Bridging the gap between startups and corporates: Six golden rules for founders

Founders, ever wondered what you're missing when talking to large corporations? Here's how you should be selling your product to large enterprises.

Temps de lecture : minute

---

3 February 2023

Startups and large corporations speak different languages. Everything takes on a different meaning when you are comparing companies with thousands of employees and those with few enough to squeeze into one boardroom.

And yet, these two parties frequently meet; more than that, it is firmly in each of their interests to interact and do business. Startups offer interesting, innovative, often radical new solutions that can transform the way corporates manage and support their employees to the ways they do business. On the other side, large enterprises have the large cash reserves and vast customer reach that can turn a startup into a scalable and profitable business.

To succeed, founders need to learn the language of corporations, understanding what constitutes them and how they behave. Doing this successfully can pay dividends but sometimes it's easier said than done. We sat down with Chris Muir, Head of Sales and Jess Bonner, Head of Origination at *Capita Scaling Partner*, the startup accelerator arm of Capita plc, to understand better how startups can work efficiently with enterprises. Capita Scaling Partner's unique equity-for-services model sees a full-time team of dedicated employees work with each startup to grow their network and unlock sales opportunities within Capita’s vast network of clients and suppliers.

Chris and Jess recommend six golden rules to stick to when selling to large enterprises:

#1: Listen more than you talk

Founders and startup sales teams will no doubt be used to rolling out their pitch to close deals. But often it can be beneficial to do more listening than talking.

There are certain important questions that you need to know answers to before you should progress with any deal process. These are the criteria that you need to meet as a company in order to work with that specific buyer.

Head of sales Chris Muir explains that all too often, deals fall down to simple ‘yes or no’ questions for which you have to meet their fixed criteria.

“You don't want to invest tons of time in an expensive process. There may be certain deal breakers which, if you had known from the start, you wouldn’t have bothered starting the conversation,” Chris says.

Trying to get deals over the line is incredibly time-consuming. As a small startup, your capacity will be stretched thin as it is—every hour of your team’s time needs to be put to good use. Bearing that in mind, you have to be sure that you aren’t wasting your time on deals that are destined to fail.

#2: Understand how the organisation is run

Part of making best use of your time is properly understanding how an organisation is run: more specifically, where the decisions are made and cheques are written.

Chris describes three types of organisation:

- Centralised/Centralised—this is where decision making and budget both come from HQ
- Decentralised/Decentralised—organisations like IBM, where you have multiple, even hundreds, of divisions that each have decision making power and their own budgets
- Centralised/Decentralised—a centralised budget but decentralised decision making

Recognising what best reflects the clients you’re working with will help you know what the working relationship will be like, and understand if it's a viable deal in the first place. For example, Decentralised/Decentralised businesses are brilliant to work with as a startup. They can make much faster decisions, can sign off on budgets much more quickly and easily.

Read also
Capita invests in WithYouWithMe to help military veterans fill the digital skills gap

#3: Involve lots of stakeholders

Make sure you aren't putting all your eggs in one basket. Often you'll spend your whole time dealing with one person: and when that person leaves, the deal can vanish. It's a simple process, but make sure you are involving several different stakeholders from different parts of the organisation to ensure that you have buy-in from lots of different places.

#4: Constantly refer to the other partners you're working with

This can really be a deal breaker in a sales process. If you're working with big, well-respected names in the corporate world, don't be afraid to shout about it. This can really help to get other large organisations over the line as they understand, on a basic level, that your product works and that you're competent at dealing with large scale clients.

Jess Bonner, head of origination at Capita Scaling Partner, says this is one key asset that their portfolio has: that they’re already working with Capita as a partner. It means small startups can easily punch above their weight, selling to businesses with thousands of employees.

“When you’re selling, make sure you dive into examples of the companies you’re already working with. Show you know how these partnerships work. More than anything, this shows humility, that you understand the process and can make it as easy for them as possible,” Jess says.

#5: Track (and share) your numbers

It sounds obvious, but so many startups neglect to do this. If large enterprises are looking at your product, they’re interested in seeing the numbers behind your success.

Before starting the conversation, do your research into the company and try to understand what sort of data they’re going to want to see. This will no doubt be one of several metrics—nothing too complex but equally important to show. More than anything, it’s about showing that your product is able to track this.

Too often the emphasis is on the qualitative. Try to be more quantitative where possible.

#6: Don’t be afraid to start small

You don’t have to worry about landing huge deals with every partner you sign: often, there can be benefits to starting small. Firstly, it may be a lot faster to get a deal through. Most companies will have a threshold of £X amount: over this, you'll need a horrendous review process, whereas under this, it should be fairly easy. In this case, you'd much rather sign ten small deals than one huge deal that takes years to come in.

You should also understand the mindset which large enterprises operate in. If they see other parts of the organisation buying your product already, then it can easily spread across the business. You won't need extensive legal reviews, security clearance, etc—this will all be approved already.

> *"If you're able to get a small deal to get through the door, prioritise this. Because once you're in, you can sell, sell, sell," Chris says.*

The advantage startups have is their ability to move fast and make decisions swiftly. But that means adjusting to the speed that larger enterprises tend to work at because deals can take months, often years to go through.

Their overarching advice? While large enterprises might want to move slowly, startups sadly don't have this same luxury, especially if you're burning through your runway. You should go through the above checklist, and quickly work out if a deal or partnership has potential. Sticking to these rules early on could be the decider on whether your business is a failure or (hopefully) a success.

Capita Scaling Partner has partnered with TechMarketView to find startups and scaleups that have a digital solution to facilitate the automation and transformation of the public sector. Find out more and apply here: https://www.techmarketview.com/capitascalingpartner/

Article by Simon Lovick