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Brief: Common Space Startup Communications Errors

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Findings

Rotoiti interviewed communications experts who work in the space industry. Based on those conversations, this brief summarizes common communications errors made by space startups.

Failure to Strategically Target Audiences

Failure to target communications can jeopardize space startups' success. Defining success depends on startups' objectives. Whatever the objectives are, though, it usually makes sense to focus on communicating to certain audiences instead of others. Some communications strategies are effective for certain audiences but are ineffective or even damaging for other audiences. Objectives should thus inform which audiences firms target with communications.

Many space startups feel driven to develop a public fanbase. More so than in other industries, space firms – particularly those in launch services and downstream analytics – often spend significant effort explaining how their business aligns with larger societal missions. Firms will claim they are driven to "democratize" space, for instance, which they say will benefit all of society. Firms that focus on such messaging can develop followings of fans who praise them in public forums – notably on social media – and thus increase the firms' reputational profile.

- Developing a fanbase can sometimes open firms up to criticism, particularly if they are perceived as behaving in ways that are inconsistent with professed societal missions. Military contracts and exacerbating inequality are two matters that provoke criticism.

Many startups compulsively publish investor-targeted updates on business and technology development. Given how common it is for space startups to seek external financing (often via venture capital), their founders feel pressure to convince investors that they are making advances that are worthy of investment. This leads to a proliferation of updates on business developments like memoranda of understanding or signed contracts. Startups often profusely publish about minor technology-related developments that are of questionable importance.

Sometimes, investor- and public-focused communications are interrelated; startups with higher public profiles may more easily attract investment. The space industry is a particularly complex and opaque industry and it can be difficult to understand trends. With the exception of high-visibility issues like launches or numbers of satellites in orbit, it is challenging to access quantitative data about the industry. Investors' decisions are therefore often significantly influenced by public interest or media coverage. Startups that are covered in news stories or which are the subject of social media chatter may thus more easily attract investors' attention.

In terms of developing relationships with customers, communications strategies designed for the public and investors can be counterproductive. Ultimately, startups succeed if they secure customers. Customers, especially those in government, usually care about products' or services' technical details and performance. If a startup uses significant resources to propound a "cool"

story about its societal mission and if it overshares updates to spur investment, this may cause customers to question the startup's viability. Such startups may be seen as "flashes in the pan" – firms that are interested in generating buzz but which do not have long-term strategies to develop and sell reliable products. Savvy customers may be wary of engaging such startups.

For some investors, too, if public relations campaigns are perceived as coming at the expense of technology development, this will damage startups' chances of attracting investment. For investors with substantial due diligence processes in place, a startup's public image will be an important factor in their decision-making, but it will not be the only factor. They will also seriously consider the underlying technology being developed and if the startup seems likely to ultimately be able to sell that technology to customers. Like customers, these more diligent investors will mostly be interested in startups' ability to someday deliver a technically robust product or service that meets demand. They may be skeptical about investing in startups that constantly seek public attention and which appear to primarily be driven by idealism.

Another important audience to consider is government authorities. For many firms in space, it is important to secure buy-in from government authorities. This is especially the case if a firm works in an area where regulations have not "caught up" with the firm's intended business area; a positive relationship with regulators can help ensure new regulations facilitate rather than stymy business. To gain buy-in, it is important to have a social license to operate and not run afoul of public opinion. Engaging the authorities is also important because government entities will offer more contracts if they understand what technologies can help them achieve.

Other Common Errors Space Startups Should Avoid

Whatever the target audience, messaging should be consistent, succinct, and via channels that reach that audience. It is not incumbent on the audience to decipher what a startup is doing; the audience's attention is divided, and it is up to startups to make the audience understand what they do and how they offer value. A startup should strive to be an "earworm" in its niche; audiences should naturally think of it as providing products or services they desire. This requires repeated exposure to a consistent and succinct messaging. Communications must also use appropriate channels; different audiences use different media platforms, for instance.

Startups often face difficulties explaining what a product is and why it matters; it is usually important to use non-technical language and visuals to do this. If a startup must communicate to a non-technical audience, engineers and scientists staff may find it difficult to explain technical issues given how entrenched they are in their own expertise. It is important to use non-technical language and to sometimes use visuals to explain what the startup is doing. Such communications usually benefit from involving professionals with non-technical perspectives.

A common mistake startups make is overpromising on timelines. This issue is not unique to startups; some of the largest firms in the industry regularly overpromise on timelines to inflate projected capabilities and revenues. Startups feel compelled to show they are advancing. To

that end they often publish aggressive deadlines that they fail to meet. Over time, missing deadlines damages relationships with investors and customers. Firms should caveat language in ways that are not overly-hedging but which allow them to defend their records if timelines slip.

- In the space industry, meeting timelines is largely outside of any single firm's control. If a startup needs to carry out an orbital test of a subsystem it is developing, for instance, then it must depend on a launch services provider. If the startup has committed to an orbital test date, and if for some reason the launch services provider fails to launch on time, then the startup will have failed to meet its own self-defined deadline.

Sometimes, it is better to be self-restrained when communicating with the outside world. Overcommunicating, besides giving the appearance of a "flash in the pan" and wasting resources, poses other drawbacks or lost opportunities. One issue is that startups that overshare can draw more competition into the niche they are trying to fill, undermining their incumbency advantage and sometimes helping competitors reverse engineer intellectual property. Another issue is that various regulatory requirements limit how much information space firms can share, and by compulsively oversharing, startups may unknowingly violate such regulatory restrictions. Another issue is it is arguably better to let customers speak for themselves, rather than advertise how satisfied customers are; besides being less genuine, advertising customers' experiences may also raise concerns about discretion among customers.

Startups should be careful to harmonize external communications with what is actually happening within the company; otherwise, communications can negatively affect staff morale and business success. An important stakeholder group is staff. If a startup conveys a narrative to the outside world that doesn't reflect what is happening inside the firm, this can sow distrust and dissatisfaction amongst current and future staff. For current staff, inaccurate communications can raise questions about the firm's future. For future staff, if their decisions to join the startup are based on external communications, they may be disappointed if, after joining, they see the firm's operations do not match their expectations. Keeping staff satisfied, and correspondingly keeping turnover rates low, is an important factor for business success.

Startups with mostly technical staff should consider bringing in professionals with communications or other types of non-technical expertise. Technically-minded staff, despite their capabilities to develop technologies, are not necessarily skilled at communications. Startups' staff, particularly their founders, should recognize any skills shortcomings that they have. Rather than forcing technically-minded staff to try to tackle communications strategies, it may make more sense for a startup to bring in communications staff and to let the technically-minded employees return their efforts to what they do best: developing technologies.

- In general, having more professional diversity and communicating that diversity to external stakeholders may significantly improve startups' business prospects. If venture capitalists seek to make a return by investing in space startups, for instance, then they will likely feel more confident about the prospects of startups whose leadership teams include accountants and operations managers, not just engineers and scientists.