

HOW TO **DESIGN AND EXECUTE** A PILOT PROGRAM THAT **GENERATES INVESTABLE EVIDENCE**

Product Development, Piloting & First Customer Acquisition

WHERE THIS IS USED

- Venture Studio programs
- Corporate Incubators
- Accelerators (corporate or government-backed)
- CVC portfolio companies
- AI Studio deployments
- Foundry-as-a-Service engagements

AUDIENCE

- EIRs / GMs
- Product Leads
- GTM Leads
- Venture Studio Program Managers
- CVC Portfolio Managers
- Business Unit P&L Owners
- Executive Sponsors

PHASE

Phase Three: Build and Launch → Pilot Design and Execution (Weeks 8–24)

EXECUTIVE SUMMARY

A pilot is not a demo. It is not a soft trial. It is a structured experiment designed backwards from an investment memo — starting from what an external investor or internal Investment Committee needs to see to write a cheque, then architecting the pilot to generate exactly that evidence.

This distinction is what separates pilots that produce funding decisions from pilots that produce PowerPoint slides. Every element of the pilot design — the hypothesis, the KPIs, the participant selection, the data plan, the governance gates — must be traceable to a specific question on the investment memo. If the pilot cannot generate the evidence required to answer that question, the scope must be redesigned before a single participant is recruited.

This guide gives venture teams the complete process: writing a Pre-Pilot Investment Hypothesis before touching any execution detail, completing the Pilot Design Canvas that standardizes every pilot across the Venture Studio portfolio, selecting the right pilot type for the venture context, running iteration cycles with hard governance gates, and producing a Pilot Evidence Report that feeds directly into the investment case for Tranche 2. For CVC tracks with a strategic mandate, the guide also addresses the BU co-design requirement — pilots that depend on corporate distribution, data, or brand access cannot be designed by the innovation team alone.



THE CORE PROBLEM

74% of funded ventures fail from premature scaling — not from a bad product, but from scaling before investable evidence actually exists. The pilot is the moment where evidence either materializes or it does not. Yet most corporate-backed pilots fail to produce investable evidence — not because the product is bad, but because the pilot was not designed with the investment case in mind.

The failure patterns are consistent:

- The pilot was designed before the investment hypothesis was written. The team started with "what can we test?" instead of "what does an investor need to see?" The result is a pilot that generates operational feedback but not the four types of evidence an Investment Committee requires.
- KPIs are defined operationally, not as investable thresholds. "We will track activation" is an operational KPI. "40%+ 3-month retention triggers seed-level funding" is an investable threshold. The difference is the decision it enables.
- The corporate-side stakeholder is an innovation champion, not a P&L owner. KPIs that matter to the innovation team do not matter to the business unit leader whose customers, data, and distribution the pilot depends on. When the P&L owner is not co-designed into the pilot from the start, the pilot loses internal credibility and the evidence it produces is discounted by the Investment Committee.
- For CVC with a strategic mandate: the pilot is designed by the CVC team without BU involvement. But a strategic mandate — pursuing distribution, data, or brand synergies — requires the BU to actively participate. Without BU co-design, the strategic evidence the pilot is supposed to generate never materializes.
- The data plan does not produce investment-memo-ready outputs. Data is collected. It cannot be exported into before/after comparison charts, cohort curves, or funnel diagrams that an investor can read in five minutes.
- There are no hard governance gates. The pilot runs to completion regardless of what the week-4 data shows. Capital is consumed even when early evidence clearly points to a Stop.

The fundamental issue:

A pilot not designed backwards from the investment memo is a test with no decision attached. It produces information, not evidence. This guide reverses that sequence: the investment hypothesis comes first; the pilot canvas comes second; execution comes third.

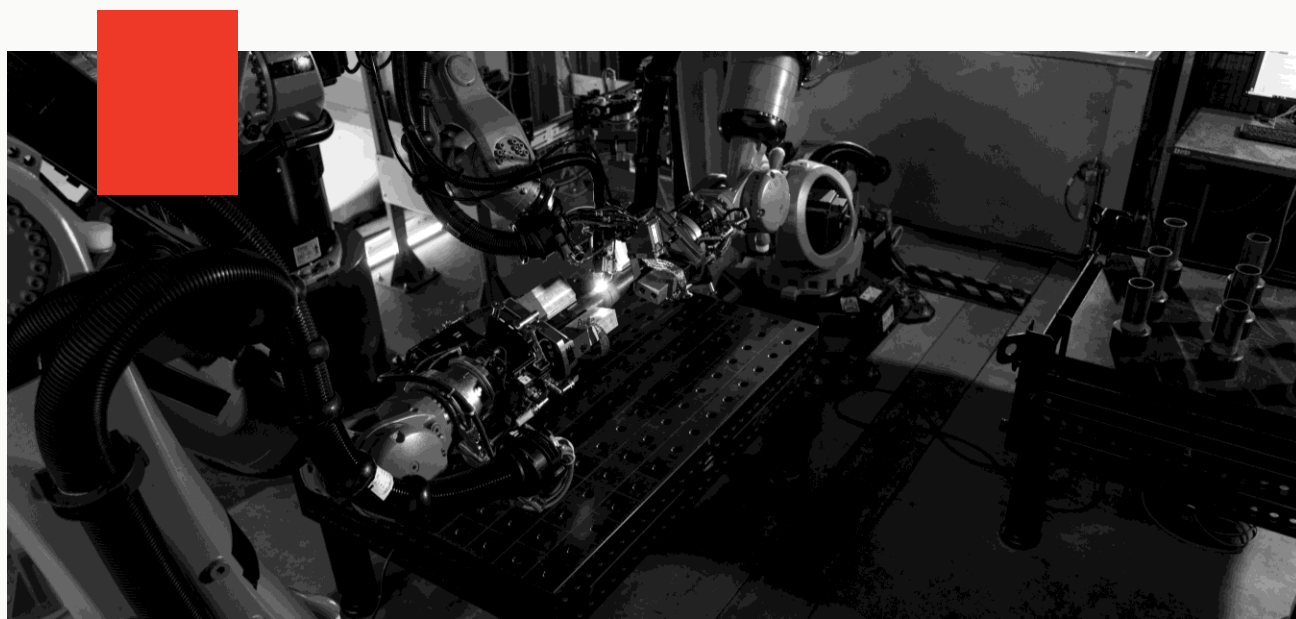
PREREQUISITES

Must Be Complete Before Starting:

- Guide F1 completed – MVP is built and has passed the Sprint Completion Report with a binary pilot-ready statement
- Guide E3 completed – pilot commitment framework in place with at least one BU head; customer introductions confirmed; for CVC strategic mandate pilots, BU P&L owner identified and briefed
- Guide B1 completed – MVP specification defines the core use case and target customer segment
- Guide C3 completed – commercial escalation path from pilot to contract is mapped, Customer Zero targets are named
- Guide D3 reviewed – team understands which investment memo sections the pilot evidence must populate

Institutional Readiness Checks:

- Corporate-side stakeholder confirmed: is the named partner a P&L owner with budget authority, or only an operational contact? If only operational, escalate to the Team Sponsor before proceeding
- For CVC strategic mandate pilots: BU head has been briefed on the synergy hypothesis and has agreed in principle to co-design the pilot KPIs before any participant recruitment begins
- Go / Hold / Stop thresholds pre-agreed with the Executive Sponsor in writing before the pilot starts – the sponsor must confirm what evidence would trigger a Stop



EXPECTED OUTPUT/ SUCCESS CRITERIA

You have completed this guide when the following are true:

- ✓ A signed Pre-Pilot Investment Hypothesis document exists — four evidence types specified with minimum bars
- ✓ A completed and signed Pilot Design Canvas exists — six elements confirmed before any participant is recruited
- ✓ A formal pilot agreement signed by the BU P&L owner (not only an operational contact) for every pilot partner
- ✓ All eight Pilot Metrics Dashboard metrics tracked across at least three iteration cycles
- ✓ Hard governance gates enforced at week 4 and week 8 — documented Go / Hold / Stop decisions on file
- ✓ Pilot Evidence Report complete, investment-memo-ready, and referenced in the Tranche 2 capital request
- ✓ At least one pilot participant converted to Customer Zero, LOI, or named reference customer



STEP-BY-STEP INSTRUCTIONS

STEP 1

WRITE THE PRE-PILOT INVESTMENT HYPOTHESIS

The Pre-Pilot Investment Hypothesis is a one-page document written before any pilot execution detail is discussed. It specifies what an external investor or the internal Investment Committee would need to see to write a cheque – and whether the pilot as currently scoped can realistically generate that evidence. If it cannot, the scope is redesigned before anyone is recruited.

This is the most important step in the guide. A pilot that starts without this document is not designed backwards from the investment memo – it is designed forwards from what is convenient to test. Convenient evidence is rarely investable evidence.

1.1 Write the four evidence types before touching any execution detail

EVIDENCE TYPE	WHAT IT PROVES	MINIMUM BAR	EXAMPLE (B2B SAAS IN A GCC ENTERPRISE)
Problem Evidence	A clear, monetizable pain is owned by a budget holder – not just expressed by users	5–10 target customers confirm they would pay or switch. At least one names a specific cost they would assign to the problem.	At least 3 HR directors confirm that manual compliance tracking costs them > 15 hours per week and they would pay for automation above AED 2,000 per month
Traction Evidence	Real users get real value under real constraints – not in a demo, in production	1–2 core traction metrics with an explicit "good enough to fund" threshold. Tied to the Venture Studio investment thesis.	Task completion rate > 70%; compliance report generation time reduced by > 40% versus current manual process; at least 5 of 8 pilot participants rate intent to continue at ≥ 7/10
Model Evidence	The pricing model and unit economics are real – the pilot can illuminate them, not just the product	A testable pricing model. At least one pilot site commits to a post-pilot paid contract. CAC proxy and gross margin direction are visible from pilot data.	At least 1 pilot site signs a 3-month post-pilot contract at a minimum of AED 8,000 MRR. Cost per activated pilot customer < AED 1,500.
Strategic Evidence	The corporate synergies claimed in the investment case are real – not assumed	1-2 specific synergies with the corporate parent that the pilot can directly demonstrate: distribution, data access, brand credibility, regulatory positioning, or procurement infrastructure.	Pilot participants recruited through the corporate distribution channel (not the venture team network). At least 2 participants cite the corporate parent brand as a reason for their willingness to participate.

- 1.2 **Apply the spec-sheet test before proceeding** – Read the four evidence types against the current pilot design. Ask: "If we run this pilot exactly as planned, will we generate this evidence or not?" If the answer is no for any of the four types, redesign the pilot scope before recruiting. A pilot that cannot generate the required evidence should not run
- 1.3 **For CVC tracks with a strategic mandate: complete the Strategic Evidence section with the BU P&L owner, not the CVC team** – A CVC pursuing synergy-based returns – distribution access, data assets, regulatory positioning, co-marketing – cannot specify the Strategic Evidence alone. The BU leader who controls those assets must agree on what synergy will be demonstrated and what their participation looks like. Without this, the strategic evidence will not materialize regardless of how well the rest of the pilot runs

AI PROMPT – Pre-Pilot Investment Hypothesis

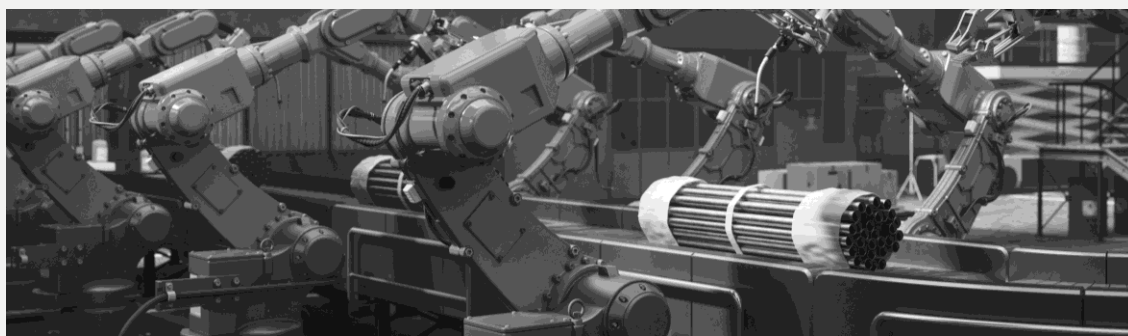
I am writing the Pre-Pilot Investment Hypothesis for a Phase Three pilot. Venture: [describe]. Target customer: [persona from B1]. Riskiest assumption being tested: [from B1]. Investment Committee or corporate sponsor context: [describe who will review this]. Complete the four evidence types: (1) Problem Evidence – minimum bar that confirms the pain is real and owned by a budget holder, (2) Traction Evidence – 1-2 core metrics with explicit "good enough to fund" thresholds, (3) Model Evidence – pricing model the pilot will illuminate, post-pilot commercial commitment target, CAC proxy, (4) Strategic Evidence – specific corporate synergies this pilot will prove, and how. For the Strategic Evidence section, confirm: which BU P&L owner has agreed to co-design this element? Output as a one-page investment hypothesis document, not a discussion.

STEP 2

COMPLETE THE PILOT DESIGN CANVAS

The Pilot Design Canvas is the standardized planning document that every venture in the TURN8 portfolio completes before any pilot budget is spent. Its purpose is two-fold: it forces the team to design the pilot with investment evidence in mind, and it enables the Venture Studio to compare multiple pilots running in parallel using a consistent framework.

No internal money is spent on a venture's build beyond a small MVP until the Pilot Design Canvas is completed and signed by both the venture lead and the corporate sponsor.



CANVAS ELEMENT	WHAT TO DEFINE	COMMON MISTAKES TO AVOID
1. Objective and Decision Question	One sentence: "Can [product] achieve [metric] for [customer segment] in [timeframe]?" Plus the decision: "If yes, we commit [specific capital amount] to [next stage]. If no, we pivot or stop."	Writing an objective that is not falsifiable ("we will learn from the pilot") or attaching no capital decision to the outcome. A pilot without a binary decision attached is not a governance event
2. Stakeholders and Governance	Corporate side: named BU P&L owner with budget authority, IT contact, Legal/Compliance contact, data owner. Studio side: venture lead, product lead, growth lead. Named person who signs the final Go / Hold / Stop decision.	Including only the innovation team on the corporate side. The P&L owner must be named and must have agreed to their role before the canvas is signed
3. Scope and Constraints	Geography (one market), customer segment (one persona), use case (one primary workflow). Explicit list of what is intentionally out of scope: integration depth, automation level, feature set, reporting complexity.	Scope that is too broad (multiple regions, multiple personas, multiple use cases) produces data that cannot be attributed to a single variable and is not actionable for the investment decision
4. Hypotheses and KPIs	3–5 explicit, falsifiable hypotheses. Each paired with a KPI and a minimum success threshold. KPIs must be observable, not self-reported.	KPIs that measure activity (sessions, page views, logins) rather than outcomes (cost reduction, time saved, conversion, retention). Investor-facing KPIs are outcome metrics, not usage metrics
5. Data Plan	What data is collected. How (instrumentation, surveys, structured interviews). Where it is stored. Who owns it. Explicit specification of the exportable visualizations for the investment memo: before/after KPI snapshots, cohort retention curves, funnel diagrams, customer acquisition charts.	Collecting data without planning how it will be visualized for the investment memo. Data that cannot be exported into a chart an investor can read in 5 minutes is not investment-grade data
6. Timeline and Hard Gates	2–4 weeks setup. 8–12 weeks live. 2 weeks analysis. Hard gates at week 4 and week 8: at each gate, the decision is Go (continue), Correct (adjust scope or KPIs and continue), or Stop (terminate and document learnings).	Treating gates as optional check-ins rather than governance decisions. A gate that does not produce a documented binary decision is not a gate — it is a meeting

2.1

Complete the canvas in sequence — do not skip to execution — Element 1 (objective and decision) must be completed before Element 4 (KPIs). KPIs without a decision question attached are operational metrics, not investment evidence

2.2

Have the Pilot Design Canvas signed by both the venture lead and the corporate sponsor before pilot execution begins — This replaces the need for a lengthy separate pilot agreement for each participant. The canvas is the governance document. Individual pilot agreements (from E3 pilot commitment framework) confirm participant-level scope within the canvas framework

2.3

Use the canvas to compare multiple pilots across the Venture Studio portfolio — At the portfolio level, track: number of ventures reaching pilot stage, cost and time from idea to pilot to first revenue, percentage of pilots that hit investable thresholds. The canvas structure makes this comparison possible. Without it, each pilot is a unique event that cannot be benchmarked

AI PROMPT – Pilot Design Canvas Completion

I am completing the Pilot Design Canvas for a Phase Three pilot. Venture: [describe]. Pre-Pilot Investment Hypothesis: [paste from Step 1]. For each of the six canvas elements: (1) Objective and Decision Question – write the falsifiable objective sentence and the specific capital commitment attached to a Yes outcome and the pivot or stop plan attached to a No outcome, (2) Stakeholders and Governance – name every corporate and studio stakeholder with their specific role, (3) Scope and Constraints – define the geography, segment, use case, and explicit out-of-scope list, (4) Hypotheses and KPIs – write 3-5 hypotheses each with a paired KPI and minimum success threshold, (5) Data Plan – specify what is collected, how, where, and which exportable visualizations will appear in the investment memo, (6) Timeline and Gates – week-by-week timeline with hard gate criteria at week 4 and week 8. Output as a completed canvas table ready for sponsor signature.

STEP 3

SELECT AND APPLY THE RIGHT PILOT TYPE

Not all pilots are designed the same way. The pilot type is determined by the venture context: what the product is, who the customer is, what the primary corporate synergy is, and what stage of evidence is needed. Applying the wrong pilot type produces the wrong evidence – regardless of how well the pilot runs.

Three Core Pilot Types:

PILOT TYPE A – INTERNAL EFFICIENCY VENTURE (SPIN-IN)

Context: The Venture Studio builds a workflow automation or productivity tool for the corporate's own operations, with the intent to sell it externally once proven internally.

- **Objective pattern:** "Show [X%] reduction in [metric] in one business unit within 90 days."
- **Scope:** One process. One region. Light integration level (CSV export, RPA overlay, or API – not full core system integration).
- **Corporate-side stakeholder:** The process owner with budget authority to commission the rollout. Not the CIO or the innovation team.
- **KPIs:** Time per transaction, error rate, rework volume, internal NPS.
- **Investable evidence target:** 20%+ efficiency improvement, <2% error rate, internal NPS \geq 40, and written commitment from process owner to budget for rollout to at least one additional business unit.
- **How it becomes investable:** Before/after comparison chart. Process owner quote. Financial model: "If we roll out to 5 business units, we save [AED X] per year at [Y%] margin." External investors see: real users, quantified impact, path to external market (other corporates with similar processes).

PILOT TYPE B – CORPORATE-STARTUP B2B PILOT (EXTERNAL CUSTOMERS)

Context: The Venture Studio builds or partners with a startup to offer a product to the corporate's enterprise customers, using the corporate's distribution channel for pilot recruitment.

- **Objective pattern:** "Validate that at least [N] customers will adopt and get measurable value within [timeframe]."
- **Scope:** One vertical. Selected accounts recruited through the corporate's channel — not the venture team's network. Structured pilot contract with clear duration, success criteria, and commercial path.
- **Corporate-side stakeholder:** The BU head who controls the customer relationships being used for recruitment. This is the most critical stakeholder in this pilot type. Without their active participation, the corporate distribution channel is unavailable.
- **KPIs:** Sales-side: conversion from invite → activated → engaged → paid; average revenue per account. Value-side: 1–2 business outcomes (cost reduction, efficiency gain, revenue impact).
- **Investable evidence target:** 30–40% of invited customers activate. 20–30% convert to paying offers. At least 3 reference customers agree to be named.
- **How it becomes investable:** Mini-funnel chart from the pilot cohort. 2–3 named customer quotes. Pipeline extrapolation via the corporate's distribution reach. Studio-level metrics: cost per pilot customer, cost per first contract, time from idea to first revenue.

PILOT TYPE C – NEW MARKET OR BUSINESS MODEL TEST

Context: The Venture Studio tests a marketplace, platform, or adjacency model — new to the corporate — where the primary questions are liquidity, take-rate, and unit economics rather than existing customer adoption.

- **Objective pattern:** "Validate that we can match [supply] and [demand] for [narrow niche] with attractive take-rate and liquidity within 90 days."
- **Scope:** One tight vertical and geography. Manual matching at first — no full automation. Limit scope to prove the concept before investing in infrastructure.
- **KPIs:** Liquidity metrics — percentage of requests fulfilled within target time, repeat usage within 30 days, average take-rate, cancellation rate.
- **Investable evidence target:** 50%+ of demand requests matched within SLA. 30%+ repeat usage within 30 days. Take-rate that can support 60%+ gross margins at scale.
- **How it becomes investable:** Even with manual operations, demonstrate: real transactions, willingness to pay, and early network effect signal. This justifies automating and scaling only after the unit economics are visible from pilot data.

CVC Strategic Mandate — Pilot Type Alignment:

A CVC with a purely financial mandate (maximize returns) evaluates pilots as a traditional investor would: traction, model, team. A CVC with a strategic mandate additionally requires Strategic Evidence — proof that the portfolio company generates specific synergies with the corporate. Which synergy type determines which pilot type is most appropriate:

STRATEGIC SYNERGY TYPE	ALIGNED PILOT TYPE	BU CO-DESIGN REQUIREMENT
Distribution access – using the corporate channel to reach customers	Pilot Type B	BU head who controls the customer relationships must be a named stakeholder in the canvas. Without their commitment, the distribution channel is unavailable regardless of the CVC investment
Data access – using corporate proprietary data to power the product	Pilot Type A or B	Data owner and Legal must be named stakeholders. Formal data-sharing agreement from E3 must be in place before the pilot data plan is finalized
Regulatory or compliance positioning	Pilot Type A or C	Compliance lead must be a named canvas stakeholder. Pilot scope must include the regulatory use case explicitly – it cannot be assumed as background context
Brand credibility – using the corporate brand to attract pilot participants	Pilot Type B	Communications and the BU head must co-sign any external-facing communications. Brand use without BU approval is a governance violation under E3

STEP 4

RECRUIT PILOT PARTICIPANTS AGAINST THE TARGET PERSONA

Pilot participant selection is the most common source of investability bias in corporate venture programs. Teams select participants who are known to be supportive – those already in their network or already enthusiastic about the product. The evidence produced reflects early adopters, not the target market. Investment Committees discount it accordingly.

- 4.1 **Recruit against the target customer persona from B1** – not against willingness to participate – The target customer is the person with the sharpest pain, highest urgency, and most direct commercial relationship to the problem. For Pilot Type B, this means recruiting through the BU distribution channel – not through the venture team's contacts
- 4.2 **For Lean Startup usability testing: recruit 5–8 participants per iteration cycle** – Five is the minimum for qualitative pattern identification. Eight is the maximum before diminishing returns. Compensate participants at AED 200–600 per session for B2B profiles
- 4.3 **Screen every participant before confirming** – Apply the B1 target persona criteria: role, company size, industry, current behavior (how do they solve the problem today?), decision-making authority (can they buy or influence the purchase?), and urgency. Reject participants who do not match – even if they are enthusiastic
- 4.4 **For Pilot Type B: the BU channel is the primary recruitment mechanism, not the venture team network** – Pilot participants recruited through the corporate parent's distribution channel are investment-grade evidence. Participants recruited through the venture team's personal network are a convenience sample. The investment memo must be able to state which channel participants came from

STEP 5 SET UP THE PILOT METRICS DASHBOARD

The Pilot Metrics Dashboard is the operational record of every pilot cycle. It is set up before the first participant session – not assembled from notes after the pilot ends. Every metric must have a pre-defined threshold from the Pilot Design Canvas. A metric without a threshold is an observation. A metric with a threshold is evidence.

The Eight Core Pilot Metrics:

METRIC	WHAT IT MEASURES	TARGET / THRESHOLD	INVESTMENT MEMO SECTION IT POPULATES
Task Completion Rate	% of participants completing the core use case without assistance	> 70% – below 40% after two cycles is a Stop signal	Slide 4: Validation Evidence – product-market fit signal
Time on Task	Average time to complete the core action	< 3 min SaaS / < 10 min complex B2B workflow	Value proposition – efficiency gain claim
NPS Score (0–10)	Net Promoter Score – stated likelihood to recommend	> 7 after Round 2. Below 6 = Hold or Stop	Slide 4: Validation Evidence – user satisfaction
Willingness to Pay	Stated price the participant would pay for continued access	Target from Pre-Pilot Investment Hypothesis. Zero WTP from > 50% = Stop	Slide 6: Business Model – pricing evidence
Activation Rate	% completing the core value action – the moment the product delivers its promise	> 60% reaching activation in first session	Slide 4: Validation Evidence – engagement signal
Retention Proxy	Return intent or actual return usage in multi-session pilots	> 60% confirming return intent	Slide 4: Validation Evidence – retention signal
Issue Frequency	Issues raised by > 3 participants in a single round	< 2 recurring issues after Round 2	Product – known failure modes and resolutions
Demand Signal Score	Composite: WTP + usage frequency intent + advocacy – the TURN8 investment-readiness metric	Score \geq 7 on the 1–10 TURN8 scale	Slide 4: Validation Evidence – demand signal

- 5.1 **Set up the dashboard before the first session in the agreed project management tool** — Columns for Round 1, Round 2, Round 3. Trend indicator per metric. Running average. Reviewed at every weekly stand-up.
- 5.2 **Plan the investment-memo-ready data visualizations before collecting any data** — From the Pilot Design Canvas data plan: before/after KPI snapshot, cohort retention curve, acquisition funnel diagram, and — for Pilot Types A and B — a simple financial model showing the rollout economics if the pilot KPIs hold. Design these charts before the pilot starts. Data collection is structured around producing them.
- 5.3 **Use the "think aloud" protocol in all usability sessions** — Participants narrate what they are doing as they navigate the product. The facilitator observes and records — does not guide, explain, or defend. A co-pilot takes notes independently. Apply the B2 usability session protocol for all participant-facing sessions.

STEP 6**RUN THE PILOT ITERATION CYCLES WITH HARD GOVERNANCE GATES**

A pilot is a minimum of three Build-Measure-Learn cycles. The Lean Startup framework is explicit: three cycles is the minimum before a Pivot or Persevere decision has statistical and strategic validity. One positive session is an anecdote. Three cycles of improving metrics is a trend that an investor can act on.

Two hard governance gates enforce discipline. Without enforced gates, pilots continue regardless of what the data shows — and capital is consumed even when early evidence clearly points to a Stop.

CYCLE	TIMING	PRIMARY QUESTION	MINIMUM EVIDENCE REQUIRED
Round 1	Weeks 1–4	Can participants use the product to complete the core use case? What are the primary failure points?	Task completion rate and issue frequency measured. Quote log populated with 15+ tagged observations. First WTP signal collected. Week 4 hard gate decision documented.
Round 2	Weeks 5–8	Did Round 1 change resolve the top issues? Is there measurable improvement in task completion and NPS? Is there a WTP signal?	All 8 metrics measured. Trend indicators showing improvement. WTP confirmed from at least 3 participants. Demand Signal Score updated. Week 8 hard gate decision documented.
Round 3	Weeks 9–12	Would participants return and pay? Is there a credible conversion path from pilot to customer?	Retention proxy confirmed. At least 2 participants request continued access or express commercial intent. Demand Signal Score ≥ 7 . At least one participant confirms the Strategic Evidence the corporate synergy generated.

Hard Gate Protocol – Week 4 and Week 8:

GATE DECISION	TRIGGER CONDITIONS	ACTION
Go	All Round KPIs trending positive. Core use case completing > 70%. No evidence against the primary hypothesis. Demand Signal Score improving.	Continue to the next round. Update the Pilot Metrics Dashboard. Confirm participant availability for the next cycle. Brief the Executive Sponsor.
Correct	1-2 KPIs below threshold but with a specific, testable explanation. The team has a concrete change for the next round. Strategic Evidence partially demonstrated.	Document the specific change: what is being modified, why, and what the new threshold is. Adjust the scope or the hypothesis for the next cycle. Do not continue the same approach if it is not working.
Stop	Task completion < 40% after Round 1. Zero WTP confirmed. NPS below 6. A core hypothesis from the Pre-Pilot Investment Hypothesis has been directly contradicted by participant behavior. Strategic Evidence not demonstrated despite BU co-design.	Stop the pilot. Brief the Executive Sponsor within 24 hours. Present a Stop recommendation with evidence. Do not run additional cycles to delay the decision. Document three learnings. A Stop preserves capital for a better opportunity.

- 6.1 **Treat the week-4 gate as a kill, correct, or double-down decision** – not as an optional check-in – The gate produces a documented binary decision before the pilot continues. A gate that does not produce a decision is a meeting, not governance
- 6.2 **Run a mid-pilot brief with the Executive Sponsor after Round 2** – Present the Round 2 metrics against the Pre-Pilot Investment Hypothesis thresholds. If the Stop threshold is being approached, give the sponsor early warning – not a surprise at the final gate
- 6.3 **Post-pilot review: ask "what would make this truly fundable?"** – After every completed pilot – whether Go or Stop – hold a post-pilot review with the studio team and corporate sponsor. Capture: what evidence would the IC need that this pilot did not produce? How would the pilot need to be redesigned to generate it? This feeds the next sprint hypothesis or the next pilot design.

AI PROMPT – Pilot Iteration Cycle Planning

I am planning the three pilot iteration cycles for a Phase Three [Pilot Type A / B / C] pilot. Venture: [describe]. Pre-Pilot Investment Hypothesis: [paste key thresholds]. For each round: (1) define the primary question being tested, (2) specify what change from the previous round is being implemented (Round 1: baseline; Rounds 2-3: named improvement from previous cycle learning), (3) set the minimum evidence required before the round is considered complete, (4) write the hard gate criteria – what triggers Go, Correct, and Stop at the week 4 and week 8 gates. Include the post-pilot review questions for the corporate sponsor. Output as a round-by-round execution plan with gate criteria.

STEP 7 PRODUCE THE PILOT EVIDENCE REPORT

The Pilot Evidence Report translates operational pilot data into investable evidence – structured to directly answer the four evidence type questions from the Pre-Pilot Investment Hypothesis. It is not a retrospective summary. It is a decision-quality document designed to be read by an Investment Committee member who was not in the pilot.

7.1 Produce the report within 5 business days of the final pilot session

Pilot Evidence Report – Required Structure:

SECTION	CONTENT	LENGTH
1. Pilot Summary	Venture name, pilot type (A / B / C), hypothesis, pilot partners, duration, participant count	½ page
2. Pre-Pilot Investment Hypothesis Assessment	Four evidence types: Problem, Traction, Model, Strategic. For each: the minimum bar, the actual result, and the verdict (Met / Not Met / Partially Met)	1 page
3. Metrics Scorecard	All 8 metrics across 3 rounds with trend indicators and threshold status (Green / Amber / Red)	1 page – table
4. Investment-Memo-Ready Visualizations	Before/after KPI snapshot. Cohort retention curve. Acquisition funnel (Pilot Type B). Unit economics preview: if pilot KPIs hold, what do the rollout economics look like at scale?	1 page – charts
5. Demand Signal Score	Final TURN8 Demand Signal Score with component breakdown and comparison to Phase Two baseline	½ page
6. Qualitative Evidence	Top 5 participant quotes tagged by theme. Frequency count. Most significant behavioral observation per round	½ page
7. Strategic Evidence Assessment	What corporate synergies were demonstrated? Which BU co-design contributions produced measurable evidence? What remained unproven?	½ page
8. Gate Decisions on Record	Week 4 and week 8 gate decisions with evidence basis and named decision owner	¼ page
9. Pivot or Persevere Decision	Final decision with evidence basis: Go / Hold / Stop. Named owner. Specific next action.	¼ page
10. Investment Case Update	How pilot evidence updates the D3 investment package: assumptions confirmed, revised, or disproven. Capital request for Tranche 2 and evidence basis.	½ page

7.2 Map every claim in the report to a specific data point in the appendix – If a claim cannot be traced to raw data, remove it. Investor-grade evidence is traceable. Testimonials without data are not evidence – they are supporting color

7.3

Integrate the report into the D3 investment package for the Tranche 2 capital request — The Pilot Evidence Report replaces Phase Two validation evidence as the primary evidence source in the current investment case. Every claim in pitch deck Slide 4 (Validation Evidence) must now reference the Pilot Evidence Report

AI PROMPT — Pilot Evidence Report

I am writing the Pilot Evidence Report for a Phase Three [Pilot Type A / B / C] pilot. Venture: [describe]. Pre-Pilot Investment Hypothesis thresholds: [paste all four evidence types with minimum bars]. Three-round metrics results: [describe all 8 metrics per round]. Top participant quotes (5): [list]. Demand Signal Score: [score and component breakdown]. Strategic Evidence observed: [describe what corporate synergies were demonstrated and by whom]. Gate decisions: [week 4 and week 8 outcomes]. Write the complete 10-section Pilot Evidence Report. Every claim must be traceable to a data point. The Section 7 (Strategic Evidence Assessment) must specifically address whether the BU co-design produced the synergy evidence the Pre-Pilot Hypothesis specified. Format for an IC member who has not seen the pilot.

STEP 8

CONVERT PILOT PARTICIPANTS TO CUSTOMER ZERO

The pilot ends the moment the last session closes. The commercial escalation begins at that exact moment. Every participant who reaches Round 3 with a positive NPS score is a Customer Zero candidate. The conversion conversation happens in the final debrief — not weeks later when the relationship has cooled.

8.1

Run the commercial escalation conversation in the final debrief session — Three parts: review pilot outcomes, request product roadmap feedback, make a direct commercial ask

8.2

Apply the 1-10-100 Customer Acquisition Framework from Guide C3 — Customer 1 (Beachhead): the strongest pilot participant — convert to a reference customer. Customers 2–10 (Signal): participants with commercial intent — build the repeatable sales motion. Customers 11–100 (Engine): use the reference customer and pilot case study to open the first non-network channel

8.3

Require at least one of three commercial outcomes from every Go-threshold participant

- Signed LOI or paid contract — first revenue
- (Named reference letter or case study right — brand validation
- Peer introduction — network expansion.

A pilot that produces none of these from any participant has not been closed

8.4

For Pilot Type B: activate the commercial escalation path from the E3 pilot commitment framework — Every participant in a BU-channel pilot who achieves success criteria triggers the pre-agreed escalation path: distribution agreement, equity discussion, or joint venture conversation. This path was defined before the pilot started. Activate it within 5 business days of the final gate decision

6

TROUBLESHOOTING

SYMPTOM	LIKELY CAUSE	FIX
The pilot is designed before the Pre-Pilot Investment Hypothesis is written	Team started with "what can we test?" rather than "what does an investor need to see?"	Stop. Write the Pre-Pilot Investment Hypothesis first (Step 1). If the pilot cannot realistically generate the four evidence types – problem, traction, model, strategic – redesign the scope before spending a day on execution
The pilot KPIs are not tied to any investable threshold	KPIs were defined operationally ("we will track usage") rather than as investment evidence ("20%+ retention triggers seed-level funding")	Return to Step 2. Every KPI must have a named investable threshold – the minimum result that triggers the Go decision and justifies capital deployment. A KPI without a threshold is an observation, not evidence
Pilot partner agrees verbally but the pilot never starts	No formal pilot agreement; the BU contact cannot commit on behalf of their P&L; the corporate-side stakeholder was never properly identified	Engage the BU P&L owner directly, not just the operational contact. For CVC strategic mandate pilots, the BU head must be a co-designed stakeholder, not a passive facilitator. Apply the E3 pilot commitment framework
Pilot data is positive but cannot be used in an investment memo	Data was not structured for investor consumption. No before/after comparison. No exportable charts. No funnel data.	The data plan (Step 3) must specify exportable visualizations before the pilot runs: before/after KPI snapshots, cohort curves, funnel diagrams. Data not designed for the investment memo cannot be used in it
CVC portfolio company pilot is stuck because the BU is not cooperating	The CVC has a financial mandate but not a strategic one – or has a strategic mandate but the BU was not co-designed as a stakeholder from the start	This is the strategic mandate problem. A CVC pursuing synergy-based returns must bring the BU into the pilot design at the hypothesis stage, not the execution stage. The BU P&L owner must have a named role in the pilot canvas
NPS is positive but willingness to pay is zero after three rounds	Pilot tested usage and satisfaction but not the pricing model and unit economics	A pilot that does not generate model evidence – pricing, gross margin proxy, CAC proxy – has not completed the Pre-Pilot Investment Hypothesis requirements. Run a Van Westendorp pricing conversation in the next session and treat zero WTP as a Stop signal
The pilot produces a testimonial but not a commercial next step	No commercial escalation path was defined in the pilot agreement; success was defined as "participants liked it" not "participant X converts to a paying contract"	The pilot agreement must include the commercial escalation path before the first session. For the B2B external customer pilot type, the target is: 30-40% of invited customers activate, 20-30% convert to paying offers, at least 3 named reference customers
The week-4 hard gate is missed – pilot continues past the gate without a formal review	No formal gate mechanism; the gate existed in the plan but was not enforced as a governance event	Hard gates at week 4 and week 8 are Go / Hold / Stop decisions, not optional reviews. Apply the E2 governance protocol: the gate produces a documented binary decision before the pilot continues. A pilot without enforced gates is a trial, not an experiment
Pilot results differ significantly across BU regions or customer segments	The pilot scope was too broad – multiple geographies, customer types, or use cases tested simultaneously	Apply the scope constraint: one geography, one customer segment, one primary use case. If scope was too broad, segment the results by each variable and treat each segment as a separate pilot data point before making the Go decision

VALIDATION STEPS

Confirm each of the following before declaring the pilot program complete and investment-ready:

Pre-Pilot Investment Hypothesis written and signed before any pilot execution began



Pilot Design Canvas completed and signed by venture lead and corporate sponsor before participant recruitment



Pilot type correctly selected (A, B, or C) and confirmed against the venture context



For CVC strategic mandate pilots: BU P&L owner named in the canvas as a co-designed stakeholder



Pilot agreements signed by BU P&L owner (not only the operational contact) for every partner



All 8 metrics tracked across all 3 rounds with trend indicators in the dashboard



Hard gates enforced at week 4 and week 8 – documented Go / Correct / Stop decisions on file



Pilot Evidence Report complete, 10-section structure, every claim traced to raw data in appendix



Strategic Evidence section of the report addresses what BU co-design produced



D3 investment package updated to reference Pilot Evidence Report as primary validation evidence



At least one commercial outcome secured from a Go-threshold participant: LOI, reference letter, or peer introduction



NEXT STEPS

Upon completing this guide with a Go decision:

- **GUIDE F3** — How to Acquire Your First Customers and Build the Customer Zero Playbook
- **GUIDE H3** — How to Prepare and Deliver Quarterly Board Reporting Materials (Tranche 2 capital request, with Pilot Evidence Report as primary evidence)

If the decision is Correct: return to Guide F1 for the next product sprint incorporating the Round 1 or 2 learnings, then re-run from Step 5 of this guide. A Correct decision at week 4 activates a 30-day adjustment clock — the revised round must run and produce a new gate decision before any further capital is deployed.

If the decision is Stop: escalate to the Venture Board within 24 hours per the E2 protocol. Present the Pilot Evidence Report with the Stop recommendation and the three learnings. Document: "We hypothesized X. We observed Y. We now believe Z." A Stop from a well-designed pilot is the most capital-efficient outcome available — it preserves Tranche 2 for a better-evidenced opportunity and generates the institutional knowledge that makes the next pilot better.



MASTER CHECKLIST

A. PRE-PILOT INVESTMENT HYPOTHESIS

- Pre-Pilot Investment Hypothesis written before any pilot execution detail was discussed
- Problem Evidence: minimum bar defined – number of budget holders confirming pain and willingness to pay
- Traction Evidence: 1–2 core metrics with explicit "good enough to fund" thresholds
- Model Evidence: pricing model the pilot will illuminate; post-pilot commercial commitment target; CAC proxy target
- Strategic Evidence: 1–2 specific corporate synergies named; BU P&L owner confirmed as co-designer of this element
- Spec-sheet test applied: pilot scope confirmed as capable of generating all four evidence types

B. PILOT DESIGN CANVAS

- Objective and Decision Question written: falsifiable, with a specific capital commitment attached to Go and a pivot/stop plan attached to No
- Stakeholders and Governance confirmed: BU P&L owner named on corporate side (not only innovation contact)
- Scope and Constraints defined: one geography, one segment, one primary use case, explicit out-of-scope list
- 3–5 explicit hypotheses, each with a paired KPI and minimum success threshold
- Data plan specifies exportable investment-memo visualizations: before/after snapshot, cohort curve, funnel diagram
- Timeline confirmed: 2–4 weeks setup, 8–12 weeks live, 2 weeks analysis
- Hard gates confirmed: week 4 and week 8, with Go / Correct / Stop criteria pre-defined
- Canvas signed by venture lead and corporate sponsor before any budget spent on execution

C. PILOT TYPE SELECTION

- Pilot type confirmed: A (Internal Efficiency / Spin-In), B (Corporate-Startup B2B External), or C (New Market / Business Model)
- For CVC strategic mandate: synergy type identified (distribution, data, regulatory, brand) and aligned to the correct pilot type
- For Pilot Type B: BU head who controls customer relationships confirmed as a named canvas stakeholder
- For all types: corporate-side stakeholder has budget authority – not only facilitation authority

D. PARTICIPANT RECRUITMENT

- Participants recruited against the B1 target persona – not against willingness to participate
- 5–8 participants per iteration cycle confirmed
- Participant screening script applied – disqualifying answers respected
- For Pilot Type B: BU distribution channel is the primary recruitment mechanism (not venture team network)
- Participant compensation confirmed and communicated before first session

E. METRICS DASHBOARD

- Dashboard set up before the first session — all 8 metrics with threshold values pre-populated
- Investment-memo visualizations designed before data collection begins
- "Think aloud" protocol briefed to all facilitators
- Demand Signal Score included with component breakdown
- Dashboard reviewed at every weekly stand-up

F. ITERATION CYCLES AND HARD GATES

- Three complete Build-Measure-Learn cycles planned before Pivot or Persevere decision
- Hard gate at week 4 enforced — documented Go / Correct / Stop decision on file
- Hard gate at week 8 enforced — documented Go / Correct / Stop decision on file
- Mid-pilot brief held with Executive Sponsor after Round 2
- Post-pilot review held: "what would make this truly fundable?" question answered and documented
- All gate decisions filed in the sprint decision log (E2)

G. PILOT EVIDENCE REPORT

- Report produced within 5 business days of final session
- All 10 sections completed
- Pre-Pilot Investment Hypothesis Assessment section: Met / Not Met verdict for each of the four evidence types
- Strategic Evidence Assessment section: confirms what BU co-design produced and what remained unproven
- Every claim traceable to raw data in the appendix — no unsupported assertions
- Investment-memo-ready visualizations included: before/after snapshot, cohort curve, funnel diagram, rollout economics
- D3 investment package updated to reference Pilot Evidence Report as primary validation evidence

H. CUSTOMER ZERO CONVERSION

- Commercial escalation conversation run in the final debrief session
- 1-10-100 Customer Acquisition Framework from C3 applied
- At least one commercial outcome secured: LOI, reference letter, or peer introduction
- For Pilot Type B: E3 commercial escalation path activated within 5 business days of final gate decision
- GTM strategy in C3 updated with pilot-derived pricing, messaging, and channel data

