



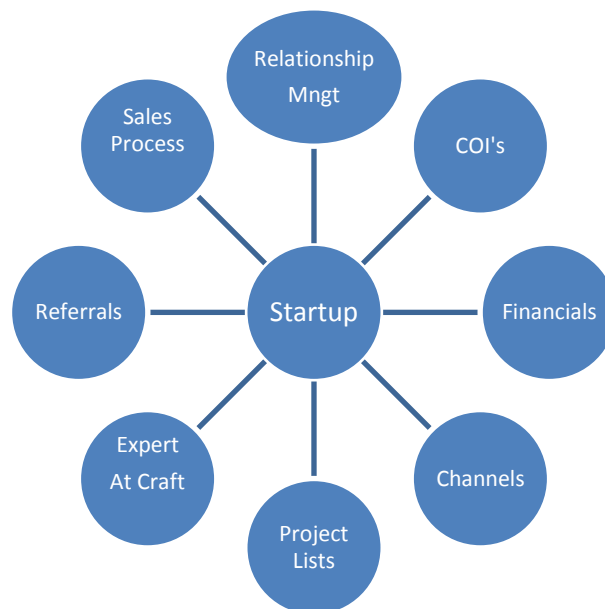
Founder's Toolkit Instruction

Business Development 101

Efficient Business Development strategies for startups are essential considering most all are undercapitalized even after seed and angel funding. A business way of thinking is crucial when going through the customer discovery process, business model canvas, prototyping, and pitching. It is all about relationships at the end of the day which means your business development can begin immediately. Does it mean that you are selling products and services before you even know your idea has merit? Of course not but it does mean that you can be gathering data and you can be planting seeds. It will also make sure that your discovery work is concise and not wasteful.

Startups should be building the following in order to ignite business-

- Relationship Management
- Centers of Influence
- Project Lists
- Channels
- Sales Process
- Financials
- Referrals
- Expert in your Craft



All of these areas are perfect transitions from the business model canvas-

Customer Relationships → Relationship Management

Key Partnerships → Centers of influence

Customer Segments → Project Lists

Channels → Channels (both entail Go To Market strategies)

Value Proposition → Sales Process

Revenues & Costs → Financials

Customer Relationships, Key Activities → Referrals

Customer Segments, Value Proposition, Key Activities, Key Resources → Expert in Your Craft

Relationship Management- what specifically is needed to keep a client on board and satisfied (specific touch points, tools, and materials)

Centers of Influences- mutually beneficial relationships to refer business based on having similar clientele. Ex: financial advisor and estate planner

Project Lists- initial guesses of who is in your network that would be a potential customer; 200 is a good starting point

Channels- specific ways to reach customers

Sales Process- how will you generate leads, what is needed to turn leads to customers, and what is the shortest lead to close time frame

Financials- detailed account of financial situation, forecasts, budgets, headcounts, assumptions, etc.

Referrals- customers and non-customers sending you business (goes back to relationship management)

Expert in Your Craft- becoming an authority in your industry for customers and non-customers

A startup should be constantly working on these areas of the company to explore what works and what does not work. Experiments in the business model need to be run just the same as they do for the technology. Many times it is these basic business development techniques that keep startups afloat before their more robust automated sales engines can turn on.

Customer Discovery- business development strategy is a major contributor to the customer discovery process because it lets the startup know where they truly stand with a potential customer. Most startups shy away from asking poignant questions that could lead to answers they don't want to hear. So they generally talk in terms of "what do you think of my idea," and not in terms of the 4 hypothesis; which leads them down incorrect paths versus changing and molding their idea. Business development strategy forces a startup to start relationship building and not just getting feedback in the customer discovery process. Instead of a one and done meetings, it should be the start of a continual pre-customer relationship. Keep the potential customer in the loop via content and updates, or whatever was determined in the relationship management process. This way when your product is ready for launch you already have warm if not hot leads to test for revenues.

Pitching (elevator or investor) is business development, and startups need to understand this no matter what stage of the business they are in. What many startups learn is how to pitch, but most never learn how to respond to feedback or questions; this is where most become defensive. Things to consider:

- How to listen
- Overcoming objections
- Behavioral tendencies
- Reading body language
- Spin & Bring back to the core
- Asking questions
- Knowing when to stop
- Etc.

Pitching is actually the most important component to business development because it is the factor that you control. Second this is where the initial sell is made.

A common mistake is that many startups feel that just by building their technology and innovation, when doors open business will just come in. The fact is that it never goes as planned so steps must be taken to generate business just in case (which is almost always). Business development is not a switch that you can just turn on; actually it is habitual, meaning the habits must be laid early. It will increase your Investable Story exponentially if you do the work because you will have real results to talk about to investors and not future predictions.

Other Things to Consider-

4 P's- Preparation, Purpose, Participation, Plan
3 C's- Confidence, Control, Conviction
Demeanor & Body Language
Professionalism
Relevant Small Talk
Taking the Lead in the Meeting
Introduction- Set Expectations
Taking Mental Notes & Exercising Them
Reading Body Language
Getting Affirmative Responses (power of yes)

Ignite Questions that You Know the Answer To
Take the First Risk (Make the Ask)
Closing with Action
Knowing When to Go Off Script
Do You Deserve Their Business (Introspection within the Meeting)
Hitting Weaknesses Head On- Conflict Resolution
Smiling and Nodding May Not Be a Good Thing
You Have to Believe It, For It to Happen