

How to connect with US VCs



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Non-US companies frequently ask us, “how can we meet US venture capital firms and get them to invest in our company?” Our last blog outlined how to [pitch to US VCs](#). This blog, which is the last in this series, discusses how to connect with the US VCs that are most likely to be interested in your business.

Research your sector

A key starting point in reaching US VCs is to identify those who are most likely to be interested in you. These are also the VCs who are likely to be the most useful to you because they can bring critical sector-specific business judgment and networks as well as cash. So, how can you find them?

First, research the VCs in your sector. Identify the key firms (and the specific individuals of those firms) that have been active in making investments in your sector and at your stage of investment. Keep in mind that this may be a double-edged sword: if they have invested in businesses that are your direct competitors, they may be unable or unwilling to invest in you. That being said, the most successful connections we make are where the emerging company is asking us to knock for them at an open door.

Remember that the US is comprised of numerous different markets and VC communities. Silicon Valley has the largest and most mature venture capital market, but it is highly competitive and not necessarily the best place for every type of business to seek investment. Also, early-stage VC investors will want you to locate (often with a founder) in proximity to the investor; Silicon Valley is a very expensive place to do business, with fierce competition for talent.

Consequently, you should keep in mind the following regional alternatives:

- Biotech -- Boston/Washington, D.C.
- Cybersecurity -- Washington, D.C./New York
- Media/Games -- Los Angeles/New York
- Insurance -- New York/Chicago
- Emerging Markets -- Miami/New York

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- Hardware/Enterprise Software -- Seattle
- FinTech/Ad Tech/Publishing -- New York
- Various -- Austin

Leverage your network

Next, seek advice from your existing investors, industry sources, professional advisors and other contacts who are knowledgeable about your sector. Some business sectors, like cybersecurity, are very specialized, with a limited number of key players; others are more diverse.

Attend conferences, conventions and other programs where those interested in your sector can be expected to attend. In many cases you will be able to see an attendees' list from a prior year and determine whether the event has been of interest to investors. Many such events are very large, of course, and it is difficult to make contact with potential investors unless you have planned out, in advance, how you would propose to do so. If at all possible, pre-arrange meetings with investors whom you would like to meet, or obtain introductions from other attendees whom you know.

Take advantage of trade missions and other pitch opportunities that may provide introductions to interested investors. The UK Department for International Trade, Tech Nation, and the (London) Mayor's International Business Programme, for example, take regular trade missions of UK-based companies to the US (and elsewhere), typically with a specific sector focus. These missions are sometimes led by prominent members of government, which can help attract media attention. Participation may provide opportunities to meet interested investors and to raise your profile so that investors are contacting you, rather than vice versa.

Recruit angel investors and non-executive and advisory board members who are well-connected in the markets/sectors on which you are focusing and are invested in helping your business succeed. These key connectors will not only help you attract investment – they may also provide invaluable connections to potential customers and partners, and their participation in your business may enhance your company's credibility in the market.

In a related point, use your wider network to obtain introductions. Contacting investors on a "cold call" basis is always very difficult. Don't hesitate to ask your professional advisors, mentors, accelerators, investors, board members, government contacts and others to introduce you.

Know your investors

Finally, diligence potential VC investors in the same way as you would expect them to diligence you, and understand the dynamics of the environment in which they operate. Key questions include:

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- Is their current fund coming to close, such that they are unlikely to make early-stage investments in a new venture?
- Would an investment in your business be likely to generate, in the relevant time frame for their fund, the kind of return that they need to produce?
- What will be the impact on you if they invest in your current round and then decide not to invest in your later rounds (particularly if they are a larger and higher-profile fund)?
- Based on their reputation in the market, are these investors that you would want to play a key role in your business?
- Are they likely to stand by you if things do not go entirely accordingly to plan?

You should view potential VC investors as partners in a marriage. Before you spend the time and effort in persuading them to invest, you should determine whether you actually want them to invest!

Adjusting your approach during COVID-19

Of course, not all of the recommendations above will be practical while travel restrictions are in place due to COVID-19. But there are still ways to make meaningful progress towards connecting with US VC investors and potentially securing US funding.

First, use this time to do your research, as described above. Understand your sector, explore potential markets, seek advice from your network and diligence potential VC investors.

Second, lay the foundation for a future in-person visit. Keep in mind that while not being able to travel to the US can make connecting with US VC investors more difficult, it can also level the playing field – you might not be able to swing by an investor’s US office for an in-person meeting tomorrow, but neither can the tech companies headquartered down the street. Not being able to meet in person will put more investor focus on pitch materials – so take the time to hone yours. Making a strong impression with a warm introduction from your network and a well-thought out pitch deck can make a later in-person meeting that much more impactful. For recommendations on preparing strong US-facing pitch materials, see [our blog on how to pitch to US VCs](#).

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