

LEARN@LIFT:

Episode 2

Leading With Empathy

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CUSTOMER DISCOVERY: Module 4, Episode 2 – Creating Context

TITLE:

Leading with Empathy

DESCRIPTION:

Common problems to making corporate-startup partnerships work, and the most effective way to overcome them

[LEARN@LIFT Episode Intro]

Welcome back everyone. In this episode, we're going to discuss something that might seem out of place at the start of the bootcamp — namely, empathy, and how it makes the corporate-startup collaboration process significantly easier.

We're jumping into this topic upfront because it's likely that many of you have already been trying to develop corporate partnerships. And if that's the case, then you know that it can sometimes feel like your corporate counterparts are being deliberately vague or taking a long time to make decisions. It's almost like they're doing it on purpose!

Now, you'll get the more complete and intimate details of day-to-day life as a corporate employee in a later episode, but for now, let's discuss why corporates are acting the way they are in some common situations, and briefly illuminate what's really happening behind the scenes — and how empathy will help you find the right solutions to keep the relationship-building process moving forward.

So, number one. There's no other way to say this: corporate-startup partnerships are HARD work. They're oh so worth it, but the sheer amount of time and intention that's going to be involved in making a deal happen is considerable.

Why is that the case? Well, large companies are typically thinking about each startup collaboration with a portfolio mindset — they may have dozens of other deals in motion at the same time. In contrast, startups typically view active corporate conversations as some of their most important activities. Closing a large corporate deal has the potential to be a major catalyst for the startup with significant implications for staffing, cashflow, and product development. The same usually isn't true, in the short-term anyway, for the corporate partner. This time mis-match is at the root of some common startup-corporate frustrations.

The most common frustration we hear from founders is the time it takes to make things happen. Things as simple as scheduling an introductory meeting can take weeks. There seems to be an endless number of stakeholders involved, who all require the same presentation. Then, once you have every stakeholder onboard, you have to work through the procurement process and work with accounting to get paid. When you add this all up, it can take 12 or more months to go from initial contact to money in the bank. But let's take a look at what's happening on the other side of the table.

Even if your initial contact is interested in working with you, it's highly unlikely (unless they are the CEO) that they have authority to unilaterally make a deal happen AND implement it. That means they'll need to bring other stakeholders into the picture. Each of those stakeholders has their own existing projects and busy schedule to work around. There's a phrase corporate employees use sometimes when trying to find a time to meet — calendar tetris. Imagine trying to find a common meeting time between 7 different people with packed schedules, who all live in different time zones. Difficult is an understatement. Another factor you may not consider is that your corporate counterpart needs to schedule an introductory meeting with you and relevant stakeholders but ALSO needs to schedule a follow up meeting for the stakeholders to discuss next steps, before they meet with you again. With all these steps and people involved, you can begin to understand why scheduling meetings is hard. Really hard.

Another common issue is getting noncommittal feedback from your counterpart. They aren't ready to say yes and move forward, but they also aren't ready to say no. If you've ever experienced this, you know it can be frustrating. You simply don't know where you stand.

But here's why empathy is so important, and it will help you deal with these situations: in all likelihood, your corporate counterpart doesn't know where things stand either. In some ways, corporate environments are similar to your startup — we all respond to immediate opportunities and threats first, while everything else that's more long-term in nature sits lower on our priority list. For example, if you're recruiting a software engineer and you need to hire them immediately, you probably wouldn't move quickly if I wanted to introduce you to a great head of sales for an interview.

In the same way, your corporate counterpart is reacting to urgent, internal needs and putting other external projects on the backburner. Even if you feel, or even KNOW that a corporate collaboration will be amazingly successful for both parties, if there is no urgent internal need, you'll have a difficult time gaining traction. And even if there is a corporate need you're well-aligned with, but another priority is eclipsing yours — for example, an active deal with another startup — your counterpart won't be focused on progressing things with you.

If this situation happens to you, as it undoubtedly will, the best way to react is with empathy — especially since we've just acknowledged that you as a startup founder or operator will often manage your own needs in the same way.

So startup-corporate deals rely on timing quite a bit, and later in the bootcamp, we'll discuss the tactics of how to account for timing while improving your odds of partnership success.

Continuing on, startups and "disruption" are words that often go hand-in-hand. And yes, startups are usually on the cutting edge of their industries. While they don't always survive, startups are usually taking a bet on how the future will look, and doing their best to make that vision come to life. All of that is fine. But what sometimes happens is that founders and early employees develop a feeling of "it's us against the world," and they end up overlooking

the deep industry knowledge of their corporate counterparts. Worse, sometimes this can evolve into a rather patronizing approach.

While your counterpart probably isn't part of the startup ecosystem, that doesn't mean they are ignorant of how their industry is changing. In fact, they may be MORE knowledgeable than you are, simply because they've seen more and lived more, or have access to a higher volume of quality information and research than your startup. Regardless, it's important to respect corporate knowledge, and not grow arrogant. On a related note, using too much startup jargon in your sales pitch or conversations can be another pitfall. Always speak the language of your counterpart, not your startup, so you can properly communicate with each other.

Another item that can be difficult for first-time founders to understand is how much easier it will be to close new deals if you focus on making life easy for your potential partner — not yourself. That sounds simple, right?

But here's what I mean by this: as we just discussed, your corporate counterpart isn't making a decision in a silo. They need to get buy-in from others around their organization. So if you have a great introductory meeting, the next step that your counterpart will need to take is aligning others around the potential. Even though you might know this, it's far too common for startups to make things difficult by not providing materials that can be forwarded.

Write your emails in a way that the content and materials you attach will appeal to the audience your corporate counterpart needs to engage. If your contact is the head of marketing, but they need to forward technical materials onto the IT team, write a short paragraph that starts with, "Your IT team will want to take a look at the one-page infosec overview attached..."

The point is to make it unbelievably easy to share information about your company more widely. If you rely on your counterpart to write their own paragraph, they probably won't do as good of a job as you will, and it will take much longer. And, most importantly, that extra

level of work will lead them to push it lower on their list of things to do, and in some cases, it won't happen at all.

If despite your best efforts, your corporate counterpart doesn't seem to understand what you're dealing with, the solution is sometimes as simple as sharing your concerns. Just as you probably haven't walked in their shoes before, it's unlikely they've walked in yours.

As a founder, you're worried about many things — your customer pipeline, churn rate, marketing funnels, product performance, and if you're not profitable, your remaining runway. It's not that your corporate counterpart has no worries, they just have different worries. They may be worried about budget cuts, reorganization plans, unclear expectations, aligning internal stakeholders, board presentations, and more. So just as you're doing your best as a founder, your corporate counterpart is doing their best, too. You aren't perfect and neither are they.

In times of exceptional frustration, remembering Hanlon's Razor is a helpful tool. Hanlon's Razor, in simple terms, is to never ascribe to malice anything that can be explained by incompetence. Your counterpart isn't purposely slowing things down or ignoring your emails — it might just be buried under 20 other internal emails, or perhaps it was as simple as accidentally opening your email, intending to reply, and then getting distracted.

So it is truly, truly unlikely that your corporate counterpart is intentionally screwing up your shot at a deal. And finally, openly sharing your concerns — framed around the benefit to your counterpart — can lead to a spirit of joint problem solving.

For example, if you can say to your contact, "Hey, I know your VP was looking to see the initial results of a pilot by the end of quarter two, which means we need to kick off our work no later than the end of quarter one. I'm starting to feel concerned that we're already behind on that deadline. How might we work to get back on track together?"

This will lead to a strong relationship, and a greater likelihood of working together than growing frustrated and venting that frustration about missed deadlines.

Okay, now that we've started this process by leading with empathy, we can get excited about jumping into the more functional, tactical piece of corporate partnerships — understanding innovation structures and how these groups who keep corporates at the forefront of their industries operate.

[Insert episode closing]