

# Woodfield Wire

AN E-NEWSLETTER FOR HEDGE FUND MANAGERS  
AND OTHER INDUSTRY PROFESSIONALS

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## Networking for Hedge Fund Professionals

Like many of us in the industry, I was invited to numerous corporate holiday events this year. Although they can be a lot of fun, let's face it, they're also tremendous networking opportunities. Thinking about how to maximize the business potential of such events, we got in touch with an industry leader who specializes in networking: Frank Pusateri, President of Adirondack Portfolio Management, Inc. and CTAEXPO LLC, to ask for a few tips.

Frank consults with money management firms and service providers on business strategy and marketing. He also runs a specialized conference for emerging futures traders. He can talk all day about all kinds of networking, but for the purposes of this article we'll focus on networking in a social setting or at a conference.

The two key questions you should ask in advance, according to Frank, are:

- **What are you *trying* to accomplish?** For most people, the objective is either to raise client equity or sell your services.
- **What *can* you accomplish?** You can make contacts that you can follow up on in the future. To do that, you need to leave a positive and memorable impression and demonstrate some sort of added value to the potential buyer. "Memorable" is important. At a conference where everybody else is in three-piece suits, Frank is likely to wear shorts. "You have to look around the room," he says. "If you're one of a cast of thousands, you have a problem."

### Before the Event

1. **Differentiate yourself and give clients a reason to do business with you.** Look at your direct competition and get literature from six or eight competitors. Sit down, look it over, and ask yourself, "Why would a client hire me instead of them? Why should they take my call instead of theirs?" If you don't have a good answer, you're in trouble.
2. **Figure out how you offer added value.** Remember, there will be other people at the event doing the same thing you're doing: soliciting, pitching and making presentations to the same people. Make sure you offer added value.
3. **Have a good 10-word sound byte.** Just as with marketing literature, you have 10 words to get a person's attention. If you don't have a good catch phrase to cast yourself into your role quickly, you are wasting your time at a networking event.

**4. Plan your pitch.** There's nothing worse than losing track and going off into never-never-land. Frank helped one client write a one-page outline of the 10 points he needed to make in every conversation. "He was his own worst enemy when it came to selling himself," Frank says. "He thought nine of these points were obvious to everybody, but they weren't. If you don't tell them, they won't know."

**5. Identify the people you want to contact.** Everyone and every company is somewhere on the curve of their business life: little, big, growing, aggressive . . . Identify those people who are investing with or hiring people with your business characteristics. It won't do you any good to go after someone who only invests \$10 million or more when you have \$2 million under management, or to think that a major bank will hire a two-person law firm, auditor, administrator or trader.

**6. Make yourself known to those people ahead of time.** "Let's say there are 60 money managers at a conference looking to raise clients," Frank says. "Ten of them already send me their monthly updates (although, if that update looks just like everybody else's, I'm very good at hitting the delete button). Maybe five of them have sent me their company literature. The other 45 are unknown to me and have handicapped their chance of getting my attention."

## Networking Do's

**1. Show up early.** When hardly anyone else is there, it's a great time to talk to people. If you wander in an hour or two late, the early birds will have already been through everyone's pockets.

**2. Be aware at any given point of the dynamics of the activities going on.** For example, you cannot get large blocks of time with people at cocktail parties. Take notes, ask for business cards and scribble on the back of the card.

**3. Keep your eye on the ball.** "I see people at conferences, cocktail parties--people there to sell something or raise money for something--drinking a lot or gravitating to attractive members of the opposite sex or people with no potential to give them anything," Frank says. "They have a good time, but it doesn't get their business where they want to go."

**4. Act successful.** Always walk in the room as if you have five aces up your sleeve. Nobody wants to buy something or invest with somebody who is desperate or down in the dumps or on a downhill slide. Hold your head up, look people in the eye. Dress well (but not a three-piece grey suit; everybody has one). Make an attempt to meet people.

**5. Be nice to everybody.** Everyone came to this event for some reason. Part of your job is finding the person who wants what you're selling, and you never know who that will be. Frank makes a practice of going around and talking to the people standing in corners. "Once in a while you're immensely surprised," he said. "There could be an enormous amount of potential business there."

**6. Be aware of "centers of power"--people who may not actually be buyers but have been in the industry a long time, have a good reputation and get lots of telephone calls looking for things and asking for references.** They can have a substantial impact on whether or not you get a client. You can't afford to ignore them. They're obvious as you go into the room. They're the people everybody knows.

**7. When you do get someone to sit down with you, find a private or semiprivate location.** If you meet in a crowded room, somebody else will be dropping by and asking for an appointment or just start selling in front of you.

**8. Follow up, follow up, follow up.** If somebody asks you for something or you promise something, write it on the back of their business card. If you agree to send it, send it. Then call a week later and see if they got it and if it satisfied their needs. If they don't return the call, call a second time. If they don't return that one, send a note. If they don't respond, put them on your mailing list and stop trying to reach them individually.

## Networking Don't's

1. **Don't overindulge in alcohol.**
2. **Don't make your dinner out of hors d'oeuvres.** It's like the opposite of walking in as if you're carrying five aces; it's as if you're starving.
3. **Don't say "Who are you?"** It's just rude. Better to say, "What do you do?" or do your homework by asking someone who the person is.
4. **Don't be overly aggressive.** This is a person who barges in on you when you're talking to somebody else, or wants to talk with you for an hour when you have 40 or 50 other people you need to talk to. Or who hands you 10 pounds of literature. People like this usually know nothing about marketing or selling and think if they talk long enough, you'll just capitulate. They also tend to ask questions of speakers that nobody wants to know about.
5. **Don't be the person who never contributes to a bar bill.** The more events you do, the more you are invited for dinner, drinks, hospitality. "The industry is very giving," says Frank, "but at some point if you never pay a bill or donate, you get a reputation."
6. **Audiovisuals are overblown.** Sit at a table and talk to your potential client. Have your PowerPoint available, but in general, don't use a computer in a one-on-one meeting. If you're staring at a screen and she's staring over your shoulder, pretty soon, you look up and she's gone!

## Tricks of the Trade for Conferences

1. **Attendance lists.**
  - **If the presenters issue an attendance list prior to the conference, work it.** Go through the list, identify the people of interest and if you have enough time before the meeting, send your literature with a note. They'll actually read it in their office.
  - **If they don't distribute an attendance list until you get there, take the list, find a quiet corner and go through it.** Identify who you would like to talk to. It will help focus your efforts.
  - **Register early.** If it's a conference that distributes its attendance list and you register early, you will be on the list they distribute--it's free advertising.
2. **Don't set up any meetings past 3 p.m. at an all-day conference.** By that time your prospect has already talked to 15 or 20 people; there's no way you won't be "just another one."
3. **Don't assume somebody's going to take home your literature.** You have to assume that everyone is going to be in contact with 30 or 40 other people. Nobody brought enough luggage to take home all that literature. They may take it, but they'll throw it away. Better to make a note and send literature to their office afterward.
4. **If this is your first conference, you are "fresh meat."** Lots of people will try to sell you something. They will pitch you, make you feel important and needed, when all they want is a revenue stream from you. Listen, learn, hear it all, sort out the players. Agree to nothing on the spot.
5. **Assume anything you say will soon be known by everybody.** Conference rumor mills are very efficient.
6. **Conferences don't end at 6:00 pm.** People go to dinner, they get together, they talk in bars. Don't go hide in your room.
7. **If you're going to host an event, scan the schedule carefully and find a time where there will be the least competition.** There are "dead times" in every conference schedule. Having hosted private

cocktail parties, luncheons, dinners, wine tastings and baseball games, Frank isn't really a proponent of such events. "Most are a waste of money. It may fit in with your business strategy under 'image and exposure,' but there are probably better and cheaper ways to do it than spending the money at a conference.

"Everybody should go to a conference at least once to learn about the industry they are in, who the players are and where they're coming from," Frank says, "and then decide if conferences and social events are a good strategy for you." Frank thinks getting an exhibit booth is usually a waste of money. In fact, he doesn't attend speaker sessions, either--unless he's the speaker.

"I just meet people," he says. "That's the whole idea."

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