

HOW TO WRITE A SUCCESSFUL TEASER



When starting the process of finding an investor or strategic buyer, how do you stand out; what do you have to do to get noticed?

The first document that prospective buyers will review is called a “Teaser”; while the other materials you prepare are crucial, we believe that the Teaser is the most important document a business owner prepares as part of a transaction process. This is because the Teaser is the first “filter” that every prospective buyer will review before moving forward. If the Teaser does not attract the right potential buyer(s), the rest of your sale or financing process will be much more laborious, much less efficient, and likely to be less successful.

Teasers, like resumes, need to entice and excite the reader to want more. The average institutional investor reads hundreds per year. Axial, a site for business development professionals reports that the average strategic buyer sees more than 250 teasers a year; the average analyst at a PE firm sees twice that. So, how do you make your document stand out?

“There are risks in the sheer brevity of Twitter, and it's actually quite an elegant art reducing what you have to say to 140 characters, and it's something that I quite enjoy attempting to do.”

Richard Dawkins

Dawkins is right, less is more, and MS Word can kill creativity. So, breakout of the text driven format and go for a more creative page. Try a table driven document, or use PowerPoint instead of Word... Here are the questions you need to answer...

- What does the company do?
- Where is it located?
- What is its product or service?
- Who are the managers and owners, what is their background?
- What is unique and proprietary?
- Do they have any patents, if so on what?
- Who are its competitors?
- How is it different from its competitors?
- Are your products in the market?
- What are sales, sales growth year over year, and EBITDA
- What is its revenue model: Monthly fees, per click,
- How much of its revenue is recurring and how much is episodic.
- What does its balance sheet look like?
- How much equity does management have in the business?
- How much equity have they raised to date and how much cash is left?
- What is the investment that you are looking for?

Strip away everything and anything that doesn't absolutely have to be there. Then go back and do it again, and again. Insert graphic elements to break up the text. The goal is not to educate, it's to get interest.

After the teaser, the investor will start due diligence and start working their way through the data room. But that's a topic for another day.