



## CUSTOMER DISCOVERY: Module 7, Episode 3

### The Start-To-Finish Guide to Corporate Deals

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**TITLE:**

Progressing Deals from an Introduction to a Pilot

**DESCRIPTION:**

Learn how to structure a meaningful pilot project and get to work alongside your corporate partner

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**[LEARN@LIFT Episode Intro]**

Welcome back everyone. This will be the last, but longest episode in this module, and it's packed with points you won't want to miss. Now if you listened to and have already started applying the steps from the previous episode, you'll have a calendar with multiple introductory meetings lined up. So now, we'll discuss what happens once a prospect agrees to meet you, how to handle the introductory and follow-up meetings, and how to land a pilot project.

Buckle up. The points we'll cover span what can be months and months of time in the corporate world, so absorb as much as you can, and don't be afraid to go back and listen to this twice.

Picking up where we left off, once a prospect responds to your outreach with an interest in learning about your company, the next step is an intro meeting. Your goals for this meeting depend on who the prospect is, whether they have budget authority, and a few other factors, but generally, this meeting will not lead to a sale. Not even close. It's one of several steps.

The reason for this multi-step process goes back to something we discussed earlier. Startup-corporate deals often exist at the intersection of multiple internal silos, and therefore, requires the buy-in of several stakeholders. For example, if you're building a digital marketing

technology, you may need buy-in from the marketing department, who will be using and paying for the technology, and the IT department, who will be responsible for implementing the technology, and integrating it with their existing tech stack.

Your corporate partner may need to loop in people from multiple departments for a second introductory meeting, but they'll likely only send an invitation to that meeting after vetting you themselves. On top of this, corporate schedules are pretty busy already. When you combine those two factors, it isn't hard to see why it may take a while to get a deal moving. If your prospect asks to meet you again in 2 or 3 weeks, don't take that to mean they aren't interested. And if you don't get a response for a couple days after expressing interest, it doesn't mean your prospect is all of a sudden not interested. It's more likely that they're trying to coordinate internal schedules.

Another thing to remember from earlier is the need to remove risk from the equation. Nothing will make a corporate prospect run away faster than the perception of a highly-risky product, whether that's risk to their brand, reputation, technology, or something else.

Putting this all together, the purpose for your intro meeting is to give your prospect an overview of what you do, how you can benefit them, demonstrate that there are minimal risks, and help them learn to sell it internally. Most importantly, remember that you're starting to work with a person — not a company. Try to make a genuine, personal connection with them. How does your prospect think of themselves? What drives them? What frustrates them? And how can you not only help them get their job done, but become the person they want to become in the world? It's that human, one-to-one connection that will motivate your counterpart to work with you.

Okay, so you did that, and your first introductory meeting went well, your prospect is now interested, and they've assembled the right group of colleagues to hear you out in a broader introductory meeting. So how are you going to communicate all the information you need to get across during a 30-minute intro call? The most common way to do this is a slide deck — more on that in a second — along with a short demo and discussion. The specifics may be different for your company but a general rule of thumb for structuring these calls is the

following: the first 5 minutes is for introductions and segue, another 5 minutes for a slide deck, 5 minutes for a demo, and the last 15 minutes for questions and discussion. Starting a call with 5 minutes for introductions can sound like a lot in a 30-minute meeting, but considering your prospect may have brought a couple other stakeholders with them, it's important for you to understand who your audience is. Going back to our digital marketing tool example, if you know the call is entirely made up of marketing folks, you would frame your presentation differently than if it were a mix of marketing and IT. Understanding the job of everyone on the call will also give you more insights for selling into other companies, too — you may find that you hadn't considered the value that a seemingly-unrelated department gets from your tech.

After introductions, it's standard to walk through your slide deck. There are different schools of thought on sending your slide deck before the call. Generally, I prefer not sending the presentation before. The reason is so you can control how you want to tell your story. If someone reads your deck without any context or guidance, there's a higher chance of them misinterpreting it. If you do need to send materials ahead of time, you have a few options. You could create a one pager which has a very high-level overview. The other option is to create a version of your deck that's designed to be read, not presented. The choice is yours.

There's some room for creativity with your deck too, but there's a tried-and-true format that generally works best. To start, share the story behind your company and your personal story as an entrepreneur. We're all human. We connect with others through stories, and sales is no different. If you have a personal connection with the problem your company solves, break the ice with it. Your corporate counterparts are likely craving this kind of interaction in their day, and you have the chance to help them feel joy, curiosity, or excitement. Something different than their day-to-day routine.

After sharing your story, it's time to dive into the problem you're solving. Your goal is to have your prospects nodding, agreeing that they've faced the same problem. Not only is it cathartic to hear someone articulate the pains you're feeling at a deep level out loud, it's incredibly important to get buy-in at this step. If your prospects don't believe that the problem you're solving is something they struggle with, the technology and the use cases you

present won't resonate. And if you can't get buy-in at this step, it can be a sign that this company isn't a potential fit — which is totally fine by the way — or that the prospects on the call aren't the right ones to present to. Either way, getting buy-in on the problem is essential to moving a deal forward, so spend as much time on this section as you feel you need to. Seriously.

Now you might be asking, if your initial prospect told you all their problems in your very first meeting, why spend time on the problem with the broader group? Remember, you'll likely have a number of different perspectives in the meeting now, and you need to take the time to get attuned to what everyone's feeling.

Okay, once everyone is on the same page about the problem, share how you'd like to solve that with them. For this section, show them, don't just tell them. Generally, if you can show how your product works through some type of demo or customer story, that's ideal. It can, though, depend on your specific product and preferences. And I can't overstate this, just make sure you connect your solution to the problem that each person faces individually.

Once you've shared your solution, a predictable question will be, "How much is this gonna cost?" You don't have to have a detailed pricing breakdown here, but giving an outline of your pricing model will help make your conversation more concrete. For example, is pricing based on usage, number of locations, bandwidth, users, or something else? Your corporate counterpart will be looking to understand the structure more than the actual numbers at this point, although providing a cost range can be helpful, if you have it. And be specific and be concise when answering this question. Giving a meandering or a cagey answer can be a signal to the corporate that you're not actually sure what the right cost structure for your technology is.

The next question will be about traction and proof. Remember that phrase, "No one ever got fired for buying IBM?" The corollary is that your prospect will want to know if there's someone like them backing your solution, and whether or not it's working. This goes back to the de-risking idea. Proof can be the names of existing customers, if you have them, or other data points, if you don't. For example, data like "our product helped customers save 22% on

hosting costs”, or “we enhance mobile conversion rates by 19%”, or “our technology reduces abandoned carts by 24%”, will all make your solution sound more solid. The riskiest thing you can say to an enterprise at this stage is that you have no proof — but you’re looking for feedback and help developing the product. If that’s the case, why would they go out on a limb to be the first, and risk their own reputation?

These are the essential elements you need in your deck. Depending on your company, industry, and product, there can be others to include, perhaps technical details or comparisons to existing solutions. You may also create an appendix with slides covering FAQ’s. And don’t forget, just like everything else you do in your company, your pitch will change as you collect feedback from prospects. Continue to iterate.

The Q&A portion of an introductory meeting is incredibly helpful to you as an entrepreneur. This is when you find out what parts of your product are resonating with your audience, and what needs to be changed or clarified, plus what objections you need to navigate. You’ll should also be capturing those objections in a master document as you conduct these intro meetings. Not only will this document be a great repository for you to note how to answer common concerns, it will make it easier to teach new team members how to do the same down the road.

Next, let’s discuss what happens AFTER the intro meeting. If your prospects are interested, they may mention some collaboration opportunities towards the end of the meeting. If they don’t, it’s a good idea for you to ask for next steps and feedback. Try your best to make them comfortable enough to give you honest feedback. Remember, getting a “No, this isn’t a good fit for us right now,” is much better than a “maybe,” as much as it may hurt in the moment. A clear No tells you where you stand, and it allows you to make changes if necessary and move on to new prospects.

If you sense that your prospect is interested, there are several questions you’ll need answers to. The following list will get you started, but as we’ve said throughout the bootcamp, specifics will depend on your company, product, and prospect.

- Are there any other stakeholders who we should bring into the conversation?
- Can you walk me through the process of getting an engagement or pilot project started?
- Do you require an NDA to continue the discussion with more specifics? (Note: Companies will often take an intro meeting without an NDA, but to get into specific details, a signed NDA is a common requirement.)
- Is there any budget available for a pilot this quarter (or year), or are we aiming for later?

Don't get me wrong, though. Going from an introductory meeting to a pilot still requires some more work after the introductory meeting. Most of the time, if things are progressing, you'll end up doing multiple introductory meetings with the prospect, involving multiple stakeholders and departments, slowly expanding your reach over time. The goal of this process is to scope out a pilot project and get a full understanding of their needs, one meeting at a time.

More meetings is a good sign, and typically, structuring a pilot can require anywhere from 4 to 8 different conversations, with as many different contacts. As you complete these meetings, what types of input should you be collecting? What goes into a well-designed pilot project?

It helps to think about every pilot project like a scientific experiment. You need a hypothesis to test — for example, that your conversion optimization tool will increase sign-ups by 10% or more. Then you need to design an experiment that can validate or invalidate your hypothesis. A pilot project doesn't need to be long — but the timeline should allow you to generate enough data, and smooth out any anomalies. It shouldn't be a one-week experiment. The typical timeline is 90 days, but it could be as long as 6 months. And to pick the right hypothesis, ask yourself (or better yet your prospects), what's the biggest, riskiest assumption you're asking your prospect to believe? Structure all of the metrics to your pilot project around this, as well as single, clear gateway or "trigger metric." This metric, if hit, is what will signal to everyone involved that you're ready to move to the next step of scaling up.

When you're selecting your metrics — and collecting intel in your exploration meeting — figure out how your prospects are evaluated and compensated. What determines whether they get a raise in their annual review? What "OKR's" or "KPI's" are they managing to this quarter? Ensure there are no conflicts between these goals and what you're asking as the startup. For example, could a successful pilot result in recurring spend to license your technology, when the business unit has been told to reduce recurring costs?

To get these metrics right, you'll also want to consider your end "state and date." What will the world look like if your pilot is successful? And if you're thinking about that in the context of the pilot, think bigger. Think commercial success. That's your ideal end state. A great way to do this comes from Swisscom, a large telecom provider in Switzerland. They begin every pilot with an LOI (a Letter of Intent), so that before they start any work, they and their startups write out two pages that describe exactly where they hope to take their relationship for the long-term.

So, ask yourself, what is it that you want out of this partnership — and do your stakeholders and their sponsors agree? Is everyone on the same page? And get specific. I mean really, really specific. Turn a distant mirage of the future into a crystal-clear picture. What will life look like for your partner in one year if you're successful?

The balancing act when drawing up your pilot's scope of work is ensuring that the project is large enough to be relevant and meaningful to your stakeholders — bringing the corporate far enough "into the future," in other words — while staying small enough to be manageable for your team to pull off. A common barrier to scaling after the pilot project ends is that your stakeholders can't create enough excitement about the results internally to allocate more resources. So, don't try to keep the pilot so contained that it ultimately costs you your end goal — a much larger deal.

One more word on this. The worst possible outcome to your pilot is an ambiguous result — which leaves you vulnerable to the whims of the moment, and a "maybe." To clarify this, though, you are always vulnerable to internal whims. Political pressures that your corporate

counterpart faces daily can affect your outcome, but having an ambiguously-measured pilot will increase your exposure. By a lot.

Finally, the money part of this. How should you price your pilot project? In an ideal world, you'll be making money on the project, not just covering your costs. But you don't want to price yourself out by overcharging, either, as the real money comes after the pilot. So this is a balancing act, too. But as I said earlier, you should definitely get paid for pilots. It's a sign that the pain your solving is enough of a priority that everyone is committed to finding a solution. There's not a precise formula, per say, for pricing pilots. Just remember that your goal isn't a pilot project — it's an ongoing engagement at scale. That's what we'll be discussing next.

So to summarize, expect to spend time in anywhere from 4 to 8 different meetings, with the goal of collecting enough intel on the pain points, measurables, stakeholders, and proof points you'll need to structure a meaningful pilot project, and get to work alongside your corporate partner.

**[Insert Episode Closing]**