



CUSTOMER DISCOVERY: Module 8, Episode 1

Managing & Scaling Up a Successful Pilot

TITLE:

How to Manage a Successful Pilot

DESCRIPTION:

The steps you'll want to take to ensure a smooth proof of concept that makes your partner eager to expand your work together

[LEARN@LIFT Episode Intro]

Okay everyone, we've covered a lot of ground in our bootcamp so far, and if you've skipped ahead to "get to the good stuff" — managing your corporate pilot and starting to scale up — go back and listen to the prior episodes. Seriously. Structuring your pilot upfront in the right way is critically, critically important for your success. So if you've done everything up to this point, you have a live pilot. Now, it's time to discuss what happens once your pilot starts, and how you can scale up a corporate engagement from there.

If you're already here, congrats! Kicking off a corporate pilot is a HUGE accomplishment. Reaching this point means that your product and technology addresses a clear need, that your pitch and follow-up meetings were handled well, and that your company was deemed "risk-free" enough to be worth taking a chance on.

And if you just got a greenlight for a pilot project, here comes the paperwork. Usually, there will be less paperwork and an expedited process at the pilot stage, so I'll cover a few brief points here, and we'll circle back to this piece in the next episode, when we dive deeper into scaling up your pilot.

It's likely that you'll have to sign a standard legal agreement with items like a data usage, confidentiality, and privacy policy. Make sure to look for reciprocal indemnity, warranty, and liability terms that are easy to understand and accept, and if you have questions, ask your point of contact. You may need to interact with the legal team slightly, but a pro tip here is that any time you're able to use a more controlled environment for your pilot — like dummy data or sandbox environments that lower your barrier to entry — you'll significantly reduce your paperwork. Also, if the procurement team that sets up your banking information and supplier profile in their system extends your payment terms beyond 60 days, explain that you typically work with 60 day, or less, payment terms.

Okay, so now you're launching the pilot project, and you know this isn't the end goal. All the time you spend working toward this simply won't be worth it if the project doesn't lead to ongoing engagements. So here's how to actively manage the pilot to improve your odds of success.

In the early days of your pilot, staff training and providing some hand-holding to the end users of your product is paramount. While you have specific goals and metrics you're marching toward, you need to make sure that your product is understood, used correctly, and becomes a habit. The keyword here is HABIT. This is critical. If your product has become a habit and part of your users' everyday rhythms before the end of the pilot, it's nearly guaranteed that you'll earn a full contract, provided there aren't significant issues.

There's a great quote from the founder of multinational beauty conglomerate, Estee Lauder, from a time when Mrs. Lauder was first convincing the owners of high-end specialty stores, like Neiman Marcus, to give her counter space. Stanley Marcus was quoted as saying, "It was easier to say yes to Estée than to say no." In the same way, the EXPERIENCE of doing business with you — your pilot project — should make it far easier to say yes to you, than to say no and walk away. If it's painful for the corporate to say, "No, we won't go any further," you've done your job really well.

This means starting any required training for the end users of your technology from the very beginning of the pilot is essential. So are regular check-ins with your key stakeholders — the

frequency of these check-ins will depend on your specific situation, but bi-weekly check-ins are a good place to start. This allows you to get ahead of any issues, confusion, or problems that are coming up while using your product. And the shorter the feedback loop is that you're working from, the better you can adjust in real-time to manage any extra staffing or time you need to invest to succeed.

Another reality you should be aware of is that when a group of stakeholders own a project, nobody owns it. That's something called "collective disresponsibility." So, you'll want to identify a single point of contact who's your ambassador, and is responsible for getting you the people, dates, access, and data when you need it, while working through others.

When it comes to your ambassador (make sure THEY know they're your ambassador too, by the way), over-communicate in between those recurring check-ins. See if you can open up informal lines of communication, like texts, Slack, or quick 3-minute phone calls too. Remember, you're both in this together. When stumbling blocks arise, don't leave it until your next check-in to share if things are on track or derailed. Sometimes, pilot issues will be on the corporate side of things, and there's a handy mental model to remember here. It's called Hanlon's Razor, and it basically says that things will go awry from a simple lack of awareness — not malice. By giving your corporate partner visibility into the problems you're experiencing, and the hardships they're causing, you're giving them the opportunity to correct issues early. Remember, their intentions are good and they're in this with you. Bringing these kinds of items directly to them early creates the added benefits of trust and vulnerability, too.

In the cases when you run into obstacles with those outside of your immediate champion — like procurement, for example — a well-written troubleshooting email can go a long way for helping you get things moving again. To help you out, there's a set of template emails included on the course resources page for you to check out — and hopefully never use!

From here, it's time to do what you do best. Deliver. Do great work, and make it an absolute joy to do business with your team. Strive to surprise and delight your counterpart during every one of these interactions — and hit your metrics. If you do, you'll soon be ready to start scaling up.

Let's hit pause for a second and put this into the context of Comcast NBCUniversal. When you're first scoping out your pilot, you will typically be working directly with a business unit to define your goals, metrics, the timeline, and so on. Once you've agreed to the scope for your pilot, procurement will enter the picture, and you'll have a point of contact on the LIFT Labs team who's by your side throughout this entire process. Procurement is who will help you get your business set up in the right systems so you can, for example, submit your invoices against a Purchase Order. Note: procurement and legal are not the same thing. Legal is the fourth player who will enter the picture. Getting your agreement through the legal process can vary, and it's not always clear cut. For example, if you do go the route of using dummy data, you're lowering the level of privacy and data concerns, and either adding or cutting certain exhibits to your agreement accordingly. So these steps are often a little bespoke, and the LIFT Labs team are your liaisons with procurement and legal.

And, your contact at LIFT Labs will be your advocate throughout the entirety of your pilot. This contact will be someone you're interacting with even more frequently than the business unit you're ultimately supporting, to ensure you're navigating the process smoothly. So as you deliver on your project, you'll be reporting back to your LIFT Labs contact on everything from pilot milestones, KPI's, and deliverables in weekly and monthly check-in meetings. These meetings are a HUGE part of your future success, and here's how you'll want to prepare for them.

1. Be proactive, even before these meetings occur. When you choose to communicate early and often, you're giving your advocate the gift of choice: to act on that information fast, if needed, to store that information in their notes, or not do anything with it.
2. Make it easy for your advocate to do their job. Articulate what you need, from who, by when — and be specific. If you're unclear on anything, ask questions, and don't assume.
3. This sounds simple, but it makes a world of difference. Fill in and return every form quickly.

4. Finally, come into your meetings with a point of view on how the work is going. What's your side of the story? What learnings and value are you seeing emerge? Help to shape the story of your project, so your advocate has something to share back to the business unit with you.

Now we're getting close to the conclusion of your pilot, and I highly recommend starting the scale-up process early. At a bare minimum, this means you should ask your key stakeholders what the next steps are, who needs to be involved, and what issues they anticipate. You'll also want to make sure they have what they need to sell your success. Can you develop a mini case study that speaks to your early results? Can you re-develop your initial deck to share next steps with any higher-level executives that weren't part of the structure or rollout of your pilot?

Here, you'll also want to start broaching the budget topic. to make sure everyone is on the same page. If you anticipate charging \$200,000 for an annual contract and your corporate counterparts are assuming \$20,000, that's something you want to solve as early as possible. Obviously. Another note on pricing: as you scale up, you will probably be expected to give reduced per-unit pricing. You'll justify this to yourself by looking at the scale of a potential project. For example, let's say you sell a point-of-sale software system to be used in retail stores, and you typically charge \$50 per store, per month. If you were selling to a company with 10 stores, the price would clearly be \$500 per month. But if you're selling to a company with 1,000 stores, they will probably expect a discount from the \$50,000 per month standard price. Giving a small discount can also help your internal champion advocate for the deal internally — which will undoubtedly receive an extra level of financial scrutiny — and they get to look good by helping their company save money.

You'll also need to navigate your corporate partner's legal process in a different way. Every company handles this a bit differently. Some companies have fast-tracked processes for startups and contracts below a certain threshold. Others have one standard process no matter if the contract is for \$200,000 or \$200,000,000. Two common legal agreements for software companies are a Master Services Agreement, known as an MSA, as well as a Statement of Work, known as an SOW. In general, MSAs are the rules governing a relationship

between companies, while an SOW is the work agreement for a single project. For example, if you work with Comcast NBCUniversal in a commercial agreement, typically, you'll create an MSA to govern your relationship generally, but you may also execute several different SOWs, each covering specific projects. You can find an example version of these documents on the Course Resources page. This legal process isn't a trivial matter — know that it can sometimes take longer than the whole process of negotiating and managing the pilot, so it's best to prepare for a long review in legal, and then be pleasantly surprised when the process is shorter than you had expected.

Another thing to remember is enterprise companies may engage in pilot projects for many reasons beyond a simple customer relationship. Your enterprise partner may also be evaluating your company as a potential investment or acquisition target. This is something that your partner will bring up themselves if they're interested, but it's something to keep in mind as you work together — and it should be a part of the “end state and date” conversation we covered in the last episode.

Finally, in all of this, don't expect a decision to be made immediately following the official conclusion of your pilot. Sometimes, your partner will be ready to make the call on how to scale up as soon as 30 to 90 days. But it can take a while longer in many cases, and in other cases, your pilot may lead to “phase two” and “three” pilots with an expanding scope — maybe you'll start moving from 1 to 10 different markets, for example. So there can be multiple phases to your pilot, and that's actually a good result. It means you're becoming an increasingly trusted, integral part of how your partner gets their job done.

And there you have it.

We covered quite a lot, from the most important pieces of how to launch a pilot, to managing your project and the communications with your partner during the pilot phase, to easing into the process of scaling up. Now, make sure you check out the course resources page to put them to work as you continue applying what you've heard.

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