Partnering Effectiveness: How Small Companies and Big Companies Can Partner to Bring Solutions to the Market

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Presentation Outline

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- Politics (1 slide)
- Advice and insight (2 slides)
Goal of the Session

Help improve understanding of what is going on when large companies and small companies try to get together, based on my experience.
Chris Rhodes Background

VP Business Development
- Cofounder
- Capital raiser
- Executor of first deals (Bayer, Dupont)

Product Manager, Robot Gator
- Product development
- Product sales
- Co-manager of partnerships with NASA, iRobot

Director, Global Fuse Business Development
- Manage 20+ partnerships
- Scout partners
- Negotiate agreements
Continuum of Partnerships

Supplier -> Distribution Partner -> Development Partner -> Joint Venture -> Acquisition
Why Do Small Companies Want to Partner?

1. Sales
   - Lock in a sales contract
   - Engagement point with customer (seed, machine, etc)
   - Distribution

2. Expertise
   - Big company experience
   - Market insights and new business models

3. Capital
   - Project or company capital
   - Hope to be bought someday

4. Reputation
   - Credibility
   - Take a step to something bigger or different
Why Do Big Companies Want to Partner?

1. **Portfolio**
   - Fill a clear gap – easy path to add a product to the portfolio
   - Earn a big, audacious win
   - No single company can develop the best solutions for everything

2. **Innovation**
   - Creativity
   - Faster development

3. **Reputation**
   - Cutting edge, open, etc.
   - Don’t miss out on the next big thing
   - Build marketing story

4. **Boss says so!**
The Perfect AGCO Partner

1. **Stable**
   - Well capitalized
   - Seen as leader in industry
   - Clear long-term strategy

2. **Agriculture-oriented**
   - Deep ag understanding
   - Field experience

3. **Product fit**
   - Fits perfectly off shelf
   - Exclusive access to product
   - Strong testing and validation

4. **Customer validation**
   - Existing customer base
   - Provides access to existing customer base
Key Features of Big Company Dynamics

1. Stakeholders
2. Resource constraints
3. Annual planning
4. Focus on execution vs. creativity
5. Career management
6. “Not invented here”

- Little backstabbing
- Most keep company as priority #1
- Corporate rules keep things in check
Advice on Approaching the Big Company

1. **Understand the partner**
   - Understand what your potential partner is looking for before the meeting
   - At least cursory knowledge of the partner is an absolute must
   - Paint a picture of how your product/service/company fits with the partner—describe why they should care

2. **Be articulate about the product**
   - Be able to describe your product and its value well
   - Be able to describe what differentiates you from your competition

3. **Customer oriented**
   - Talk about the experience of your customers/trials
   - Give specific evidence of value

4. **Deliver well**
   - Go light on the buzz words
   - Tell the truth for sure; exaggerate sparingly
   - Have someone there who understands ag
Advice on Managing Towards Partnership

1. **Drive for proof of value**
   - Test thoroughly
   - Prove demos

2. **Use customers for more than just sales**
   - Get customer feedback that you can share
   - Understand dissatisfied customers
   - Provide access to customers for potential partners

3. **Have a long term vision, with a path to success that you can articulate**

4. **Ensure that you have strong plans for service and training**