

16. Early Customer Engagements Should Be Domestic—The Closer to the Startup’s Headquarters, the Better

As noted in the previous Playbook Strategies, there are never enough resources or time to tackle the array of challenges that face even the well-equipped startups. It is most common for the early strategy discussions and development efforts to occur within the tight confines of a garage, residence, or small office space. It is in these environments that entrepreneurs and the earliest members of their teams collaborate freely as they work to put definition around a concept. Over time, a framework for the architecture is established and each member of the team assumes responsibility for a portion of the overall solutions architecture. With everything in close proximity, these think tanks are fertile ground for early productivity.

As the team expands, the most forward-thinking upstarts soon recognize the need to engage with a manageable number of customer prospects in an effort to Home in on specific use cases. Once it is determined which end-markets to pursue, the team leverages its collective network to lock in preliminary discussions with the chosen targets. In parallel, product development efforts are moving full-speed ahead and time is of the essence. With these dynamics in play, it is most effective to coordinate web-based discussions and only where it makes the most sense, on-site meetings. As an advisor to Versa Networks, this was precisely the game plan we followed, working to connect remotely whenever possible and avoiding any time-consuming travel commitments that weren’t absolutely necessary. Fortunately, we were able to successfully connect with several meaningful prospects within a short drive of the office, making it possible to coordinate on-site meetings at the most convenient times, without traveling more than a ZIP code away. Through the years, I have seen this strategy pay great

dividends as close geographic proximity tends to foster the cultivation of relationships that are built to last.

Although it is not always realistic to expect that a startup's most meaningful prospects will be located nearby, the ability to secure web-based collaboration remains an effective strategy irrespective of the customer location. Another important variable worthy of consideration for early-stage companies is the need to focus product development resources on domestic market requirements. It is not uncommon for unique features to accompany customer opportunities that surface outside of the company's country of origin. The ability to support such engagements puts an unnecessary strain on the limited pool of resources in place that are inevitably stretched thin in the early going. Startups don't often have the ability to choose where they will find early traction, but for those fortunate enough to align with target prospects nearby, the benefits enjoyed cannot be overstated. Uber and Airbnb made San Francisco their first market; Versa collaborated with Google, Apple, Twitter, and others; Extreme Networks forged early OEM alliances with nearby 3Com and Sun Microsystems—these Silicon Valley upstarts reaped notable benefits from the local collaboration that resulted. This Playbook Strategy has proven to create early leverage that has helped propel many of the most notable startups to greatness.