Why Startups Should Invest in Public Relations Right Now

Opinions expressed by Entrepreneur contributors are their own.

Entrepreneurs often find themselves at a crossroads, deliberating over the right moment to initiate key strategies. As an agency owner who works with many startups, I'm often asked when the "right" time is to engage PR services. Should you wait until you fundraise before investing in PR? Is it crucial to close your round before bringing PR into the picture? Isn't PR for more well-established businesses? The short answer is a resounding no.

The temptation to postpone PR activities until the budget is more robust is understandable but also a strategic misstep that could cost valuable opportunities. Initiating a PR plan from the get-go is beneficial and essential for startups looking to stand out in the competitive landscape of fundraising.

Related: 5 Secrets Your PR Team Is Not Telling You

Perception is everything

In the world of fundraising, how investors perceive your startup can make or break your chances of securing the investment you need. Investors are not merely putting their money into a product or service; they're investing in the entirety of your brand, your vision, and the potential they perceive.

A strategic PR plan is instrumental in shaping this story. It weaves a compelling narrative around your startup,

highlighting its uniqueness and promise, capturing the imagination and confidence of potential backers. This narrative doesn't just reach potential investors; it resonates with them, aligning your vision with their investment goals.

Building credibility before the pitch

Investors are inundated with pitches, each clamoring for attention and funding. Before investors write a check, they look for evidence that your startup is a credible and viable contender in its market. Effective PR showcases your achievements, milestones and the unique aspects of your business, creating a layer of credibility and trust that precedes formal pitch meetings. This pre-built credibility can be a decisive factor in the competitive world of startup fundraising, especially in the current climate.

Related: Raising Funding in a Downturn Isn't Impossible – I Did It (and You Can, Too).

Creating momentum and visibility

A well-executed PR strategy doesn't just put your startup on the radar of potential investors; it generates buzz and visibility, creating a sense of momentum around your business. Investors are drawn to startups that are promising and perceived as on a trajectory toward success. Building an excited and loyal audience around your business can do just that! It signals to the market and potential investors that your company is on the move, achieving milestones and garnering attention – a powerful psychological lever in the fundraising process.

Opening doors to networking opportunities

One of the less obvious but equally valuable benefits of PR is its ability to facilitate networking opportunities. PR can open doors to potential investors directly. A strong PR campaign puts your brand in the limelight and can lead to fielding incoming inquiries from interested investors rather than relentlessly pursuing meetings.

This shift from outbound to inbound interest can be a game-changer, allowing you to spend more time refining your pitch and operations and less time in the constant hustle for attention. Effective PR places your brand in the spotlight, attracting not just potential investors but also partners, customers and top talent. These connections are invaluable, providing support, resources, and collaboration opportunities that extend well beyond the initial fundraising phase.

Leveraging name-brand recognition

PR is about building and enhancing your startup’s brand recognition. In a crowded marketplace, being a recognizable name can significantly influence your fundraising efforts. Investors are drawn to brands that they can trust and believe in—the kind of trust and belief that a strategic PR campaign can help foster. Not to mention, a recognizable brand can attract even more media attention and partnership opportunities, multiplying the effects of your initial PR efforts and laying a strong foundation for future growth.

Don’t wait to start PR

Integrating a PR plan into your fundraising strategy isn’t just about getting your name out there; it’s about creating a strong, positive perception of your startup. This perception

can influence investor confidence, attract additional interest, and position your startup as a leader in its field. Waiting until after you've secured funding to focus on PR means missing a critical opportunity to shape how investors and the market view your startup. It's an investment that pays dividends.

https://www.entrepreneur.com/growing-a-business/why-startups-should-not-wait-before-investing-in-pr/469427