A REVELX PUBLICATION

# CORPORATE VENTURING PLAYBOOK

Understanding how to become best-in-class in corporate venturing. Realize growth through innovation by building effective partnerships with external parties.

Version 1.1

REVELX

# CONTENTS

PS: Click on any chapter to access it directly



Keep your eye open for updates of this playbook on our website: revelx.co


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INTRODUCTION

# WE ARE REVELX

We help you realize growth through strategic innovation.

Innovation theory and methodologies are the easiest part of innovation. The hardest part is the execution within your organization. We ensure that innovation becomes a systematic and supported business process, adapted to the specific characteristics and DNA of your organization. We make it stick! That's how we distinguish ourselves. We make innovation contribute to your business objectives.

We are a team of senior growth entrepreneurs. A collection of curious minds and diverse personalities. Based in Amsterdam, we are proud to partner with our clients around the globe with a team of highly skilled and passionate professionals.

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## WHY
## WE WROTE THIS

Realizing growth through innovation is hard. Today, many organizations still rely heavily on their own capabilities. Instead, they must get out of the building to become more successful in innovative growth. With this we mean to continuously tap into external networks, pro-actively searching and partnering with startups and scaleups to balance internal efforts.

## WHAT
## WE WILL COVER

With this playbook, we introduce the concept of corporate venturing and how to be successful at it. We introduce a process framework, explore the key corporate venturing steps, and dive into the main challenges. We provide a toolset which measures the readiness of your company for venturing. Also, we offer a way to evaluate your current partnerships.

## HOW
## YOU CAN READ IT

The playbook is structured around the base ingredients of corporate venturing. You do not have to read it from start to finish, as you can jump straight to the topics in which you are most interested. But hey, if you wish to cover everything, you're more than welcome to read it like a book. Enjoy!

Keep your eye open for updates of this playbook on our website: revelx.co

# 02 CORPORATE VENTURING AND ITS CHALLENGES

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**TO VENTURE:**

*Undertake a risky or daring journey or course of action*

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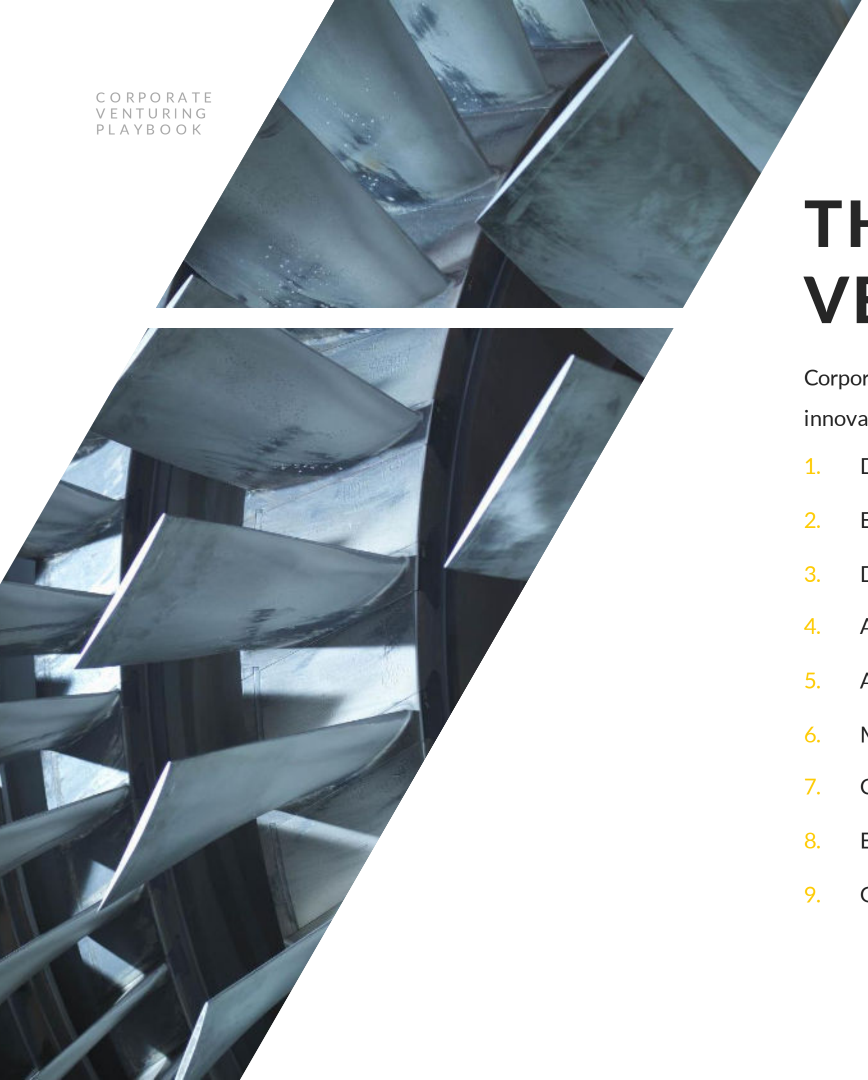
## CORPORATE VENTURING:

*An innovation and growth strategy in which a larger, more established company enters a partnership with one or more innovative organizations in order to co-develop innovative products and services, independent of any financial investments**

* Corporate venturing is part of Open Innovation, an innovation model, in which an organization does not just rely on their own *internal* knowledge and (re)sources, but also uses multiple *external* sources such as customers, competitors, experts, academia, research institutes, trends, patents, startup databases, innovation ecosystems, etc.



# THE 'WHY' OF CORPORATE VENTURING?

Corporate venturing offers several benefits to companies seeking to grow their business through innovation. We lay out nine objectives for corporate venturing:

1. Develop new technology and applications
2. Enter and expand into new markets, customer (groups), geographies, and industries
3. Develop new (agile) ways of working
4. Attract and hire new or other employees
5. Accelerate the pace of innovation
6. Make your (innovation) processes more agile
7. Counter disruptive threats in your business or industry
8. Engage in social innovation
9. Generate financial gains

# THE IMPORTANCE OF CORPORATE VENTURING

To become more successful in innovative growth, you must get out of the building. A continuous link with the outside world is crucial to:

» Explore the trends that shape the future of your industry

» Find new emerging technologies and growth opportunities

» Discover attractive startups and scaleups for partnering

After all, no company, big or small, can do it alone in today's world of autocatalytic change.

**Only 35% of companies actively engage with the outside world**

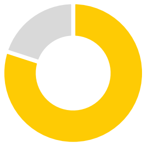
RevelX Innovation Readiness Benchmark research shows only 35% of companies actively tap into external resources to fuel their innovation pipeline. Furthermore, of the low innovation performers, 80% of do not venture into the outside world. MIT research (2020) values startups as the key source (44%) for innovation in 2025. While 29% comes from internal R&D and 10% from other internal departments.

**35%**

of companies actively search into the outside world for innovation

**80%**

of low innovation performers* do not venture externally



**44%**

see the importance of start-ups as a source for innovation in 2025

* Being a low, average, or high innovation performer in our benchmark depends on how companies rate themselves on the criteria for innovation performance in our research

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# WHY CORPORATE VENTURING FAILS

As stated before, corporate venturing is part of the solution for companies to improve their external orientation and innovation efforts. However, in practice, this comes with a lot of disillusionments. The results are simply discouraging: 69% of corporate venturing initiatives do not deliver as promised or simply just fail.

We list five key problems from our RevelX Innovation Readiness Benchmark* research and international research institutes.

## 1. Wrong selection

75% of partnerships with startups and scaleups fail, because of wrong start-up selection. Corporates often rely too much on 'reactive' campaigns. Proper scouting and matching is a difficult and costly task, but worth the effort.

## 2. Poor embedding

Many venturing programs lack a structured embedding in a corporate innovation strategy and process. It is often the hobby horse of certain individuals, resulting in 'innovation theatre'.

## 3. Partners' legacy

Partnering takes a lot of (internal) coordination and adaptation with corporates' legacy systems, structures, ways of working, and decision making. It is often two incompatible worlds colliding.

## 4. 'DIY'

Organizations must change their dominant innovation approach of 'Do-It-Yourself'. This approach is often flawed and sometimes even hostile towards external sources ('not invented here syndrome').

## 5. Competition

In today's world the best startups and scaleups have many scaling options to choose from. Corporates looking to venture compete with these options. Many fail to win over the hearts and minds of their intended venture partner. Trying to gain their trust and proof their added value.

* Join over 500 companies that have already participated in our innovation readiness benchmark (IRB) and assess your innovation strength. Click here to go to the benchmark

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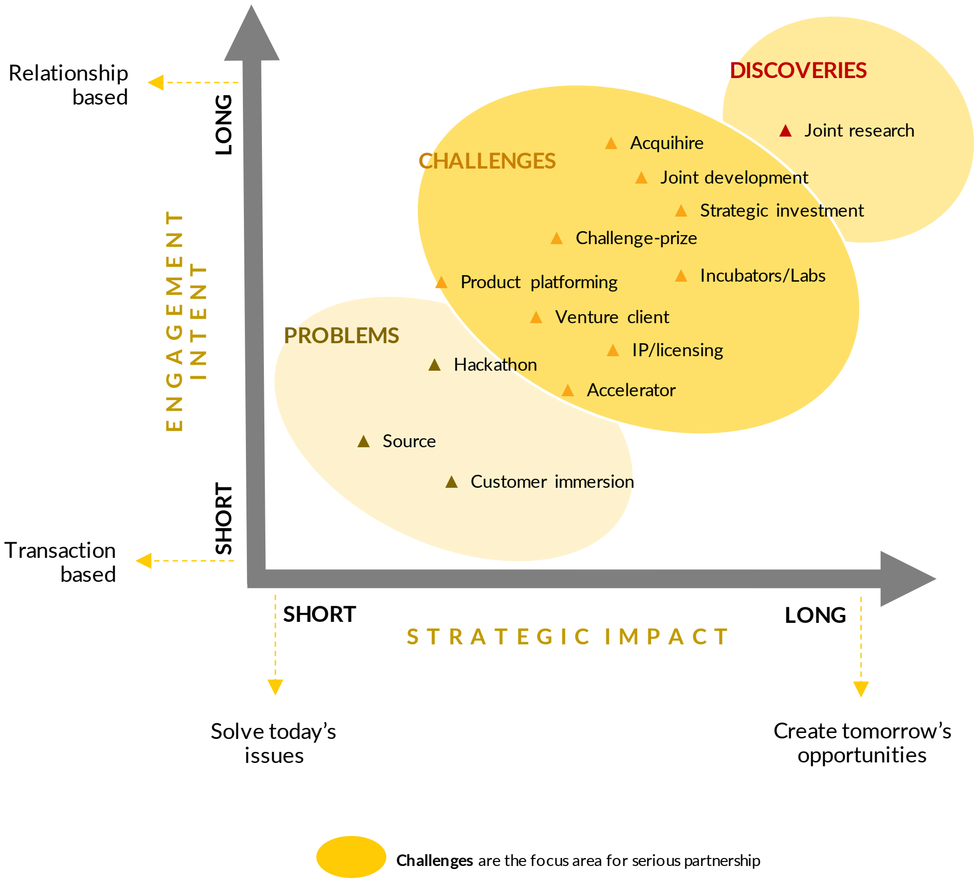
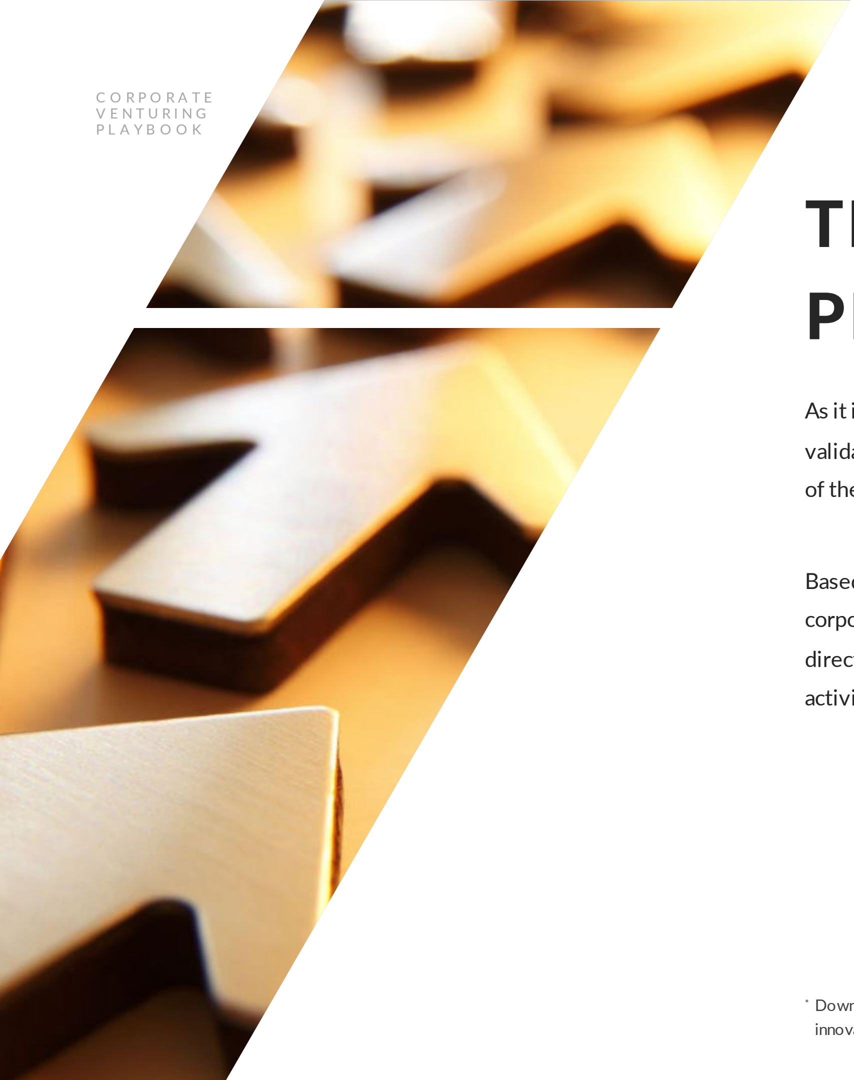
There are many options for partnering with start-, scale-, and grownups. Which one is right for your organization depends on the envisioned strategic impact and the engagement intent of the partners*.

# HOW TO COLLABORATE WITH START, SCALE, AND GROWNUPS?




* Adapted and adjusted from Scoutely research

# 03 THE PROCESS OF CORPORATE VENTURING



# THE CORPORATE VENTURING PROCESS FRAMEWORK

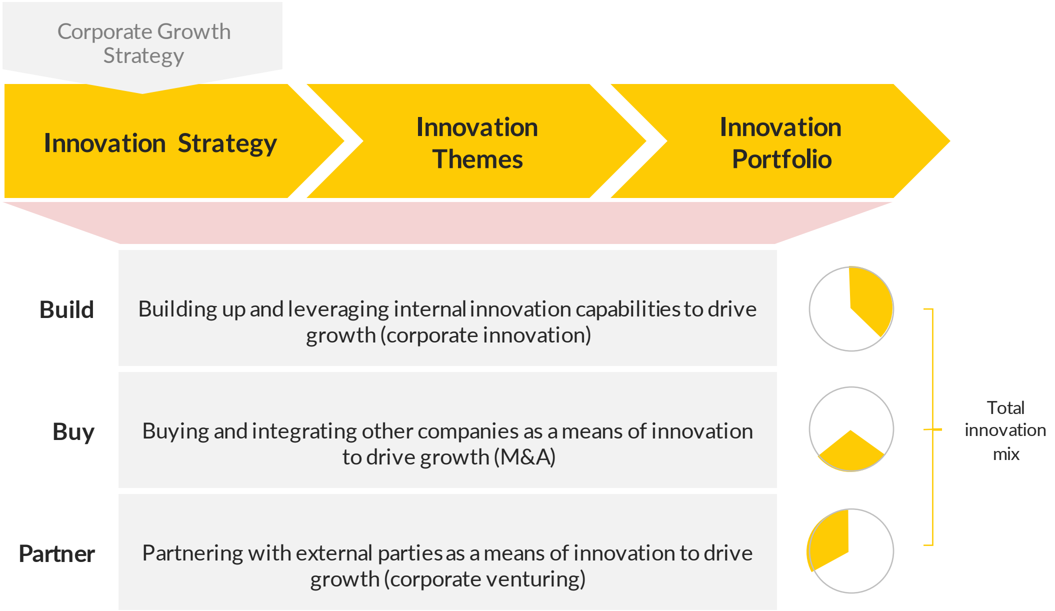
As it is part of the innovative growth mix, corporate venturing follows the same phases of ideation, validation and scale up described in our Innovation Playbook[*]. In essence, it is a mirrored external version of the internal innovation process, with slightly different process steps.

Based on these three phases we have developed our own best practice model for managing your corporate venturing process: **Corporate Venturing Process Framework**. The framework helps to set direction in the venturing process by walking through the main corporate venturing steps and its activities and challenges.

[*] Download the free Innovation Playbook here. The methods, tools, canvasses, and definitions any innovator needs to succeed.

# CORPORATE VENTURING IN THE INNOVATION MIX

Corporate venturing has a distinct place in the innovation mix. It sits next to corporate innovation (build) and acquisition (buy) as a key driver for growth. As discussed before, corporate venturing is gaining in importance as an effective means of innovation over building up internal innovation capabilities.



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# CORPORATE VENTURING PROCESS FRAMEWORK

To effectively manage corporate venturing, it is crucial to comprehend how it contributes to various stages of the innovation process. The framework follows the three consecutive phases of corporate innovation and has five distinct process steps.

| INNOVATION PHASE | IDEATION | | VALIDATION | | SCALE UP |
|---|---|---|---|---|---|
| INNOVATION STEPS | 1. DISCOVERING | 2. MATCH MAKING | 3. EXPLORING | 4. CREATING | 5. LAUNCHING |
| CORPORATE VENTURING ACTIVITIES | Discovering the relevant trends, technologies, solutions, startups, and scaleups at the right maturity level | Matching the findings with the business growth challenges and select partners with the right fit | Find potential use cases for applying the new solutions and ideas into the business (if applicable) | Validation of business feasibility of the new venture | Launch of the innovation and embedding into the business (if applicable) |

# 04

# THE ROLE OF COPORATE VENTURING IN IDEATION

# THE IDEATION PHASE

In the ideation phase, corporate venturing involves the discovery and assessment of the external innovative growth opportunities. This is followed by matching these opportunities with the business challenges. Structured and high-quality external ideation is a challenge for many corporates. We recognize the following ideation challenges:

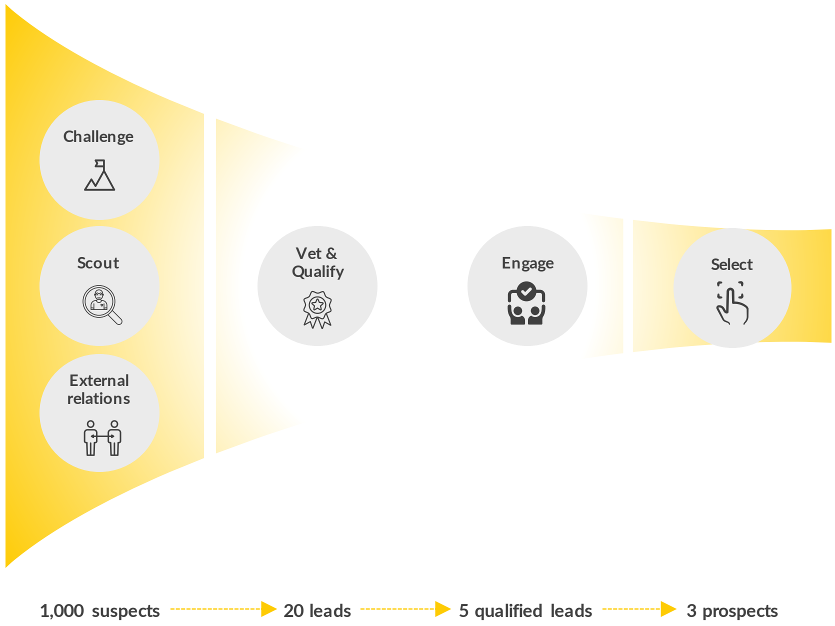
- Scouting (proactive) and challenging (reactive) for innovation opportunities
- Creating an open, transparent, continuous, and collaborative search environment
- Selecting the most promising ventures/partners

The basis for ideation is the corporate's growth strategy. Where do we want to play? How are we going to win? The process of ideation should result in a balanced (internal and external sourced) innovation portfolio for the business. Ideation makes use of design thinking principles and takes the (internal) customer as central vantage point. The starting point for any corporate venturing initiative is based on understanding the problems to solve.

* Need help with building your organization's growth strategy? Let us know! We are master in crafting actionable growth strategies. Check out our revelx.co for resources, blog posts and customer cases

# DISCOVERING

The discovery process is about finding the relevant (unknown) trends, technologies, solutions, startups, scaleups, and grownups at the right maturity level.




**Six characteristics of the discovering process:**

1. Discovery has the look and feel of a VC operating model; out of many (1,000) a small selection (3) is made to enter the funnel
2. Search is both reactive (challenges) as proactive (scouting)
3. Don't forget to include your existing business partners and relations in the discovery process
4. Make your organization's process continuous, collaborative, and transparent
5. Connect to as many external sources you feel fit
6. Automate the workflow, but do not skip the human factor, making real connections

# MAIN ACTIVITIES IN DISCOVERY PHASE

## 1. Challenging

Invite the outside world through campaigns, hackathons, accelerators, etc. to participate in your challenges. Initiating these challenges diligently takes time but increases the quality of the output.

## 2. Scouting

Continuously and proactively scout for relevant trends, emerging technologies, innovative startups and scaleups, experts and academia, and innovative networks, etc.
Visit exhibitions, seminars, network events and meetings, joint programs.

## 3. Relationship building

Maintain and explore your current relationships with relevant external partners and institutes in or outside your business and innovation ecosystem. Encourage them to collaborate.

## 4. Vetting & Qualifying

Vet and qualify solutions and their providers based on external knowledge, competitor and/or patent research and the potential for your businesses.

## 5. Engaging

Set up a first (virtual) engagement with potential partners. Meet & Greet and or a demo of the company. Also have that first coffee date to explore the personal fit.

## 6. Selecting

Select the most promising solutions and providers for the corporate's business growth challenges. Perform an opportunity assessment.

## 7. Feedback

Create a feedback loop to the various reactive and proactive search engines of your venturing process to improve the outcome of the search process.

Assess the strategic and organizational fit of the potential venture to assess the opportunity

# VENTURE OPPORTUNITY ASSESSMENT

| Venture Opportunity Assessment | | 1 | 2 | 3 | 4 | 5 | AVG |
|---|---|---|---|---|---|---|---|
| **Strategic fit** | The strategic goals of both partners are aligned and congruent | | | | | | X |
| | There is a demonstrated substantial growing market for this solution | | | | | | |
| | Current offerings/alternatives in the market are insufficient | | | | | | |
| | The venture partner provides a desired new technology | | | | | | |
| | The solution broadens our market scope (geography, industry,...) | | | | | | |
| | The partnership will increase our competitive edge and business value | | | | | | |
| | The (new) business model projects substantial financial gains | | | | | | |
| **Organizational fit** | The potential venture will accelerate the pace of our innovation | | | | | | Y |
| | There appears to be alignment on business values and ethics | | | | | | |
| | There is a personal fit on multiple levels between partners | | | | | | |
| | The potential partnership has sufficient support and ownership from the business | | | | | | |
| | Mutual responsibilities between the potential partners are clear | | | | | | |
| | The collaboration benefits from corporate's resources and assets (customers, R&D, people, funding,...) | | | | | | |
| | Our (tech) infrastructure and procedures are (easily) adapted for this partnership | | | | | | |

Learn more about the Venture Opportunity Assessment and participate in the assessment

I WANT TO TRY

**Definition of the rating**

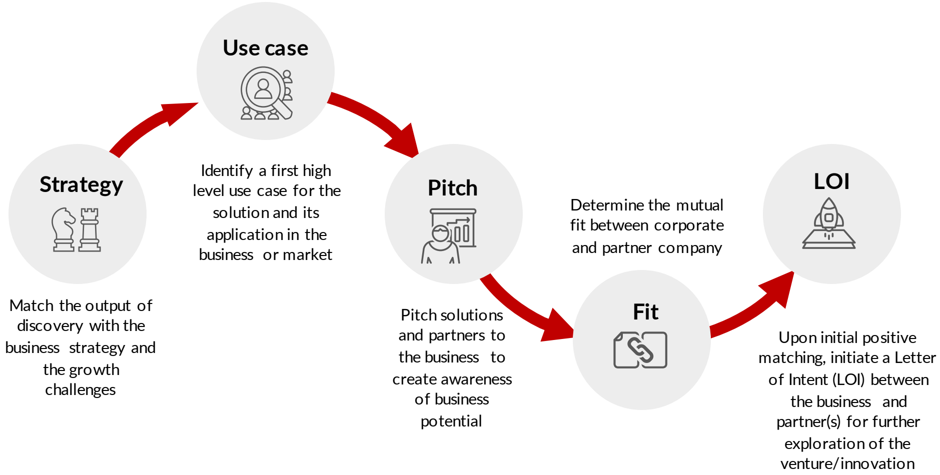
1 Fully disagree
2 Disagree
3 Agree nor disagree
4 Agree
5 Fully agree

# MATCH MAKING

The match making process involves aligning the identified opportunities / solutions with the growth challenges of the business and selecting partners who are a suitable match.

**Five characteristics of the match making process:**

1. Make sure the presented solution has the proper match with your main growth challenges
2. Solutions can be focused internally (e.g., processes, structures, etc.) or externally at (new) customers or the business ecosystem
3. Create a preliminary acceptance and business ownership within the relevant and or most benefiting businesses
4. Create a proper feedback loop to improve the search process and its output
5. A fit is based on organizational and strategic characteristics (see our Venture Opportunity Assessment)



# THE DESIRED LEVEL OF INTEGRATION

Once a match has been established between the solution and the business growth challenge, there is typically a general understanding of the desirability or necessity of integrating the opportunity or venture into the business.

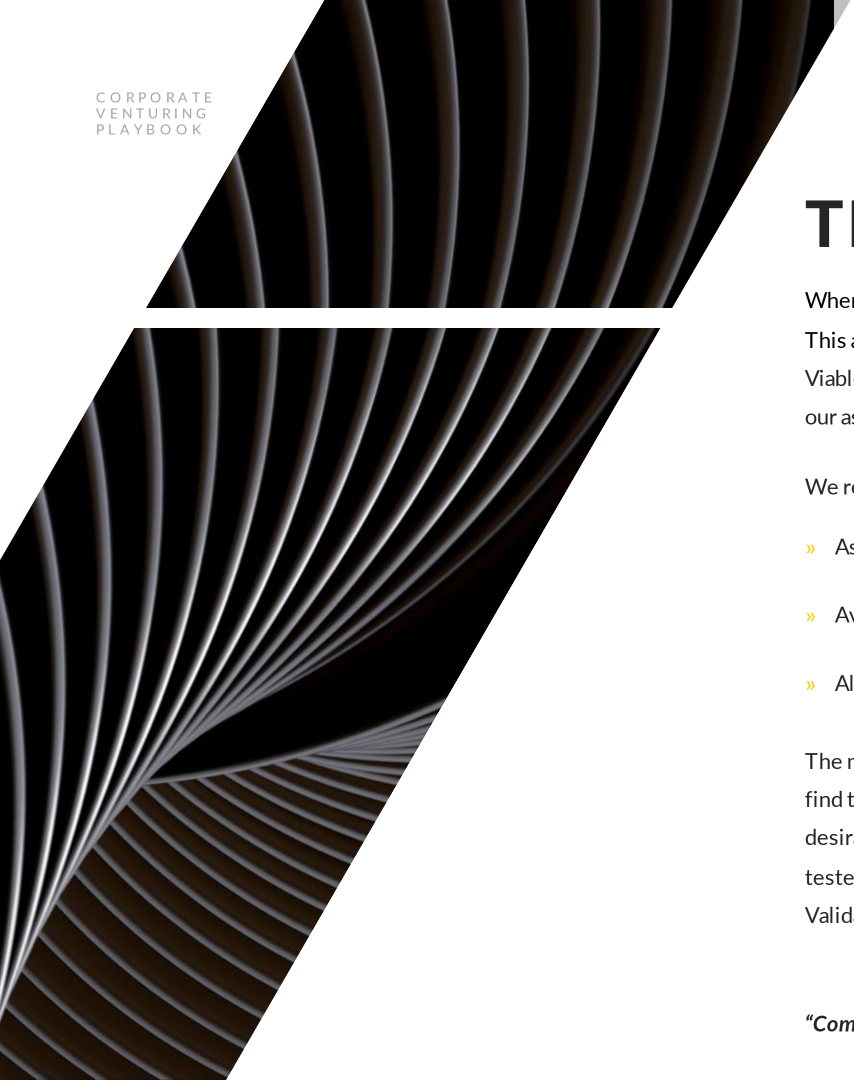
It is crucial for the subsequent stages of the process to align with this intention. The extent of change management needed is directly linked to the level of integration intensity of the venture.

## FOUR LEVELS OF DESIRED INTEGRATION

| | | |
|---|---|---|
| 1 | **Full integration** | The solution or partner will ultimately be acquired by the corporate with the intent to fully integrate its activities into its own. |
| 2 | **Partial integration** | There is no need to acquire the partner (for now) but will be held closely to the business. The venture will use and leverage some parts of the corporate's assets and or be blended in its total offering to the market. |
| 3 | **Independent** | The venture will stay fully independent of the corporate partner but will have a (prominent) position in the business ecosystem. |
| 4 | **Spin out** | It is clear the result of this venture will not be part of the corporate's ecosystem. The value of the venture process is deemed significant enough to stay in program. However, when seriously scaling up is required, a spin out is certain. |

# 05

# THE ROLE OF COPORATE VENTURING IN VALIDATION



# THE VALIDATION CHALLENGE

When the right match has been made with an external partner it is time to start the validation challenge. This always starts with formulating the key hypotheses, testing and experimenting. Building Minimum Viable Solutions (MVSs) and Proof of Concepts (POCs) are the preferred way of testing and validating our assumptions.

We recognize the following validation challenges:

» Assessing the true potential of new ventures/partners and solutions

» Avoiding unjustified investments in bad ideas, hobby horses or bad venture relations

» Align internal and external stakeholders, building the relationship, and take ownership

The main objective in the validation phase is to run a structured, collaborative process of exploration to find the best use cases in the business and or market to test the solution. Having found proof of desirability and viability, the next step is to create a proof of concept or 'first' product/solution, to be tested in real life. The proof of feasibility of the solution, in the realm of the corporate.
Validation is based on lean startup and agile principles.

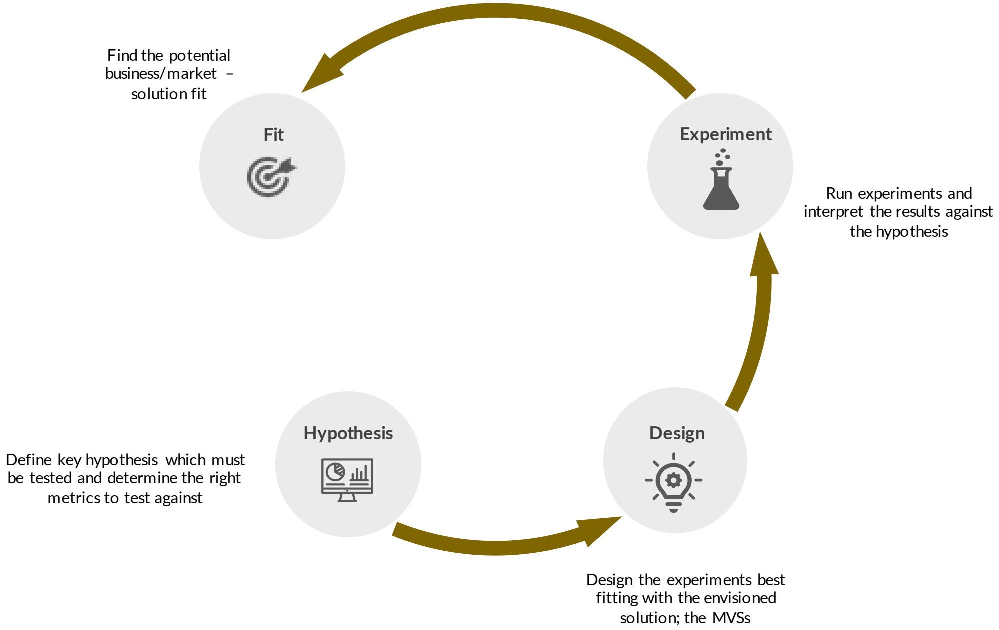
***"Companies innovate, and customers validate"* – Eric de Groot and Matthijs Rosman, DARE**

# EXPLORING

Exploring is about finding the potential use cases to apply the new solutions and ideas into the business. In some cases, solutions are 'ready made' and might skip this step in the process. In other cases, experimentation is required to validate our hypotheses in how the envisioned solution fits with specific use cases in the business.

**Lean startup principles applicable in the exploration phase:**

1. Identify the real problem to solve
2. Fail fast and learn often
3. Fake it before you make it
4. Keep iterating
5. MVS = awesome, not awful
6. Test, measure & learn!
7. Experiment rigorously
8. Find proof of desirability and viability



# MINIMUM VIABLE SOLUTION TO ASSESS SOLUTION-MARKET FIT

The Minimum Viable Solution (MVS) is a great way for assessing solution-market fit* of a venture opportunity. Marketing and selling an MVS enables you to determine whether you have reached solution-market fit or not.

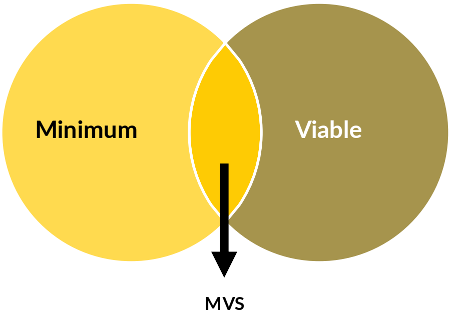
**What is an MVS' goal?**

The goal of an MVS is to quickly gather data on customer response to the envisioned solution.

**How do I measure success?**

One metric for solution/market fit is if at least 40% percent of surveyed customers indicate that they would be "very disappointed" if they no longer have access to a particular solution. Alternatively, it could be measured by having at least 40% of surveyed customers considering the solution a "must have".

A low-quality solution that nobody wants ...




Expensive solution that requires too much time and money ...

**A bare bones version of a solution that allows to gather data quickly and with little effort**

* Contrary to other innovation thinkers, we prefer to use the term Minimum Viable Solution over Minimum Viable Product. The main reasons for this are that we would like to stimulate innovators to think in terms of solutions rather than products and that it applies to intangibles (services) in the same way as tangibles.

# DESIGN A BUSINESS MODEL FOR YOUR VENTURE

The Business Model Canvas helps you define what business model is needed to sell and deliver your solution and how to monetize it.

### Using the Business Model Canvas

» Start with identifying the customers that you want to create value for

» Use 'personas' to better understand the customer's needs and behavior

» Design a solution value proposition that addresses the Jobs to be Done (JTBD), pains, and gains of your customer

» Tailor the channels and relations to the specific needs and behavior of each persona you want to target

» Apply as many of the 3x3 innovation types as you can when defining your business model; innovation is also about how you structure your business and partner network and the unique resources and assets that you have

» Make a careful make-or-buy assessment when defining the left side of the business model; partnering can reduce risks and time to market

## BUSINESS MODEL CANVAS

**Key partners**
- Who are our key partners?
- Who are our key suppliers?
- Which key resources do we acquire from partners?
- Which key activities do partners perform?

**Key activities**
- What key activities do our value propositions require?
- Our distribution channels?
- Customer Relationships?
- Revenue streams?

**Key resources**
- What key resources are required to develop and maintain our
  - value propositions
  - distribution channels
  - customer relations

**Value proposition**
- What value do we deliver to the customer?
- Which one of our customer's problems are we helping to solve?
- Which customers needs are we satisfying?
- What product / service bundles are we offering to each segment?

**Customer relations**
- What type of relationship do our customers expect?
- How are they integrated with the rest of the business model
- How costly are they?

**Channels**
- Through which channels do our customer segments want to be reached?
- How are our customer channels integred?
- Which work best and/or most cost efficient?

**Customer segments**
- For whom are we creating value?
- Who are our most important customers?
- What are the customer arche types?
- Who is the DMU
- Which personas can be identified?

**Cost structure**
- What are the most important costs inherent in our business model?
- Which key resources are most expensive?
- Which key activities are most expensive?

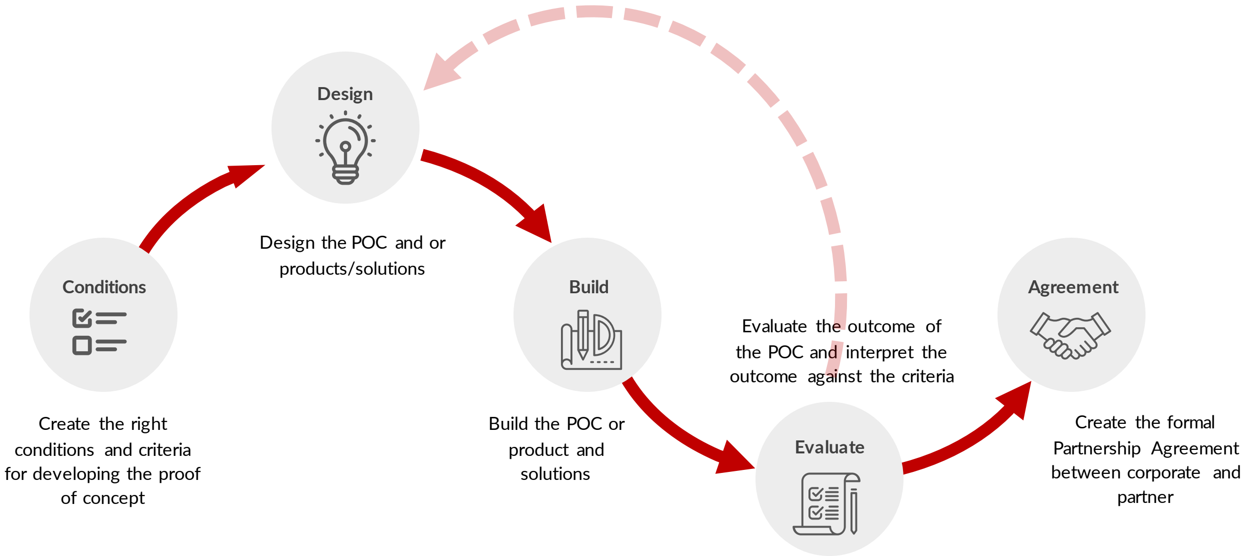
**Revenue streams**
- For what value are our customers really willing to pay?
- What is our pricing strategy / tactics?
- How much does each revenue stream contribute to overall revenues?

## DOWNLOAD YOUR FREE INNOVATION CANVASES

GET YOUR COPY NOW

# CREATING

The creation process involves validating the feasibility of integrating the new venture into the business. Can we deliver the solution profitably and reliably? This process entails constructing and testing proof of concepts to ascertain feasibility.




**Five characteristics of the creating process:**

1. Create a first POC or product in close collaboration with your partners
2. Develop a set of key criteria to test the proof of concept
3. Create a constructive (physical) environment and conditions in which the POCs can be built and evaluated
4. Align all relevant internal and external stakeholders to set the right conditions for the POC
5. Determine proof of feasibility of the solution, or go back to the drawing board

# DATA DRIVEN DECISION MAKING

Making objective decisions about corporate venturing requires having access to the right data and a data driven mindset.

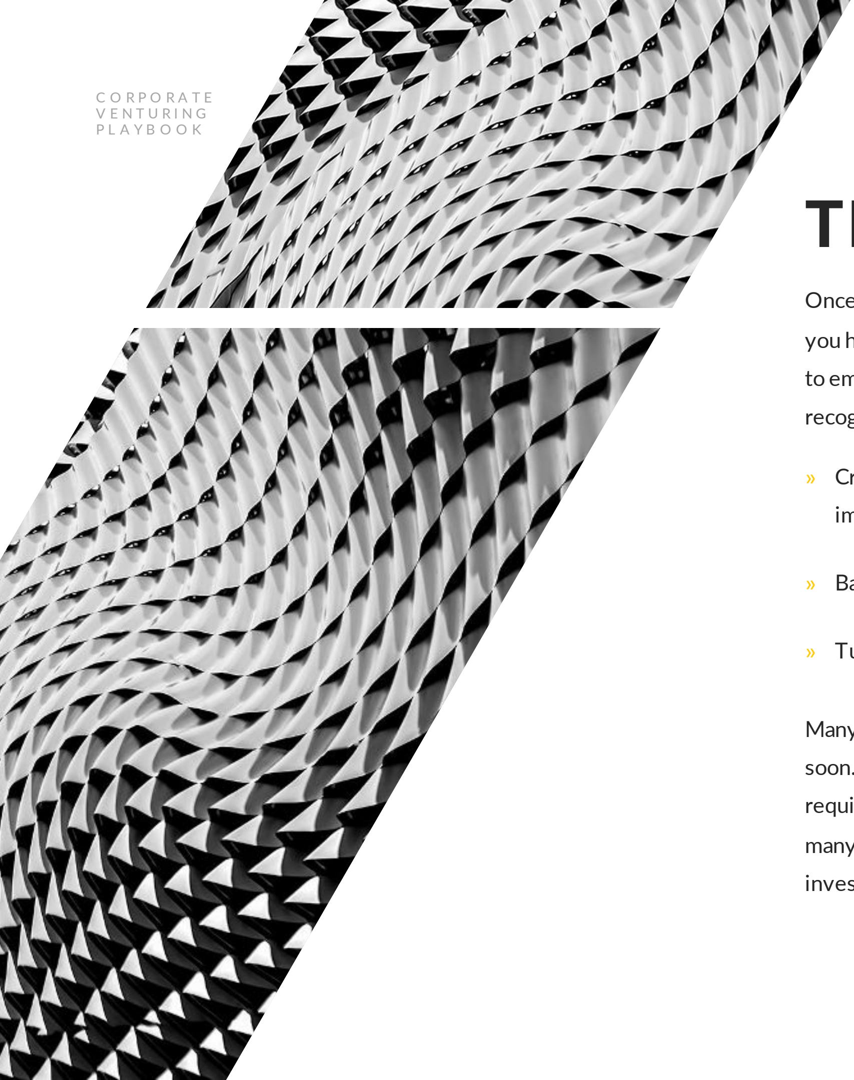
Decision making in an organization is often fraught with cognitive biases which are counter productive in many cases and outright dangerous in others. It becomes even harder when a relationship is involved, between two partners that have just entered the phase of courtship …

When making decisions about innovation make sure you recognize the common cognitive biases and address them in your organization.

## COMMON COGNITIVE BIASES

| | |
|---|---|
| **Ambiguity** | The tendency to avoid options for which missing information makes the probability seem unknown. |
| **Anchoring** | The tendency to rely too heavily on one piece of information. Often rooted in company myths and beliefs. |
| **Group think** | The tendency to believe things because many other people do or believe the same way. |
| **Confirmation** | The tendency to search for and interpret information and data in the way that confirms one's preconceptions. |
| **Framing** | Drawing different conclusions from the same information depending on how or by whom the information is presented. |
| **Optimism** | The tendency to be overly optimistic. Also known as wishful thinking or planning fallacy. |
| **Selection** | The tendency to notice something more when someone or something causes us to be more aware of it. |
| **Sunk cost / loss aversion** | The disutility of giving up an object is greater than the utility associated with acquiring it. |
| **Semmelweis reflex** | The tendency to reject new evidence that contradicts a set paradigm. |

# 06 THE ROLE OF COPORATE VENTURING IN SCALING UP



# THE SCALE-UP PHASE

Once the ideation and validation phases have been successfully completed, it becomes evident that you have a venture opportunity with tangible and substantial potential. This is the opportune moment to embark on the scale-up challenge and make investments to further develop the business. We recognize the following scaleup challenges in corporate venturing:

- Creating the right conditions, ownership and relationship management for successful implementation
- Balancing management, systems, and procedures of the corporate and partner
- Turning on the right growth engines

Many organizations struggle in this phase. They either put off scaling for too long or they scale too soon. Depending on the situation, you may miss the boat or crash prematurely. Scaling an innovation requires careful consideration. “Don’t try to scale it until you nail it.” is a popular saying. Yet it holds many truths. Especially in a corporate setting, too early focus on generating revenues and return on investment is a major failure factor in premature scaling.

# LAUNCHING

The launching phase entails actualizing the innovative solution and integrating it into the corporate business or establishing an independent existence. We identify six essential elements for a successful launch.

## 1. Plan

Jointly develop an implementation strategy. Design for the intended integration with the corporate. Make a growth strategy plan for further scaling and igniting the growth engines of the venture.

## 2. Prepare and organize

Prepare and organize for successful implementation, i.e., acceptance of all stakeholders, proper change management, and necessary reorganizations. Involvement and ownership of the business is a leading topic throughout the venturing process.

## 3. Adapt or except

Plan together with the corporate's main obstacle sources: legacy systems and procedures, internal and external compliance, legal, and governance. Structure adaptation or exception to the rule.

## 4. Resource

Make sure that the proper resources are in place for further scaling the business. This might include financial investments, depending on the strategic impact and corporates core definition.

## 5. Build

Serious scaling means getting the product from the 'lab' to the 'fab'. Go into serial production mode. Set up the organization for higher volumes of business.

## 6. Evaluate

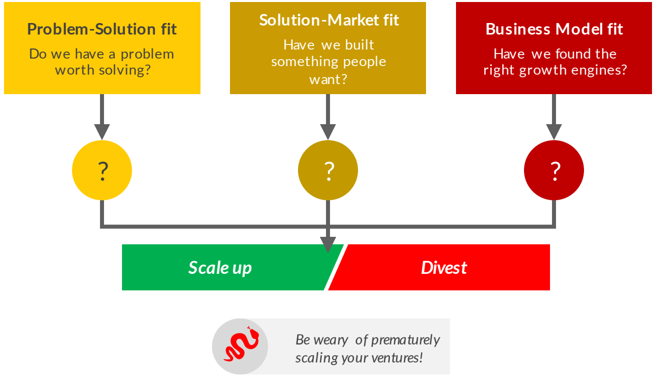
Set up a regular evaluation process of the partnership between the corporate business and the external partner.

# PIVOT, SCALE-UP, OR DIVEST?

The last phase of the corporate venturing process pertains to generating business value at scale. A venture now enters the monetization phase. Again, this phase should not be entered if there are no clear signs of:

1. **Problem-solution fit**: are we addressing the right problems?
2. **Solution-market fit**: have we built something the market or business wants or needs?
3. **Business model fit**: can we produce at scale in a viable way?

Pursuing a venture in this stage without proper sign off on the three tests puts your money and company reputation at risk. So, proceed with caution and construct a sound growth plan.




## SCALING REQUIRES A SOUND GROWTH PLAN

**Scaleup ambition**
What are our short term and long-term growth ambitions? What is your BHAG?

**Scaleup organization**
Where can the business be scaled best? How should governance be arranged?

**Scaleup roadmap**
How can the business be scaled best? What are the required enablers for growth?

**Engines of growth**
How do we fuel the scale up phase? Lifetime value, retention rates, viral coefficients, etc.

**Scaleup investment**
Move from frugal / affordable loss spending into growth investment

**Establishing growth metrics**
What (activity & impact) metrics do we apply to the business and what should be their values?

# GROWTH STRATEGY CANVAS

The Growth Strategy Canvas is a helpful guide in preventing misalignment with strategy and organization. It provides the organizational context and guidance for success with your corporate venture endeavor.

Most importantly, it makes the connection between the venture and the growth goals of an organization.

**Growth ambition**

- An inspiring statement of your growth ambitions, split into a longer term BHAG (Big Hairy Audacious Goal) and a mid term ambition

Tips

- Be bold and brave when defining the BHAG
- Make sure that your 3 to 5-year ambition is specific and preferably also includes a quantitative measure

**Transformation**

- The transformation your business has to make.
- This describes the current state and the future state you aim

Tips

- Define an inspirational ambition
- Use this as communication tool to the impact of the growth strategy

**Growth goals**

The main goals by which you measure the realization of your growth strategy.

Tips

- Define your goals SMART
- Avoid the hockey stick
- Also include non-financial goals

**Growth engines**

- The priorities in your growth strategy to realize the growth ambitions.
- Can be new markets, new propositions, acquisitions

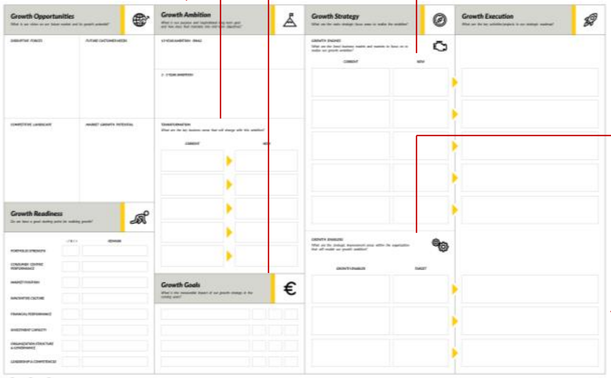
Tips

- Link growth engines to
  - market opportunities
  - key strengths
- Define the underlying value proposition and business model
- Validate growth engines with market data and customer feedback

**Growth Opportunities**

A summary of the external context and the growth opportunities that this presents:

- Which ***disruptive forces*** need to be countered
- What are the ***future needs*** of your customers (also driven by disruption)
- Who will be your future competitors and will this change the ***competitive landscape***
- Where do you expect the largest ***growth potential***




**Growth enablers**

- The internal improvements that are needed to realize your growth strategy.
- Think of competences, systems, processes, etc.

Tips

- Involve key operational people in defining your growth strategy
- Spent sufficient time on defining the enablers as they can be make or break

**Growth Readiness**

- Make sure your organization is ready for growth and that all preconditions are in place
- Helps to identify the growth enablers that need to be included in your strategic action plan

Tips

- Check this upfront to make sure you identify potential restrictions

**Growth execution**

Per growth engine and growth enabler you define strategics actions / projects that will be executed

Tips

- Define the strategic projects in more detail by the project leads
- Think about how you will monitor and manage the execution of the strategic roadmap

**DOWNLOAD YOUR FREE INNOVATION CANVASES**

GET YOUR COPY NOW

# FIVE PITFALLS TO BE AWARE OF WHEN SCALING

As mentioned, scaling of innovations is a difficult process – if not the most difficult part of the innovation process.

It becomes even more complex when more than one company is involved.

From our research in corporate venturing, we have identified five key pitfalls to be aware of in the scale-up process.

1 **Derailing or incongruence with strategy**
During the venturing process, objectives, solutions, and ambitions might have changed alienating you from your original strategic objectives. Or even worse, there was no clear strategy to begin with. It might have been the hobby horse of a senior manager resulting in lack of acceptance when it comes to serious scaling

2 **Underestimated disconnect**
In any organization, legacy systems, procedures, and compliance are at odds with each other. Trying to incorporate a venture into a legacy organization requires significant effort and should not be underestimated. A hostile stance from R&D towards 'not invented here' technology is not uncommon.

3 **Handover to business**
There is no clear integration vison and plan of integrating the venture in the business (see also page 23, desired levels of integration). Business doesn't fulfill the role of owner of the solution and hence the integration.

4 **Management capabilities & governance**
Taking a new venture one step further often implies other management roles and capabilities than managing a running business or initiating a venturing process. You must act and make (unpopular) decisions with proper governance in place. The right team is crucial for success.

5 **Change management**
A collaborative exchange between two organizations has impact on both organizations. Proper change management must be applied on both organizations to combat resistance to one another. A sound integration plan and clear vision on the envisioned collaboration must be in place.

# WHEN IS IT TIME TO SCALE?

When is it time to scale? This is a frequently asked question.

The reality is that there are no rigid criteria for entering the scaling phase; it occurs organically. However, in corporate venturing, there is a formal agreement between parties to proceed with follow-up activities.

To assist you in commencing the scaling journey, we provide a set of indicators to consider. Assess on how many criteria you can tick the box on the right. Do you believe that the most crucial conditions have been met to take the next step?

## IS IT TIME TO SCALE-UP? 12 SIGNS TO LOOK FOR:

- ☐ Getting interest from new customer groups
- ☐ Reaching sustainable user growth
- ☐ First adopters start to expect more
- ☐ Customers become sticky and recurring
- ☐ Solutions are becoming more standardized
- ☐ First competitors are showing up
- ☐ Recurring problems occur in the delivery and primary process
- ☐ Need for standards for transfer of knowledge
- ☐ Need for formal communication channels
- ☐ Need for formal decision-making process
- ☐ When you go international
- ☐ The venture project team grows beyond 30

# 07

## ARE YOU READY TO VENTURE?

REVELX

# FOUR BEST PRACTICES IN CORPORATE VENTURING

The current practice of corporate venturing shows poor return on investment for both corporates and their partners.

To become more successful in corporate venturing you must organize for success!

We have found there are four best practices in corporate venturing to follow.

**Need help in applying the best practices in your organization? Let us know!**

GET IN TOUCH

## SEARCH

In the search process, the crux is to get ahead of everybody else in spotting valuable startups and scaleups. Getting access to these is no easy task. Finding breakthrough technologies in the labs of research centres and universities is even more difficult.

Proper search implies research of everything out there. There are many sources and no single source covers all. In order to win you must be very proactive.

## FUNNEL MANAGEMENT

Speed is of the essence in dealing with startups and scaleups. This implies a quick vetting and quality assessment to uncover the potential benefits and mutual fit between the corporate and the external partner. It also calls for a standardized workflow, fitting with the corporates systems, but also agile enough to respond quickly to arising opportunities.

## ALLIANCE MANAGEMENT

Good alliance management starts with a match in aspects of business ethics, integrity, mutual respect, and building trusted relationships with young companies (and often new technologies you do not master yet). Joint development tooling and structuring, open innovation, and proper governance are essential ingredients in your management processes.

## BUSINESS ALIGNMENT

Corporate venturing must be aligned with the business. Not as a stand-alone and one-off activity. It should be ingrained with the company's strategy and internal innovation processes (from discovery to scaleup). Also, corporate venturing should be connected with the various internal business domains. Corporate venturing is a continuous process.

REVELX

# ARE YOU READY FOR CORPORATE VENTURING?

## BECOME A BEST-IN-CLASS CORPORATE VENTURER

To become best-in-class in corporate venturing you must understand your current venturing power. The **RevelX Corporate Venturing Readiness Assessment** allows you to measure how you stack up against the 25 best practices in corporate venturing.

This is the first step in becoming more relevant for your external partners. No matter at what proficiency level you are, try it for yourself!

## INCREASE YOUR VENTURING POWER

Take the RevelX Corporate Venturing Readiness Assessment (CVRA) and gain valuable insights how to increase your corporate venturing abilities.

**LEARN MORE AND PARTICIPATE IN THE ASSESSMENT**

**MY REPORT**

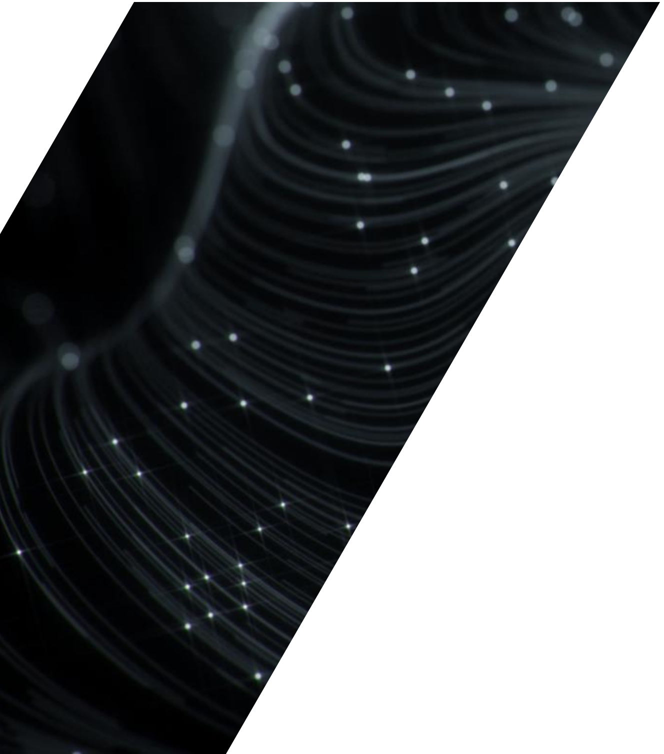
Measure the venturing power of your organization against 25 best practices* in corporate venturing performance:

- Compare your organization with the high performers in our benchmark
- Understand which areas can drive venturing performance and where to improve
- Receive a personal CVRA report including customized recommendations, during a (virtual) 30 minutes meeting with one of our professionals

* Adapted from independent research of Rotterdam School of Management and Corporate Venturing Network, 2021

# 08

## LET'S GET STARTED!



# WHAT ARE YOU WAITING FOR?

We trust this corporate venturing playbook has inspired you to start working on corporate venturing or to up your game. Now, how to start? Let's follow good innovation practice and start small. Begin with an assessment of your corporate venturing capabilities with the **RevelX Corporate Venturing Readiness Assessment.**

Second, we advise you to engage in a bespoke **Venturing Discovery Workshop.** In which we analyze your strategic business needs and innovation strategy, how corporate venturing might help and accelerate your innovation goals, your current innovation practice, and ways to improve your venturing performance.

Or simply start working on the three key phases in the Corporate Venturing process framework for managing your corporate venturing process. We offer you three separate and connected modules for improvement: Search, Venturing Management and Alliance Performance.

**Want to know more?**

GIVE US A CALL

# VENTURING DISCOVERY WORKSHOP

A great way to follow up on your Corporate Venturing Readiness Assessment is to engage in a customized 1- 2-day Venturing Discovery Workshop with your team.

In this workshop we pay attention to the ***why*** and ***what*** of corporate venturing, your business strategy, and innovation mix to achieve your long-term development goals. We also address the ***how?*** Your current innovation practice and in particular your venturing capabilities. To measure your overall innovation performance, we make use of our proven Innovation Readiness Benchmark.

What you will get:

» Clear insights in specific improvement areas and venture opportunities

» Prioritization where to start with the highest pay off

» Action plan for change

**Why/What?**

Exploring the corporate and innovation strategy

leading to

Innovation growth mix and corporate venturing opportunities

**How?**

Exploring innovation and corporate venturing readiness

leading to

Innovation and corporate venturing improvement areas

Corporate Venturing action plan

**Want to know more?**

GET IN TOUCH NOW

REVELX

# THE SEARCH PROCESS

In the search process it is imperative to be the first in spotting valuable startups and scaleups. Finding breakthrough technologies in the labs of research centres and universities is even more difficult.

To search properly, you must kiss many frogs to find your prince. There are many (data) sources and no single source covers all. In order to win you must be very proactive.

We offer two modules to improve your search process: **Advanced Scouting** and **Innovation Challenges**

## ADVANCED SCOUTING

Advanced Scouting is aimed at widening the scope of your search process:

1. The starting point of the scouting process is your innovation strategy. For which specific use cases and or strategic challenges do you want to engage in corporate venturing?
2. The next step is to scout a wide array of sources for potential corporate venturing opportunities or solutions
3. The longlist will be narrowed down through a validation (qualifying and vetting) process into a shortlist of potentials.
4. The potential candidates will be matched with the business and it's specific challenges and requirements. First engagements are organized, with letters of intent (LOIs) as a result when the match is positive.

Our Advanced Scouting module has been closely developed with our technology partners.

## INNOVATION CHALLENGES

Where our Advanced Scouting module sets you up for proactive search, our Innovation Challenges module focusses on organizing campaigns and open innovation challenges around one or more specific innovation problems.

This module comes as a highly automated process that we organize in close cooperation with our innovation technology partner Qmarkets.

Want to know more?

BOOK A MEETING NOW

REVELX
Qmarkets

# PROFESSIONALIZE USING END2END SOFTWARE SOLUTIONS

As innovation continues to evolve within companies, there is an increasing requirement for investment in end-to-end software solutions to professionalize the innovation process. This gives you several advantages:

1. Supports a *continuous* process
2. *Proactive* and *reactive* scouting and ideation in the crowd
3. Easy connect and integration with *unlimited sources*
4. Stimulates *collaboration* in all layers of the organization
5. Makes the process very *transparent* and *scalable*

RevelX partners with Qmarkets, one of the market leaders for innovation software solutions. On the right you find some of their highly configurable, expandable and mobile responsive modules.

| | |
|---|---|
| **Q-need** | Defines, collects and enriches the innovation use cases of your business; the problems to be solved |
| **Q-trend** | Provides relevant insights and innovation and technology trends for your strategy and scouting |
| **Q-scout** | Search and manage your (potential) partnerships and M&A portfolio for corporate venturing |
| **Q-ideate** | Find and manage internal and external ideas throughout its lifecycle, from conception to implementation |
| **Q-optimize** | Realize operational excellence and continuous improvement with more incremental innovations |
| **Q-impact** | Manage progress and impact of all innovation projects in detail |

# VENTURING MANAGEMENT

To become more successful in corporate venturing you must organize and manage for success!

This implies a **well-structured corporate venturing management process**. The basis for this process can be found in this Playbook, based on the best practices in the field.

It also calls for a **standardized workflow**, fitting with the corporate's systems and being agile enough to respond quickly to arising opportunities.


1. **Design**

   When your innovation strategy is clear, and you know what you want to achieve it is time to design the way to create success! In a *design sprint workshop*, we will jointly construct a continuous and efficient process for corporate venturing, including appropriate levels of automation.

2. **Align**

   The corporate venturing process must be aligned with the business. Not as a stand-alone and one-off activity. It should be integrated with the company's strategy and internal innovation processes, as one continuous process. Communication, and a proper governance structure (like a Growth Board) are key activities.

3. **Implement**

   We configure the corporate venturing process and tooling to function within your organization. This means configuring the (automated) venturing platform and turning on the external sources for scouting and matching within your organization. We incorporate current corporate venturing workflows in the new process.

4. **Run**

   In the run-phase we perform three key activities:

   1. **Optimize:** We optimize the workflow during a specific period after completion
   2. **Monitor:** We monitor (at a distance) and resolve issues and improve when necessary
   3. **Outsource:** RevelX can take over the corporate venturing workflow process, Corporate Venturing as a Service, based on (pre)defined KPIs and SLAs.

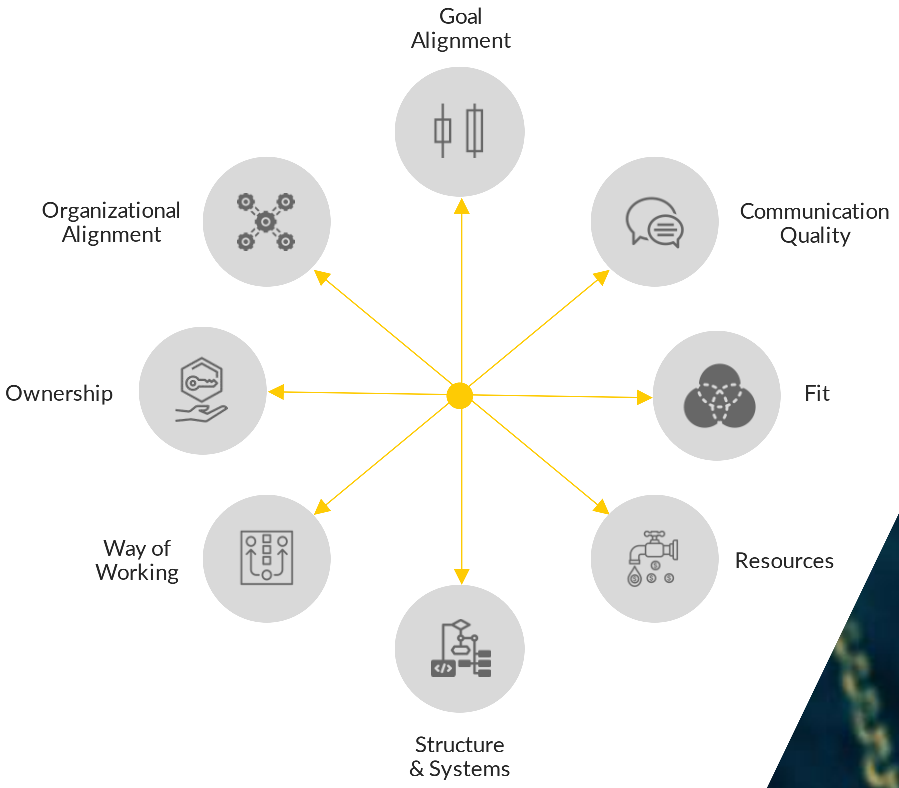
Want to know more?

CALL US NOW

# ALLIANCE PERFORMANCE

It takes two to tango. Good alliance management starts with alignment of individual (strategic) goals of the partners and congruence of business ethics, integrity, and mutual respect. The right fit. Other essential ingredients are good communication, proper resources, the right systems and way of working. Partnerships also needs corporate's ownership at the right level and place, and alignment with the organization.

In the next edition of this playbook, we will offer you **PULSE**, our new assessment that measures the heartbeat of your existing partnerships.



# TECHNOLOGY INNOVATION VENTURING PROCESS

KLM is one of the world's leading innovative airlines. Technological innovation is a key pillar of its corporate strategy.
In order to facilitate successful technological innovation and become more efficient, customer-focused, sustainable, and provide a better employee experience, management asked RevelX to help set up a new corporate technology venturing process and organization called BlueLabs.

## The client

KLM was established in 1919 and is one of the worlds oldest airlines, carrying over 35M passengers, over 600K tons of cargo to 160+ destinations in the world. Since 2004, KLM is part of the Air France KLM Group and is part of the SkyTeam Alliance.

## The challenge

BlueLabs is a new organization within KLM focused on introducing technology to the business. Technology which is new to KLM but known and proven in the world. Its main purpose is to find, explore, develop, and scale technology opportunities with and in the businesses of KLM.

## The solution

Together with the core team of BlueLabs, RevelX has designed the new department, its core processes, and roles and responsibilities. The main activities of BlueLabs are scouting, match making, exploring and creating new technology opportunities.
An important part of our approach was to create buy-in from important stakeholders and start executing with some early internal customers.

## The result

A new process for corporate venturing, focused on technological innovation has been designed. In co-creation with the team, an operating model, governance, and way of working through the set-up of technology labs in the businesses has been developed. The BlueLabs Innovation Playbook serves as a guide for internal and external collaboration.

# WANT TO DISCUSS YOUR INNOVATION CHALLENGES?

You're more than welcome to contact us for a

FREE 30 minutes **Innovation Consult.**

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