Corporate Venturing: Growth through Open Innovation

Prof Julia Prats
Entrepreneurship and Innovation Center, IESE Business School

salesforce

Nestlé

ZURICH INSURANCE

Roche

Henkel

GELLIFY

HENRi @NESTLÉ

Walt Disney

TERRA by Rabobank + RocketSpace

BNP PARIBAS

INCENSe Internet Cleantech Enablers Spark

WELLS FARGO

DANONE ONE PLANET. ONE HEALTH

Schneider Electric

insurHACK by Zurich

acciona

enel

Telefónica

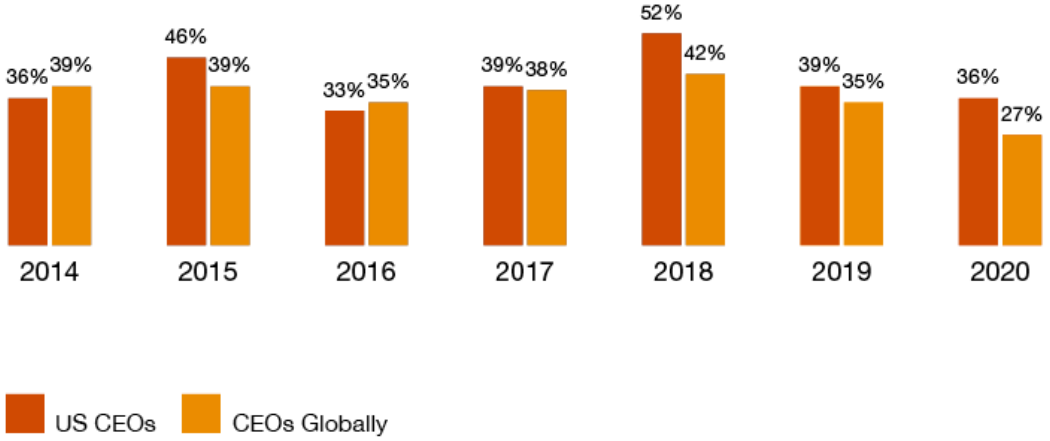
SAMSUNG

BBVA

SIEMENS

TDK

% CEOs 'very confident' in revenue growth, next 12 months



Base: All respondents (USA, 169; Global, 1581)
Source: PwC, 23rd Annual Global CEO Survey, 2020.

Profitable Growth

salesforce ventures

Nestlé

ZURICH INSURANCE

Roche

DANONE ONE PLANET. ONE HEALTH

HENKEL Innovation Challenge

DANONE MANIFESTO VENTURE

BNP PARIBAS

HENRi @NESTLÉ

Walt Disney

TERRA by Rabobank + RocketSpace

Schneider Electric

WELLS FARGO IN2 Innovation Incubator

INCENSe Internet Cleantech Enablers Spark

AT&T FOUNDRY+

insurHACK by Zurich

acciona I'MNOVATION

enel

wayra.

SOMOS PARTE DE Telefónica OPEN FUTURE_

propel VENTURE PARTNERS

SAMSUNG NEXT

BBVA

SIEMENS

TDK

Corporate venturing: Emerging at speed

Companies are still learning how to implement this practice

70%

of **large firms** have **increased** the **investments** in **innovation units**

60%

of those **innovation units** were created in the **past 5 years**

42%

of firms have **increased** the **use** of some CV mechanisms in just 6 years

FT FINANCIAL TIMES

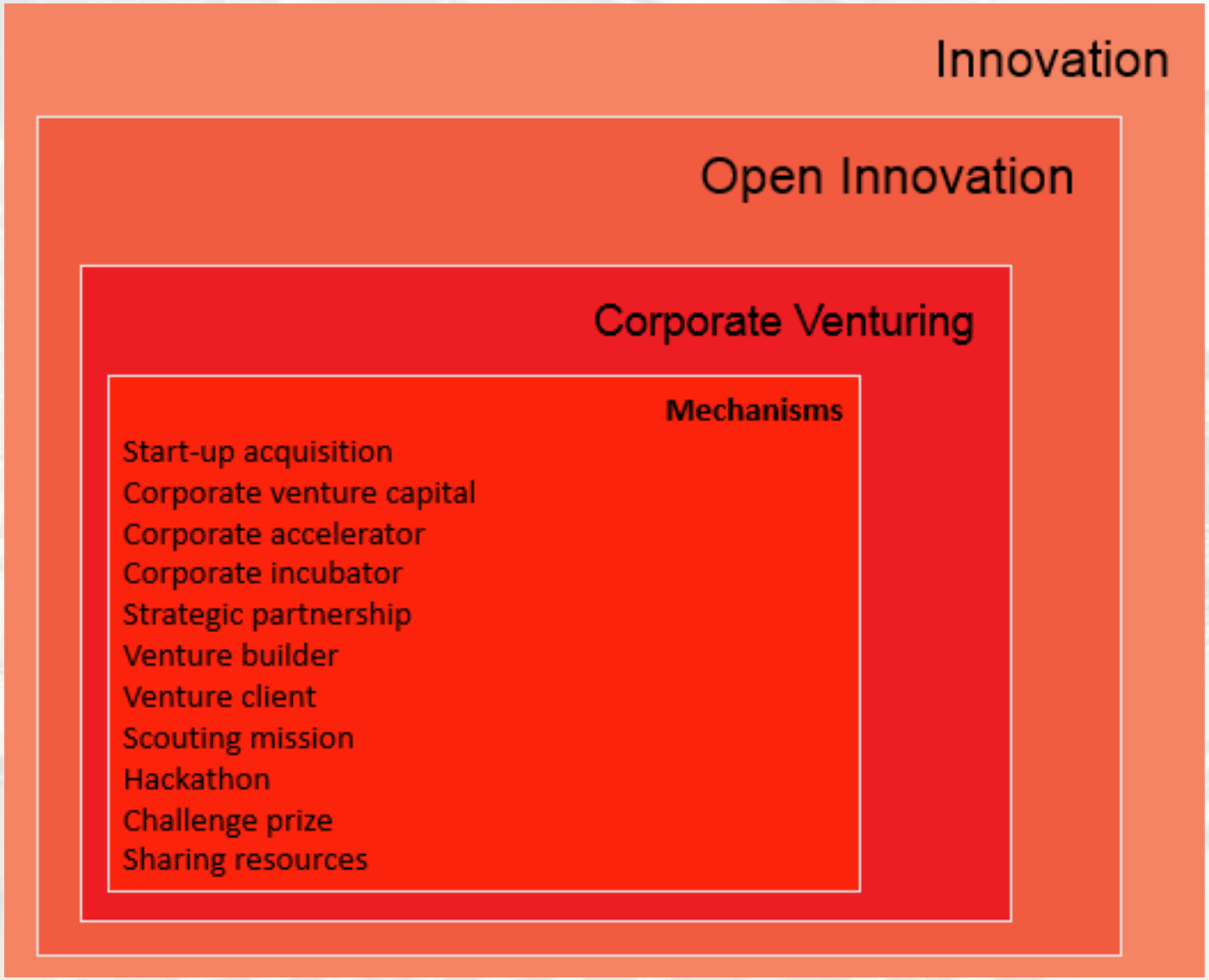
Corporate venturing: entrepreneurs enter the embrace of bigger companies

Being nurtured by a larger organisation may involve gratitude mixed with caution

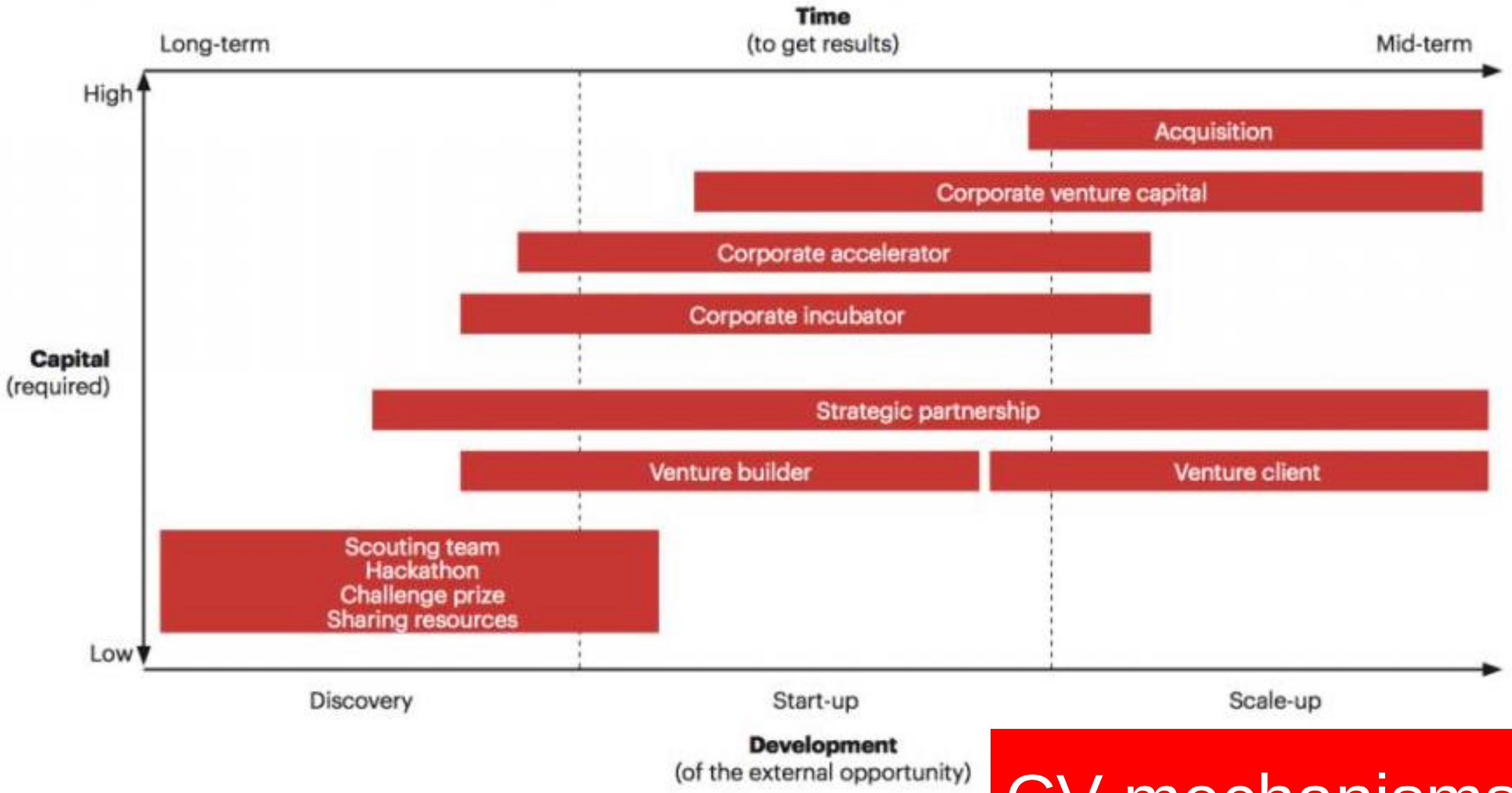
© Siota & Prats, 2020

Corporate Venturing

TODAY

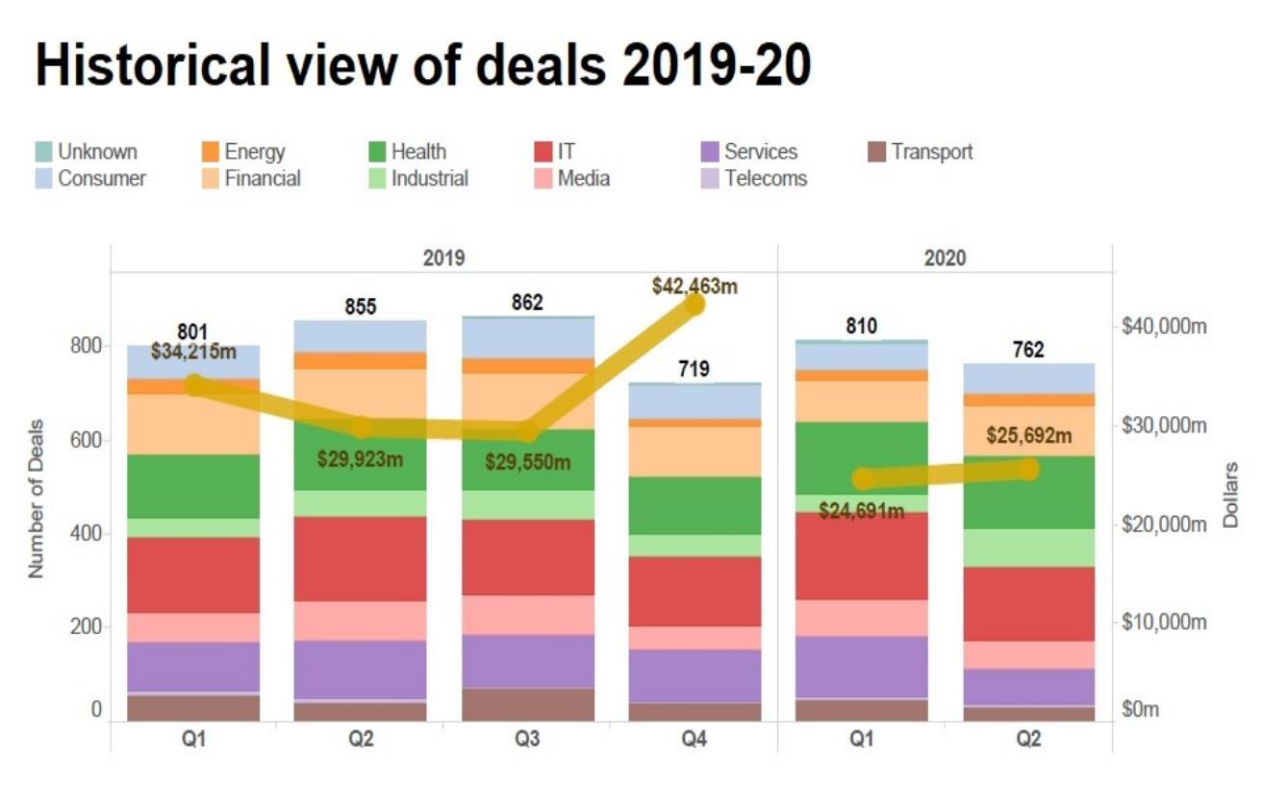


Corporate Venturing



CV mechanisms

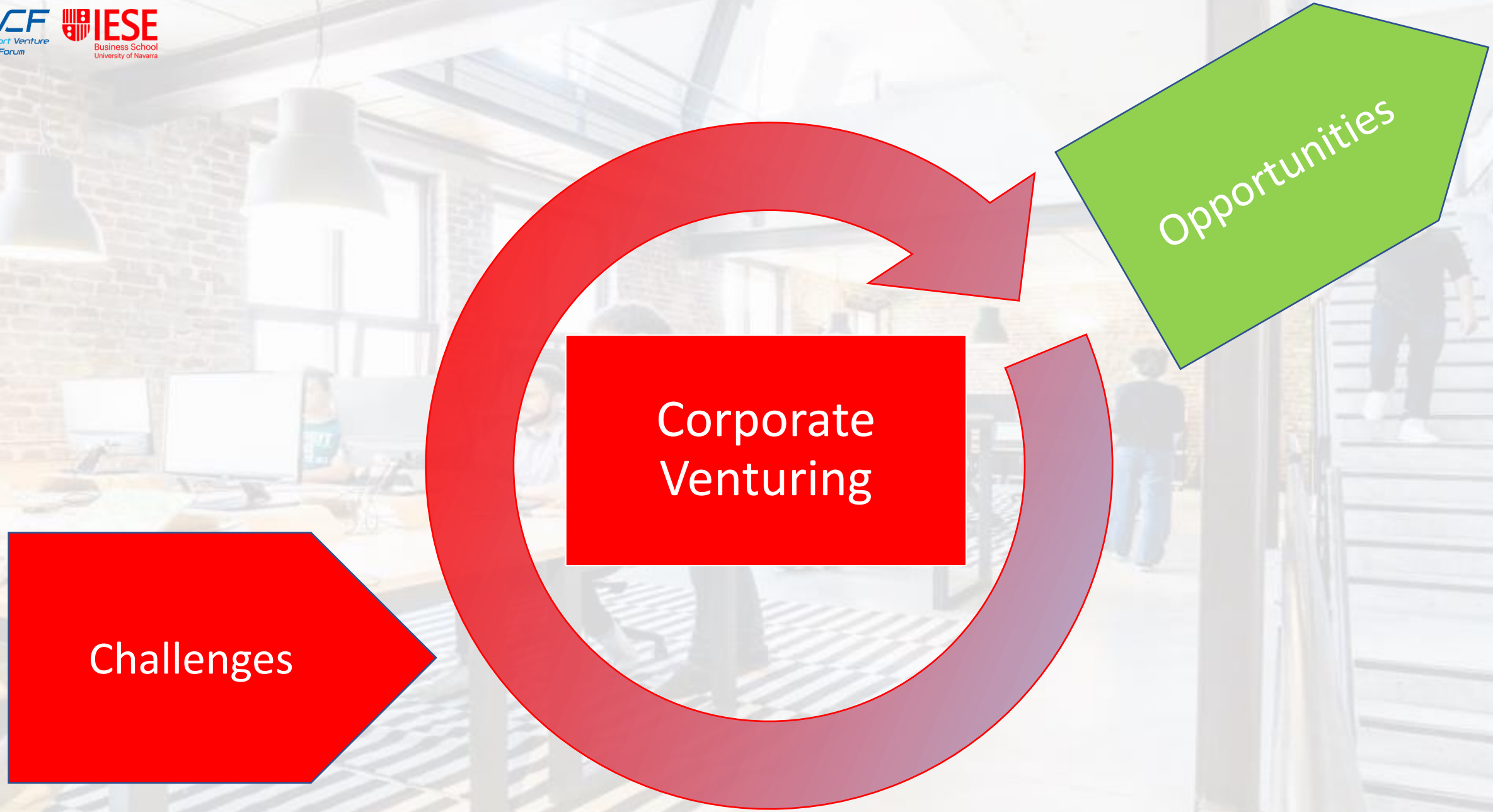
Since 2013 the number of corporate investments in startups has more than **tripled** from **980** in 2013 to **3,237 in 2019**
their value has risen from $19 to $136 billion



GCV Analytics, 2020

The first **six months 2020** in **total registered 1,572 deals** with an estimated total capital deployed **of $50.4bn**, down 5% by deal volume and 21% by deal value from the same period

Corporate Venturing


Opportunities
Corporate Venturing
Challenges

ECOSYSTEM

ECOSYSTEM

ECOSYSTEM

Challenges

ECOSYSTEM

Opportunities

- CV strategy that just **mimic** competitors
- **Qualified** deal flow at reasonable **cost**
- Internal **process** & **teams** to work with startups

- Setting the right strategy ➔ **Sensing mechanism** + innovation strategy **alignment**

- Qualified deal flow at reasonable cost➔ **SQUADS**

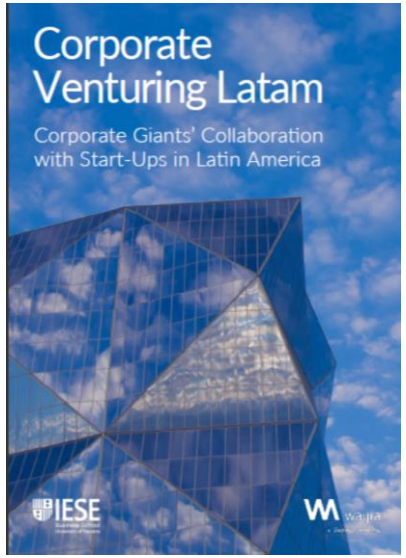
- Internal process & teams to work with startups ➔ management **training** for intrapreneurship + **enablers**

- Between the “potential” and the “**solution**”
- **Learn** how to **co-create**
- David **against** Goliath**?**

- **Solutions** are often industry **specific** – Be **open**
- **Learn** how to **co-create** – Be part of the **solution**
- David **against** Goliath**? – Enablers** maybe the right **bridge**

- **Many**, new and very **different** in nature
- Building a **track record** in a world of opportunities
- A bridge **committed** to both shores

- **Different** in nature – clarify your **value proposition**
- Build **track record** – **focus**
- **Commitment** – **creativity** to align both worlds



© IESE Insight

Thank you.