GUIDE TO
Effective Digital Communications
The Content & Creative team at Instinctif Partners helps companies tell their story through the imaginative use of digital platforms and channels. Generating big ideas, producing attention-grabbing content, engaging audiences, promoting a change of perception and behaviour, and delivering compelling business results.

We help clients tell their story and make a connection.

Storytelling | Websites | Films & Animations
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Foreword

Welcome to the BVCA Guide to Effective Digital Communications, the latest in a series of guides produced by the BVCA.

Private equity and venture capital firms have traditionally chosen to maintain a low profile. There are moments, however, when it is necessary to raise one’s head above the parapet, in particular when seeking to raise funds, buy or sell investments, or recruit new talent. This is particularly true in the current economic environment when financial and human capital are limited, and the demands on that capital are increasingly competitive.

Digital Communications present an unrivalled opportunity to directly target specific audiences and engage them in your story.

This guide is aimed at helping you establish an authentic and differentiated online voice. It looks at storytelling as a medium for conveying your unique approach, and creative content as a means of bringing that vision alive online. It also provides hints and tips for developing a more engaging website and provides insight into managing and monitoring social media.

We hope you find this guide useful and we would like to thank the Content & Creative practice at Instinctif Partners for their support.

Tim Hames
Director General
BVCA
Introduction

At the last count the internet was home to 951,462,783 websites. Twitter had 320 million active members posting 800 million messages every single day. YouTube boasts ‘hundreds of millions’ of videos and Facebook’s not-so-exclusive club has 1.5 billion active users.

So, whilst no one doubts the ability of the internet to connect and engage, how does an organisation cut through the noise to reach the people that matter and engage them in meaningful dialogue?

The art of communication has evolved rapidly through the ages, driven in large part by innovations in technology. From the telegram to the telephone, the television to the internet, each technical innovation swept in on a tide of euphoria and no little hype.

The one constant that has remained throughout is the need to create a meaningful narrative and to make a connection. To inform and engage.

Only once you look past the technical hyperbole, and the technology becomes a ‘means’ and not ‘an end’, can meaningful conversations take place.

And so it is with Digital Communications. First came the platforms. Lots of them. Then came the narrative. As YouTube, Facebook, Twitter and Instagram (to name but four) move into the mainstream, then communicators, and crucially their audiences, focus on the message not the messenger.

In this, the latest BVCA Guide, we focus our attention on the essential ingredients that make up a meaningful digital dialogue, equipping you with the skills to cut through the noise.

Bob Morris
Partner
Content & Creative
Instinctif Partners

Why does digital matter?

Digital Communication is rapidly overtaking traditional communication as the primary communication channels for private equity and venture capital firms.

Earlier this year Greenwich Associates found that 80% of institutional investors use digital media in their regular work flow, and 30% said that it directly influences their investment decisions. In a survey of over 3,000 journalists across three continents, Canterbury Christchurch University found that over 50% of journalists claimed they couldn’t do their job without the internet. And a recent Manpower report revealed that nearly nine out of 10 candidates use company websites as their preferred source of information about a prospective employer.

Each of these surveys conclude that, in order to engage these important stakeholders, digital really matters.

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1 How Social Media Informs and Shapes the Investing Process. Greenwich Associates. 2015
2 2015 Global Social Journalism Study, Cision, and Canterbury Christchurch University. 2015
3 If you build it, they will come. ManPowerGroup Solutions. 2015

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Storytelling

Before a company can begin to engage stakeholders through any medium, they first need to work out what they are going to say. This is especially true of digital media, because it is one of the few occasions when your corporate narrative is laid bare for the world to see and scrutinise.

‘Storytelling’ is perhaps the world’s oldest art form, however in recent years it has gained popularity in corporate circles as communications professionals increasingly recognise the need to communicate a coherent and consistent corporate story.

Storytelling is about developing a compelling and authentic narrative that strikes at the heart of your value proposition, and then relaying that story to stakeholders in such a way as to change perceptions and drive positive behaviour.

The private equity (PE) and venture capital (VC) industry has a great story to tell. PE and VC firms help businesses develop and grow, they drive innovation and job creation, and they enable businesses to compete in the world’s most competitive markets, thereby launching the great companies of the future.

But more often than not PE and VC firms lag their listed peers when it comes to promoting their achievements and raising their profile. Listed companies invest heavily in articulating and promoting their brand identity through effective integrated communication campaigns, both on and offline. With increasing competition...
for capital, many PE firms will need to shout a little louder to ensure their voice is heard.

Of course many PE firms do not have the resources of their larger listed rivals, however they can still take a leaf out of their book. Most will agree that marketing is an integral part of an effective corporate strategy but many fail to realise that communication is an integral component of marketing.

When you start to analyse the PE sector you soon begin to see that the majority of PE firms’ marketing communications lack differentiation. In this environment how can you tell the difference between one investment firm and the other?

This is where effective storytelling can help shape a different narrative so stakeholders can fully understand a firm’s expertise, approach and culture. PE firms need to start thinking about themselves as brands and their corporate narrative should ultimately answer one question: ‘How are we different?’

PE firms need to effectively expand their narrative beyond financial data and key metrics and give a more detailed understanding of their focus and expertise, their investment approach and track record, and their people and culture.

These key differentiators need to be embedded in the firm’s DNA and amplified through all communications.

It’s important to understand that partners are looking for clear, differentiated strategies with relevant and proven capabilities. So get your story out there through multiple channels because effective communication can be a real game-changer.

“Effective communication can be a real game changer.”

Six steps to effective storytelling

- **Be different**
  In order to ensure your corporate narrative stands out from the crowd, you need to differentiate yourself from all the rest. So clearly articulate what makes your firm different.

- **Be human**
  The internet owes its success to the fact it is accessible to all. The language you use needs to reflect that. So avoid industry jargon and stick to ‘every day’ language to clearly communicate your story.

- **Be clear**
  Your digital conversations will attract a broad audience, so ensure your message is clear. Ambiguity has no place on the Internet.

- **Be concise**
  Platforms like Twitter have brought micro-blogging into the mainstream. In part it is a reaction to the short attention spans and promiscuity of internet users, who hop from site to site. You only get a few minutes to make your point so keep it short.

- **Be authentic and credible**
  The internet presents users with an encyclopaedia at their fingertips, so you need to ensure your story is genuine and founded in fact.

- **Be transparent**
  There is no place to hide online. Bury something and it will soon surface. So ensure you are clear and transparent.
Your website: A window to your world

Despite increasing competition from social media, your corporate website remains your primary digital real estate. It is the first port of call for new and existing stakeholders looking to find out more about your business. To that end your website needs to communicate your business purpose and reflect your brand.

Here are six steps to improving your corporate website:

1. **Usability**
   A website should be visual and engaging, but above all else it needs to be useful. Make sure users can navigate your site with ease and quickly find what they are looking for. Divide your story into relevant sections and provide simple menus to aid navigation. Think about what you want to encourage your audience to do and make it easy for them.

2. **Relevancy**
   Your website should look interesting, but resist the temptation to prioritise style over substance. Ensure you include relevant business information including: a description of your business, your vision and values, significant investments and key personnel, relevant financial accounts and above all else, make sure your contact details are readily available.

3. **Brevity**
   Internet users tend to skim-read information and snack on webpages, so keep text short and concise.

4. **Mobility**
   With over 50% of internet traffic now coming from mobile devices you need to ensure your website is ‘responsive’ or ‘adaptive’. That is to say, it can be accessed from all devices.

5. **Content**
   Creative content, including images, videos and graphics will help demonstrate what drives your business and reveal the people and stories behind the numbers. There are those that argue that a website is worthless without content. We agree, which is why we’ve given it a chapter all of its own.

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**IPO: Rule 26**

An engaging corporate website is a must for companies looking to raise funds, particularly those listing on AIM. Aim Rule 26 stipulates that each AIM company must maintain a website and keep it up to date with statutory information, including a description of the business, biographies of directors, and financial performance and metrics.

So if you are planning an IPO it pays to create a website early in the process.

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▲ When Pollen Street Capital brought Shawbrook Bank to market an investor website kept all stakeholders up to date.
Maximizing value with creative content

Content is broadly defined as the ‘assets’ that you publish on your website and share on social media. This includes documents, images and audio files, however the ‘king of content’ is undoubtedly online video.

Films are much easier to digest and they can act as visual evidence of your proposition and demonstrate your expertise. If a stakeholder can see it, then it becomes tangible and based in fact. Films help stakeholders to visualise your business and your team. It helps them to make a connection and aids greater understanding.

Creative content can also help you maximize the value of your investments on exit by promoting a better understanding of the investment case or business proposition, leading to an enhanced valuation. And this is becoming extremely important in the private equity and venture capital industry. At a time when ‘digital’ is your ‘shop front’ to the world, the profile of investment firms and their portfolio companies could often benefit from far better window dressing.

When embracing creative content there are a number of things that an industry professional should consider. Creative content should directly support defined business objectives. It should directly reflect brand and values. And, most importantly, it should be unique.

Online video has rapidly moved into the mainstream, such that there is now an expectation from all stakeholders that films will play a part in your communications. But such is the increasing prevalence of video content, that here too you need to ensure your content stands out. Whether raising capital, pursuing an acquisition or planning an exit, competition is rife, so the need to capture not just the attention, but also the imagination of target audiences is key. Stakeholders expect to be informed, engaged and entertained.

Leading businesses are increasingly eschewing the traditional ‘corporate video’ and are taking a leaf out of advertisers’ playbooks, producing high-impact visual content that connects to the viewer on a human, emotional level. Combining the narrative of the private equity and venture capital industry with the kind of creativity and techniques associated with the advertising industry can be particularly powerful, but it requires a strong understanding of the tastes and preferences of financial audiences as well as real creative vision. So choose your creative partner carefully!

This combination of knowledge, insight and creativity is key when devising and delivering insightful creative content that also directly contributes to an objective – whether that be raising the profile of a firm or articulating an investment proposition in advance of a transaction.

So how does an industry professional choose what types of creative content to use, and how to deploy it most effectively? One of the guiding principles should be to think about storytelling across all platforms of information. Powerful storytelling, as laid out at the start of this guide, can create a strong affinity between target audiences and a brand.

When Alchemy Partners owned, Revolution Bars Group, listed on the London Stock Exchange, a high-quality investor film helped to realign historic perceptions about the brand.

“Visual presentations in the form of video can have a far greater impact than text on investor decisions.”

—Entrepreneurial Insights, January 2015
It can inspire your reputation, your brand, and ultimately influence how your actions are received and judged.

Devising your story is a non-linear process. Creative content opens a new world of opportunities that traditional prospectuses and PowerPoint do not offer. The power of graphics, branding, films and animations is their multi-sensory impact. You don’t need to describe something that can be shown. You don’t need to explain something that can be visually interpreted. You don’t need to ‘convince’ when you can draw your audience into coming to the same conclusions independently. And you don’t need to vociferate when you can be authentic.

There are of course limitations to be aware of. Branding, publications, films and animated content can demand a meaningful investment. Decision makers must be comfortable that a large proportion of the ROI may be anecdotal. And the context within which creative content is deployed can have a big impact on ROI too. But these limitations are insignificant within the context of maximizing the value in a transaction, supporting an equity story, promoting better understanding of a proposition or enhancing a valuation.

In a world of digital shop fronts, window dressing really does matter.

**Ideas for creative content**

Content comes in many guises, but whatever content you commission, make sure it reflects your brand and your voice. High quality content will endure and connect.

- **Investor Film**
  A high-level introduction to your business and your approach. Take viewers on a journey through your firm. Harness the narrative of a corporate storyteller and sell it with strong images like an advertiser.

- **Case studies**
  Investors are always keen to see where their money has been invested, so take them on a virtual site visit through each of your investments. Include footage of operations and sound bites from key personnel at each business.

- **Client testimonials**
  Third party recommendations carry far greater weight than a first person sales pitch, so let your former or existing investments do your marketing for you by producing a series of films in which your partners share their experience and endorse your approach.

- **People profiles**
  The strength of most businesses can be evidenced through the calibre of its people, so profile key employees in short films in which they detail their expertise and experience.

- **Live webcasts**
  Webcasting allows you to broadcast your events and presentations to stakeholders over the internet. Webcasts can be either live or on-demand (archive), and either audio-only or video.

“At a time when digital is your ‘shop front’ to the world, the investment profile of investment firms and their portfolio companies could often benefit from far better window dressing”
Social media

Social media has rapidly moved into the mainstream and is increasingly gaining a share of voice. However such is the proliferation of platforms, even those companies with significant resource will need to make considered decisions about how and where they engage.

To make that decision easier, we’ve listed overleaf the most effective channels for corporate communicators.

It should be noted that whilst it is easy to get distracted by the immediacy and demands of social media, your corporate website should retain its status as your primary digital real estate. Social media should serve to engage old and new audiences alike and drive them back to your website.

Each social media platform is different, but they share a common theme; the need to engage and interact. Don’t just shout. Listen. Seek out like-minded entities and interact.

It is also important to maintain a regular dialogue. Not only will this aid your Search Engine rankings but it also keeps your stakeholders engaged in your story.

If you ultimately decide that social media isn’t for you then close the account. Nothing creates a worse impression than a social media feed that hasn’t been fed.

Even if you decide not to communicate via social media, ensure you monitor all digital channels for mentions of your business, your brand or your operations. Social Media is often the first sign of trouble - the jungle drums of old. Social Media monitoring, at a basic level, is free and easy, using any of the popular search engines such as Google or Yahoo. Email alerts can be received as soon as the alarm bells sound.

And lastly, ensure you deploy a Social Media Policy that all employees understand. In the digital age it is possible for anyone to undermine your hard eared reputation with one ill-conceived post.
“Each social media platform is different, but they share a common theme: the need to engage and interact. Don’t just shout. Listen.”

LinkedIn
Ranked 18th in the global league table of social media platforms with ‘only’ 97 million members, it is a heavyweight in the world of commerce, particularly when looking to recruit new talent.

LinkedIn also enables individuals and organisations to demonstrate their expertise by sharing thought-leadership and opinion pieces with peer groups.

**Best for:** Attracting new talent and promoting thought-leadership

**Tips:** Join groups and share relevant insights

Twitter
Twitter has captured the imagination of users by popularising micro-blogging on the move. In common with other social platforms it affords the opportunity to seek out and engage with like-minded individuals.

**Best for:** Alerting your followers to recent announcements and events

**Tips:** Keep it short and pithy, use hashtags, engage with others

YouTube
One of the original disruptors, YouTube has recently celebrated its 10th birthday and is increasingly encroaching on the mainstream. With ‘hundreds of millions’ of videos on the site, care needs to be taken to ensure your content stands out from the crowd.

**Best for:** Sharing film content with new audiences

**Tips:** Add a catchy title to help your content stand out

Facebook
With over 1.5 billion members, Facebook is the undisputed king of social media and provides a great additional channel through which to reach stakeholders. Principally a ‘personal communications’ platform, Facebook is increasingly targeting ‘professional’ communities, most recently with Facebook at Work, a workplace collaboration tool.

**Best for:** Regular corporate updates and targeted advertising

**Tips:** Keep it relevant!

Instagram
Instagram is the youngest social platform on our list, but has rapidly developed a large and loyal following, even usurping Twitter within certain demographics. Originally conceived as an image-sharing site it has recently expanded into short ‘snackable’ video clips.

**Best for:** Sharing visual content

**Tips:** Use hash tags
The future

The digital landscape continues to evolve at pace. The internet will soon be home to over 1 billion websites and almost 4 billion users. ‘Business internet traffic’ will be amongst the biggest drivers of that growth¹.

At the same time competition for financial capital and human resource is only going to increase as the world economy, and developing nations in particular, continue to grow and evolve.

For those reasons alone private equity and venture capital firms need to find a credible and differentiated digital narrative if they are to stand out from the crowd.

The way that people are accessing and consuming online data is also changing. Online video is predicted to account for 80% of online traffic by 2019 and mobile devices will increasingly dominate. Your stakeholders will expect to access information at their fingertips and consume it in an easily digestible fashion.

All of this means that PE and VC firms need to find their digital feet... and fast.

“Capital will flow to those that shout loudest”
- Stern Stewart & Co. 2009

Notes
About the Sponsor

The Content & Creative practice of Instinctif Partners helps companies tell their story through the imaginative use of digital platforms and channels. Generating big ideas, producing attention-grabbing content, engaging audiences, promoting a change of perception and behaviour, and delivering compelling business results.

We help clients tell their story and make a connection.

Instinctif Partners

Instinctif Partners is an international communications consultancy, combining strategic and creative thinking to help our clients engage and influence their key stakeholders.

Contacts

Bob Morris
Partner, Content & Creative, Instinctif Partners
Bob helps clients establish their digital voice and bring their stories alive using engaging multi-media content. Specialising in high-impact films and animations, he helps clients communicate their business critical messages to a wide range of stakeholders; developing enduring content strategies, originating vibrant and creative ideas, and producing captivating content that encourages recipients to engage, interact and share.

Tel: +44 (0)7714 259 443
bob.morris@instinctif.com

Paul Owen
Managing Partner, Content & Creative, Instinctif Partners
Paul is one of Instinctif's founding partners, with many years' experience in corporate communications. He has planned and managed many corporate positioning, digital and reporting initiatives across a wide range of sectors. His skills encompass strategy development and implementation planning for clients in the UK and internationally.

Tel: +44 (0)20 7457 2019
paul.owen@instinctif.com

What do you think of this guide? Do you have any questions? We’d love to hear from you.
bob.morris@instinctif.com
+44 (0) 20 7457 2020