

The background features a complex, abstract design. It consists of numerous thin, dark, wavy lines that create a sense of depth and movement, resembling a 3D grid or a series of overlapping planes. The color palette is primarily dark brown and black, with some lighter, muted tones in the shadows and highlights, giving it a sophisticated and modern feel.

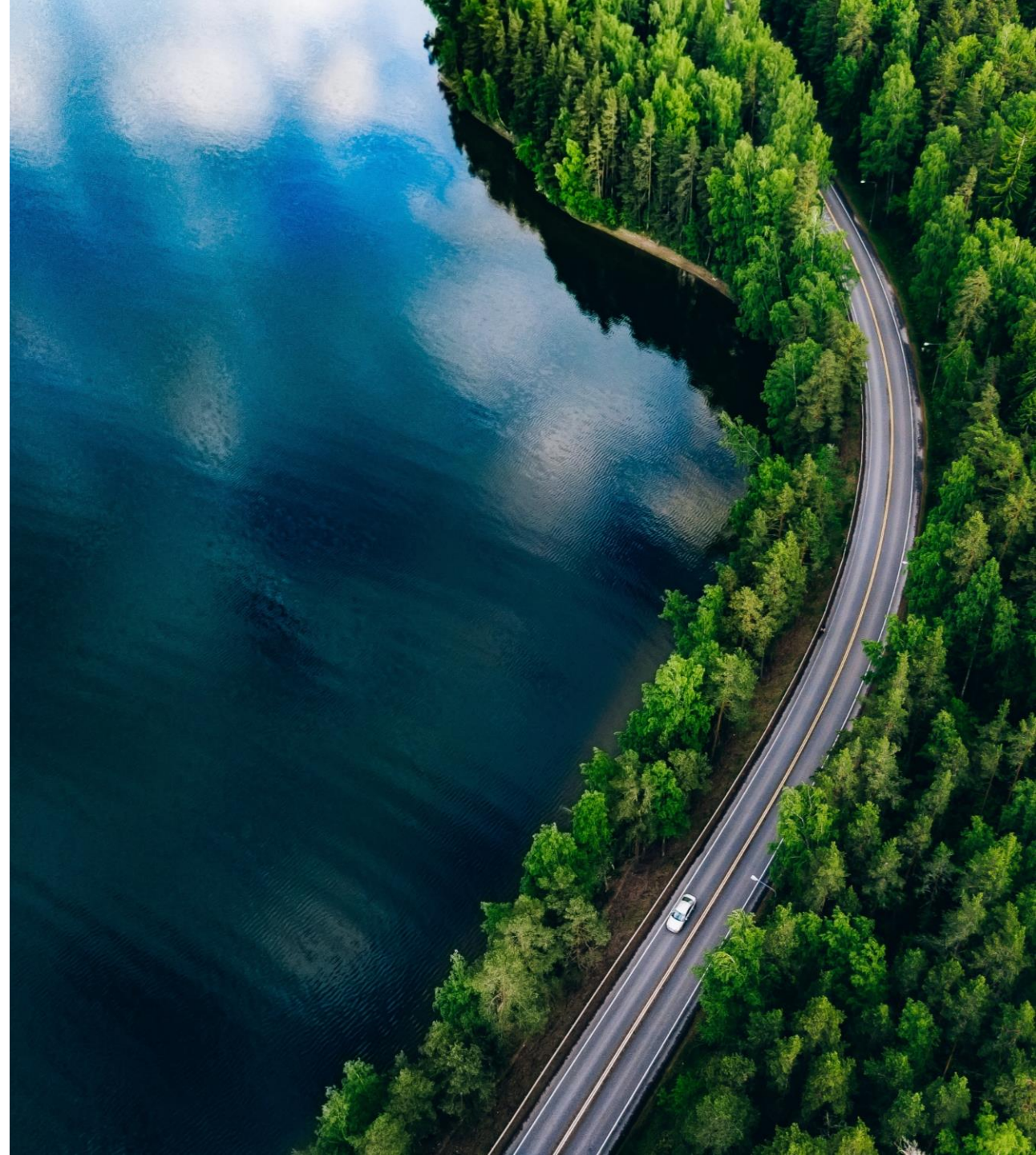
# Partnering Between Established Companies and Startups

JOE PENNELL AND SCOTT YOUNG

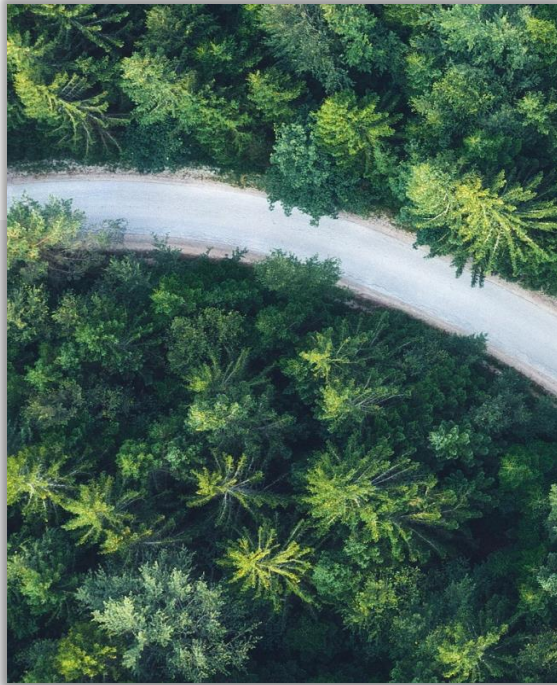
**WHAT IS AN ESTABLISHED COMPANY?**

**WHAT IS A STARTUP?**

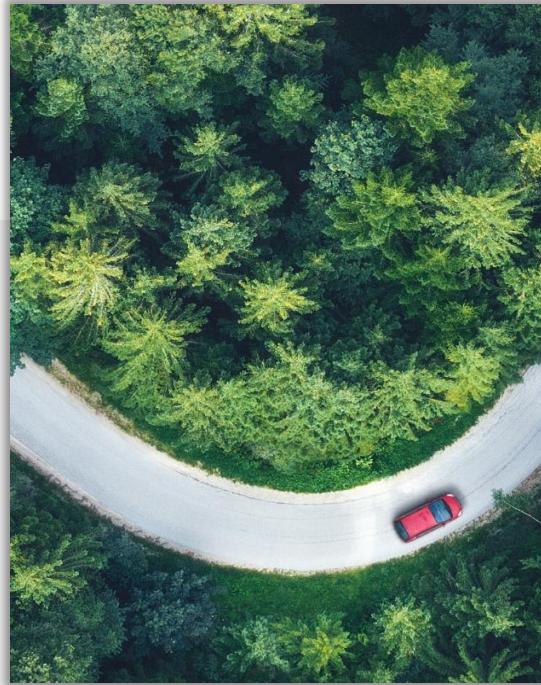
**WHAT IS A PARTNERING DEAL?**



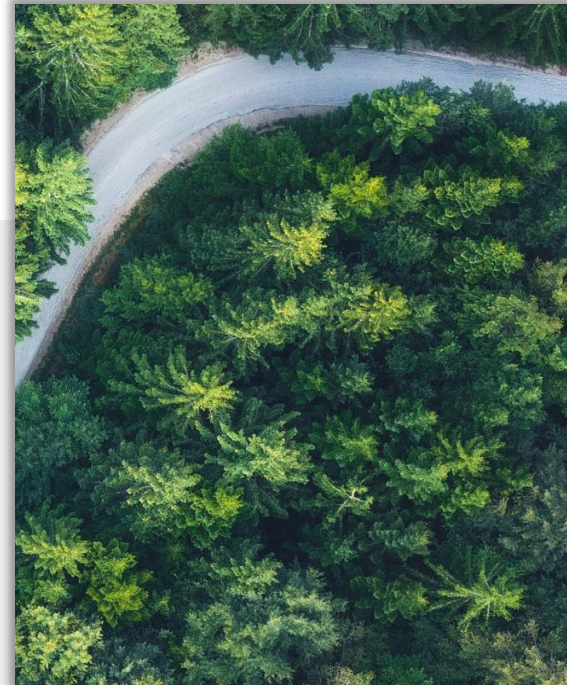
## DEAL PROCESS



1.  
EVALUATION



2.  
PREPARATION



3.  
NEGOTIATION



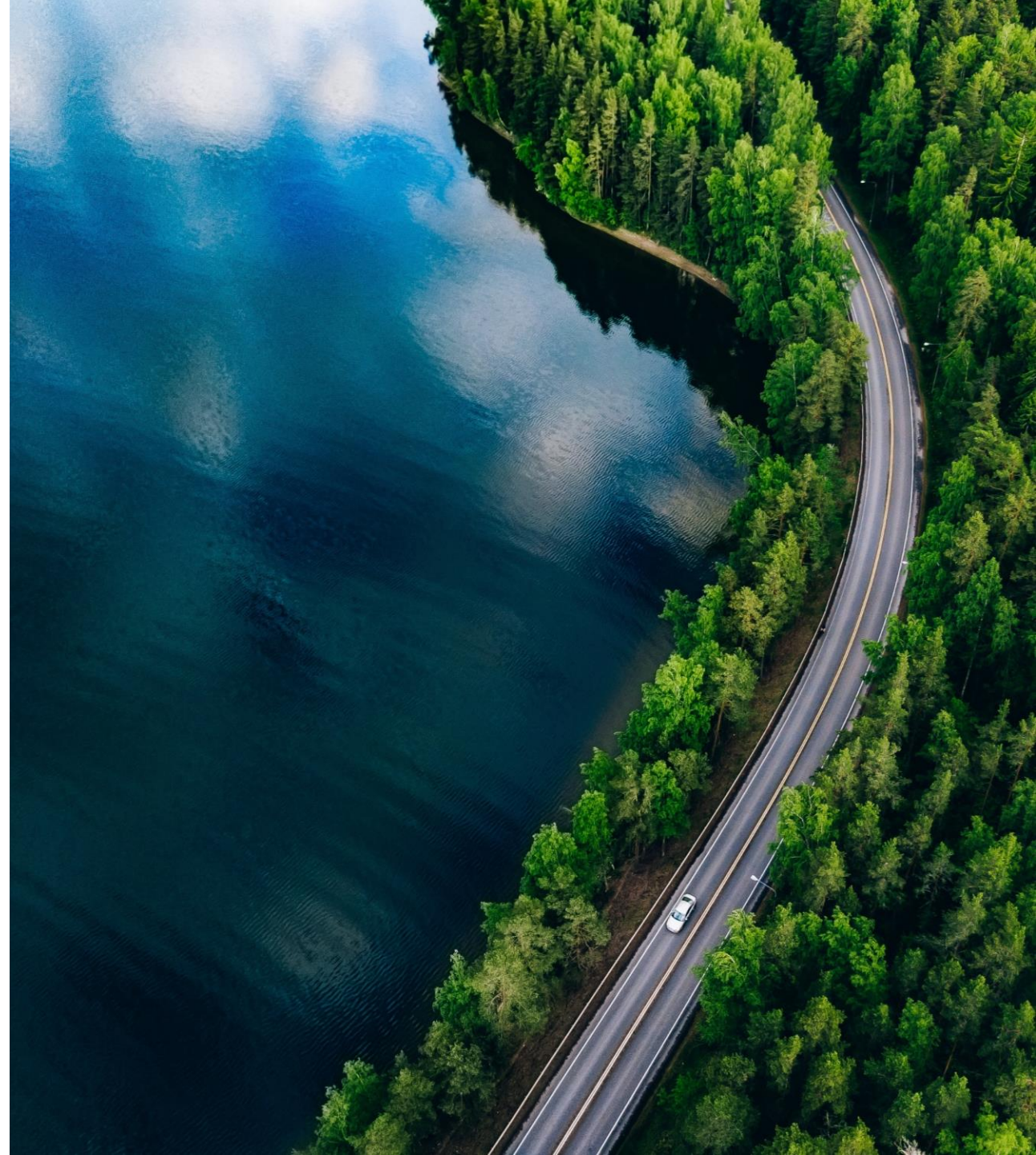
PHASE 1  
EVALUATION

## **ESTABLISHED COMPANY TIP:**

- Understand the Value Proposition and the Startup's Plans

## **STARTUP COMPANY TIP:**

- Develop Relationships of Trust



QUESTION #1

*Does your company have a formal process for evaluating a potential counterparty pre-negotiation?*

## DOES YOUR COMPANY HAVE A FORMAL PROCESS FOR EVALUATING A POTENTIAL COUNTERPARTY PRE-NEGOTIATION?

**A.** Yes.

**B.** Yes, but only for deals over a certain size.

**C.** No.

**D.** We don't do deals. I'm just here for the food and the cocktail hour.

QUESTION #2

*How broadly is your company's  
unique value proposition  
understood?*



## HOW BROADLY IS YOUR COMPANY'S UNIQUE VALUE PROPOSITION UNDERSTOOD?

**A.** Understood by everyone. This is a big emphasis.

**B.** Only understood by sales and marketing.

**C.** Only understood by sales and upper management.

**D.** My company is in trouble. Articulating the value proposition has been left entirely to the legal department.



PHASE 1  
EVALUATION

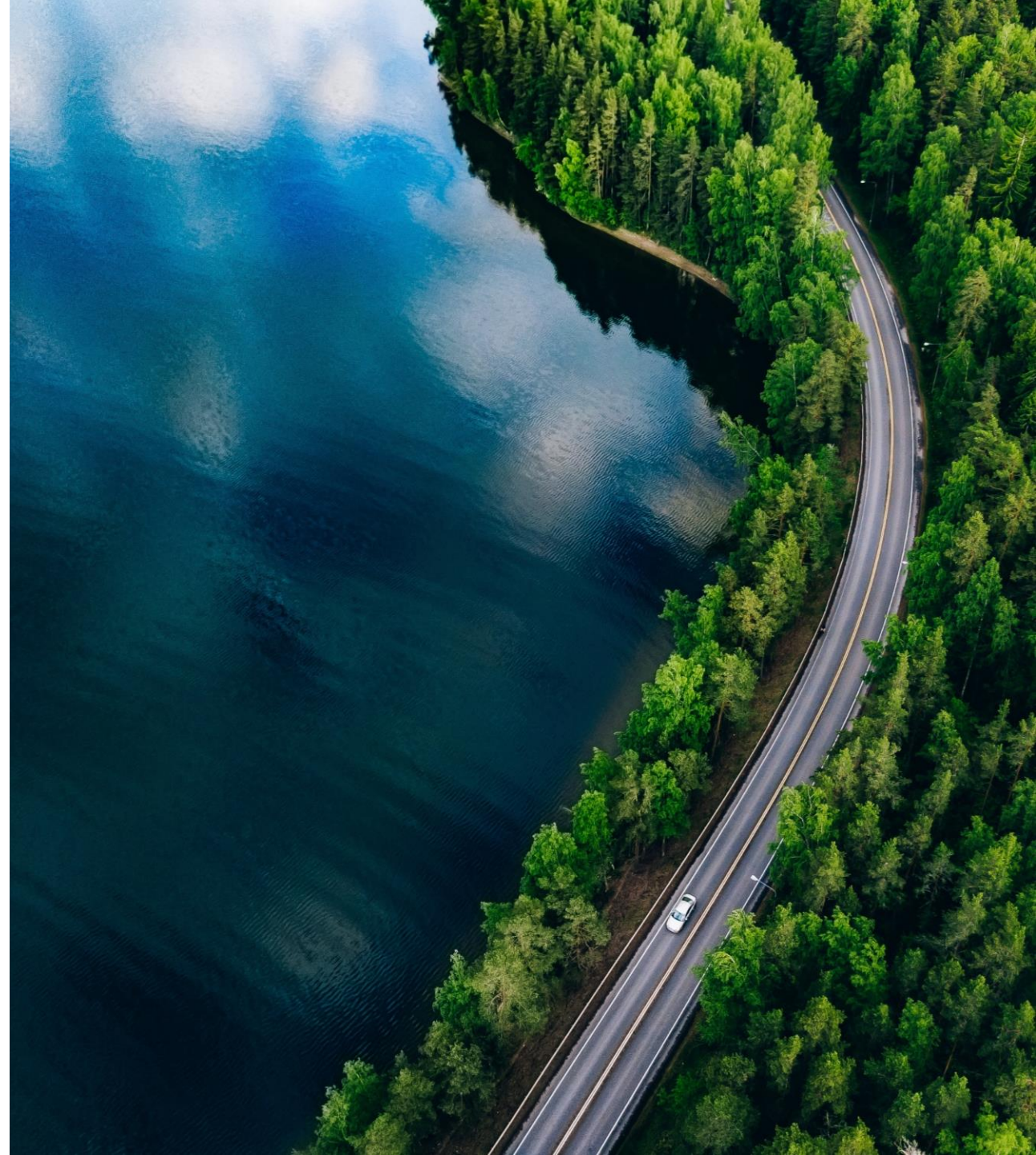
PHASE 2  
PREPARATION

## **ESTABLISHED COMPANY TIP:**

- Conduct Due Diligence

## **STARTUP COMPANY TIP:**

- Open and Honest Communication



A blurred photograph of several business professionals in a modern office environment, walking past a large glass wall. The image is out of focus, creating a sense of motion and activity.

QUESTION #1

*For established companies, do you conduct due diligence on startups for Partnering Deals?*

## FOR ESTABLISHED COMPANIES, DO YOU CONDUCT DUE DILIGENCE ON STARTUPS FOR PARTNERING DEALS?

**A.** Yes.

**B.** Yes, but only on deals over a certain size.

**C.** Yes, but process is informal.

**D.** What is due diligence again?

A blurred photograph of several business professionals in a hallway, creating a sense of motion and activity. The image is overlaid with text.

QUESTION #2

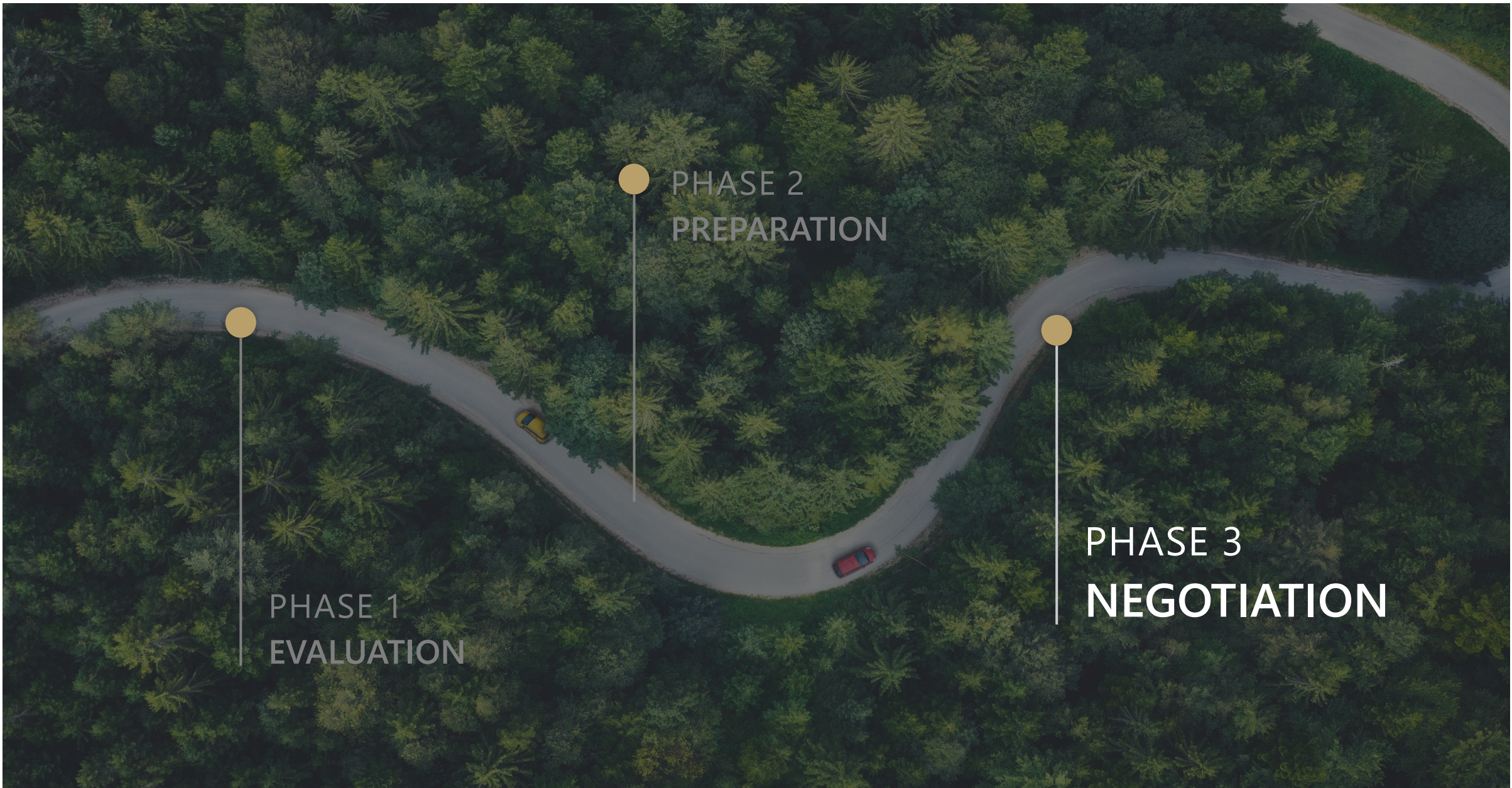
*By a show of hands, how many  
people have seen a Partnering  
Deal:*

## BY A SHOW OF HANDS, HOW MANY PEOPLE HAVE SEEN A PARTNERING DEAL:

**A.** Die as a result of a show-stopper discovered before negotiations.

**B.** That went to negotiations, but should not have, because of failure to discover a show-stopper.

**C.** Survive with a creative solution to a perceived show-stopper before negotiations started.



PHASE 1  
EVALUATION

PHASE 2  
PREPARATION

PHASE 3  
NEGOTIATION



## **ESTABLISHED COMPANY TIP:**

- Use Term Sheets

## **STARTUP COMPANY TIP:**

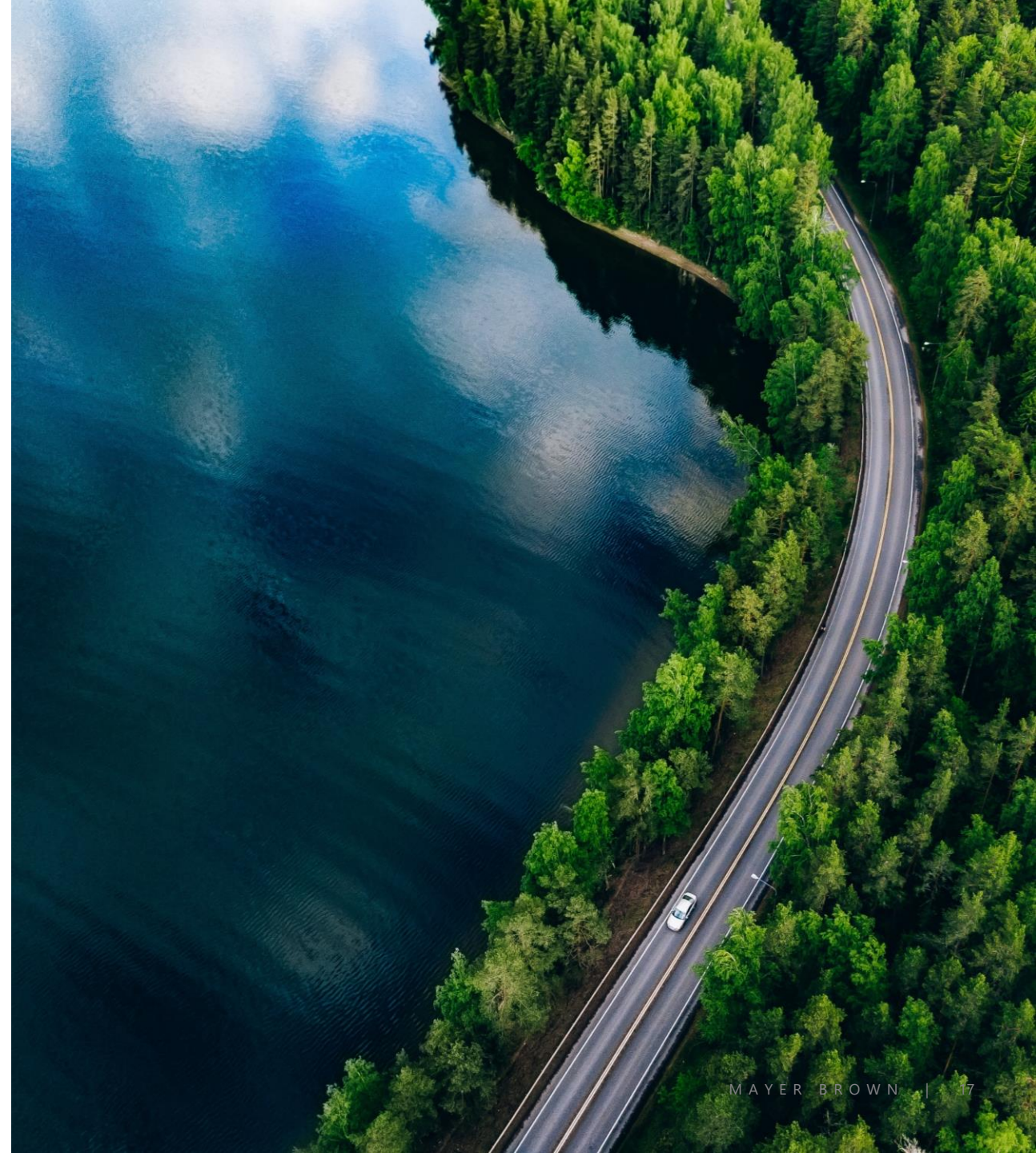
- Less is More

## **ESTABLISHED COMPANY TIP:**

- Take Advantage of Approval Process

## **STARTUP COMPANY TIP:**

- Unique Approaches to Accomplish Clear Objectives



## SPECIFIC CONTRACT PROVISIONS



TERMINATION FOR  
CONVENIENCE



COMPLIANCE WITH LAWS



ABILITY TO SUBCONTRACT



CONTROL OVER THE PLATFORM

A stack of several books is shown from a low angle, with the pages creating a strong sense of depth and texture. The books are slightly out of focus, and the lighting is soft, highlighting the edges of the pages. The text is overlaid on the right side of the image.

1. *What (other) strategies do you use when negotiating with an established company or a startup?*

2. *What things have you seen go wrong in a deal between a startup and established company that could have been prevented?*

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