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CUSTOMER DISCOVERY: Module 7, Episode 2

The Start-To-Finish Guide to Corporate Deals

TITLE:

Finding Prospects & Building Your Pipeline

DESCRIPTION:

How to identify relevant contacts inside a list of target corporates and craft an engaging, cold email that generates a response

[LEARN@LIFT Episode Intro]

Hey everyone, welcome back for part two of the enterprise sales process. This episode is going to be a fun one! Now that you have an overview of the corporate-startup deal-making process, let's get specific about how to find the right prospects and build your pipeline, staring by learning to write cold emails that get responses. This episode also includes a screenshare exercise that shows you exactly how to do what I'll describe — and you can find it on the Resources page.

Okay, when you're starting to reach out to new prospects, especially in the early days, it will help to ask yourself a few questions, first. I recommend writing your answers down in a document or a notebook, since you'll be referring to it later. You won't need to do this for every prospect you engage, but for the first ten or so, it'll really help to clarify your thoughts.

To start, make a list of ten large companies that you think would make for good prospects for your startup's product or service. Then, ask yourself these questions:

1) One. HOW will my product benefit this company? Will there be a financial benefit? Am I helping them mitigate risk? Improving the customer experience?

2) Two. WHO at this company benefits from my product? Who is rewarded for the improvements I'll make for them? How are they incentivized?

3) And three. WHY would the prospect company NOT want to use my technology? Have they tried something similar in the past? Does it compete with efforts they've already invested in? This question ties into objection mapping, which we'll discuss in the next episode.

The next step is to look for relevant individuals at your target company. Relevant is the key word here. It doesn't help to contact someone in Engineering if you're selling a Marketing product. A tool like LinkedIn will be useful in figuring out the names of the right prospects at your target companies. This is where the screenshare episode will go into the specifics of how to use tools like LinkedIn to aid your outreach — for example, using a combination of keywords, titles, regions, and other filters to complete a targeted search. Make sure to check out that episode on the course page, and know that here, we'll cover the principles you can apply regardless of the tools you're using.

When deciding who to reach out to, look for someone who's high enough to give you clear insights, and someone who can at least make some decisions. Obviously, titles work differently at different companies, but in general, you'll want to steer clear of anyone with a title below Manager. Ideally, your initial outreach should be to Vice Presidents, Directors, and Senior Managers. There is a risk in going too high up the hierarchy — for example, reaching out to a VP. While higher-level titles have the budget authority and decision-making power, they might not be involved in evaluating new technologies at the exploration stage. That said, it can still help to include them as part of your outreach, since there's the chance they may forward your note to someone who works for them. This gives you some instant credibility, too — a Director-level staff will usually explore something forwarded to them by their VP.

Related, here's a quick refresher on innovation groups from our earlier module. It's common for large corporates to have an internal group with the word "Innovation" in their title. Some use the term "Ventures", for example, Anheuser Busch's ZX Ventures. Others may use the term Innovation Lab. Sometimes they're specific to certain functions, like "Packaging

Innovation." As an outsider, it's difficult to know if these groups are relevant to you or not. Are they creating internal ventures? Scouting for external startups to partner with? Making investments? All of this can be hard to figure out from the outside.

In general, innovation groups are supposed to help companies think about the future. That involves a combination of research to inform what business units work on, creating internal ventures, and yes, external collaborations with startups. Innovation groups are usually at the intersection of many different job functions — they're more immune from the corporate communications siloes, so think of them as the bridge into other parts of the organization.

In the case of Comcast NBCUniversal, this is the Startup Engagement team that runs the program. They are your "front door" for navigating the company and can be your guide from day one. They know what's happening across every brand and business unit, they'll know if you're a fit for one of their programs or another part of their work — like their accelerators or the enterprise-ready LIFToff programs — and they'll know which contacts inside their business may have a need for your technology.

The only downside to working with an innovation group is that sometimes, depending on the company, they may not be able to independently authorize and fund a pilot, let alone a full-scale contract. But in some companies, innovation groups have a wide scope of responsibility and can work with you from the beginning to the end of a pilot, and even an investment.

So, with all of this said, innovation groups should indeed be a part of your outreach, especially if you're selling technology. They may not be your end user, but they can be a great place to start, potentially help you launch a pilot, and become an internal champion for your startup.

So how do you actually reach out to and connect with the right prospect? This question can feel pretty daunting if you're just starting out and don't have a large network of investors or advisors to draw on. While warm introductions are useful, cold outreach is not only doable, sometimes, it's just as preferable.

Why is that? Well, when cold email is done well, it's dependable. You can reach out to anyone — regardless of your circle of influence — at any time. It's a skillset that you can sharpen, and you can use the results to develop your messaging over time. And this method, emailing, will be the most common way you find new exploratory meetings in your corporate journey. Calling isn't exactly dead, but cold email has lots of advantages, including both speed, tracking, and CRM integrations. Cold email can get a bad reputation, but that's because of how people use it — not due to anything that's wrong with the approach itself.

Now here's what you want to avoid: using a generic template and blasting it out to as many potential leads as you can find. This is a quantity over quality approach.

You want to do the opposite. Because if you think about your own behavior, when are you most likely to respond to a cold email? It's likely when:

1) One, the cold email directly addresses a major need you're feeling. For example, if you're actively recruiting a software developer and a developer emails you their resume, you'll respond.

2) Two. The cold email brings you more revenue or more customers. For example, you're selling a hardware device and the purchasing manager of Best Buy cold emails you, asking to carry your product. You'd respond to that, right?

3) Three. The cold email saves you money. For example, if you're paying $500 per month for a service, and a similar service offers you the same thing for $99 per month, you're likely going to reply.

None of these are foolproof, of course. There are other factors that play into whether you respond to or even open a cold email, including whatever else you have going on that day, whether the email ends up in your inbox or the 'promotions' tab, if the subject line catches your eye, and more. Now multiply those factors by ten for someone in a corporate environment. It can be difficult to fathom just how many emails a corporate employee gets on any given day. It's a lot. Corporate employees, especially those in external facing roles like innovation, are often inundated with requests.

This means writing a subject line for cold email is an artform. We'll discuss this in detail during the screenshare episode, so for now, let's break down the basic structure.

First, your subject line needs to catch your prospect's eye. It doesn't matter how good your email content is if they don't open it, so you need to create a "welcome interruption" in their day. Tying to be cute or mysterious can backfire here. Keeping things straightforward but useful is your best bet. Something like "Reduce your inventory costs by 26%" is a good bet. Or you could personalize this even more. For example, if you heard your prospect speak on a podcast and mention something that's relevant to your product, you can use a subject line like "Heard your podcast interview — we can help." As I said, this is more art than science.

Which brings me to an extremely important point — personalization. You absolutely need to personalize your cold emails. It can feel good to send out 100 generic cold emails, like you're being incredibly productive. But you're not. You're actually much better off investing the time it takes to send 20 highly-personalized emails. That said, you can still do this in a structured way.

To start, break your email into four, bite-sized parts. At the top, lead with some type of context that outlines why you're reaching out — and something that you couldn't possibly send to another prospect. Did you spot a quote in their LinkedIn profile description? Did they post about the same kinds of technology you're building? Make it all about and wholly unique to them.

Next, give a short, almost tweet-sized pitch about what your company does at a high level. Then, follow that tweet-sized pitch with why you think it's relevant to the prospect, specifically. Why should she and her company care about what you do? Four, provide some concrete examples, if you have them. "Brands like Huggies have been able to connect with 200,000 new mothers every month", or "CVS reduced their energy costs by 18%..." A concrete name with numbers helps paint the picture in your prospect's mind.

Finally, close with the next step. What action do you want them to take, if they're interested? In most cases, this will be a short call or Zoom meeting where you go into more details, so make sure this is a clear ask. And finally, give the prospect an out — it helps humanize the interaction. For example, you can say that if there's someone else in her company that you should be speaking to, you'd appreciate her pointing you in the right direction. You can be more or less creative with your emails, but this is a proven structure.

To state the obvious, cold emails get a lot more non-responses than responses. More NON-responses than NO responses, too. For this reason, you should expect to follow up with your prospects 3 to 5 times, each. If you still don't receive a response, put them on a list to contact later, perhaps in 3 months or so. As we mentioned earlier, selling to corporates is about timing as much as anything. 3 months can mean the next quarter, and in the corporate world, the next quarter can bring new priorities, which may be good news for you.

So how will you know if you're on the right track? One of the tools you should be using as part of your outreach is email tracking — again, we'll cover the tools themselves in the screenshare — and what you'll want to track is called the 30 / 30 / 50 rule.

Roughly 30% of your prospects should be opening your email. If you're lower than this, your subject lines need some work. Of these openers, 30% should reply to you. If not, your email content — or the profile of who you're targeting — needs to evolve. So that's roughly 1 in every 11 emails that gets a reply. And from there, you should be converting 50% or more to a first meeting. Some may say now's not a good time (mark your calendar for a follow up), or point you in the right direction. Across industries, a solid range to shoot for is roughly 5-7% of cold emails ending in a discovery meeting. If you're performing at that level, you're on the right track.

From here, track your activity on a weekly basis, and try to expand your output as much as possible. If you're creating 3 new discovery meetings each week, how will you make it 4 next week? And 5 the week after that?

All of the same thinking applies to your deal pipeline as well. Once you make it past the initial discovery meeting and qualify legitimate alignment and interest in partnering with your company, that company becomes part of your opportunity pipeline, which you want to diversify as much as possible. Timing on corporate deals is tricky. Really tricky. The process may take 100 days, if you're lucky. Or it may take 18 months. Or it may never happen. It's extremely difficult to tell when you first start the conversation, so having many "irons in the fire", so to speak, will lead to more consistently closing deals to grow your business.

Alright now, to summarize, you've learned how to identify relevant contacts inside a shortlist of target corporates, how to craft an engaging, cold email that generates responses, benchmarks to determine if you're on the right track, and we're ready to move into the next episode that will cover what to do once you've started a conversation — and how to turn that conversation into a pilot project.

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