

# Business Partnerships for Start-Ups

Steven Rogers  
Mitch Rosenberg

# Start-Ups' Biggest Problem:

- Raising Money?
- Building a Team?
- Cool Product?
- Manufacturing?

# Business Problem:

- Your company has:
  - World's fastest data server!
  - World's cheapest server!
  - + it extrudes gold bricks!
- You have \$\$ of VC money

# Business Problem:

- Is that enough to succeed?

# Real-life Example:

- Customer “A”:
  - Has about 10k employees
  - Urgent problem - no good solution
  - Our device solves it
  - Work MUCH better
  - Save them \$\$millions in ops
- Would they buy? <sub>5</sub>

# Real-life Example:

- Answer = “No”
- Reason = “We buy from Cisco, Nortel and IBM” ... “We have never bought a product from a small company ... let alone a start-up”
- Why?

# Real-Life Example:

- Why?
  - Decision-maker gets “Thanks” when problem is solved.
  - When a “risky” product doesn’t perform... “Who Bought This!”

# Problem?:

- Startup = Perceived Risk
  - small company
  - product rough
  - “VCs could wreck this company”
  - etc...



# Solution?

# Partnerships

# Why?

- Partner can lower the perceived and real risk.
  - expert
  - stable
  - known

# Three Simple Partnership Machines

- Lever




- Inclined Plane



- Wheel



# Leverage

- Leverage: 
- Use the Partner's fulcrum to move the Customer.
- The partner says, "This product works!"

# Inclined Plane



- Use the Plane to Raise your Perceived Reliability:
- Ex: Credible Suppliers: “Our manufacturers also make your IBM stuff.”

# Wheel



- Don't drag into every Customer:
  - Credible Reps: “We already Know Emily who runs IT at PharmaCom”
  - To PharmaCom: “DrugsRuS Just bought this”

# Partnerships

- Rarely Succeed without them
- Most are Accidental
- Simple Machines will make the process much, much easier

[srogers@rivulet.com](mailto:srogers@rivulet.com)