



Invested in design

Business runs on money, whether we like to admit it or not, and finding investors is a challenge that many businesses face at different stages of their life cycle.

Well designed communication programmes can help businesses attract, and retain investors, writes Insight Creative CEO Steven Giannoulis.

MOST BUSINESSES, somewhere in their life cycle, will need to raise capital to get their business idea off the ground, to expand into new markets, to develop new products or to address business continuity challenges.

Sometimes this is as simple as putting a business case together to get a new bank loan approved. Other times, a fresh injection of investment capital is needed and this can be a completely different challenge.

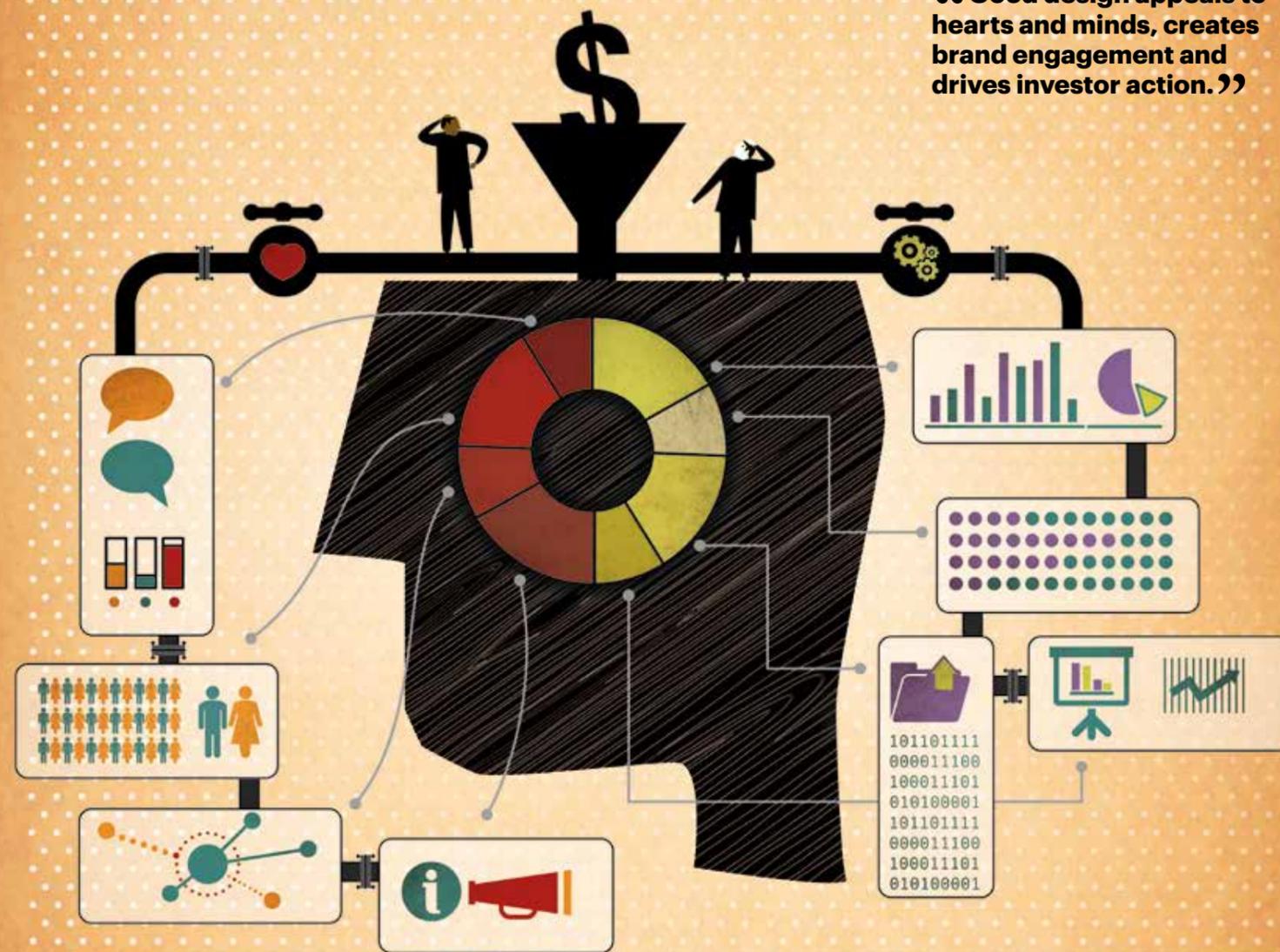
Investment decisions are driven as much by sentiment as they are by rational indicators like financials, ratios and forecasts. Investors assess the potential future value of an investment opportunity and the likelihood it will be achieved. They invest in the promise, or hope, of some future benefit which may be more than just a financial return.

And this is where good design helps businesses attract investors.

It's all about telling stories that appeal to investors' hearts and minds, create engagement and drive action.

For some, especially professional investors, the investment story is a rational calculation about the risk/return trade-off. Here good

“ Good design appeals to hearts and minds, creates brand engagement and drives investor action. ”



design allows information to be ordered and connected in logical ways that make sense to this way of thinking.

For others, the investment assessment involves the creation of value at a much more human level. Photos, video and case studies, for example, help build emotional connections between real human problems facing people and society, and the solution a brand offers.

Investing is complicated and regulations require a considerable amount of information to be presented to prospective investors. Visual approaches help simplify complex concepts, connect ideas and present information in bite size ways that audiences can digest. Infographics, for example, present traditional ratios, percentages and trends using simple graphics audiences can relate to.

Let's look at how design may help business at different stages in their evolution:

STARTING UP

New ventures represent the highest level of risk (and expected return) for investors, as they are often new entities working with new products and markets. Payback may also take time, as short-term gains are reinvested to fuel further business growth.

Engaging potential investors in the underlying product, concept and people behind it, allows decision making to move beyond the risk and return equation.

I recently purchased a small holding in a company developing a transport App. I reviewed the initial offer material and thought it sounded OK. A few weeks later, they sent me a link to a video they'd made. It made the underlying problem personal and showed me how their ideas would help solve it. Immediately, I was able to see the benefit to me and the growth potential of the idea. I saw first hand who the people were, building a connection with the brand, and the idea, at a human level. It quickly became "I can help make this happen", so I invested.

TAKING OFF

In our business, we do a lot of IPO documents. Often it's companies that have grown quickly and now need further capital to take that next step. Many have been around for a number of years but few people outside the company know what they do, what they offer and what they stand for. Wynyard Group, Vista Entertainment, IkeGPS and Serko are just some examples where we used a visual brand

story-telling approach to engage investors and explain the businesses clearly. As a result, they exceeded their investment targets.

For capital raising efforts by entities like Mighty River Power, ASB and Precinct Properties where the brand is established, we used design to simplify complex offers and to reinforce key messages.

MAINTAINING MOMENTUM

Once you've attracted investors, the challenge is keeping them invested through the inevitable poorer performance times. An engaging investor brand story builds context, allowing short-term actions (and results) to be assessed with longer-term strategy and potential returns in mind.

Engaging investors on an on-going basis is also about communication relevance. That 80-page annual report many companies insist on doesn't meet the timely and relevant needs of professional investors and is too complex for most mum-and-dad investors. A well-designed investor communication programme allows key messages to be dialled up or down for the rational/emotional needs of different audiences and for different channels.

AND FINALLY - EXIT

Our business, of Gen X owner-managers, will need to find new owners (hopefully with very deep pockets) to continue our legacy when the time comes for us to retire. Fortunately, we have the skills in house to create an engaging story-telling offer that attracts the right sort of buyers. <

IN BRIEF

This is the third in a series of articles highlighting how good design thinking can address problems and opportunities facing businesses.

Insight Creative is a design communication agency that has been helping businesses achieve their business goals for nearly 40 years. They specialise in brand, digital, environmental experience, marketing and investor communications. www.insightcreative.co.nz

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