



CUSTOMER DISCOVERY: Module 6, Episode 2 – The Inner Life of Corporates

TITLE:

A Day in the Life of a Corporate Innovator

DESCRIPTION:

A deep dive into the meetings, politics, and daily schedule of a corporate innovator

[LEARN@LIFT Episode Intro]

During the last episode, we discussed the cultural differences between startups and large companies. These cultural differences like timing, titles, and meetings combine to create a lot of friction in the partnership development process, and can often prevent deals from closing.

In this episode, I'm going to take you behind the scenes of a day in the life of a corporate innovator. Once you've seen what their day-to-day reality is like, I hope you'll be able to more closely empathize with your future corporate partners, and navigate the entire dealmaking process more effectively.

To start, since most large companies have global operations, your partner may have team members working on the other side of the world while they're sleeping. The innovation role can be sliced up into different functions within a company, and creating multiple different regional teams is one type of structure your partner may be operating under. That means waking up to a flood of emails and to-do's as soon as they wake up. If there's an active project that's going on across the pond, their day will likely start very early for a conference call before the rest of their team signs off for their evening. I'm sure you've even started to feel this reality in your own week since we've all started working — and hiring — virtually more often.

Another reality for innovators within large companies is fielding all the opportunities sent to them by internal stakeholders. These opportunities can be helpful, but there's also the distinct possibility of distraction. For example, a board member may read an article in the Wall Street Journal about something and forward it to the company's C-level executives. The C-level executives will then forward it to their head of innovation and ask something along the lines of "what are we doing about this?" As you might expect, this can derail an entire day — or even a full week — and delay any progress on their other projects. If your startup is not directly tied to this newly-urgent priority, there's a good chance you'll be out of mind for a few days. Now some innovation groups do a great job of prioritizing opportunities, and they don't fall victim to the top-down scramble I just described. These skilled groups have what I'll call "air cover." In other words, their senior management protects the innovation group's priorities, so they're free to focus on the goals they've already established.

Now in the last episode, we talked about Calendar Tetris. The sheer number of meetings that your corporate counterpart attends throughout their day is difficult to believe unless you've spent time in the corporate life. What are all these meetings about? Let's walk through a few. First, there are large, team-wide meetings which may have dozens of attendees. These are typically FYI-only and do not require participation, which means many attendees may be multi-tasking; while listening to the call, they'll be answering emails and catching up on their to-do list.

Next, there are introductory meetings with potential startup partners. Just like when your counterpart meets with you, they are also meeting with dozens of other companies every week. To give you a sense of the scale, it's not uncommon for an innovation group to be pursuing one hundred or more projects at any given time. All of these projects are not necessarily active at once, but to even have a pipeline of a hundred projects, there's likely a pipeline of three hundred or more startups. It's not uncommon — for a technology scout, especially — to hold 150 startup meetings every month.

On a related note, corporate innovators build their pipeline of potential startup partners in a variety of ways. You can think about this like you would any marketing funnel. Here are some ways that corporate innovation teams "fill their funnel".

First, some companies will be forwarded to them by internal colleagues, like the board member example from earlier. Other times, startups reach out to them through a cold email — as we'll teach in the next module. Corporate innovators also proactively reach out to startups that are working in areas they're interested in exploring. Innovation teams may also organize what's called an "innovation challenge" that interested startups can apply to. Finally, it's common for corporate innovation groups to have informal relationships with a variety of players in the startup ecosystem, like venture capital firms, accelerators, angel investors, and others. These friendly helpers can serve as an informal scouting network. And how does a VC benefit from referring a startup to a corporate innovator? Simple. The VC will recommend the portfolio companies they've invested in. Helping their portfolio companies sign new customers, and potentially get acquired, is good for the VC's finances and their brand as a helpful investor.

The next type of meeting is a meeting with stakeholders for a particular deal. For example, if the innovation team is evaluating a new digital marketing technology which integrates with their website, stakeholders could include marketing, IT, digital innovation, the eCommerce department, and others. This might include a group of five to six different stakeholders. It sounds manageable, but every project in the pipeline needs a multidisciplinary team like this to help evaluate and push it forward.

Last but not least, your corporate counterpart needs to spend time networking within their company. Large companies can employ more than 100,000 staff, and someone in a role as broad as corporate innovation will need to have relationships with people throughout the entire company. Building these relationships means more meetings.

In addition to all of these meetings, large companies may have mandatory training or continuing education programs for employees. That's yet another constraint on their time.

The purpose of sharing about all these meetings isn't to scare you out of trying to schedule a meeting with a corporate. Instead, by understanding these constraints, you'll appreciate why meetings can take awhile to schedule.

Another reality your corporate partner will deal with during their day is politics — which can get pretty complex if the company is publicly traded. Company politics are created when there are competing priorities. Resources and attention are always limited, so choices and tradeoffs between projects need to be made. Tradeoffs result in politics. Obviously, everyone wants to prioritize their own projects over others', and this can be tricky for a corporate leader to navigate. If a company is publicly traded and just happened to report lower-than-projected quarterly earnings, with higher expenses than planned, you may find yourself on the receiving end of a cost-cutting program that reduces the budget for startup collaborations. This can really throw a wrench into plans.

The effects of a cost-cutting initiative can cascade and completely derail your potential corporate deal. Imagine a company spends more than they expected, and Wall Street hammers the stock. The company then announces it will cut \$100 million of expenses across the board. Each department bears some of this responsibility, including the innovation department. A budget that was expected to be \$10 million is now \$8 million, and unfortunately, your pilot project is one of the unlucky \$2 million in cuts. Better luck next fiscal year, and your corporate partner is going to spend their day delivering bad news to a group of startups.

A mountain of meetings and politics are truly challenging elements to the inner life of a corporate, and they can result in long, drawn-out decision making cycles in the corporate world. And while this is just a brief introduction to the life of a corporate innovator, I hope you're beginning to feel you truly understand your future corporate partner, and are feeling ready to listen to them with newfound empathy.

[Insert episode closing]