

# Corporate Venturing Squads:

Teaming Up with Other Corporations  
to Better Innovate with Start-Ups

Hands-On Guidance



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The information presented in this report is derived from IESE's Entrepreneurship and Innovation Center Open Innovation series report titled "Corporate Venturing Squads: Teaming up with Other Corporations to Innovate with Startups." This publication serves as a supplementary visual representation of the research findings contained within the aforementioned report. The content included here primarily focuses on presenting the data in a new visual format, with minor updates or additional information. This visualization was specifically crafted to serve as a practical tool for Chief Innovation Officers (CINOs) and innovation initiatives such as the EU-LAC Digital Accelerator. By offering a different presentation style, this report aims to provide a new perspective on the research findings, potentially highlighting nuanced insights

Readers are encouraged to refer to the original IESE report for comprehensive details and analysis

<https://www.iese.edu/insight/articles/unlock-innovation-corporate-venturing-squads/>

\*The author was affiliated with IESE Business School at the time of the publication of the original report but is no longer associated with the institution



**To all established  
companies and  
innovative start-ups  
looking to create  
value through  
collaboration**

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# Executive Summary

When corporations partner up to unlock innovation, all can benefit

## What is corporate venturing (CV)?

The collaborative framework that acts as a bridge between established companies and innovative start-ups<sup>1</sup>

### CV collaboration can happen through:

- Alliances
  - **Dyadic:** 1 corporate + 1 or more start-ups
  - **Multi-partner:** 2 or more corporates + 1 or more start-ups
- Distinct **CV mechanisms** (e.g., challenge prize, corporate venture capital, venture client, venture builder, corporate accelerator...)



## Corporate venturing squads (CVSs)

They are multi-partner strategic alliances formed by a small group of corporations joining forces to innovate with one or more start-ups

### Types

A typology for CVS



Research based on 50 cases from North and South America, Western Europe, the Middle East, and Asia-Pacific

### Examples of companies using CVSs



## Ongoing case example

- CVS as a tool to boost EU-LAC Digital Accelerator
- A digital acceleration bridge between Europe, Latin America, and the Caribbean
- Facilitating inter-regional cooperation between corporates and start-ups through CV



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# Introduction

# Collaborating With Start-Ups to Achieve Profitable Growth

As open innovation practices become more widespread, companies are increasingly looking for ways to collaborate with start-ups and promote inter-organizational collaboration to drive innovation

Open innovation

Corporate venturing

## Corporate venturing (CV)

The collaborative framework that acts as a bridge between established companies and innovative start-ups<sup>1</sup>

## Open innovation

Open innovation is a paradigm that assumes that firms can and should use external ideas as well as internal ideas, and internal and external paths to market, as the firms look to advance their technology<sup>2</sup>

A top priority for CEOs and executives is to drive growth, sustainability, and profitability

**Why would established corporates choose to partner with start-ups?**

This has prompted exploring various avenues for innovation, including collaborating with start-ups, thereby posing challenges to existing business models

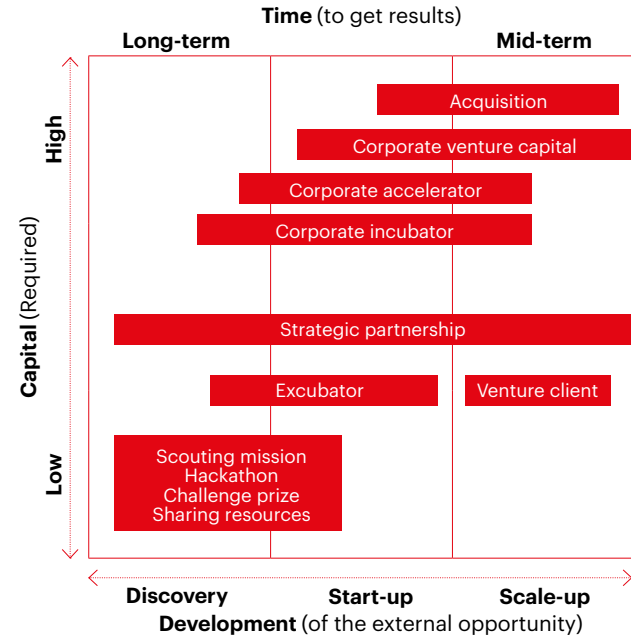
But digitalization is dramatically changing industries in unforeseen ways

Therefore, companies must find new ways to reinvent themselves—such as updating their business models and productivity solutions—to remain competitive

# What Are the **Different** Corporate Venturing Mechanisms?

We are moving toward a hybrid model, combining the best features of corporate innovation and the start-up world, in which both start-ups and corporations are needed to come up with new solutions for the complex problems we face in business and society at large<sup>1</sup>

<p><b>Scouting mission</b> Mission undertaken by professionals from an industry, tasked with finding interesting start-ups and innovations, aligned with a company's strategy</p>	<p><b>Hackathon</b> A focused, intense workshop in which software developers collaborate to find technological solutions to a corporate problem within a timeframe</p>	<p><b>Sharing resources</b> Form of collaboration where resources are shared between corporations, who gain visibility, and start-ups, who get access to cost effective or free corporate resources</p>	<p><b>Challenge prize</b> An open competition focusing on a specific issue. Gives incentives to provide innovative solutions to current corporate problems</p>
<p><b>Corporate accelerator</b> Program that provides intensive short or medium-term support to cohorts of rapid-growth start-ups via mentoring, training, and physical working space</p>	<p><b>Corporate venture capital</b> Corporations target equity investment at start-ups that are of strategic interest, beyond a purely financial return. They get access to innovative technologies and start-ups get know-how</p>	<p><b>Acquisition</b> Purchase of start-ups by companies to access their commercially ready products or technologies that solve specific business problems or help them enter new markets</p>	<p><b>Corporate incubator</b> A program where entrepreneurs are provided with a set of value-added mentoring services and working spaces to build market ready business models, in exchange for a share of equity</p>
<p><b>Strategic partnership<sup>A</sup></b> An alliance between corporations and start-ups to enable them to define, develop, and pilot innovative solutions together, building a relationship and synergies</p>	<p><b>Venture client</b> Strategic partnerships allowing corporations to buy a start-up's initial product or service, providing start-ups with a first client and giving corporations access to start-ups with a ready MVP</p>	<p><b>Venture builder</b> Corporations aim to fast-track the growth of start-ups through a combination of several tools (mainly corporate incubators and corporate accelerators). While start-ups develop tailor-made prototypes for a corporation to solve a problem, entrepreneurs gain access to facilities, expertise and technical support, including skilled mentorship, which increases their chances of getting access to funding</p>	



**Figure 1:** Simplified scheme of the mechanisms available for corporate venturing.  
**Source:** Prepared by the authors from Prats, Siota et al.<sup>3</sup>

# Value Added of CVSs

Its important to consider not only what corporate venturing mechanisms you use but also who you **collaborate** with

Two criteria can be used to classify your corporate venturing initiative

Criteria	Options
Which corporate venturing mechanism is used	1 to 11 mechanisms
Number of parties involved	Dyadic / Multi-partner

## Why CVSs?

- Embrace open innovation by collaborating with other corporates
- Share insights and information about unique innovation challenges collectively
- Foster teamwork and trust by tackling challenges together
- Enhance corporate value proposition amidst competitive scouting environments
- Access assets and capabilities for potential competitive advantages in respective industries



# Methodology

A new study was conducted to provide insights into the emerging trend of the CVS as a form of inter-organizational cooperation for promoting innovation



Readers are encouraged to refer to the original report for comprehensive details and analysis

**Objective** to understand the **characteristics of a CVS** and offer CINO's a typology for informed decision-making in such collaborations

50

CVSs analyzed

50

Interviews with CINO's and related personnel

5

Regions: North and South America, Western Europe, the Middle East, and Asia-Pacific

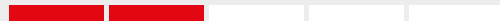
262

Companies

340

CVS Members<sup>B</sup>

# Part I: Corporate Venturing Squads (CVSs)



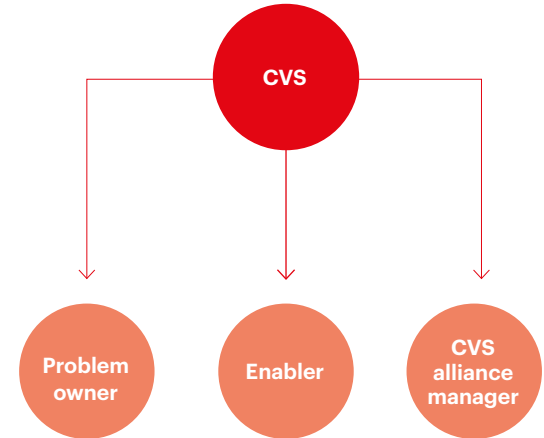
# What is a **CVS** ?

**Corporate venturing squad (CVS)** → CVSs are multi-partner strategic alliances, formed by a small group of corporations, joining forces to innovate with one or more start-ups

The study revealed that most CVSs involved three distinct **roles**

	Problem owner	Enabler	Alliance manager
What	Represents demand side of innovation	Facilitates innovation processes between start-ups and problem owners	Supports the building and sustaining of the alliance
Who	Corporations, SMEs, or government agencies	Well-connected organizations in the ecosystem promoting collaboration	Internal CVS party (often holding dual roles e.g., also a problem owner) or external party
How	They face the problem of innovating and use start-ups as part of the solution	A role that may or may not be present in CVSs	Oversees collaboration and facilitates outcomes
	Aims to foster collaborative innovation	Role is relevant for companies with limited resources	Complex role as it involves relationship management

**Figure 2:** The three roles within a CVS



**Source:** Prepared by the authors.

# Corporate Benefits

This study identifies that joining a CVS can **have five main benefits** for the corporates

1

## Increased quantity and quality of deal flow

A CVS allows companies to share and leverage scouting capabilities, providing a more attractive value proposition to start-ups than if a corporate was working alone

2

## Improved corporate innovation networks

CVSs improved companies' network and position in the innovation ecosystem

3

## Learning together and sharing best practices

Interviewees highlighted the significance of knowledge sharing as a direct outcome of being a part of a CVS

4

## Enhanced credibility and visibility

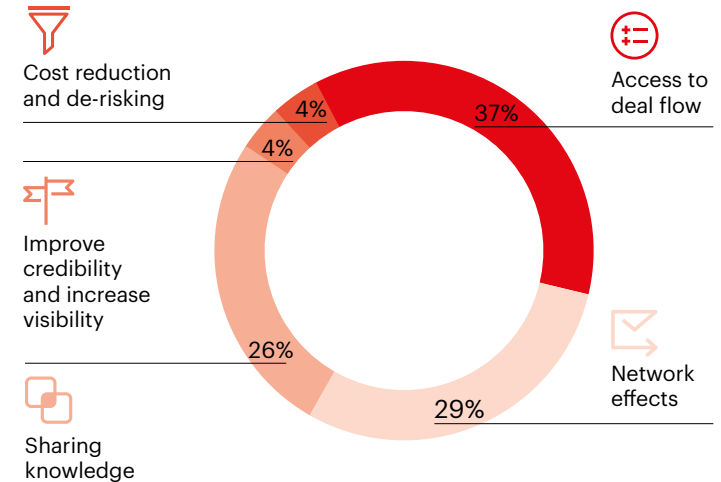
CVSs contributed to enhancing a firms credibility and visibility

5

## Reduced innovation costs

The ability to share costs and risks in order to innovate

**Figure 3:** Corporate benefits by relevance



**Note:** CVS members, N = 165; results are based on 405 (benefits) answers. It was an open-ended question and respondents could provide more than one answer.

**Source:** Prepared by the authors.

# CVS Types: Classification Criteria

Study found that CVSs are not all equal and are not static

A typology was created based on two key criteria: **frequency of collaboration** and CVS **main activity**

**Frequency of collaboration** among companies and start-ups, where CVSs can be established with varying time horizons

## 1

### One-shot

One-time isolated event

## 2

### Recurring

Longer engagements among CVS members

## 1

### Scouting

CVS Scouting allows corporations to share specific needs and challenges gaining specialized access

## 2

### Testing

Establishment of a long term relationship and co-development of products and services

## 3

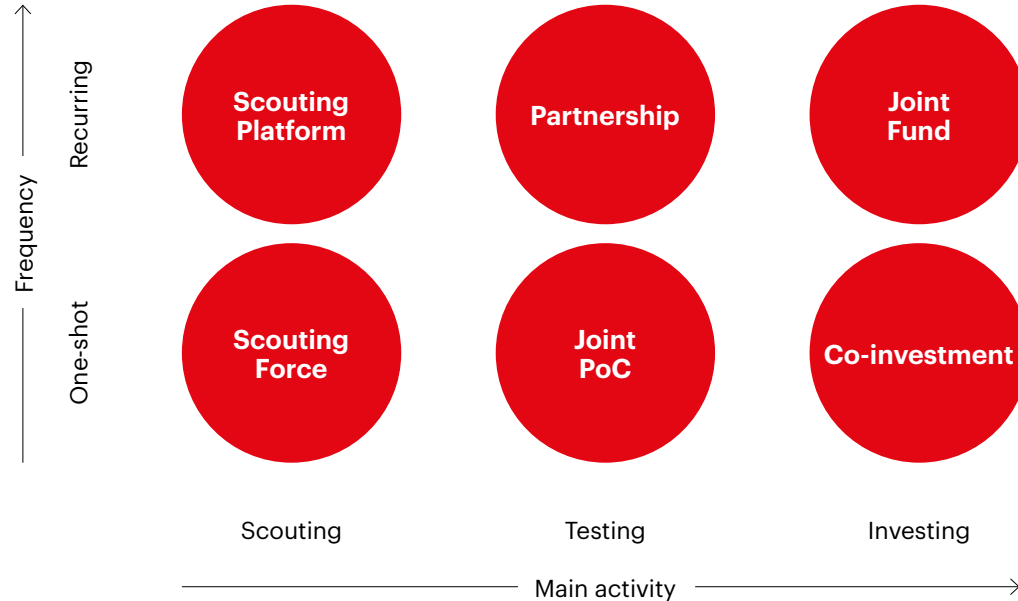
### Investing

Two or multiple companies investing in one or several start-ups

To decide when and why a company should engage in or form a CVS, identifying its **main activity** is essential

# The 6 CVS Types

**Figure 4.** A typology for corporate venturing squads



**Source:** Prepared by the authors.

# 1/6 Scouting Force

A **scouting force** aims to generate deal flow for corporations, providing opportunities to identify, understand, and explore potential collaborations with start-ups. One-shot initiative aimed at *testing the waters* of collaborative innovation

### Example: International Innovation Challenge<sup>4</sup>



International challenge organized by Hello Tomorrow calling for innovative solutions for carbon capture, utilization, and Carbon Dioxide Removal technologies

<b>Corporate members</b>	galp <b>REPSOL</b>
<b>Sector</b>	Energy and environment
<b>Countries</b>	Portugal and Spain
<b>Benefits for start-ups</b>	<ul style="list-style-type: none"> <li>• €50,000 for the winning team</li> <li>• PoC funding</li> <li>• Industrial strategic support</li> <li>• Access to a global business network</li> </ul>

<b>Launched in</b>	<b>Start-ups applied<sup>c</sup></b>	<b>Start-ups selected</b>
2022	70+	1

# 2/6 Scouting Platform

A **scouting platform** aims to bring deal flow to corporations. It is the same as a scouting force but it is recurrent over time. Scouting forces can become scouting platforms if successful

### Example: Future Tech 2.0<sup>5</sup>



It is a platform to influence the tech-driven start-up ecosystem, serving business needs  
 Collaboration aimed at unlocking synergies from cross-industry expertise, maximizing value and impact

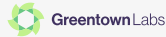
<b>Corporate members<sup>d</sup></b>	
<b>Sector</b>	Energy and environment, Agriculture, ICT, Financial and insurance activities
<b>Countries</b>	Malaysia, Singapore, South Korea, and Switzerland
<b>Benefits for start-ups</b>	<ul style="list-style-type: none"> <li>• Increased collaboration and partnerships</li> <li>• Faster iteration cycles</li> <li>• Access to new markets, industry needs, and technology for growth</li> </ul>

<b>Launched in</b>	<b>Start-ups applied</b>	<b>Start-ups selected</b>
2018	500+	35+

## 3/6 Joint PoC

A **joint PoC** is a scenario where two or more companies collaborate with a start-up to develop or enhance a product or service in a one-time collaboration

### Example: Greentown Go Move challenge<sup>6</sup>



An initiative by GreentownLabs, brought corporates and climatetech start-ups together to advance solutions that decarbonize the automotive industry's life-cycle impact

It zeroed in on material innovations for automotive efficiency, material innovations for shared and future mobility, and materials and process innovations for recycling

<b>Corporate members</b>	
<b>Sector</b>	Transportation, Chemicals and materials
<b>Countries</b>	Canada, Germany, and the United States
<b>Benefits for start-ups</b>	<ul style="list-style-type: none"> <li>• Access to ecosystem, investors, and facilities</li> <li>• Mentoring</li> <li>• Venture development services</li> <li>• Software and business resources</li> </ul>

<b>Launched in</b>	<b>Start-ups applied</b>	<b>Start-ups selected</b>
2022	100+	5

## 4/6 Partnerships

A **partnership** is similar to joint PoCs but the collaboration arrangement includes recurrent PoCs among CVS members with either the same or different start-ups

### Example: Verbund x Accelerator<sup>7</sup>



Aims to support start-ups in accessing resources, making fast decisions, securing proof-of-concept budgets, and accessing venture capital, while also aiding corporates in overcoming challenges swiftly, and gaining access to start-ups

Co-creation platform focused on energy sector transformation

<b>Corporate members</b>	
<b>Sector</b>	Energy and environment, Financial and insurance activities, Chemicals and materials, Transportation, Construction, and Business services
<b>Countries</b>	Austria
<b>Benefits for start-ups</b>	<ul style="list-style-type: none"> <li>• Resource access</li> <li>• Fast decision-making</li> <li>• PoC</li> <li>• Venture capital access for growth</li> </ul>

<b>Launched in</b>	<b>Start-ups applied</b>	<b>Start-ups selected</b>
2019	300	99



## 5/6 Co-Investment

**Co-investment** is when companies offer investment opportunities for start-ups as a one-time deal (i.e., one investment in one or more start-ups). It involves collaboration among member companies, excluding cases where two or more corporates have independently invested in the same start-up, whether focusing on strategic and/or financial returns

### Example: Solatom<sup>8-9</sup>



Develops solar boilers for the generation of heat in the form of steam, pressurized hot water and thermal oil for industrial applications

#### Corporate members



#### Sector

Energy and environment, Business products and services

#### Countries

Spain

#### Benefits for start-ups<sup>E</sup>

- Funding that enables the expansion of the product portfolio and international expansion
- Access to financial, technical, and industrial support

Launched in	Start-ups applied	Start-ups selected
2020	12	1

## 6/6 Joint Fund

A **joint fund**, created with capital from the CVS partners, is a structured investment vehicle that allocates several rounds in one or more startups, and separates ownership from management

### Example: Kamay Ventures<sup>11-12</sup>



Kamay Ventures is a venture capital fund managed by Overboost, facilitating joint investments

Shared strategic goal: to improve various stages of production processes beyond financial returns

#### Corporate members



#### Sector

Food and beverages, Other financial services

#### Countries

Argentina, the United States, and Mexico

#### Benefits for start-ups

- Access to capital and project acceleration
- Scale and validate solutions
- PoC
- Company building
- Forge strategic alliances

Launched in	Start-ups applied	Start-ups selected
2019	5,000	12

# Key Considerations for Successful CVSs

Dyad and multi-partner alliances face some common challenges in the success of their joint ventures

## Key considerations for multi-partner alliances<sup>13-16</sup>

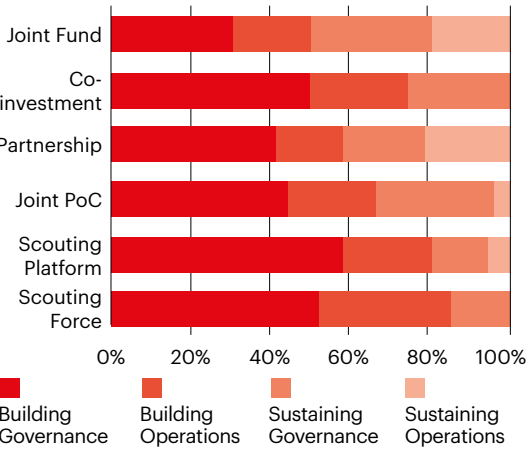
- Be aware of organizational complexity and coordination difficulties
- Pay attention to strategic fit among all parties
- Be aware of coalitions and internal competition
- Be aware of social exchange issues and knowledge leakage

To analyze these challenges this study used **two criteria:**

- I. Types of issues faced**
- II. Phase in which they occur**

I. Types of issues faced	
Two fundamental elements for the success of your CVS	
<b>I. Governance</b> Determining objectives, devising decision-making processes, allocating benefits and addressing intellectual property concerns	<b>II. Operations</b> Proper execution of day-to-day business activities such as resource scarcity
II. Phase in which they occur	
<b>I. Building phase</b> Prior to the launch of the CVS and involves the establishment and design	<b>II. Sustaining phase</b> Begins after the launch and encompasses the implementation of the CVS

**Figure 5:** Challenges faced by CVS members by CVS type



**Note:** Building/governance, (CVS members, N = 131); building/operational (N = 57); sustaining/governance (N = 44); sustaining/operational (N = 19). Results are based on 268 (challenges) answers. It was an open-ended question and respondents could provide more than one answer.  
**Source:** Prepared by the authors.

# Part II: CVS Typology Applied



# What is the size of a CVS?

Several studies have explored the relationship between the size and performance of a strategic alliance. Larger alliances lead to significant issues related to contract completion and higher cooperation costs<sup>17,18</sup>

**Recurrent CVSs generally have more members than one-shot CVSs**

Recurrent alliances offer more opportunities for learning and knowledge sharing among partners, which can lead to more extensive partnerships

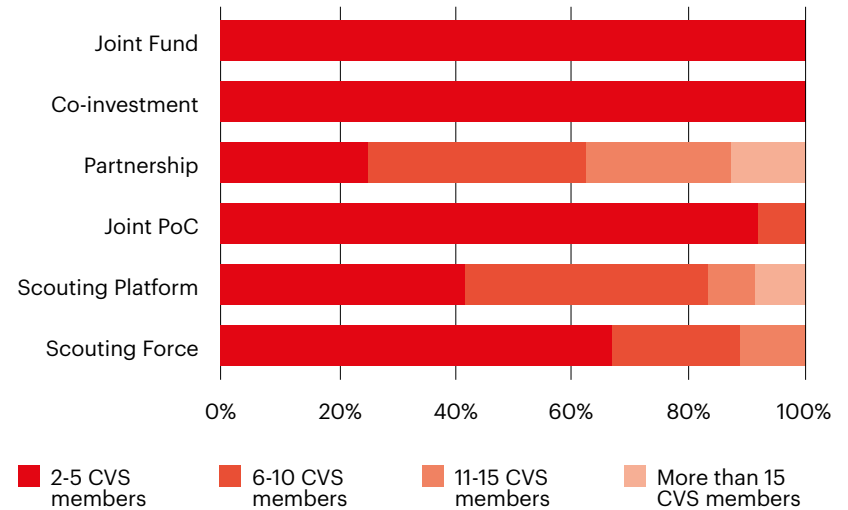
Additionally, establishing one-shot CVSs may be influenced by transaction costs, which can limit the partnership's size and scope

**In general, CVSs dedicated to investing in a start-up or conducting a joint PoC are smaller**

Evaluating potential candidates when investing in a start-up can be time-consuming, and a smaller CVS can make this process more efficient

Similarly, conducting a joint PoC involves a small group of partners who can work closely together, which can be more challenging with a larger group

**Figure 6:** Frequency CVS sizes by type



**Note:** CVS members (problem owners, enablers and CVS managers) N=340, CVS, N=50.

**Source:** Prepared by the authors.

# How Many **Start-Ups** Were Scouted and Selected?

**Supply side of innovation.** Start-ups possess the agility and dynamism required to tackle the challenges posed by corporates with remarkable speed and creativity

How many start-ups are usually involved in the process of scouting and selecting in a CVS?

**The study found that each type of CVS exhibits distinct trends:** One-shot CVSs show lower engagement with start-ups compared to recurrent CVSs

	One-shot	Recurrent
Scouted average	<b>30 start-ups</b>	<b>1,228 start-ups</b>
Selected average	<b>2 start-ups</b>	<b>18 start-ups</b>

## Overall number of start-ups

Selected: range 1 - 167  
Scouted: range 1 - 5,000

## Key insights

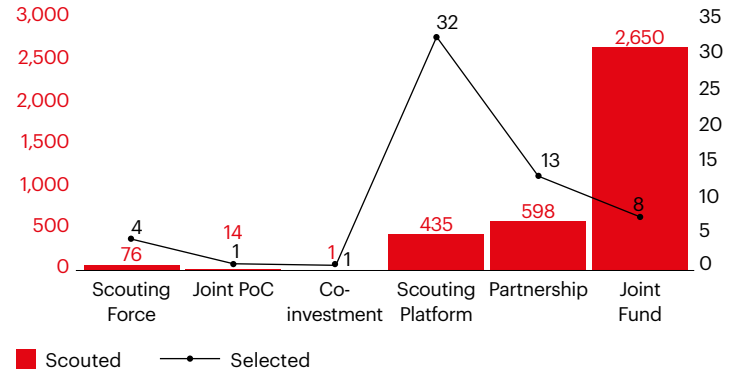
### Joint funds exhibit selection rates of 0.3%

- Notably low selection rate
- Selective process
- Focus on only a few high quality start-ups for investing

### Scouting platforms and partnerships exhibit selection rates of 7.36% and 2.17% respectively

- More exploratory approach
- Willingness to consider larger number of start-ups

**Figure 7.** Median scouted and selected start-ups by CVS type



**Note 1:** Scouted start-ups, (CVS, N = 38); selected start-ups, (CVS, N = 45).

**Note 2:** Vertical left axis = scouted start-ups (0-3,000); vertical right axis = selected start-ups (0-35).

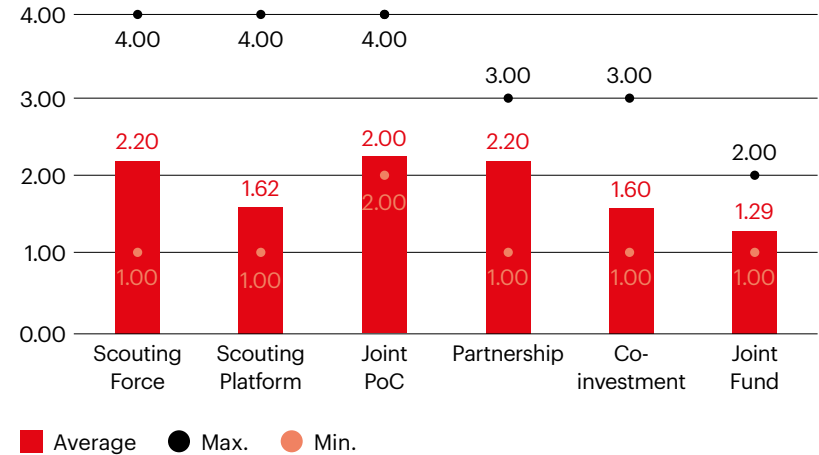
**Note 3:** Joint PoCs and partnerships sometimes belong to the same corporate collaborative initiative. See footnote F.

**Source:** Prepared by the authors.

# Number of Corporate Departments Involved in a CVS



**Figure 8:** Number of departments involved in the management of the CVS by type



**Note:** CVS members, N = 118; results are based on 228 (departments) answers. It was an open-ended question, and respondents could provide more than one answer.

**Source:** Prepared by the authors.

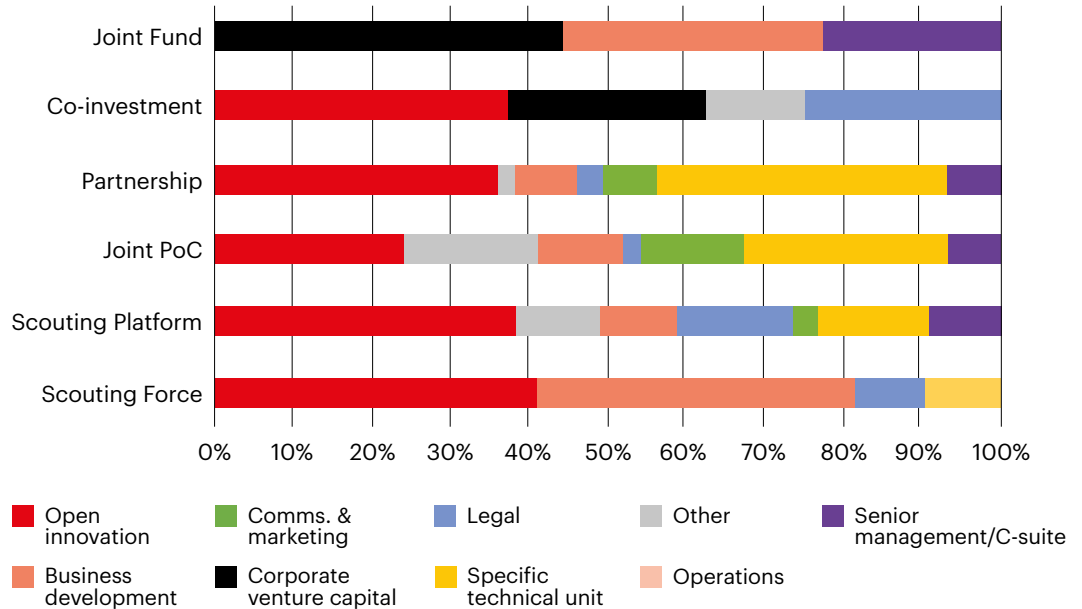
# Which **Departments** are Involved in a CVS

→ ... And which departments are typically involved in the management of a CVS?

**The research showed that there are different departments involved, depending on the type of CVS**

**The most frequent** departments involved are open innovation (scouting platforms and co-investments, 38% each), open innovation and business development (scouting forces, 41% each), specific technical units (joint PoCs, 26%), open innovation and specific technical units (partnerships 36-37%), and corporate venture capital (joint funds, 44%)

**Figure 9:** Number of departments involved in the management of the CVS by type



**Note:** CVS members, N = 118; results are based on 228 (departments) answers. It was an open-ended question, and respondents could provide more than one answer.

**Source:** Prepared by the authors.

# CVS Mechanisms: **Number**

One critical aspect of designing a successful CVS is selecting the **appropriate CV mechanism(s)**



They are the **tool** by which **innovation** will be accomplished



Innovation leaders must carefully evaluate the **type of CVS** they join and determine **which CV mechanism** is most effective



**How many mechanisms are typically used in a CVS?**

## CVSs can use diverse CV mechanisms

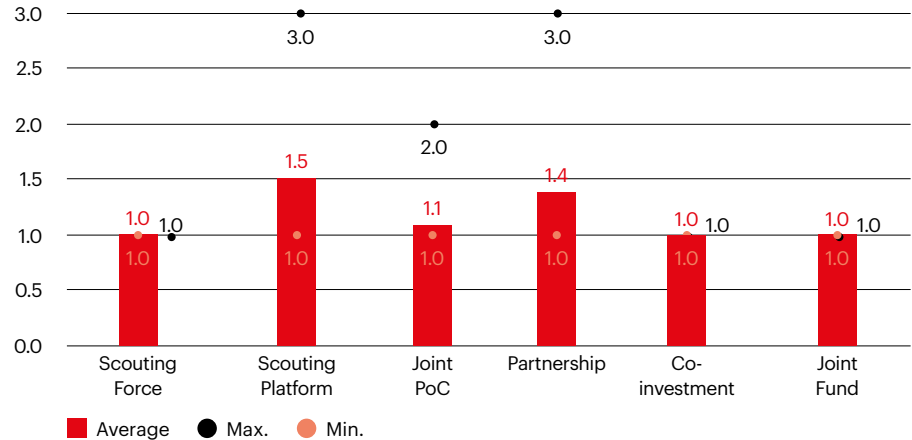
They differ in terms of:

- Speed
- Cost of implementation
- Maturity stage of start-ups engaged (i.e., discovery, start-up, or scale-up)

## This study found CVSs use...

- Only one or a limited number of mechanisms
- The maximum number of mechanisms used within the same CVS is 3

**Figure 10.** Number of CV mechanisms used by CVS type



**Note:** CVS, N = 50; results are based on 60 (mechanisms) answers. A CVS can use more than one corporate venturing mechanism.

**Source:** Prepared by the authors.

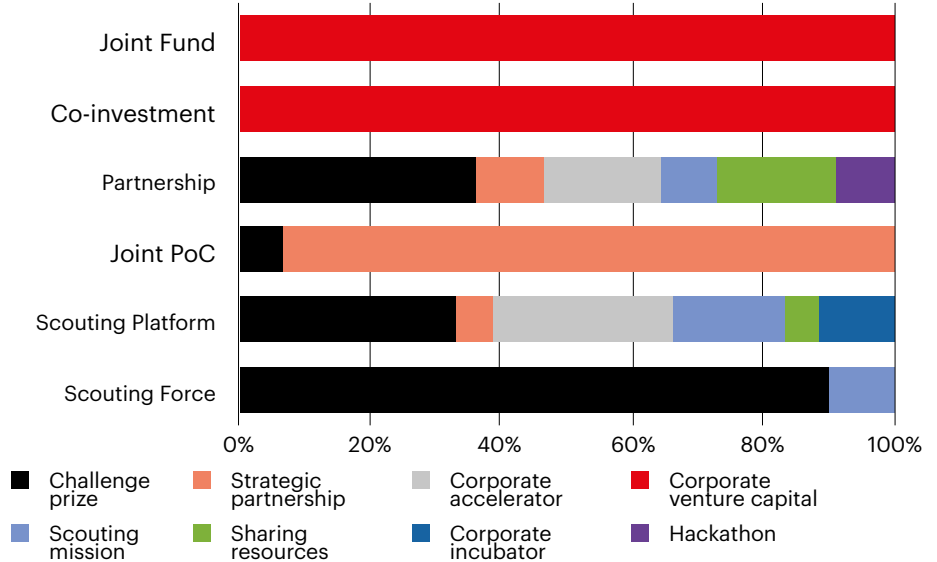


# CVS Mechanisms: **Type**

Are there differences among preferred mechanisms if we consider different types of CVSs?

Yes, there are nuances related to which corporate venturing mechanism to use

**Figure 11:** CV mechanisms by CVS type



**Note 1:** CVS, N = 50; results are based on 60 (mechanisms) answers. A CVS can use more than one corporate venturing mechanism.

**Note 2:** In this figure, the strategic partnership mechanism also incorporates the venture client due to the wide variety of engagements found in the sample.

**Source:** Prepared by the authors.

# 1/3 Case: 100+ Accelerator<sup>20</sup>

The 100+ Accelerator was launched in 2018 by AB InBev to support the achievement of the United Nations Sustainable Development Goals (SDGs) in the supply chain of the food and beverages industry as well as to fuel the growth of start-ups developing critical sustainability solutions

## CVS Type: Partnership

Recognizing the need for collective action to deliver systemic change, AB InBev partnered with The Coca-Cola Company, Colgate-Palmolive, and Unilever in 2021 to catalyze innovation. Danone joined this initiative in 2024.<sup>21</sup> These large companies share many of the same processes and sustainability challenges within their supply chains, and working together reduces their innovation costs and efforts

- Allows start-ups to pilot innovations, addressing challenges in corporate value chains
- Scales start-ups' solutions faster
- Offers up to \$100,000 for testing viability of product
- Provides coaching from business experts

## Members



## Purpose

Source, validate, and scale sustainable technology, products, and services

## Industry

Sustainable innovation in supply chains

*"[P]artnerships like these are critical for transforming global supply chains towards a greener future" -Marc Enge, Unilever's Chief Supply Chain Officer<sup>22</sup>*

## Sub-sector

Food and beverages  
Other consumer products manufacturing

## Impact<sup>c</sup>

<b>Start-ups applied</b>	3,000
<b>Start-ups selected</b>	81
<b>Countries</b>	The United States
<b>Benefits</b>	Mentoring Access to market

## 2/3 Construction Start-Up Competition<sup>23</sup>

The Construction Start-up Competition was launched in 2017 by CEMEX Ventures, looking for solutions in the construction industry in sustainability, speed, efficiency and innovation

### Members



### Purpose

Scout start-ups leading the transformation of the construction industry

### Industry

Construction industry

### CVS Type: Scouting platform

The competition was designed to scout start-ups with the ambition to lead the transformation of the construction industry. After three successful editions, other industry leaders, including Ferrovial, Hilti, VINCI Group's Leonard, and NOVA by Saint-Gobain, joined the competition in 2020

- Has a collaborative approach with industry leaders and partners
- Enhanced value proposition for start-ups
- Access to portfolio of important contacts and strategic investment
- Possibility to pilot and test their solution in real markets in many countries
- Innovation in a traditionally less digitalized sector

*"[C]ombining this competition with partners with a diverse set of capabilities (...) creates a consortium of people which can see the construction value chain from end to end with different perspectives"<sup>24</sup>*  
-Gonzalo Galindo, Head of CEMEX Ventures

### Sub-sector

Social infrastructure  
Financial services  
Consumer products manufacturing  
Business and industrial services  
Construction materials  
Roads and bridges

### Impact

**Start-ups applied** 1,264  
**Start-ups selected** 6  
**Countries** Mexico and Spain  
**Benefits** Visibility  
Credibility  
Funding

## 3/3 MobilityXlab<sup>25</sup>

MobilityXlab was launched in 2017 as a collaborative hub in Sweden. Focused on the mobility sector it offers start-ups with pioneering ideas the opportunity to accelerate through a strategic partnership

### Members



### Purpose

Accelerate start-ups  
Generate commercial projects between start-ups and partners

### Industry

Mobility sector

### CVS Type: Scouting platform

This collaborative platform originated from Zenuity, a joint venture between two of the founding members that were already located in Lindholmen Science Park.<sup>26</sup> Although some of the founding members had already been collaborating, a larger collaboration arrangement was established to enable faster innovation through the involvement of more players

- Provides an innovation lab and expo space
- Offers strategic partnerships with seven global players in mobility and connectivity
- Aim to generate commercial product between the start-up and the corporate
- To qualify for acceptance at least two corporate partners must be on board

*“The new technologies will offer many advantages for our customers and society in general. However, if we in the automotive industry are to fully leverage the possibilities, we have to work smarter, faster and far more closely with others” - Martin Lundstedt, CEO of the Volvo Group<sup>27</sup>*

### Sub sector

Means of transport:  
manufacturing

ICT and System software

Business and industrial services

### Impact

**Start-ups applied** 598

**Start-ups selected** 69

**Countries** Sweden

**Benefits** Mentoring  
Funding

# Part III: Now What?



# How Can These **Results** Help Chief Innovation Officers?

This study introduces the CVS, a novel type of multi-partner alliance that aims to drive corporate innovation through the cooperation of multiple corporations working as a team, innovating together with start-ups

**This emerging phenomenon has the potential to continue improving the innovation landscape through:**

Fostering collaboration across multiple sectors and stakeholders

Providing a platform for long-term commitment and cross-industry knowledge sharing

*Even if CVS members are competitors they can benefit from these strategic partnerships*

Looking beyond cost savings: **Top 5 benefits**

1



Access to deal flow

2



Network effects

3



Sharing knowledge

4



Improve credibility and increase visibility

5



Cost reduction and de-risking

# How Can These **Results** Help Chief Innovation Officers?

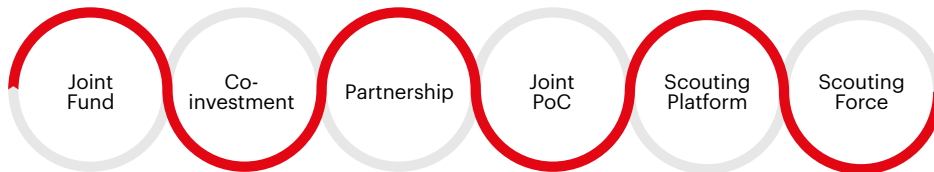
Unleashing the power  
of collaboration

How to choose the best CVS

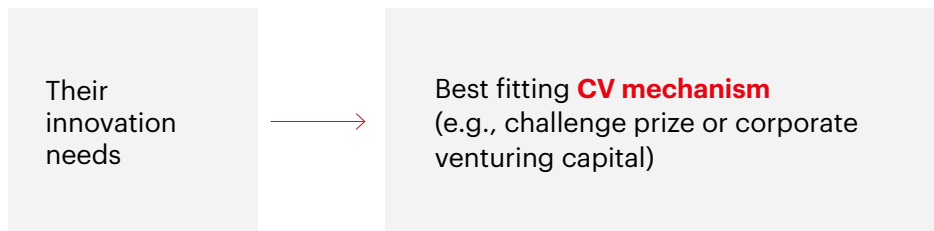


Align your strategic goals  
and time horizons

## 6 Types of CVS



## Innovation leaders should match:



## Overcoming governance challenges

**Most common issue** Governance issues during the building phase

**Potential solution** CINOs should establish clear governance mechanisms

- 1 | Defining unambiguous criteria for identifying and selecting CVS members
- 2 | Specifying clear lines of communication and decision-making authority
- 3 | Establish tools for addressing cultural and other differences among members
- 4 | Clear mechanisms for aligning objectives, deadlines, start-up scouting criteria and intellectual property management

# Appendix: Ongoing Case Example.

## EU-LAC Digital Accelerator





# What is the EU-LAC Digital Accelerator?

The EU-LAC Digital Accelerator is an initiative financed under the Neighborhood, Development and International Cooperation Instrument (NDICI-Global Europe) under the EU-LAC Digital Alliance framework, focused on fostering **multi-stakeholder and private sector collaboration, competitiveness, digital skills and innovation**, through the establishment of a **regional EU-LAC Digital Accelerator**

**Building bridges to accelerate digital transformation in Europe, Latin America and the Caribbean**

**Goals:**

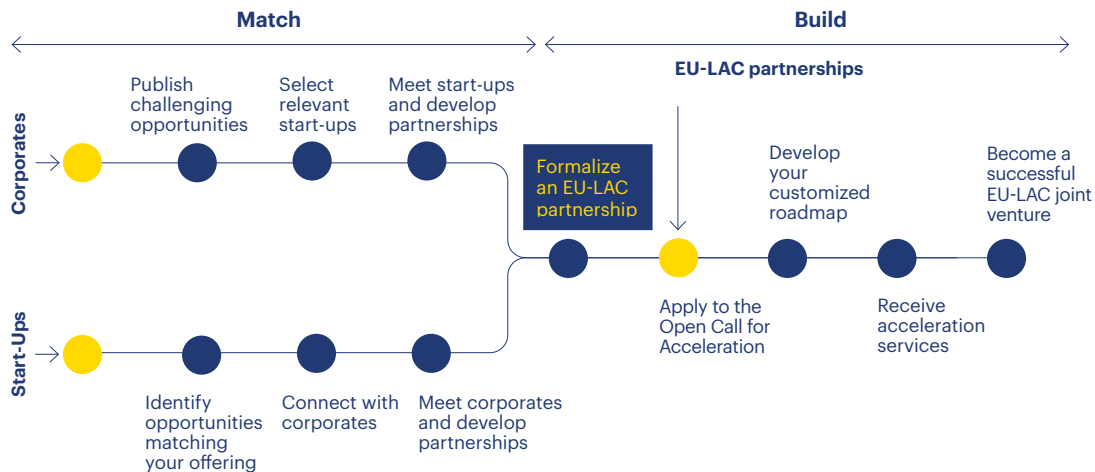
1. Establish high potential digital areas for collaboration opportunities
2. Facilitate connection between corporate challenges and innovative solutions
3. Develop sound joint business cases
4. Connect digital projects with public and private investors

**Key strategic partners**



**EU-LAC boosts digital transformation through open innovation by accelerating partnerships between corporates and start-ups or small and medium enterprises**

**Acceleration pathway**



**Figure 12.** EU-LAC acceleration pathway

**Source:** EU-LAC Digital Accelerator.<sup>28</sup>

# Unlocking Synergies: Individual vs. CVS Participation in EU-LAC Digital Accelerator

**Unlocking the power of collaboration:** Joining forces within a CVS in the EU-LAC Digital Accelerator provides possible advantages over individual participation

## CVS participation:

A group of corporations forms a CVS to propose a shared challenge and match with one or more start-ups in the EU-LAC Digital Accelerator

- 1. Expanded deal flow:** Participating in a CVS may unlock access to a broader pool of innovative start-ups and solutions, increasing the chances of finding the right match for collaboration
- 2. Amplified network effects:** By collaborating with multiple corporations, CVS members may benefit from network effects, leveraging shared resources, connections, and market insights to accelerate innovation
- 3. Knowledge sharing and collaboration:** CVS fosters knowledge sharing and collaboration, enabling members to tap into diverse expertise, experiences, and perspectives, driving collective learning and innovation
- 4. Enhanced visibility and credibility:** CVS participation elevates the visibility and credibility of member corporations within the innovation ecosystem, signaling a commitment to collaboration and driving greater interest from start-ups, investors, and other stakeholders
- 5. Cost reduction and risk mitigation:** Sharing resources, expertise, and risks among CVS members may lead to cost reduction and de-risking of innovation initiatives. This may enable corporations to pursue more ambitious projects with lower financial and operational burdens

... that can result in **enhanced matchmaking capabilities** with start-ups and **increased success rates for pilot projects**

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# Footnotes

**A.** The concept of strategic partnership includes several submechanisms, such as corporate-university agreements to interact with university spin-offs and licensing to commercialize start-up innovations.

**B.** Employees: 3 to 1,541,000. Annual turnover: \$439,031 to \$514 billion.

**C.** The information provided about the applied and selected start-ups in all examples is current as of April 2023. It is important to note that subsequent editions of the CVS may have been initiated, potentially leading to variations in the current figures.

**D.** This section only includes corporate members, but ecosystem partners also include Cradle, MRANTI, MDEC, MIGHT, Microsoft, AWS, SGINNOVATE, Leave a Nest, TI National Technology & Innovation Sandbox, My Startup, and TATA Consultancy Services.<sup>5</sup>

**E.** This co-investment involved Enagás, BP, Enagas Emprende, and Ship2B. The deal date was 04/12/2020. SOLATOM raised a total of EUR 589,113 to be used to replicate a model that was working well in Spain internationally.<sup>10</sup>

**F.** One of the main findings in this study is that CVSs are not all equal and are not static. As explained above, companies engaged in CVSs participate in both one-shot and recurrent alliances. Moreover, different CVSs can exist within the same corporate collaborative initiative, depending on the joint activities and arrangements between multiple members. For instance, let's take Start4Big, a Spanish multi-sector open innovation program promoted by five large companies in the ICT, energy, financial, and transportation sectors. These companies have

annual revenues between \$11 and \$58 billion. The program's main joint phase involves scouting and selecting start-ups. In the second phase, different PoCs are delivered by one or some of its members. Sometimes, the PoCs are individual collaborations between one established company and the start-up, such as the pilot project between CaixaBank and the start-up LANG.AI, a platform for understanding language without human supervision and in any language. In these cases, the collaboration is out of the scope of the CVS. Alternatively, some of the PoCs involved several established companies. During its first edition in 2018-2019, Aigües de Barcelona, Naturgy, and Seat had a pilot with start-up Smart IOT Labs, dedicated to the generation of virtual assistants for homes and other environments. Also, in this edition, the five companies were part of a PoC with start-up PLAYFILM, a tool that creates a gamified video format to improve mobile campaigns on Facebook and Instagram and increase the connection with users. In the second edition, Aigües de Barcelona and CaixaBank had a joint PoC with start-up Mobbeel, focused on digital onboarding solutions, electronic signature, and biometric authentication. Considering these examples, within the Start4Big program, we would find a total of four CVSs.

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