information for people like you and me who are in the business of raising money.

I always ask investors, "What's your biggest complaint about investing in the arts?"

Do you want to know what the most popular answer is?

Surprise, surprise. It's not that they lost money.

It was that *they didn't know they were losing money!*

That's right, as shocking as it sounds, the majority of investors weren't as concerned about losing their investment as they were about being informed about what was happening with that investment!

That means the people they were investing in were only doing half of their job right.

Obviously, those people were successfully explaining the risks of investing and successfully managing their investors' expectations in terms of possibilities of profit and loss. That's why the investors' #1 complaint isn't that they lost money. They wrote the check knowing that they could lose it all.

But those people were doing the other half of their job so wrong that they were running the risk of these investors never returning to invest with them . . . or in the . . . again!

You can't take the money and run. Too many people have been doing just that. They forgot that you have to take the money and then grab the hand of the investors and let them run along with you!

And it's not difficult.

One way that I make sure my investors are in the loop is to send out a regularly scheduled email newsletter with all sorts of info about what's going on with the project and with their investment. For shows, these are usually once a month before a show opens, then once a week when we start performances, then once a month or less when we've settled into our long, profitable run. ☺

Whatever your project may be, it's important to send regular updates. The number of updates you send is up to you, but the important part is to set it and stick with it, and tell your investors to expect it. Not only will they love getting these bits of news from time to time so they feel like they are in the know, *but they will call/email/text you less, because they already know you give them info on a regular basis.*

I also send out every press hit that my shows get in every publication (just create a Google alert (visit www.google.com/alerts if you need info on what an alert is and how to set it up). Press alerts are great because they are tangible proof that this project is "important." Investors love seeing that project they've helped make happen in print/online, as it validates their choice to invest, because someone else thinks it's important enough to write about.

This can add up to a lot of emails, but you know what my favorite thing to hear from an investor is?

"Hey Ken, you don't have to send me any more emails."

Then I've done my job. ☺

***HOT TIP:** In each of your newsletters, include some kind of action that the investor can do to help you. Tell them to like something on Facebook, send out a friends and family email discount offer to their contact list, etc. Investors want to help. It gives them the sense that they are participating, and hey, it'll help you as well!*

These kinds of updates go a heck of a long way in keeping your investors informed and engaged. And when they are engaged, they will enjoy the process, be less disappointed if the investment doesn't work out, and they will also help you make more money when your project is off the ground!

My simple mantra about investor relations is to . . .

TREAT 'EM LIKE THE FRIENDS AND FAMILY THAT THEY ARE

You'll notice how I used the word "family" in that sentence. It's because that's who my investors are to me. They're part of my family. And that means they get birthday cards, holiday cards, and sometimes, gasp, I just call to say hi! That's right, I just pick up the phone for no other reason but to say hello. Because I learned early on that one of the biggest ways to establish a bond with your investors <u>is to talk to them when you don't need money!</u>

I learned that lesson the hard way. Here's what happened:

I was visiting with an investor very early in our relationship. At the time, this guy represented one of my biggest investors. The first time I asked him to invest, he dropped $100,000 in one of my shows like it was a dollar.

The next time I was raising money, I thought I was smart to fly out across the country to sit with him face to face. There I was, having lunch with him, his wife, and a friend (who I already sized up as a terrific lead), and I thought things were going great! We were talking shop, and I was just getting ready to make my pitch when his wife said, "So, what brings you out this way?" His friend piped in with a snide, "Why do you think? He needs money. Right, Ken?"

Busted. It looked like the only thing I valued about our relationship was his money. In actuality that was far from the truth, but it certainly didn't look that way.

When you start to build your stable of investors, make sure you reach out to them just to shoot the you-know-what. Invite them to shows. Go to dinner. Talk to them when you don't need money. It'll help so much more when you do.

You can bet your investor database that I've visited that same investor several times since for no other reason but to say hi.

HOT TIP: *I keep a list of all of my investors on my desk. Every day I call one. Some I talk to, others I leave a message. But I just go through them a day at a time and when I'm done (I have a lot so it takes a while) I just circle around and start over.*

So treat them like family, or better, remember my golden rule . . .

KEN'S GOLDEN RULE

Treat your investors how you would want to be treated.

Since you'll be speaking to your investors a lot, you'll need to report on how your project is doing. When things are going well, that's a pretty easy thing to do. When things aren't going so well, it can be a little trickier. When you are asked how things are going, just remember…

CHAPTER 22: HONESTY IS THE ONLY POLICY

"Honesty is the first chapter in the book of wisdom."
- T.S. Elliot

Investing in the arts is a high risk enterprise. In the theater, historical statistics say that most shows won't succeed financially. The approximate average number of Broadway shows that recoup their investment is 1 out of 5. I've been fortunate enough to be able to beat that average (you can learn my secrets in *Broadway Investing 101*), but still more than half of my shows haven't made money!

So, more than half the time for me—and 80% for the average producer—producers have to deliver not-so-good news.

How do I do it? How should you do it?

You gotta be honest.

The best way to deliver information about something that isn't panning out the way you wanted it to is by saying just that.

Too many first time money raisers either hide from their investors and don't communicate anything, so the investor is surprised when the project fails, or they do communicate but put a false spin on the actual financial situation and projected outlook for fear that the investors will be upset. Consequently, investors are surprised when the project fails.

Both of the above lead to investors feeling burned.

The key to communicating that your project isn't doing well financially is to be honest, yet still express how hard you are working to try and turn things around (and I know you'll be working hard). Remember algebra exams in 9th grade? You'd get partial credit for showing your work. The same is true when running companies in the arts or in anything! Show your investors your work. Show them your sweat. They'll give you credit for your work and will appreciate all that you are doing to save their investment!

Most investors do understand what they are getting into when they invest in a high-risk industry like the arts. And it's your job to manage those expectations when making your pitch in the first place. Provided you do all that, your investors won't be shocked if things aren't going the way you all wanted them to.

Look, businesses in any industry don't work out from time to time. You know that children's book, *Everyone Poops?* Well, I got news for you. Everyone fails, too. ☺

I'd bet your capitalization that your investor has been a part of some sort of business failure in his or her life for sure, whether it was their own, one they invested in, or a stock, etc. They are not expecting a perfect batting average.

But what they do expect, <u>and what they deserve,</u> is open and honest communication about how their investment is faring.

Especially if you want them to invest with you again.

CHAPTER 23: REVIEW

Before we review, go back and read the AFTER THE RAISE section again. It's that important. It's ok, I'll wait.

Done?

Awesome. Now let's review.

- The way you treat your investors after they invest is crucial to your future career.
- Like any relationship, communication is key.
- Regularly scheduled email newsletters are a simple and cheap way to keep your investors in the loop.
- Treat your investors like the friends and family they are.
    - Send birthday cards, holiday cards, or even Flag Day cards.
- Talk to them when you don't need money.
- When you have to deliver bad news, honesty is the best business policy.
- Show your investors your sweat. They'll reward you for it in the future.

Congratulations! You've now successfully completed the Three Steps of The Raise!

But before we wrap up this book and get you out there dialin' for dollars, let's talk about a subject no one likes to talk about, but which happens to all of us.

CHAPTER 24: WHAT DO YOU DO WHEN THINGS GO WRONG?

"The real man smiles in trouble, gathers strength from distress, and grows brave by reflection."
- Thomas Paine

No matter how much we study, no matter how hard we work, no matter how hard we dream, sometimes things just don't go the way we want them to.

In other words, sometimes on the road to your raising money goal, you find yourself coming up short.

Gulp.

There is nothing worse than knowing you have a hard deadline, like the opening of a show or a big payment due, and realizing that you haven't raised enough money to make it happen.

Oh man, just typing those words gives me agita. I can feel my stomach turning in knots just at the thought! And I've raised money for a ton of shows and businesses, so I can only imagine how it must make you feel.

The reason I can so vividly describe the acid bubbling in my stomach at the idea of being short on my fundraising goals is because I've been there.

It has happened to me.

It has happened to everyone.

And that's the first thing you have to realize if you ever find yourself in this position (and at some point in your career, you most likely will). It happens to everyone. Everyone I know working in the arts has been stuck at one point or another in a raise. It just happens.

And when it does happen, you have a choice between two paths you can take.

1. You can believe you've failed, give up, and go home.

   or

2. You can remember that it's not uncommon, put your head down and keep on going, and hit your goal by hook or by crook.

I have a feeling you're going with Path #2.

So now that that's decided, let's figure out how we get you back on track and fast.

KEN'S 5 WAYS TO GET BACK ON THE MONEY-RAISING TRACK

1. DON'T P-P-P-PANIC

It's easy to get nervous when money is short. It's money, after all. And there's something so petrifying about not having it when you need it. (Here comes that stomach ulcer again!) But the absolute worst thing you can do is panic. Look, I know what the voice in your head is saying, believe me.

"Oh my gosh, what am I gonna do?"

"I'm going to let all these people down!"

"I'm never going to be able to get it in time!"

All of those negative and "limiting beliefs" (a self-help term for a psychological barrier you set upon yourself), are detrimental to your money-raising process. First, they are self-fulfilling prophecies. Second, they just take time! You're already a little behind the eight ball, right? So stop wasting time worrying about how you got there, or what will happen if you don't get there, and start working on how TO get there. <u>Be constructive, not critical.</u>

Panic does nothing but cause the body and mind to freeze. Take a deep breath. You'll get through it. It's all going to be ok. But if you panic, I guarantee it won't.

2. IT'S NOT YOU, AND IT MIGHT NOT EVEN BE ME.

It's very common during times like this to start second guessing yourself, your project, and everything that got you started on this journey in the first place. And that, of course, just leads to potential panic.

It's important to realize that because we're dealing with money, which is the hardest thing in the world to get someone to part with, there are a zillion reasons that can affect someone's decision to give—or not give—you money when you need them to. The economy (I was out there raising money in 2008—it was ugly!), the time of year, the birth of a child (I've had quite a few investors pull back when they found out they were pregnant!), etc. You never know what is going to make someone say no, so don't automatically assume it's you or your project.

***HOT TIP:** Try to avoid raising money from January 2nd through April 15th. The "Post-Holiday Bill-Paying Blues" and upcoming taxes don't put anyone in the giving spirit. Remember, when dealing with raising money for high-risk investments, people often look for a reason to say no. And time of year and upcoming financial payments can be a big one.*

3. THEN AGAIN, IT MIGHT BE YOU.

If you're not where you expected to be on your road to your goal, it is imperative that you take another look at your project and the methods you are using to go about raising money. The most successful business people and the most successful people in the world are the ones that are strong enough to look into the mirror and say, "Is there anything I could be doing differently to get to my goal?" Self-reflection is hard. But it's essential.

So if you find yourself in the unfortunate position of being short, here's a short-list of self-reflection tips you can use to hone your pitch going forward:

- Reassess your SWOT (See chapter 7).
    - Has anything changed since your raise began? Are there more weaknesses and threats now than before?
    - Have someone ELSE assess your SWOT. You may be too close to your project to be able to see some of the shortcomings. And remember, don't panic if you find a few more. Knowing you have a shortcoming allows you to come up with a persuasive technique to fight it.
- Read through your notes of each ask
    - You did keep those notes, right? The ones I talked about at the end of Chapter 16? I told you that you might need them later! Pore over these notes and see if you can find any

    similarities in reasons why people said no. (You did ask, right? Feedback, feedback, feedback!) If three people or more said no for the same reason, you've got to come up with an antidote.

- Hit the practice fields
    - Grab a friend and do another one of the practice pitches we talked about in Chapter 8. Even professional athletes have to practice after winning major championships. You may need to tune your delivery of the material. Maybe it's time for a little shake up! Try something different.

It ain't easy to take a long hard look at your project and the way you're raising money, but doing so can be the quickest way to right your ship.

4. GO BACK TO THOSE WHO HAVE INVESTED ALREADY.

One of the first places that I go to if I'm behind in my goal or facing an impending deadline is back to the people who have already invested in my project.

They have already committed. They have already committed to me. They are most likely to want to give more, especially if not raising the entire amount puts the project (and their original investment) in jeopardy (a show that doesn't raise its entire capitalization and never opens is a 100% loss—a show that at least opens has a shot at getting something back!).

I know what you're thinking, "I can't ask them for more! It was hard enough asking them for anything in the first place. And they already gave!"

And that's exactly why they might give again. They want your project to succeed. And they are investing in YOU, so they want you to succeed!

But I hear you. So if you do want or need to ask your investors to invest more capital during a raise, try to present it with some new information that makes the project seem even more attractive. Maybe you have some advance sales information? Or casting news? Or you know there is going to be a big press hit?

On one of the first shows that I was raising money for, we made a big budgetary change which had a positive effect on the show's "payback." If we were successful, my investors would get their money back much faster.

When I disclosed that to people who had already invested, a whole bunch ponied up even more cash.

Your current investors are a terrific resource in times of trouble.

Have you ever heard of Pareto's Principle? Pareto's Principle, which is also known as the 80-20 rule, states that "80% of the effects come from 20% of the causes." It's a fascinating concept that has proven true over and over in business applications. For example, applying it to a clothing store, it would mean that 80% of the company's sales come from 20% of its customers. And it often holds true for investing: 20% of your investors usually provide 80% of your capital!

So don't be afraid to ask.

5. ASK FOR ADVICE FROM OTHERS

Do you know people who have raised money for the arts, charities, or any business? If they are in the business of raising money, then they've probably been exactly where you are right now. So reach out. Ask for advice. Ask for help. People love to tell you how they do things. Especially entrepreneurs. They love to regale you with their war stories. Listen to them. Maybe you'll learn something.

And there's a bonus here: They just may want to help you by pitching in some money! They know what that stomach-turning feeling is like, so maybe they'll help you out of yours. ☺

The most important tip in this chapter is to stay calm if you are coming up short. It doesn't mean that you're not going to get there. And it doesn't mean your project isn't worth investing in.

What it does mean is that you are going to have to work a little harder. Remember that raising money is a numbers game. And for whatever reason (which may be beyond your control), you just may need more leads in your sales funnel to get the conversions you want.

And don't forget that tip in Chapter 12: If you get a little down, just remind yourself of some of the crap that other people have raised money for over the years. If money for those projects could be raised, then certainly you can find it for yours, too!

Now go out there and get it.

CHAPTER 25: CONCLUSION

"Life begins at the end of your comfort zone."
- Neale Donald Walsch

Congratulations. You made it!

You have now officially graduated from my *How to Raise Money for the Arts… Or For Anything* course!

Ok, I know. This isn't a course. It's a book. But I want you to think of it as a course, so you'll remember what I talked about way back in Chapter 1. Remember the Three Facts of Raising Money? Remember Fact #3? Here it is again:

FACT #3: Raising money can be taught.

Remember, raising money is just like anything else out there in the world. It is a skill. And that skill can be taught. Which means it can be learned.

And just by reading this book, you are on your way to becoming a master money-raiser. You are already far ahead of where I was when I started raising money, and far ahead of all the other people out there that are just sitting on their couches dreaming about making something happen.

In fact, we've included a certificate at the end of this book for you to fill out your name and put on your wall to remind yourself that you know how to do this. And that you can do this.

You're going to make mistakes every once in a while. I do it all the time—still! But you will learn from them, and you will get better from every ask you make.

And it will get easier. I know it seems crazy to say, but you will start to enjoy it.

Do you know why we don't like to do certain things? Because when we don't know how, it's difficult.

And when things are difficult, we hate doing them.

In no time, you'll start to develop your own personal style of money raising, and the more you do it, the easier it will get. It just won't seem as hard anymore.

And you just might have some fun.

Oh man, there is nothing sweeter for me when I close a deal on an investment.

Just imagine what you'll feel like when you close a $10,000 investment, a $100,000 investment—or yeah, a $1,000,000 investment! Put your mind to it, and you can do it.

But you know what will be the most fun?

The most fun will be seeing your show, your film, book, theater company, app, restaurant, or anything—your dream—realized as a result of all your money-raising efforts.

Stop for a second. Close your eyes and imagine that. Amazing, isn't it? You did that. You raised that money. You did it.

Now open 'em.

And get out there and do it.

CHAPTER 26: EPILOGUE

I almost forgot!

First, keep me in the loop on your raise! I want to know how it's going. Send me emails at ken@theatermakersstudio.com to let me know how this book is helping you raise money. I want to hear your success stories! And you will have 'em, I promise.

Second, a lot of people have asked me if I had a coaching program to help guide people through a specific raise or to tackle some more complex issues that come up during their raise. So, by popular demand, I did just that! If you're interested in learning more about my coaching program, email me at the address above and I'll fill you in. Together we can come up with a very detailed schedule and a plan, and I'll make sure I keep you on it! I end up being like a personal fitness trainer but for raising money! In addition we can tackle specific issues like:

- How to raise money from a group of people at once (The Tupperware party approach).
- How do you deal with "whale" investors? (Those folks who invest six figures or more.)
- How do you deal with a difficult investor?

And a heck of a lot more. Email me today and we'll get you started.

Lastly, thank you again so much for purchasing this book. And I hope to hear all about your successes soon!

APPENDIX 1: RECOMMENDED READING

Here is a list of books that I recommended for further study on raising money.

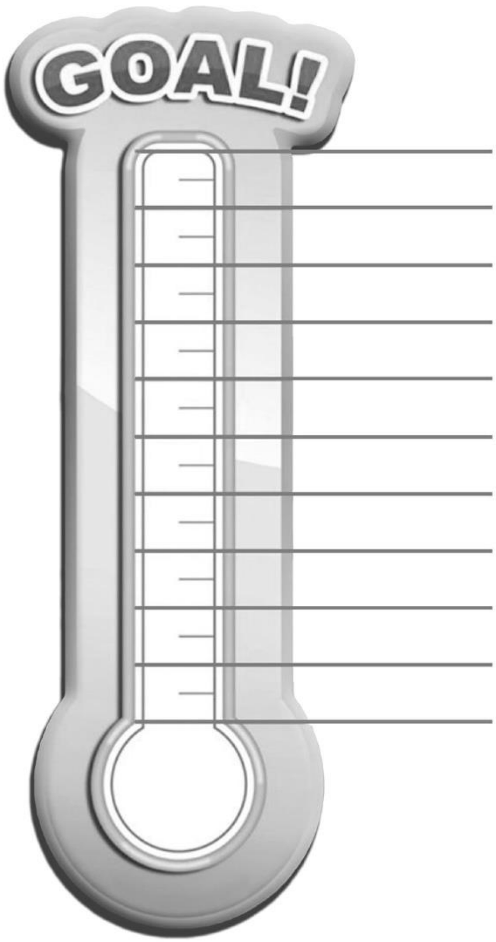
1. *Influence* by Robert Cialdini

2. *Secrets of Closing the Sale* by Zig Ziglar

3. *The Best Damn Sales Book Ever: 16 Rock-Solid Rules for Achieving Sales Success!* by Warren Greshes

4. *To Sell Is Human: The Surprising Truth About Moving Others* by Daniel H. Pink

APPENDIX 2: INVESTMENT TRACKING THERMOMETER



OTHER BOOKS AND MORE BY KEN DAVENPORT

- *How to Succeed In The Arts . . . or in Anything*
- *How to Write A Script in 30 Days*
- *Broadway Investing 101: How To Make Theater And Yes, Even Make Money*
- *The Action Journal for Artists*

AND COMING SOON . . .

- *A Cast of Mentors: Succinct Advice from Broadway Superpowers. Volume 1*

Visit www.TheProducersPerspective.com/books to purchase these books today.

LOOKING FOR MORE ESSENTIAL MONEY RAISING RESOURCES?

Well, you're in luck! Over the last few years, I've created a wealth (pun intended) of information about how to raise money, and you can access all of my best stuff on TheaterMakersStudio.com, including:

- What Is Front Money and How the @#$% Do I Get It? Video course
- Raising Money 101 video course
- Raising Money toolbox
- Articles, newsletters and tips
- Live calls with me each month to answer your questions
- And literally, 300+ more resources

But, don't sign up on TheaterMakersStudio.com, because you'll be paying full price! Since you've already made an initial investment in this book (thank you again), and because I want you to see an immediate ROI, email me at ken@TheaterMakersStudio.comand let me know you want to join **The Theater Makers Studio** at the **Stage III** to get all of the resources above PLUS the sample document library . . . and I'll let you in for FREE for 30 days!

That's a $197 value right there as a thank you for reading to the very end :-)

Now get out there and raise some money!